



CITY OF BELVIDERE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022



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Prepared By

Shannon Hansen
Finance/Budget Officer

CITY OF BELVIDERE, ILLINOIS
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CITY OF BELVIDERE, ILLINOIS
PRINCIPAL OFFICIALS
April 30, 2022

LEGISLATIVE

ELECTED OFFICIALS

Mayor: Clinton Morris

City Clerk: Sarah Turnipseed

Treasurer: Cory Thornton

Ward 1 Alderman:

Ward 1 Alderman:

Tom Porter

Clayton Stevens

Ward 2 Alderman:

Ward 2 Alderman:

Natalie Mulhall

Daniel Snow

Ward 3 Alderman:

Ward 3 Alderman:

Sheryl Prather

Wendy Frank

Ward 4 Alderman:

Ward 4 Alderman:

Mike McGee

Matt Fleury

Ward 5 Alderman:

Ward 5 Alderman:

Marsha Freeman

Ric Brereton

ADMINISTRATIVE

Police Chief:

Shane Woody

Fire Chief:

Alan Hyser

Budget/Finance Officer:

Shannon Hansen

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The City 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.

Supplementary 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 supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and is 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the principal officials and supplemental data but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich LLP

Naperville, Illinois
October 10, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which begin on page 5.

FINANCIAL HIGHLIGHTS

- The City of Belvidere's net position increased as a result of this year's operations. The net position of business-type activities increased by \$36,133, or 0.08 percent and the net position of the governmental activities increased by \$3,636,455.
- During the year, government-wide revenues for the primary government totaled \$31,328,512 while expenses totaled \$27,655,924, resulting in an increase to net position of \$3,672,588.
- The City's net position totaled \$43,037,569 on April 30, 2022, which includes \$53,986,913 net investment in capital assets, \$2,923,113 subject to external restrictions, and \$(13,872,457) 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 \$5,207,197 resulting in an ending fund balance of \$19,674,116 which is an increase of 35.9 percent. This increase was the result of new revenue streams that were implemented during the fiscal year 2019 in addition to increases in sales tax, personal property replacement tax and income tax.

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 5-8) 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 9. 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 5-8 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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, 2022

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 9-12 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, 2022

USING THIS ANNUAL REPORT – 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 and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 80-97 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 107-115 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 \$43,037,569.

	Governmental		Net Position		Total	
	Activities		Business-type			
	2022	2021	2022	2021	2022	2021
Current/Other Assets	\$ 33,130,870	24,609,533	8,736,087	7,088,478	41,866,957	31,698,011
Capital Assets	19,600,973	21,422,359	40,048,456	39,400,272	59,649,429	60,822,631
Total Assets	52,731,843	46,031,892	48,784,543	46,488,750	101,516,386	92,520,642
Deferred Outflows	4,775,413	4,013,296	601,965	730,374	5,377,378	4,743,670
Total Assets and Deferred Outflows	57,507,256	50,045,188	49,386,508	47,219,124	106,893,764	97,264,312
Long-Term Liabilities	37,261,388	32,790,401	4,137,742	3,267,089	41,399,130	36,057,490
Other Liabilities	8,070,890	5,306,165	786,299	352,990	8,857,189	5,659,155
Total Liabilities	45,332,278	38,096,566	4,924,041	3,620,079	50,256,319	41,716,645
Deferred Inflows	11,490,394	14,900,493	2,109,482	1,282,193	13,599,876	16,182,686
Total Assets and Deferred Outflows	56,822,672	52,997,059	7,033,523	4,902,272	63,856,195	57,899,331
Net Position						
Net Investment in Capital Assets	16,242,728	17,938,607	37,744,185	38,048,553	53,986,913	55,987,160
Restricted	2,923,113	2,178,730	-	-	2,923,113	2,178,730
Unrestricted (Deficit)	(18,481,257)	(23,069,208)	4,608,800	4,268,299	(13,872,457)	(18,800,909)
Total Net Position	684,584	(2,951,871)	42,352,985	42,316,852	43,037,569	39,364,981

A large portion of the City's net position, \$53,986,913 or 125.0 percent, reflects its net investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,923,113 or 7.0 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining percentage, or \$(13,872,457), 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, due primarily to the net pension liabilities for the police and firefighter pension plans.

CITY OF BELVIDERE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 1,864,756	1,526,875	5,592,466	5,103,705	7,457,222	6,630,580
Operating Grants/Contrib.	1,304,885	2,790,863	3,365	9,852	1,308,250	2,800,715
Capital Grants/Contrib.	662,051	1,039,859	621,893	-	1,283,944	1,039,859
General Revenues						
Property Taxes	5,324,473	5,285,926	-	-	5,324,473	5,285,926
Utility Taxes	2,385,118	2,483,954	-	-	2,385,118	2,483,954
Replacement Taxes	1,249,292	520,400	-	-	1,249,292	520,400
Other Taxes	1,111,410	856,361	-	-	1,111,410	856,361
Sales and Use Taxes	7,194,574	6,117,897	-	-	7,194,574	6,117,897
Income Taxes	3,667,723	2,932,995	-	-	3,667,723	2,932,995
Other General Revenues	367,043	619,795	(20,537)	91,361	346,506	711,156
Total Revenues	25,131,325	24,174,925	6,197,187	5,204,918	31,328,512	29,379,843
Expenses						
General Government	2,688,849	3,933,222	-	-	2,688,849	3,933,222
Public Safety	12,962,541	11,714,684	-	-	12,962,541	11,714,684
Highways and Streets	5,348,993	3,903,779	-	-	5,348,993	3,903,779
Health and Social Services	2,599	43,834	-	-	2,599	43,834
Community/Economic Devel.	93,804	60,820	-	-	93,804	60,820
Interest on Long-Term Debt	398,084	402,342	-	-	398,084	402,342
Water and Sewer	-	-	6,161,054	5,690,194	6,161,054	5,690,194
Total Expenses	21,494,870	20,058,681	6,161,054	5,690,194	27,655,924	25,748,875
Change in Net Position						
Before Transfers	3,636,455	4,116,244	36,133	(485,276)	3,672,588	3,630,968
Transfers in (out)	-	(144,055)	-	144,055	-	-
Change in Net Position	3,636,455	3,972,189	36,133	(341,221)	3,672,588	3,630,968
Net Position - Beginning	(2,951,871)	(6,924,060)	42,316,852	42,658,073	39,364,981	35,734,013
Net Position - Ending	684,584	(2,951,871)	42,352,985	42,316,852	43,037,569	39,364,981

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

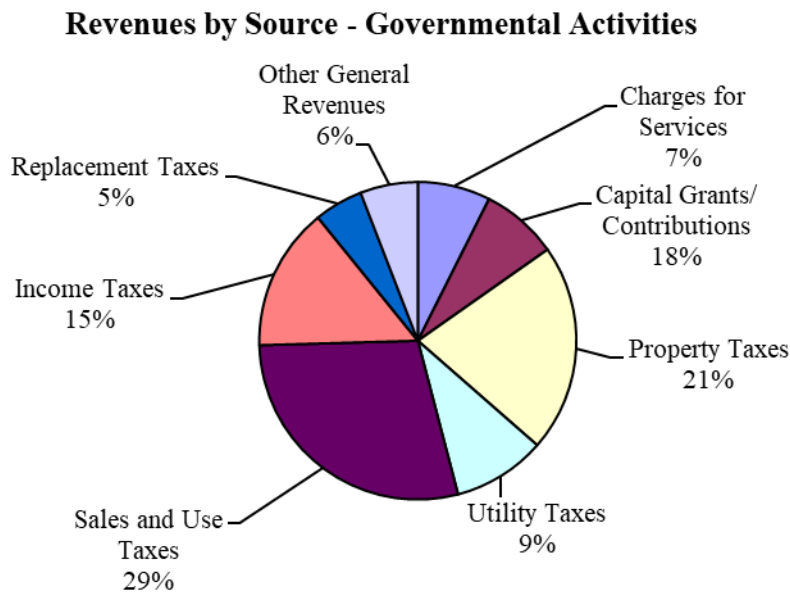
Net position of the City of Belvidere’s governmental activities increased by 123.1 percent to \$684,584 in 2022 compared to \$(2,951,871) in 2021. Unrestricted net position within governmental activities, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit position of \$(18,481,257) at April 30, 2022.

Net position of the business-type activities decreased by 0.8 percent to \$42,352,985 in 2022 compared to \$42,316,852 in 2021.

Governmental Activities

Revenues for governmental activities totaled \$25,131,325 while the cost of all governmental functions totaled \$21,494,870. This results in a surplus of \$3,636,455. In 2021, revenues of \$24,174,925 were more than expenses of \$20,058,681 resulting in a surplus of \$4,116,244 and there was one transfer out of \$144,055.

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.



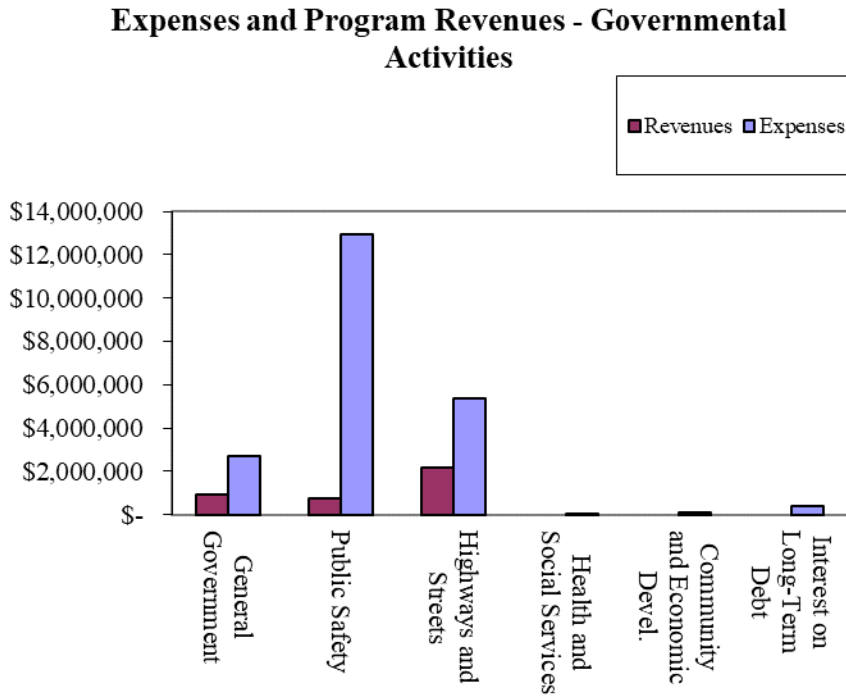
CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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



Business-Type Activities

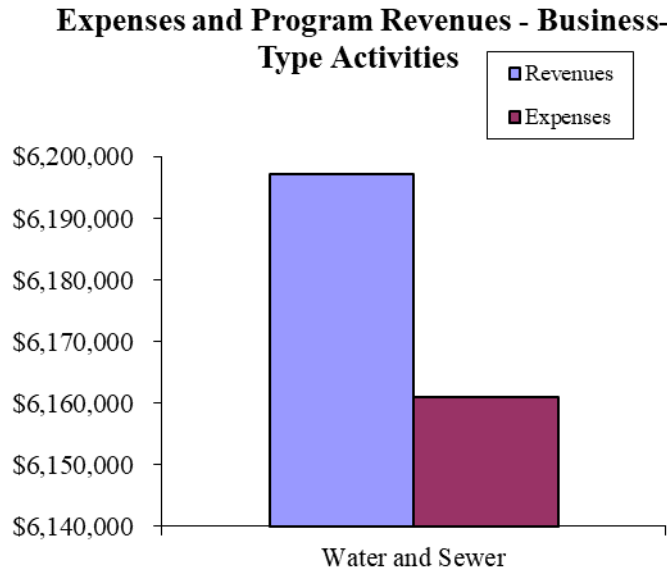
Business-Type activities posted total revenues of \$6,197,187, while the cost of all business-type activities totaled \$6,161,054. This results in a surplus of \$36,133 and there were no transfers in or out. In 2021, revenues were \$5,204,918, while the cost of all business-type activities totaled \$5,690,194 resulting in a deficit of \$(485,276) and there was one transfer in of \$144,055.

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

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 \$22,497,978, which is \$4,847,316, or 27.4 percent, higher than last year’s total of \$17,650,662. Of the \$22,497,978 total, \$18,295,204, or approximately 81.5 percent, of the fund balance, constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$5,207,197, an increase of 51.9 percent. This was due in large part to new revenue sources that were approved during fiscal year 2019 in addition to increases in sales tax, personal property replacement tax and income tax revenues. Budgeted expenditures totaled \$18,467,038 while actual expenditures totaled \$17,663,084. 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, 2022

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, 2022, unassigned fund balance in the General Fund was \$18,336,337 which represents 93.2 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 64.9 percent of total General Fund expenditures.

The Nonmajor Funds realized a decrease in fund balance of \$(359,881) as a result of unanticipated capital fund projects.

Proprietary Funds

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

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

The increase in the Water and Sewer Fund during the current fiscal year was \$36,133 while the previous fiscal year reported a decrease of \$341,221. Unrestricted net position in the Water and Sewer Fund totaled \$4,608,800 at April 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$23,171,416, compared to budgeted revenues of \$19,857,155. The actual revenues were \$3,314,261 higher than the original budget of \$19,857,155.

The General Fund actual expenditures for the year were \$803,954 lower than the original budget of \$18,467,038.

CITY OF BELVIDERE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

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, 2022 was \$59,649,429 (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	
	2022	2021	2022	2021	2022	2021
Land	\$ 963,418	963,418	696,551	696,551	1,659,969	1,659,969
Construction in Progress	307,085	661,988	2,224,019	1,241,896	2,531,104	1,903,884
Land Improvements	35,594	37,172	-	-	35,594	37,172
Infrastructure	14,382,541	15,781,844	-	-	14,382,541	15,781,844
Building and Improvements	1,477,951	1,587,966	895,464	922,935	2,373,415	2,510,901
Water Transmission System	-	-	10,250,062	10,525,540	10,250,062	10,525,540
Sewer Collection System	-	-	21,584,891	21,987,499	21,584,891	21,987,499
Equipment	704,349	782,418	4,301,097	3,907,250	5,005,446	4,689,668
Vehicles	1,730,035	1,607,553	96,372	118,601	1,826,407	1,726,154
Total	19,600,973	21,422,359	40,048,456	39,400,272	59,649,429	60,822,631

Governmental Activities

Construction in Progress	\$ 252,234
Infrastructure	-
Equipment	73,306
Vehicles	346,984
	\$ 672,524

Business-Type Activities

Construction in Progress	\$ 2,619,120
Infrastructure	-
Sewer Collection System	-
Vehicles	-
	\$ 2,619,120

Additional information on the City of Belvidere’s capital assets can be found in Note 3 on pages 31-33 of this report.

CITY OF BELVIDERE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the City of Belvidere had total outstanding debt of \$4,964,964 as compared to \$5,140,471 the previous year, which is a decrease of 3.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Debt Certificates	\$ 255,098	315,098	-	-	255,098	315,098
Tax Increment Revenue Notes	3,036,000	3,036,000	-	-	3,036,000	3,036,000
Capital Lease	67,147	132,654	-	-	67,147	132,654
Landfill Post Closure Costs	255,000	305,000	-	-	255,000	305,000
IEPA Loan	-	-	2,304,271	1,351,719	2,304,271	1,351,719
Total	3,613,245	3,788,752	2,304,271	1,351,719	5,917,516	5,140,471

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 4 on pages 33-38 of this report.

The City's elected and appointed officials considered many factors when setting the fiscal year 2022 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 as of April 30, 2022 for the City of Belvidere was 9.8% and Boone County was 7.8%. The state and national unemployment rates were 4.4% and 3.6%, respectively. Unemployment due to Covid-19 continues to impact Belvidere and Boone County, including a long-term shut down of Stellantis, also known as the Belvidere Chrysler plant.

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, Shannon Hansen, City of Belvidere, 401 Whitney Boulevard, Belvidere, Illinois 61008.

BASIC FINANCIAL STATEMENTS

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Ida Public Library
ASSETS				
Cash and investments	\$ 23,269,033	\$ 5,697,957	\$ 28,966,990	\$ 828,157
Receivables, net where applicable of allowance for uncollectibles				
Property taxes	5,285,100	-	5,285,100	744,554
Sales taxes	1,489,093	-	1,489,093	-
Income taxes	244,316	-	244,316	-
Telecommunications tax	257,760	-	257,760	-
Accounts	-	974,689	974,689	-
Accrued interest	8,747	5,575	14,322	-
Other	425,337	-	425,337	38,741
Prepaid expenses	322,985	206,962	529,947	19,611
Inventory	-	64,714	64,714	-
Net pension asset - IMRF	1,758,611	1,786,190	3,544,801	390,830
Net pension asset - IMRF (SLEP)	69,888	-	69,888	-
Capital assets not being depreciated	1,270,503	2,920,570	4,191,073	385,547
Capital assets being depreciated, net of accumulated depreciation	18,330,470	37,127,886	55,458,356	514,001
Total assets	52,731,843	48,784,543	101,516,386	2,921,441
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligation	-	193,455	193,455	-
Pension items - IMRF (Regular)	48,869	51,884	100,753	19,196
Pension items - IMRF (SLEP)	2,521	-	2,521	-
Pension items - Police Pension	1,788,111	-	1,788,111	-
Pension items - Firefighters' Pension	1,157,510	-	1,157,510	-
OPEB items	1,778,402	356,626	2,135,028	12,940
Total deferred outflows of resources	4,775,413	601,965	5,377,378	32,136
Total assets and deferred outflows of resources	57,507,256	49,386,508	106,893,764	2,953,577
LIABILITIES				
Accounts payable	411,183	744,552	1,155,735	13,644
Accrued payroll	189,618	34,158	223,776	10,316
Deposits payable	384,471	-	384,471	-
Due to fiduciary component units	823,233	-	823,233	-
Unearned revenue	1,710,788	-	1,710,788	2,700
Interest payable	4,551,597	7,589	4,559,186	-
Long-term liabilities				
Due within one year	596,168	194,117	790,285	24,633
Due in more than one year	36,665,220	3,943,625	40,608,845	318,292
Total liabilities	45,332,278	4,924,041	50,256,319	369,585
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF (Regular)	1,749,980	1,783,521	3,533,501	411,527
Pension items - IMRF (SLEP)	137,719	-	137,719	-
Pension items - Police Pension	1,602,727	-	1,602,727	-
Pension items - Firefighters' Pension	1,089,379	-	1,089,379	-
OPEB items	1,625,489	325,961	1,951,450	93,800
Deferred revenue - property taxes	5,285,100	-	5,285,100	744,554
Total deferred inflows of resources	11,490,394	2,109,482	13,599,876	1,249,881
Total liabilities and deferred inflows of resources	56,822,672	7,033,523	63,856,195	1,619,466

(This statement is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Ida Public Library
NET POSITION				
Net investment in capital assets	\$ 16,242,728	\$ 37,744,185	\$ 53,986,913	\$ 655,583
Restricted for				
Public safety	337,282	-	337,282	-
Capital projects	18,037	-	18,037	-
Highways and streets	2,467,716	-	2,467,716	-
Economic development	41,960	-	41,960	-
Specific purpose	58,118	-	58,118	-
Donor specific	-	-	-	171,219
Unrestricted (deficit)	(18,481,257)	4,608,800	(13,872,457)	507,309
TOTAL NET POSITION	<u>\$ 684,584</u>	<u>\$ 42,352,985</u>	<u>\$ 43,037,569</u>	<u>\$ 1,334,111</u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,688,849	\$ 927,477	\$ -	\$ -
Public safety	12,962,541	539,139	185,525	-
Highways and streets	5,348,993	398,140	1,119,360	662,051
Health and social services	2,599	-	-	-
Community and economic development	93,804	-	-	-
Interest and fees	398,084	-	-	-
Total governmental activities	21,494,870	1,864,756	1,304,885	662,051
Business-Type Activities				
Water and sewer	6,161,054	5,592,466	3,365	621,893
Total business-type activities	6,161,054	5,592,466	3,365	621,893
TOTAL PRIMARY GOVERNMENT	\$ 27,655,924	\$ 7,457,222	\$ 1,308,250	\$ 1,283,944
COMPONENT UNIT				
Ida Public Library	\$ 848,337	\$ 38,339	\$ 59,676	\$ -

	Net (Expense) Revenue and Change in Net Position			Component Unit Ida Public Library
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
	\$ (1,761,372)	\$ -	\$ (1,761,372)	\$ -
	(12,237,877)	-	(12,237,877)	-
	(3,169,442)	-	(3,169,442)	-
	(2,599)	-	(2,599)	-
	(93,804)	-	(93,804)	-
	(398,084)	-	(398,084)	-
	(17,663,178)	-	(17,663,178)	-
	-	56,670	56,670	-
	-	56,670	56,670	-
	(17,663,178)	56,670	(17,606,508)	-
	-	-	-	(750,322)
General Revenues				
Taxes				
Property	5,324,473	-	5,324,473	746,206
Utility	2,385,118	-	2,385,118	-
Telecommunications	73,543	-	73,543	-
Other	1,037,867	-	1,037,867	-
Intergovernmental				
Sales and use taxes	7,194,574	-	7,194,574	-
Income	3,667,723	-	3,667,723	-
Replacement	1,249,292	-	1,249,292	39,562
Investment income	(76,419)	(20,537)	(96,956)	21,376
Miscellaneous	419,686	-	419,686	13,972
Gain on sale of capital assets	23,776	-	23,776	-
Total	21,299,633	(20,537)	21,279,096	821,116
CHANGE IN NET POSITION	3,636,455	36,133	3,672,588	70,794
NET POSITION (DEFICIT), MAY 1	(2,951,871)	42,316,852	39,364,981	1,263,317
NET POSITION, APRIL 30	\$ 684,584	\$ 42,352,985	\$ 43,037,569	\$ 1,334,111

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 20,458,930	\$ 2,810,103	\$ 23,269,033
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	5,225,324	59,776	5,285,100
Sales taxes	1,489,093	-	1,489,093
Local use taxes	244,316	-	244,316
Other taxes	257,760	-	257,760
Accrued interest	8,747	-	8,747
Other	239,483	185,854	425,337
Due from other funds	-	20,354	20,354
Prepaid items	322,985	-	322,985
TOTAL ASSETS	\$ 28,246,638	\$ 3,076,087	\$ 31,322,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 239,088	\$ 172,095	\$ 411,183
Accrued payroll	189,618	-	189,618
Deposits payable	384,471	-	384,471
Due to other funds	-	20,354	20,354
Due to Fiduciary component units	823,233	-	823,233
Unearned revenue	1,710,788	-	1,710,788
Total liabilities	3,347,198	192,449	3,539,647
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	5,225,324	59,776	5,285,100
Total deferred inflows of resources	5,225,324	59,776	5,285,100
Total liabilities and deferred inflows of resources	8,572,522	252,225	8,824,747
FUND BALANCES			
Nonspendable			
Prepaid items	322,985	-	322,985
Restricted			
Public safety	-	337,282	337,282
Highways and streets	-	2,467,716	2,467,716
Economic development	-	41,960	41,960
Capital projects	-	18,037	18,037
Specific purpose	58,118	-	58,118
Assigned			
Subsequent year's budget	956,676	-	956,676
Unassigned (deficit)	18,336,337	(41,133)	18,295,204
Total fund balances	19,674,116	2,823,862	22,497,978
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 28,246,638	\$ 3,076,087	\$ 31,322,725

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, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 22,497,978
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	19,600,973
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	(1,701,111)
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	(135,198)
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	185,384
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	68,131
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	152,913
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Landfill post closure liability	(255,000)
Capital lease payable	(67,147)
Debt certificates payable	(255,098)
Tax increment revenue note payable	(3,036,000)
Compensated absences payable	(187,575)
Other postemployment benefit liability	(7,931,605)
Net pension liability - Police Pension Fund	(14,056,540)
Net pension liability - Firefighters' Pension Fund	(11,472,423)
The net pension asset of the Illinois Municipal Retirement Fund is not due and payable in the current period and, therefore, is not reported in the governmental funds	1,758,611
The net pension asset of the Illinois Municipal Retirement Fund (SLEP) is not due and payable in the current period and, therefore, is not reported in the governmental funds	69,888
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(4,551,597)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 684,584

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, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 20,398,223	\$ 134,738	\$ 20,532,961
Licenses and permits	588,462	-	588,462
Intergovernmental	636,887	1,729,679	2,366,566
Fines and forfeits	648,263	-	648,263
Charges for services	559,030	69,000	628,030
Investment income	(79,077)	2,658	(76,419)
Miscellaneous	419,628	58	419,686
Total revenues	23,171,416	1,936,133	25,107,549
EXPENDITURES			
Current			
General government	2,660,879	26,515	2,687,394
Public safety	13,048,772	155,080	13,203,852
Highways and streets	1,814,067	1,520,937	3,335,004
Health and social services	2,599	-	2,599
Community and economic development	136,767	-	136,767
Capital outlay	-	818,251	818,251
Debt service			
Principal	-	125,507	125,507
Interest and fiscal charges	-	7,422	7,422
Total expenditures	17,663,084	2,653,712	20,316,796
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,508,332	(717,579)	4,790,753
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	15,500	41,063	56,563
Transfers in	56,190	372,825	429,015
Transfers (out)	(372,825)	(56,190)	(429,015)
Total other financing sources (uses)	(301,135)	357,698	56,563
NET CHANGE IN FUND BALANCES	5,207,197	(359,881)	4,847,316
FUND BALANCES, MAY 1	14,466,919	3,183,743	17,650,662
FUND BALANCES, APRIL 30	\$ 19,674,116	\$ 2,823,862	\$ 22,497,978

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, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,847,316
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	672,524
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,461,123)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(32,787)
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	125,507
Payments made on the landfill post closure 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	(390,662)
The change in compensated absences payable is shown as an increase (decrease) of the statement of activities	(46,327)
The change in the other postemployment benefit obligation and deferred outflows and inflows of resources is not a source or use of financial resources	(319,623)
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	548,896
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	165,385
The change in the Illinois Municipal Retirement Fund (Regular) net pension liability (asset) and deferred outflows of resources is not a source or use of a financial resource	433,163
The change in the Illinois Municipal Retirement Fund (SLEP) net pension liability (asset) and deferred outflows of resources is not a source or use of a financial resource	44,186
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>3,636,455</u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

April 30, 2022

	Business-Type Activities
	Water and Sewer
CURRENT ASSETS	
Cash and investments	\$ 5,697,957
Receivables, net of allowance for uncollectibles	
Billed services	310,340
Unbilled services	664,349
Accrued interest	5,575
Prepaid expenses	206,962
Inventory	64,714
	<hr/>
Total current assets	6,949,897
	<hr/>
NONCURRENT ASSETS	
Net pension asset - IMRF	1,786,190
Capital assets	
Assets not being depreciated	2,920,570
Assets being depreciated	
Cost	76,605,634
Accumulated depreciation	(39,477,748)
	<hr/>
Total noncurrent assets	41,834,646
	<hr/>
Total assets	48,784,543
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Asset retirement obligation	193,455
Pension items - IMRF	51,884
OPEB items	356,626
	<hr/>
Total deferred outflows of resources	601,965
	<hr/>
Total assets and deferred outflows of resources	49,386,508
	<hr/>

(This statement is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

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

April 30, 2022

	Business-Type Activities
	Water and Sewer
CURRENT LIABILITIES	
Accounts payable	\$ 744,552
Accrued payroll	34,158
Accrued interest payable	7,589
Current portion of IEPA loans payable	108,914
Current portion of compensated absences payable	8,699
Current portion of OPEB liability	76,504
	<hr/>
Total current liabilities	980,416
	<hr/>
NONCURRENT LIABILITIES	
Asset retirement obligation	199,440
IEPA loans payable, less current portion	2,195,357
Compensated absences payable, less current portion	34,798
Total OPEB liability, less current portion	1,514,030
	<hr/>
Total noncurrent liabilities	3,943,625
	<hr/>
Total liabilities	4,924,041
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Pension items - OPEB	325,961
Pension items - IMRF	1,783,521
	<hr/>
Total deferred inflows of resources	2,109,482
	<hr/>
Total liabilities and deferred inflows of resources	7,033,523
	<hr/>
NET POSITION	
Net investment in capital assets	37,744,185
Unrestricted	4,608,800
	<hr/>
TOTAL NET POSITION	\$ 42,352,985
	<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, 2022

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES	
Charges for services	\$ 5,485,854
Other revenue	<u>106,612</u>
Total operating revenues	<u>5,592,466</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Operations	<u>4,174,604</u>
Total operating expenses excluding depreciation	<u>4,174,604</u>
OPERATING INCOME BEFORE DEPRECIATION	1,417,862
Depreciation and amortization	<u>1,970,936</u>
OPERATING INCOME (LOSS)	<u>(553,074)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	(20,537)
Grants	3,365
Interest expense and fees	<u>(15,514)</u>
Total non-operating revenues (expenses)	<u>(32,686)</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	<u>(585,760)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	
Capital contribution	<u>621,893</u>
Total transfers	<u>621,893</u>
CHANGE IN NET POSITION	36,133
NET POSITION, MAY 1	<u>42,316,852</u>
NET POSITION, APRIL 30	<u><u>\$ 42,352,985</u></u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

For the Year Ended April 30, 2022

	Business-Type Activities
	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 5,404,220
Payments to suppliers	(1,906,621)
Payments to employees	(2,510,290)
	<hr/>
Net cash from operating activities	987,309
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants	3,365
	<hr/>
Net cash from noncapital financing activities	3,365
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(2,352,149)
Issuance of long-term debt	1,682,010
Principal retirement	(107,565)
Interest paid	(16,184)
	<hr/>
Net cash from capital and related financing activities	(793,888)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (loss)	(19,059)
	<hr/>
Net cash from investing activities	(19,059)
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	177,727
CASH AND CASH EQUIVALENTS, MAY 1	5,520,230
	<hr/>
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 5,697,957
	<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, 2022

	Business-Type Activities
	Water and Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (553,074)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	1,970,936
ARO Amortization	1,995
Changes in current assets and liabilities	
Accounts receivable	(188,246)
Prepaid expenses	(1,065)
Accounts payable	157,722
Accrued payroll	9,286
IMRF Pension items	(441,423)
OPEB items	64,094
Compensated absences payable	(32,916)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 987,309</u>
NONCASH TRANSACTIONS	
IEPA loan receivable	\$ 308,452
IEPA loan payable	(308,452)
IEPA loan forgiveness	621,893
Capital asset additions in accounts payable	481,876
TOTAL NONCASH TRANSACTIONS	<u>\$ 1,103,769</u>
CASH AND CASH EQUIVALENTS	
Cash and investments	<u>\$ 5,697,957</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 5,697,957</u>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FIDUCIARY FUNDS

April 30, 2022

	<u>Pension</u>	<u>Custodial</u>
	<u>Trust Funds</u>	<u>Fund</u>
ASSETS		
Cash and short-term investments	\$ 104,913	\$ 780,813
Investments, at fair value		
U.S. Treasury obligations	1,042,438	-
U.S. agency obligations	5,476,507	-
Municipal bonds	1,837,661	-
Corporate bonds	1,548,869	-
Mortgage-backed securities	829	-
Negotiable certificates of deposit	525,063	-
Mutual funds	16,253,197	-
Money market mutual funds	528,006	-
Pooled investments	18,718,481	-
Total investments	45,931,051	-
Receivables		
Due from Municipality	823,233	-
Accrued interest	73,985	-
Total receivables	897,218	-
Prepaid items	862	-
Total assets	46,934,044	780,813
LIABILITIES		
Accounts payable	11,841	-
Total liabilities	11,841	-
NET POSITION		
Restricted for pensions	46,922,203	-
Restricted for other governments	-	780,813
TOTAL NET POSITION	\$ 46,922,203	\$ 780,813

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2022

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions		
Employer	\$ 2,783,987	\$ -
Employee	559,208	-
Other	194	-
Land cash and exaction fees	-	635,366
	<hr/>	<hr/>
Total contributions	3,343,389	635,366
	<hr/>	<hr/>
Investment income		
Net appreciation (depreciation) in fair value of investments	(4,774,588)	-
Interest and dividends	1,547,297	-
	<hr/>	<hr/>
Total investment income	(3,227,291)	-
	<hr/>	<hr/>
Less investment expenses	(83,323)	-
	<hr/>	<hr/>
Net investment income	(3,310,614)	-
	<hr/>	<hr/>
Total additions	32,775	635,366
	<hr/>	<hr/>
DEDUCTIONS		
Land cash and exaction fees disbursed	-	52,151
Benefits and refunds	3,384,842	-
Administrative expenses	111,760	-
	<hr/>	<hr/>
Total deductions	3,496,602	52,151
	<hr/>	<hr/>
NET DECREASE (INCREASE)	(3,463,827)	583,215
	<hr/>	<hr/>
NET POSITION RESTRICTED		
May 1	50,386,030	197,598
	<hr/>	<hr/>
April 30	\$ 46,922,203	\$ 780,813
	<hr/>	<hr/>

See accompanying notes to financial statements.

CITY OF BELVIDERE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2022

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. Additionally, management has determined that there are two blended component units that are required to be included in the financial statements of the City as pension trust funds.

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 of 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.

Police Pension Employees Retirement System

The City's police employees participate in Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected by pension beneficiaries and two elected police employees

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Police Pension Employees Retirement System (Continued)

constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund, a fiduciary component unit. PPERS does not issue a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected firefighters' employees constitute the pension board. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPERS is fiscally dependent on the City. FPERS is reported as a pension trust fund, a fiduciary component unit. FPERS does not issue a stand-alone financial report.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The City utilizes pension trust funds (for its Police and Firefighters' Pension Funds Fund) and a custodial fund (for its Land Escrow Fund), which is generally used to account for assets that the Village holds in a fiduciary capacity.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

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 held for other governments as custodial fund.

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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 measurable and 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2021 are levied in December 2021 and attach as an enforceable lien on the property on January 1, 2021. Tax bills are prepared by the County and issued on or about May 1, 2022 and August 1, 2022 and are due and collectible on or about June 1, 2022 and September 1, 2022. The County collects the taxes and remits them periodically to the City. Those 2021 taxes are intended to finance the 2023 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2022 tax levy has not been recorded as a receivable at April 30, 2022, as the tax attached as a lien on property as of January 1, 2022; however, the tax will not be levied until December 2022 and, accordingly, is not measurable at April 30, 2022.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

Accumulated unpaid vacation and other employee benefit amounts for proprietary funds are recorded as earned by employees in those funds. At April 30, 2022, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

o. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases* to April 30, 2023.

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.

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 market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704. The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment 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.

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

2. CASH AND INVESTMENTS (Continued)

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, 2022, all of 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, 2022, 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	\$ 2,390,496	\$ -	\$ 2,390,496	\$ -	\$ -
TOTAL	\$ 2,390,496	\$ -	\$ 2,390,496	\$ -	\$ -

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 AAAMf by Fitch. The Illinois Metropolitan Investment Core Year Fund is rated AA Af/bf by Moody'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.

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

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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, 2022, 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, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 963,418	\$ -	\$ -	\$ 963,418
Construction in progress	661,988	252,234	607,137	307,085
Total capital assets not being depreciated	1,625,406	252,234	607,137	1,270,503
Capital assets being depreciated				
Land improvements	56,551	-	-	56,551
Infrastructure	39,222,317	607,137	-	39,829,454
Building and improvements	3,235,101	-	-	3,235,101
Equipment	3,039,964	73,306	-	3,113,270
Vehicles	4,671,374	346,984	199,294	4,819,064
Total capital assets being depreciated	50,225,307	1,027,427	199,294	51,053,440
Less accumulated depreciation for				
Land improvements	19,379	1,578	-	20,957
Infrastructure	23,440,473	2,006,440	-	25,446,913
Building and improvements	1,647,135	110,015	-	1,757,150
Equipment	2,257,546	151,375	-	2,408,921
Vehicles	3,063,821	191,715	166,507	3,089,029
Total accumulated depreciation	30,428,354	2,461,123	166,507	32,722,970
Total capital assets being depreciated, net	19,796,953	(1,433,696)	32,787	18,330,470
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 21,422,359	\$ (1,181,462)	\$ 639,924	\$ 19,600,973

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

3. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 106,326
Public safety	254,171
Highways and streets	<u>2,100,626</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,461,123</u></u>

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 696,551	\$ -	\$ -	\$ 696,551
Construction in progress	1,241,896	2,619,120	1,636,997	2,224,019
Total capital assets not being depreciated	<u>1,938,447</u>	<u>2,619,120</u>	<u>1,636,997</u>	<u>2,920,570</u>
Capital assets being depreciated				
Building and structures	3,174,607	-	-	3,174,607
Equipment	8,920,783	1,085,947	-	10,006,730
Furniture and fixtures	162,225	-	-	162,225
Vehicles	843,362	-	-	843,362
Water transmission system	18,634,269	-	-	18,634,269
Sewer collection system	43,233,391	551,050	-	43,784,441
Total capital assets being depreciated	<u>74,968,637</u>	<u>1,636,997</u>	<u>-</u>	<u>76,605,634</u>
Less accumulated depreciation for				
Building and structures	2,251,672	27,471	-	2,279,143
Equipment	5,013,533	692,100	-	5,705,633
Furniture and fixtures	162,225	-	-	162,225
Vehicles	724,761	22,229	-	746,990
Water transmission system	8,108,729	275,478	-	8,384,207
Sewer collection system	21,245,892	953,658	-	22,199,550
Total accumulated depreciation	<u>37,506,812</u>	<u>1,970,936</u>	<u>-</u>	<u>39,477,748</u>
Total capital assets being depreciated, net	<u>37,461,825</u>	<u>(333,939)</u>	<u>-</u>	<u>37,127,886</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u><u>\$ 39,400,272</u></u>	<u><u>\$ 2,285,181</u></u>	<u><u>\$ 1,636,997</u></u>	<u><u>\$ 40,048,456</u></u>

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

3. CAPITAL ASSETS (Continued)

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

BUSINESS-TYPE ACTIVITIES	
Water and Sewer	<u>\$ 1,970,936</u>

4. LONG-TERM DEBT

a. Long-Term Debt - Governmental Activities

Long-term liability activity for governmental activities for the year ended April 30, 2022, was as follows:

	May 1	Additions	Reductions/ Refundings	April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Debt certificates payable** (Direct placement)	\$ 315,098	\$ -	\$ 60,000	\$ 255,098	\$ 60,000
Tax increment note payable*** (Direct placement)	3,036,000	-	-	3,036,000	-
Capital lease** (Direct placement)	132,654	-	65,507	67,147	67,147
Landfill post closure liability* (Direct placement)	305,000	-	50,000	255,000	50,000
Net pension liability - SLEP*+	28,365	-	28,365	-	-
Net pension liability - Police*	10,884,651	3,171,889	-	14,056,540	-
Net pension liability - Fire *	9,771,511	1,700,912	-	11,472,423	-
Compensated absences*	141,248	74,577	28,250	187,575	37,515
Other postemployment benefit liability*	8,175,874	-	244,269	7,931,605	381,506
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 32,790,401</u>	<u>\$ 4,947,378</u>	<u>\$ 476,391</u>	<u>\$ 37,261,388</u>	<u>\$ 596,168</u>

*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.

+The net pension liability - SLEP is now reported as a net pension asset as of April 30, 2022.

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

4. LONG-TERM DEBT (Continued)

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

Long-term liabilities payable from governmental activities (excluding net pension liabilities, other postemployment benefit liability, and compensated absences) at April 30, 2022, comprise the following, all of which are direct placements of debt except for the landfill post closure liability:

Issue	Balances April 30	Current
General Obligation Debt Certificates, Series 2005, direct placement, 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.	\$ 255,098	\$ 60,000
Tax Increment General Mills Revenue Notes, Series 2003, direct placement, dated March 17, 2003, due in annual installments plus interest of 8% through May 30, 2023.	3,036,000	-
Landfill post closure liability, direct placement.	\$ 255,000	\$ 50,000
Fire Truck Capital Lease, direct placement, dated December 21, 2016, due in annual installments plus interest of 2.475% through June 1, 2022.	67,147	67,147
TOTAL	\$ 3,613,245	\$ 177,147

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

The City issued tax increment revenue notes directly to a developer 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, 2022 are as follows:

Year Ending April 30,	Governmental Activities					
	Capital Lease			Debt Certificates		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
TOTAL	\$ 67,147	\$ 1,681	\$ 68,828	\$ 255,098	\$ 7,508	\$ 262,606

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	\$ 18,446	\$ -	N/A

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 \$255,000.

b. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2022, was as follows:

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA revolving loans*	\$ 1,351,719	\$ 1,682,010	\$ 729,458	\$ 2,304,271	\$ 108,914
Asset retirement obligation	199,440	-	-	199,440	-
Other postemployment benefit liability	1,639,517	-	48,983	1,590,534	76,504
Compensated absences	76,413	-	32,916	43,497	8,699
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 3,267,089	\$ 1,682,010	\$ 811,357	\$ 4,137,742	\$ 194,117

*\$621,893 of the IEPA revolving loan was forgiven in accordance with the loan agreement.

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, 2022, comprise the following:

Issue	Total	Current Portion
IEPA Loan #L17-3622 IEPA loan payable; due in semiannual installments of \$61,876, including interest at 1.25% through May 1, 2032.	\$ 1,214,180	\$ 108,914
TOTAL	\$ 1,214,180	\$ 108,914

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

IEPA Loan #L17-3623 was not fully disbursed as of April 30, 2022 and, therefore, a payment schedule is not available.

Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2022 are as follows:

Year Ending April 30,	IEPA Loan Payable		
	Principal	Interest	Total
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
TOTAL	\$ 1,214,180	\$ 85,209	\$ 1,299,389

4. LONG-TERM DEBT (Continued)

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

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

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.

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

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.

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. Interfund Transfers

Interfund transfers between funds for the year ended April 30, 2022, were as follows:

	Transfers In	Transfers Out
General	\$ 56,190	\$ 372,825
Nonmajor Governmental Capital Projects Fund	372,825	-
Police Restricted Fund	-	56,190
TOTAL	\$ 429,015	\$ 429,015

The purpose of significant transfers is as follows:

- \$372,825 transferred to the Capital Projects Fund from the General Fund to fund capital projects. This transfer will not be repaid.
- \$56,190 transferred to the General Fund from the Nonmajor Governmental Fund (Police Restricted Fund) to reimburse costs incurred out of the General Fund. This transfer will not be repaid.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Due To/From

Due to/from other funds for the year ended April 30, 2022, were as follows:

	Due To	Due From
Nonmajor Governmental Capital Projects Fund	\$ 20,354	\$ -
Motor Fuel Tax Fund	-	20,354
TOTAL	\$ 20,354	\$ 20,354

The purpose of the following due to/from is as follows:

- \$20,354 due to the Nonmajor Governmental (Motor Fuel Tax Fund) from the Nonmajor Governmental (Capital Projects Fund) to reimburse certain costs. Repayment is expected within one year.

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.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided (Continued)

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 until Medicare eligibility.

c. Membership

At April 30, 2021 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	27
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>116</u>
 TOTAL	 <u>143</u>

d. Total OPEB Liability

The City’s total OPEB liability of \$9,522,139 was measured as of April 30, 2022 and was determined by an actuarial valuation as of May 1, 2021.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of May 1, 2021, 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, 2022, including updating the discount rate at April 30, 2022 as noted on the following page.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	3.21%
Healthcare cost trend rates	7.50% Initial to 5.50% 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, 2021	<u>\$ 9,815,391</u>
Changes for the period	
Service cost	583,063
Interest	217,611
Difference between expected and actual experience	-
Assumption changes	(635,916)
Benefit payments	<u>(458,010)</u>
Net changes	<u>(293,252)</u>
BALANCES AT APRIL 30, 2022	<u>\$ 9,522,139</u>

Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates, and disability rates 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 3.21% 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 (2.21%) or 1 percentage point higher (4.21%) than the current rate:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 10,201,462	\$ 9,522,139	\$ 8,882,043

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 7.50% to 5.50% 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 (6.50% to 4.50%) or 1 percentage point higher (8.50% to 6.50%) than the current rate:

	1% Decrease (6.50% to 4.50%)	Current Healthcare Rate (7.50% to 5.50%)	1% Increase (8.50% to 6.50%)
Total OPEB liability	\$ 8,477,303	\$ 9,522,139	\$ 10,743,637

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

For the year ended April 30, 2022, the City recognized OPEB expense of \$841,727. At April 30, 2022, 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	\$ 1,146,169	\$ 1,119,028
Changes in assumptions	988,859	832,422
TOTAL	\$ 2,135,028	\$ 1,951,450

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 <u>April 30,</u>	
2023	\$ 41,053
2024	41,053
2025	41,053
2026	41,053
2027	41,053
Thereafter	<u>(21,687)</u>
 TOTAL	 <u>\$ 183,578</u>

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, 2021, the measurement date, IMRF membership consisted of:

	<u>IMRF - City</u>	<u>SLEP</u>
Inactive employees or their beneficiaries currently receiving benefits	61	1
Inactive employees entitled to but not yet receiving benefits	39	-
Active employees	<u>59</u>	<u>-</u>
TOTAL	<u>159</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, respectively, 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 fiscal year ended April 30, 2022 was 9.84% of covered payroll. The employer contribution for SLEP for the fiscal year ended April 30, 2022 was 0.00% 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, 2021 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, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair Value of Assets

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

f. Discount Rate

Illinois Municipal Retirement Fund - City

The discount rate used to measure the total pension liability at December 31, 2021 was 7.25%. 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, 2021 was 7.25%. 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 (Asset)
BALANCES AT JANUARY 1, 2021	\$ 24,129,742	\$ 25,229,884	\$ (1,100,142)
Changes for the period			
Service cost	333,013	-	333,013
Interest	1,717,120	-	1,717,120
Difference between expected and actual experience	(656,164)	-	(656,164)
Changes in assumptions	-	-	-
Employer contributions	-	368,509	(368,509)
Employee contributions	-	154,980	(154,980)
Net investment income	-	4,256,314	(4,256,314)
Benefit payments and refunds	(1,223,678)	(1,223,678)	-
Other (net transfer)	-	(550,345)	550,345
Net changes	170,291	3,005,780	(2,835,489)
BALANCES AT DECEMBER 31, 2021	\$ 24,300,033	\$ 28,235,664	\$ (3,935,631)

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, 2021	\$ 842,356	\$ 813,991	\$ 28,365
Changes for the period			
Service cost	-	-	-
Interest	58,659	-	58,659
Difference between expected and actual experience	8,485	-	8,485
Changes in assumptions	-	-	-
Employer contributions	-	10,157	(10,157)
Employee contributions	-	-	-
Net investment income	-	152,933	(152,933)
Benefit payments and refunds	(66,533)	(66,533)	-
Other (net transfer)	-	2,307	(2,307)
Net changes	611	98,864	(98,253)
BALANCES AT DECEMBER 31, 2021	\$ 842,967	\$ 912,855	\$ (69,888)
Total net pension liability (asset) for the City's IMRF and SLEP plans is \$(4,005,519) and is reported in the basic financial statements as follows:			
Governmental activities - City			\$ (1,758,611)
Governmental activities - SLEP			(69,888)
Business-type activities/Enterprise Fund			(1,786,190)
Discretely presented component unit/IDA Public Library			(390,830)
TOTAL			\$ (4,005,519)

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, 2022, the City recognized pension expense (income) of \$(644,459).

At April 30, 2022, 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	\$ 24,728	\$ 579,141
Changes in assumption	-	78,013
Net difference between projected and actual earnings on pension plan investments	-	3,287,874
Contributions made after measurement date	95,221	-
TOTAL	<u><u>\$ 119,949</u></u>	<u><u>\$ 3,945,028</u></u>

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

\$95,221 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, 2023. 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>	
2023	\$ (1,004,249)
2024	(1,461,305)
2025	(960,251)
2026	(494,495)
2027	-
Thereafter	-
TOTAL	<u><u>\$ (3,920,300)</u></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 (Continued)

SLEP

For the year ended April 30, 2022, the City recognized pension expense (income) of \$(34,984).

At April 30, 2022, 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	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	137,719
Contributions made after measurement date	2,521	-
TOTAL	<u>\$ 2,521</u>	<u>\$ 137,719</u>

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

\$2,521 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, 2023. 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>	
2023	\$ (34,919)
2024	(51,457)
2025	(32,168)
2026	(19,175)
2027	-
Thereafter	<u>-</u>
TOTAL	<u>\$ (137,719)</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 (Continued)

SLEP (Continued)

Total net deferred outflows (inflows) for the City's IMRF and SLEP plan is \$(3,960,277) and is reported in the basic financial statements as follows:

Governmental activities - City	\$ (1,701,111)
Governmental activities - SLEP	(135,198)
Business-type activities/Enterprise Fund	(1,731,637)
Discretely presented component unit/IDA Public Library	<u>(392,331)</u>
TOTAL	<u><u>\$ (3,960,277)</u></u>

- i. Discount Rate Sensitivity

Illinois Municipal Retirement Fund - City

The following is a sensitive analysis of the net pension liability (asset) - City to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) 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 (asset)	\$ (1,208,615)	\$ (3,935,631)	\$ (6,104,405)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund - City and SLEP (Continued)

i. Discount Rate Sensitivity (Continued)

SLEP

The following is a sensitive analysis of the net pension liability (asset) - SLEP to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) 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 (asset)	\$ 8,760	\$ (69,888)	\$ (137,749)

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.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

b. Plan Membership

At April 30, 2022, 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	44
TOTAL	80

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. 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

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, 2022, the City's contribution was 43.41% 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 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, 2022.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

e. Investment Policy (Continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	40.00%	1.00%
U.S. large company stocks	42.00%	6.40%
U.S. small company stocks	12.00%	8.00%
Foreign stocks	6.00%	6.90%

The overall target for the Fund is approximately 40% invested in fixed income securities and 60% 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, 2022 are listed in the table above.

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.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.20%). 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, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 5,476,507	\$ -	\$ 1,730,867	\$ 3,745,640	\$ -
U.S. Treasury obligations	1,042,438	149,617	802,602	90,219	-
Negotiable CDs	525,063	-	305,255	219,808	-
Mortgage-backed securities	829	-	829	-	-
Municipal bonds	1,837,661	-	750,742	878,131	208,788
Corporate bonds	1,548,869	-	1,287,528	261,341	-
TOTAL	\$ 10,431,367	\$ 149,617	\$ 4,877,823	\$ 5,195,139	\$ 208,788

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, 2022, the U.S. agency obligations, U.S. Treasury obligations, negotiable certificates of deposits, mortgage-backed securities, municipal bonds, negotiable CDs, and corporate bonds 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).

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 from AA+ to AAA. 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, 2021	\$ 40,512,896	\$ 29,628,245	\$ 10,884,651
Changes for the period			
Service cost	806,439	-	806,439
Interest	2,677,575	-	2,677,575
Difference between expected and actual experience	(670,992)	-	(670,992)
Change in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	1,545,285	(1,545,285)
Employee contributions	-	353,005	(353,005)
Net investment income	-	(2,195,221)	2,195,221
Benefit payments and refunds	(1,756,045)	(1,756,045)	-
Administrative expense	-	(61,936)	61,936
Net changes	1,056,977	(2,114,912)	3,171,889
BALANCES AT APRIL 30, 2022	\$ 41,569,873	\$ 27,513,333	\$ 14,056,540

The funded status of the plan as of April 30, 2022 is 66.19%.

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, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
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	Fair value

Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described.

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% 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	\$ 20,211,462	\$ 14,056,540	\$ 9,042,659

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, 2022, the City recognized pension expense of \$996,389. At April 30, 2022, 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	\$ 348,080	\$ 1,232,983
Changes in assumptions	353,112	369,744
Net difference between projected and actual earnings on pension plan investments	1,086,919	-
TOTAL	\$ 1,788,111	\$ 1,602,727

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,	
2023	\$ (135,456)
2024	(10,798)
2025	(213,803)
2026	738,292
2027	(85,149)
Thereafter	(107,702)
TOTAL	\$ 185,384

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, 2022, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>29</u>
TOTAL	<u><u>67</u></u>

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 greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding 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, 2022, the City's contribution was 57.08% of covered payroll.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

e. Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

f. Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

g. Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2021. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

h. Fair Value Measurement

The plan categorizes 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 Plan held no investments subject to fair value measurement at April 30, 2022.

i. Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$18,718,481 at April 30, 2022. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2022. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

j. Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

k. Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.48%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

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.

m. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2021	\$ 30,529,296	\$ 20,757,785	\$ 9,771,511
Changes for the period			
Service cost	618,903	-	618,903
Interest	1,987,825	-	1,987,825
Difference between expected and actual experience	(625,934)	-	(625,934)
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	1,238,702	(1,238,702)
Employee contributions	-	206,203	(206,203)
Contributions - other	-	194	(194)
Net investment income	-	(1,115,393)	1,115,393
Benefit payments and refunds	(1,628,797)	(1,628,797)	-
Administrative expense	-	(49,824)	49,824
Net changes	351,997	(1,348,915)	1,700,912
BALANCES AT APRIL 30, 2022	\$ 30,881,293	\$ 19,408,870	\$ 11,472,423

The funded status of the plan as of April 30, 2022 is 62.85%.

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, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.25% to 10.56%
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 Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described.

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	\$ 15,643,142	\$ 11,472,423	\$ 8,048,953

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, 2022, the City recognized pension expense of \$1,073,317. At April 30, 2022, 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	\$ 419,714	\$ 1,046,260
Changes in assumption	259,848	43,119
Net difference between projected and actual earnings on pension plan investments	477,948	-
TOTAL	\$ 1,157,510	\$ 1,089,379

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>	
2023	\$ (13,113)
2024	(50,455)
2025	(184,422)
2026	419,720
2027	(79,525)
Thereafter	(24,074)
TOTAL	\$ 68,131

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan and Firefighters' Pension Plan

a. Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 8,054	\$ 96,859	\$ 104,913
Investments at fair value			
U.S. Treasury obligations	1,042,438	-	1,042,438
U.S. agency obligations	5,476,507	-	5,476,507
Municipal bonds	1,837,661	-	1,837,661
Corporate bonds	1,548,869	-	1,548,869
Mortgage-backed securities	829	-	829
Negotiable certificate of deposit	525,063	-	525,063
Mutual funds	16,253,197	-	16,253,197
Money market mutual funds	265,239	262,767	528,006
Pooled investments	-	18,718,481	18,718,481
Due from Municipality	489,452	333,781	823,233
Accrued interest receivable	73,985	-	73,985
Prepaid items	-	862	862
	<hr/>	<hr/>	<hr/>
Total assets	27,521,294	19,412,750	46,934,044
LIABILITIES			
Accounts payable	7,961	3,880	11,841
	<hr/>	<hr/>	<hr/>
Total liabilities	7,961	3,880	11,841
NET POSITION RESTRICTED FOR PENSION			
	<hr/>	<hr/>	<hr/>
	\$ 27,513,333	\$ 19,408,870	\$ 46,922,203

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan and Firefighters' Pension Plan (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,545,285	\$ 1,238,702	\$ 2,783,987
Employee	353,005	206,203	559,208
Other	-	194	194
Total contributions	<u>1,898,290</u>	<u>1,445,099</u>	<u>3,343,389</u>
Investment income			
Net (depreciation) in fair value of investments	(3,531,032)	(1,243,556)	(4,774,588)
Interest	1,395,474	151,823	1,547,297
Total investment income	<u>(2,135,558)</u>	<u>(1,091,733)</u>	<u>(3,227,291)</u>
Less investment expense	<u>(59,663)</u>	<u>(23,660)</u>	<u>(83,323)</u>
Net investment income	<u>(2,195,221)</u>	<u>(1,115,393)</u>	<u>(3,310,614)</u>
Total additions	<u>(296,931)</u>	<u>329,706</u>	<u>32,775</u>
DEDUCTIONS			
Benefits and refunds	1,756,045	1,628,797	3,384,842
Administrative expenses	61,936	49,824	111,760
Total deductions	<u>1,817,981</u>	<u>1,678,621</u>	<u>3,496,602</u>
NET DECREASE	(2,114,912)	(1,348,915)	(3,463,827)
NET POSITION RESTRICTED FOR PENSIONS			
May 1	<u>29,628,245</u>	<u>20,757,785</u>	<u>50,386,030</u>
April 30	<u>\$ 27,513,333</u>	<u>\$ 19,408,870</u>	<u>\$ 46,922,203</u>

10. DISCRETELY PRESENTED COMPONENT UNIT - IDA PUBLIC LIBRARY

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, \$31,644 was exposed to custodial credit risk.

b. Investments

As of April 30, 2022, the Library had investments and maturities as follows:

The Library holds 1,608 shares of Consolidated Edison common stock with a fair value of \$110,614 at April 30, 2022 that are valued using quoted prices in active markets for identical assets (Level 1 inputs).

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.

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

b. Investments (Continued)

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 2021 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.

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. 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

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

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

d. Capital Assets (Continued)

The Library's capital asset activity for the year ended April 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 290,999	\$ -	\$ -	\$ 290,999
Construction in progress	-	94,548	-	94,548
Total capital assets being depreciated	290,999	94,548	-	385,547
Capital assets being depreciated				
Land Improvements	8,697	-	-	8,697
Buildings	1,702,637	-	-	1,702,637
Equipment	89,936	47,245	-	137,181
Total capital assets being depreciated	1,801,270	47,245	-	1,848,515
Less accumulated depreciation for				
Land improvements	8,697	-	-	8,697
Buildings	1,210,537	38,913	-	1,249,450
Equipment	58,665	17,702	-	76,367
Total accumulated depreciation	1,277,899	56,615	-	1,334,514
Total capital assets being depreciated, net	523,371	(9,370)	-	514,001
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 814,370	\$ 85,178	\$ -	\$ 899,548

e. Long-Term Debt

Mortgage Loans Payable

The Library has one outstanding mortgage loan payable as of April 30, 2022. Mortgages have been issued for capital acquisitions and have interest rates at 4.25%.

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

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

e. Long-Term Debt (Continued)

Long-Term Liability Activity

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

	May 1	Additions	Reductions	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
Mortgage notes payable	\$ 261,728	\$ -	\$ 17,763	\$ 243,965	\$ 22,170
Compensated absences	4,825	3,506	965	7,366	1,473
Other postemployment benefit liability	107,033	-	15,439	91,594	990
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 373,586	\$ 3,506	\$ 34,167	\$ 342,925	\$ 24,633

f. Debt Service Requirements to Maturity

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

Year Ending	Principal	Interest
2023	\$ 22,170	\$ 10,069
2024	23,121	9,119
2025	24,160	8,080
2026	25,220	7,018
2027	149,294	1,066
TOTAL	\$ 243,965	\$ 35,352

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, 2021 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>7</u>
TOTAL	<u>7</u>

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

g. Other Postemployment Benefits (Continued)

Total OPEB Liability

The Library's total OPEB liability of \$91,594 was measured as of April 30, 2022 and was determined by an actuarial valuation as of May 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of May 1, 2021, 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, 2022, including updating the discount rate at April 30, 2022 as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	3.21%
Healthcare cost trend rates	5.50% Initial to 7.50% 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, 2021	<u>\$ 107,033</u>
Changes for the period	
Service cost	6,857
Interest	2,418
Difference between expected and actual experience	-
Assumption changes	(23,724)
Benefit payments	<u>(990)</u>
Net changes	<u>(15,439)</u>
BALANCES AT APRIL 30, 2022	<u>\$ 91,594</u>

Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates, and disability rates 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 3.21% 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 (2.21%) or 1 percentage point higher (4.21%) than the current rate:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 98,836	\$ 91,594	\$ 84,748

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 7.50% to 5.50% 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 (6.50% to 4.50%) or 1 percentage point higher (8.50% to 6.50%) than the current rate:

	1% Decrease (6.50% to 4.50%)	Current Healthcare Rate (7.50% to 5.50%)	1% Increase (8.50% to 6.50%)
Total OPEB liability	\$ 79,866	\$ 91,594	\$ 105,736

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

For the year ended April 30, 2022, the Library recognized OPEB expense of \$1,791. At April 30, 2022, 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	\$ -	\$ 71,552
Changes in assumptions	12,940	22,248
TOTAL	\$ 12,940	\$ 93,800

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:

Year Ending April 30,	
2023	\$ (7,484)
2024	(7,484)
2025	(7,484)
2026	(7,484)
2027	(7,484)
Thereafter	<u>(43,440)</u>
 TOTAL	 <u>\$ (80,860)</u>

11. SUBSEQUENT EVENT

Subsequent to April 30, 2022, the City entered into a lease agreement for a fire truck. The total amount to be financed through the lease is \$356,728.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELVIDERE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR

Last Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 434,831	\$ 463,542	\$ 430,485	\$ 388,534	\$ 348,059	\$ 376,781	\$ 338,875
Contributions in relation to the actuarially determined contribution	434,831	463,542	430,485	388,534	348,059	376,781	338,875
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,177,606	\$ 3,377,434	\$ 3,436,657	\$ 3,563,273	\$ 3,444,064
Contributions as a percentage of covered payroll	14.56%	14.95%	13.55%	11.50%	10.13%	10.57%	9.84%

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 22 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and postretirement benefit increases of 2.50% 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 Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 18,619	\$ 19,277	\$ 17,757	\$ 107	\$ 3,917	\$ 10,791	\$ 9,292
Contributions in relation to the actuarially determined contribution	18,619	19,277	17,757	107	3,917	10,791	9,292
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 102,873	\$ 103,686	\$ 96,858	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	18.10%	18.59%	18.33%	0.00%	0.00%	0.00%	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 22 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and postretirement benefit increases of 2.50% 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 Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,007,631	\$ 1,072,241	\$ 1,089,027	\$ 1,150,677	\$ 1,246,427	\$ 1,304,118	\$ 1,393,328	\$ 1,545,285
Contribution in relation to the actuarially determined contribution	1,011,718	1,079,608	1,092,429	1,152,636	1,250,966	1,304,119	1,393,328	1,545,285
CONTRIBUTION DEFICIENCY (Excess)	\$ (4,087)	\$ (7,367)	\$ (3,402)	\$ (1,959)	\$ (4,539)	\$ (1)	\$ -	\$ -
Covered payroll	\$ 2,932,915	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984	\$ 3,383,915	\$ 3,586,222	\$ 3,416,964	\$ 3,559,742
Contributions as a percentage of covered payroll	34.50%	29.92%	29.43%	30.08%	36.97%	36.36%	40.78%	43.41%

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 19.94 years; the asset valuation method was at five-year smoothed 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 Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 781,938	\$ 775,947	\$ 861,063	\$ 1,032,926	\$ 1,065,291	\$ 1,103,286	\$ 1,154,950	\$ 1,238,702
Contribution in relation to the actuarially determined contribution	786,258	783,447	864,148	1,035,510	1,070,269	1,103,287	1,154,950	1,238,702
CONTRIBUTION DEFICIENCY (Excess)	\$ (4,320)	\$ (7,500)	\$ (3,085)	\$ (2,584)	\$ (4,978)	\$ (1)	\$ -	\$ -
Covered payroll	\$ 1,871,647	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336	\$ 2,077,740	\$ 2,182,622	\$ 2,253,557	\$ 2,170,284
Contributions as a percentage of covered payroll	42.01%	35.58%	39.26%	45.57%	51.51%	50.55%	51.25%	57.08%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 19.95 years; the asset valuation method was at five-year smoothed 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 10.56% 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 (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 333,951	\$ 346,118	\$ 344,572	\$ 320,080	\$ 352,156	\$ 363,572	\$ 333,013
Interest	1,525,504	1,572,488	1,579,309	1,588,927	1,634,521	1,666,431	1,717,120
Differences between expected and actual experience	(129,658)	(667,839)	67,547	(55,841)	(376,751)	51,120	(656,164)
Changes of assumptions	50,861	(103,106)	(683,393)	621,248	-	(161,277)	-
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)	(1,098,234)	(1,163,842)	(1,187,144)	(1,223,678)
Net change in total pension liability	676,039	47,781	71,180	1,376,180	446,084	732,702	170,291
Total pension liability - beginning	20,779,776	21,455,815	21,503,596	21,574,776	22,950,956	23,397,040	24,129,742
TOTAL PENSION LIABILITY - ENDING	\$ 21,455,815	\$ 21,503,596	\$ 21,574,776	\$ 22,950,956	\$ 23,397,040	\$ 24,129,742	\$ 24,300,033
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 448,219	\$ 452,185	\$ 413,418	\$ 410,245	\$ 333,813	\$ 387,001	\$ 368,509
Contributions - member	138,625	139,563	140,724	149,602	156,112	153,844	154,980
Net investment income	89,709	1,259,537	3,322,307	(1,173,375)	3,714,142	3,171,366	4,256,314
Benefit payments, including refunds of member contributions	(1,104,619)	(1,099,880)	(1,236,855)	(1,098,234)	(1,163,842)	(1,187,144)	(1,223,678)
Other	296,584	(71,807)	(166,593)	252,176	(312,697)	214,978	(550,345)
Net change in plan fiduciary net position	(131,482)	679,598	2,473,001	(1,459,586)	2,727,528	2,740,045	3,005,780
Plan fiduciary net position - beginning	18,200,780	18,069,298	18,748,896	21,221,897	19,762,311	22,489,839	25,229,884
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,069,298	\$ 18,748,896	\$ 21,221,897	\$ 19,762,311	\$ 22,489,839	\$ 25,229,884	\$ 28,235,664
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 3,386,517	\$ 2,754,700	\$ 352,879	\$ 3,188,645	\$ 907,201	\$ (1,100,142)	\$ (3,935,631)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	84.20%	87.20%	98.40%	86.10%	96.10%	104.60%	116.20%
Covered payroll	\$ 2,986,664	\$ 3,101,404	\$ 3,127,220	\$ 3,324,512	\$ 3,466,383	\$ 3,418,747	\$ 3,444,005
Employer's net pension liability (asset) as a percentage of covered payroll	113.40%	88.80%	11.30%	95.90%	26.20%	(32.20%)	(114.30%)

Notes to Required Supplementary Information

2020: Changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates

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 (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 19,739	\$ 19,843	\$ 19,142	\$ 18,954	\$ -	\$ -	\$ -
Interest	41,167	45,912	46,711	46,638	58,141	58,287	58,659
Differences between expected and actual experience	4,739	(57,413)	(29,744)	161,267	7,736	8,404	8,485
Changes of assumptions	9,797	(13,244)	(11,953)	19,252	-	4,093	-
Benefit payments, including refunds of member contributions	-	-	-	(50,069)	(62,979)	(64,766)	(66,533)
Net change in total pension liability	75,442	(4,902)	24,156	196,042	2,898	6,018	611
Total pension liability - beginning	542,702	618,144	613,242	637,398	833,440	836,338	842,356
TOTAL PENSION LIABILITY - ENDING	\$ 618,144	\$ 613,242	\$ 637,398	\$ 833,440	\$ 836,338	\$ 842,356	\$ 842,967
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 18,857	\$ 18,932	\$ 20,068	\$ 3,783	\$ 321	\$ 11,108	\$ 10,157
Contributions - member	7,866	7,730	7,884	1,774	-	-	-
Net investment income	2,536	35,599	81,766	(31,887)	141,815	116,989	152,933
Benefit payments, including refunds of member contributions	-	-	-	(50,069)	(62,979)	(64,766)	(66,533)
Other	(24,973)	(106)	(2,437)	64,021	4,128	12,270	2,307
Net change in plan fiduciary net position	4,286	62,155	107,281	(12,378)	83,285	75,601	98,864
Plan fiduciary net position - beginning	493,761	498,047	560,202	667,483	655,105	738,390	813,991
PLAN FIDUCIARY NET POSITION - ENDING	\$ 498,047	\$ 560,202	\$ 667,483	\$ 655,105	\$ 738,390	\$ 813,991	\$ 912,855
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 120,097	\$ 53,040	\$ (30,085)	\$ 178,335	\$ 97,948	\$ 28,365	\$ (69,888)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	80.60%	91.40%	104.70%	78.60%	88.30%	96.60%	108.30%
Covered payroll	\$ 104,881	\$ 103,060	\$ 105,121	\$ 23,653	\$ -	\$ -	\$ -
Employer's net pension liability (asset) as a percentage of covered payroll	114.50%	51.50%	(28.60%)	754.00%	0.00%	0.00%	0.00%

Notes to Required Supplementary Information

2020: Changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates

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 Seven Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY							
Service cost	\$ 636,905	\$ 691,067	\$ 720,229	\$ 770,645	\$ 794,169	\$ 845,217	\$ 806,439
Interest	2,197,905	2,195,513	2,305,373	2,386,069	2,519,366	2,621,839	2,677,575
Change in benefit terms*	-	-	-	-	165,394	-	-
Differences between expected and actual experience	(1,063,512)	743,564	(184,562)	239,788	(457,500)	(130,176)	(670,992)
Changes to actuarial assumptions*	(558,820)	(638,384)	(201,388)	-	531,753	-	-
Benefit payments, including refunds of member contributions	(1,151,208)	(1,342,076)	(1,502,599)	(1,471,094)	(1,513,424)	(1,611,398)	(1,756,045)
Net change in total pension liability	61,270	1,649,684	1,137,053	1,925,408	2,039,758	1,725,482	1,056,977
Total pension liability - beginning	31,974,241	32,035,511	33,685,195	34,822,248	36,747,656	38,787,414	40,512,896
TOTAL PENSION LIABILITY - ENDING	\$ 32,035,511	\$ 33,685,195	\$ 34,822,248	\$ 36,747,656	\$ 38,787,414	\$ 40,512,896	\$ 41,569,873
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 1,079,609	\$ 1,092,429	\$ 1,152,636	\$ 1,250,966	\$ 1,304,119	\$ 1,393,328	\$ 1,545,285
Contributions - member	291,901	295,545	310,449	331,743	341,551	355,843	353,005
Contributions - other	-	60,493	-	-	-	-	-
Net investment income	(151,962)	1,249,839	1,317,562	1,522,124	239,123	6,404,339	(2,195,221)
Benefit payments, including refunds of member contributions	(1,151,208)	(1,342,076)	(1,502,599)	(1,471,094)	(1,513,424)	(1,611,398)	(1,756,045)
Administrative expense	(29,572)	(28,411)	(27,020)	(34,988)	(44,942)	(66,557)	(61,936)
Net change in plan fiduciary net position	38,768	1,327,819	1,251,028	1,598,751	326,427	6,475,555	(2,114,912)
Plan fiduciary net position - beginning	18,609,897	18,648,665	19,976,484	21,227,512	22,826,263	23,152,690	29,628,245
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,648,665	\$ 19,976,484	\$ 21,227,512	\$ 22,826,263	\$ 23,152,690	\$ 29,628,245	\$ 27,513,333
EMPLOYER'S NET PENSION LIABILITY	\$ 13,386,846	\$ 13,708,711	\$ 13,594,736	\$ 13,921,393	\$ 15,634,724	\$ 10,884,651	\$ 14,056,540

MEASUREMENT DATE APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	58.20%	59.30%	61.00%	62.10%	59.70%	73.10%	66.20%
Covered payroll	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984	\$ 3,383,915	\$ 3,586,222	\$ 3,416,941	\$ 3,559,742
Employer's net pension liability as a percentage of covered payroll	371.00%	369.40%	354.80%	411.40%	436.00%	318.50%	394.90%

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 6.48% 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.

*2020: There were changes in plan benefits required under PA-101-0610 (SB 1300). Changes in assumptions related to individual pay increases, inflation rate, mortality rate, mortality improvement rates, retirement rates, termination rates, and disability rates were made since the previous 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
FIREFIGHTERS' PENSION FUND

Last Seven Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY							
Service cost	\$ 477,887	\$ 498,539	\$ 508,606	\$ 544,208	\$ 529,349	\$ 597,607	\$ 618,903
Interest	1,602,246	1,747,535	1,787,737	1,842,898	1,939,180	1,969,486	1,987,825
Changes in benefit terms*	-	-	-	-	113,275	-	-
Differences between expected and actual experience	540,219	(591,688)	(61,697)	416,680	(720,228)	297,955	(625,934)
Changes to actuarial assumptions*	705,653	203,038	(121,354)	(14,778)	332,202	-	-
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)	(1,364,173)	(1,462,932)	(1,500,638)	(1,628,797)
Net change in total pension liability	2,104,987	577,544	826,932	1,424,835	730,846	1,364,410	351,997
Total pension liability - beginning	23,499,742	25,604,729	26,182,273	27,009,205	28,434,040	29,164,886	30,529,296
TOTAL PENSION LIABILITY - ENDING	\$ 25,604,729	\$ 26,182,273	\$ 27,009,205	\$ 28,434,040	\$ 29,164,886	\$ 30,529,296	\$ 30,881,293
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 783,447	\$ 864,148	\$ 1,035,510	\$ 1,070,269	\$ 1,103,287	\$ 1,154,950	\$ 1,238,702
Contributions - member	175,173	178,195	191,818	194,621	200,958	213,678	206,203
Contributions - other	-	-	-	42,872	2,555	-	194
Net investment income	(278,241)	1,278,591	1,095,097	1,033,752	314,719	4,343,014	(1,115,393)
Benefit payments, including refunds of member contributions	(1,221,018)	(1,279,880)	(1,286,360)	(1,364,173)	(1,462,932)	(1,500,638)	(1,628,797)
Administrative expense	(33,155)	(37,289)	(36,932)	(39,887)	(39,184)	(40,876)	(49,824)
Net change in plan fiduciary net position	(573,794)	1,003,765	999,133	937,454	119,403	4,170,128	(1,348,915)
Plan fiduciary net position - beginning	14,101,696	13,527,902	14,531,667	15,530,800	16,468,254	16,587,657	20,757,785
PLAN FIDUCIARY NET POSITION - ENDING	\$ 13,527,902	\$ 14,531,667	\$ 15,530,800	\$ 16,468,254	\$ 16,587,657	\$ 20,757,785	\$ 19,408,870
EMPLOYER'S NET PENSION LIABILITY	\$ 12,076,827	\$ 11,650,606	\$ 11,478,405	\$ 11,965,786	\$ 12,577,229	\$ 9,771,511	\$ 11,472,423

MEASUREMENT DATE APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	52.80%	55.50%	57.50%	57.90%	56.90%	68.00%	62.80%
Covered payroll	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336	\$ 2,077,740	\$ 2,182,622	\$ 2,253,557	\$ 2,170,284
Employer's net pension liability as a percentage of covered payroll	548.40%	529.40%	505.10%	575.90%	576.20%	433.60%	528.60%

Notes to Required Supplementary Information

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

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

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

*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.

*2020: There were changes in plan benefits required under PA-101-0610 (SB 1300). Changes in assumptions related to individual pay increases, inflation rate, mortality rate, mortality improvement rates, retirement rates, termination rates, and disability rates were made since the previous 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
TOTAL OPEB LIABILITY AND RELATED RATIOS
CITY OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020	2021	2022
TOTAL OPEB LIABILITY				
Service cost	\$ 373,427	\$ 419,463	\$ 520,098	\$ 583,063
Interest	298,747	360,003	281,937	217,611
Changes of benefit terms	-	-	(107,757)	-
Differences between expected and actual experience	-	1,508,500	(1,341,722)	-
Changes of assumptions	147,077	1,183,805	(298,888)	(635,916)
Benefit payments	(295,231)	(403,960)	(502,835)	(458,010)
Net change in total OPEB liability	524,020	3,067,811	(1,449,167)	(293,252)
Total OPEB liability - beginning	7,672,727	8,196,747	11,264,558	9,815,391
TOTAL OPEB LIABILITY - ENDING	\$ 8,196,747	\$ 11,264,558	\$ 9,815,391	\$ 9,522,139
Covered-employee payroll	\$ 8,341,323	\$ 8,369,148	\$ 8,417,775	\$ 8,453,856
Employer's total OPEB liability as a percentage of covered-employee payroll	98.27%	134.60%	116.60%	112.64%

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

2019-2021: Changes in assumptions related to the discount rate were made in 2019, 2020, and 2021.

2021: Changes in benefit terms were made specific to the City paying 86% of the single retiree premium

2022: Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates, and disability rates 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
TOTAL OPEB LIABILITY AND RELATED RATIOS
IDA PUBLIC LIBRARY OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020	2021	2022
TOTAL OPEB LIABILITY				
Service cost	\$ 6,242	\$ 11,155	\$ 12,293	\$ 6,857
Interest	5,847	3,404	2,921	2,418
Changes of benefit terms	-	-	(1,195)	-
Differences between expected and actual experience	-	(68,895)	(23,341)	-
Changes of assumptions	2,652	11,168	3,217	(23,724)
Benefit payments	(5,752)	(901)	(1,930)	(990)
Net change in total OPEB liability	8,989	(44,069)	(8,035)	(15,439)
Total OPEB liability - beginning	150,148	159,137	115,068	107,033
TOTAL OPEB LIABILITY - ENDING	\$ 159,137	\$ 115,068	\$ 107,033	\$ 91,594
Covered-employee payroll	\$ 125,479	\$ 220,314	\$ 279,037	\$ 287,408
Employer's total OPEB liability as a percentage of covered-employee payroll	126.82%	52.23%	38.36%	31.87%

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

2019-2021: Changes in assumptions related to the discount rate were made in 2019, 2020, and 2021.

2021: Changes in benefit terms were made specific to the City paying 86% of the single retiree premium.

2022: Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates, and disability rates 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 INVESTMENT RETURNS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	(0.96%)	6.76%	6.64%	7.15%	1.01%	27.52%	(7.20%)

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 Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	(1.95%)	9.45%	7.50%	6.65%	1.93%	26.17%	(5.48%)

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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 17,113,393	\$ 17,113,393	\$ 20,398,223
Licenses and permits	440,365	440,365	588,462
Intergovernmental	636,047	636,047	636,887
Fines and forfeits	865,517	865,517	648,263
Charges for services	353,097	353,097	559,030
Investment income	24,000	24,000	(79,077)
Miscellaneous	424,736	424,736	419,628
	<hr/>	<hr/>	<hr/>
Total revenues	19,857,155	19,857,155	23,171,416
EXPENDITURES			
General government	2,750,817	2,750,817	2,660,879
Public safety	13,739,321	13,739,321	13,048,772
Highways and streets	1,799,610	1,799,610	1,814,067
Health and social services	28,000	28,000	2,599
Community and economic development	149,290	149,290	136,767
	<hr/>	<hr/>	<hr/>
Total expenditures	18,467,038	18,467,038	17,663,084
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/>	<hr/>	<hr/>
	1,390,117	1,390,117	5,508,332
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	15,500
Transfers in	850,000	850,000	56,190
Transfers (out)	(2,193,593)	(2,193,593)	(372,825)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(1,343,593)	(1,343,593)	(301,135)
NET CHANGE IN FUND BALANCE			
	<hr/>	<hr/>	<hr/>
	\$ 46,524	\$ 46,524	5,207,197
FUND BALANCE, MAY 1			
			<hr/>
			14,466,919
FUND BALANCE, APRIL 30			
			<hr/>
			\$ 19,674,116

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2022

Budgets are adopted on a basis consistent with GAAP. 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 \$118,879, the Police Pension Fund by \$195,881, the Capital Projects Fund by \$803,650, the Farmington SSA#3 Fund by \$577, and the Farmington SSA#2 Fund by \$3,738.

SUPPLEMENTARY INFORMATION

CITY OF BELVIDERE, ILLINOIS

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

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
TAXES			
Property taxes	\$ 5,203,934	\$ 5,203,934	\$ 5,236,654
Personal property replacement tax	353,852	353,852	1,249,292
Income tax	2,837,376	2,837,376	3,667,723
Sales tax	4,676,127	4,676,127	6,220,547
State use tax	1,138,532	1,138,532	974,027
Hotel/motel tax	2,820	2,820	1,469
Video gambling tax	385,800	385,800	541,365
Cannabis tax	23,794	23,794	39,935
Auto rental tax	5,400	5,400	8,550
Telecommunications tax	94,200	94,200	73,543
Utility tax	2,391,558	2,391,558	2,385,118
Total taxes	17,113,393	17,113,393	20,398,223
INTERGOVERNMENTAL			
Grants	636,047	636,047	636,887
Total intergovernmental	636,047	636,047	636,887
LICENSES AND PERMITS			
Liquor licenses	119,650	119,650	159,900
Business licenses	13,865	13,865	9,095
Building permits	165,000	165,000	231,413
Electrical permits	16,000	16,000	36,134
Plumbing permits	5,000	5,000	75
HVAC permits	5,000	5,000	18,865
Amusement machine permits	100,000	100,000	102,970
Planning fees	9,550	9,550	19,480
Other	6,300	6,300	10,530
Total licenses and permits	440,365	440,365	588,462

(This schedule is continued on the following pages.)

CITY OF BELVIDERE, ILLINOIS

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

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
FINES AND FORFEITS			
Circuit court fines	\$ 218,550	\$ 218,550	\$ 128,810
Parking fines	14,735	14,735	7,370
Engineering fees	10,000	10,000	-
Electrician certification fees	3,000	3,000	3,000
Plan review fees	25,000	25,000	23,473
Police fines and fees	102,100	102,100	56,102
Sidewalk/lot grading	6,000	6,000	17,162
Franchise fees	263,547	263,547	265,694
Death and birth certificates	20,342	20,342	24,129
Accident/fire reports	4,350	4,350	4,983
Seized vehicle fees	50,400	50,400	42,000
Tipping fees	62,718	62,718	14,992
Sex offender registration fee	3,525	3,525	2,800
Violent offender	-	-	50
Code enforcement	6,500	6,500	2,100
Forced mowing reimbursement	-	-	899
Police court fines	48,600	48,600	42,174
Asset forfeiture	-	-	4,497
Fire review fees	2,750	2,750	2,968
Annexation/plat fees	20,000	20,000	-
Zoning review fee	3,400	3,400	5,060
Total fines and forfeits	865,517	865,517	648,263
CHARGES FOR SERVICES			
School resource officer reimbursement	97,812	97,812	101,972
COSSAP reimbursement	-	-	78,398
County fuel charges	255,285	255,285	378,660
Total charges for services	353,097	353,097	559,030

(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, 2022

	Original Budget	Final Budget	Actual
INVESTMENT INCOME			
Investment income	\$ 24,000	\$ 24,000	\$ (79,077)
MISCELLANEOUS			
Reimbursements	369,436	369,436	222,386
Other	55,300	55,300	197,242
Total miscellaneous	424,736	424,736	419,628
TOTAL REVENUES	\$ 19,857,155	\$ 19,857,155	\$ 23,171,416

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

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

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Personnel services			
Salaries - elected officials	\$ 215,889	\$ 215,889	\$ 218,210
Salaries - regular	249,034	249,034	216,714
Group health insurance	463,929	463,929	416,982
Dental insurance claims paid	35,000	35,000	26,941
Group life insurance	1,458	1,458	1,354
IMRF	168,108	168,108	128,821
FICA	229,617	229,617	55,649
Medicare	143,128	143,128	141,180
Total personnel services	<u>1,506,163</u>	<u>1,506,163</u>	<u>1,205,851</u>
Contractual services			
Accounting and auditing	43,700	43,700	52,575
Codification	5,000	5,000	3,236
Legal	23,400	23,400	6,464
Liability insurance	459,895	459,895	465,305
Telephone	23,480	23,480	22,570
Other professional services	160,161	160,161	117,833
Total contractual services	<u>715,636</u>	<u>715,636</u>	<u>667,983</u>
Commodities			
Meetings and conferences	13,800	13,800	5,392
Office supplies	110,250	110,250	93,552
Other communications	2,520	2,520	1,603
Heritage days	-	-	100,117
Subscriptions and educational materials	1,500	1,500	1,034
Repairs and maintenance - building	37,160	37,160	34,168
Repairs and maintenance - equipment	5,500	5,500	4,364
Gas and oil	269,648	269,648	475,737
Other supplies	4,800	4,800	2,544
Miscellaneous	83,840	83,840	68,534
Total commodities	<u>529,018</u>	<u>529,018</u>	<u>787,045</u>
Total general government	<u>2,750,817</u>	<u>2,750,817</u>	<u>2,660,879</u>
PUBLIC SAFETY			
Police department			
Personnel services			
Salaries	3,933,799	3,933,799	3,711,944
Overtime	406,000	406,000	255,649
Police pension	1,478,417	1,478,417	1,545,285
Group health insurance	931,161	931,161	861,826
Dental insurance claims paid	60,000	60,000	53,575
Uniform allowance	80,573	80,573	81,043
Training	97,305	97,305	50,940
Physical exams	2,135	2,135	-
Total personnel services	<u>6,989,390</u>	<u>6,989,390</u>	<u>6,560,262</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, 2022

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Contractual services			
Telephone	\$ 46,000	\$ 46,000	\$ 40,310
Total contractual services	46,000	46,000	40,310
Commodities			
Community policing	13,500	13,500	3,224
K-9 expenses	7,194	7,194	23,207
Repairs and maintenance - vehicle	97,800	97,800	97,529
Police equipment - maintenance	30,925	30,925	18,757
Sex offender state disbursement	3,600	3,600	1,820
Violent offender state disbursement	-	-	50
Office supplies	8,550	8,550	8,524
Gas and oil	112,500	112,500	82,991
Operating supplies	45,325	45,325	23,545
Miscellaneous	31,700	31,700	37,277
Total commodities	351,094	351,094	296,924
Capital outlay			
Vehicles	-	-	41,063
Equipment	76,700	76,700	154,435
Total capital outlay	76,700	76,700	195,498
Total police department	7,463,184	7,463,184	7,092,994
Public safety building			
Contractual services			
Public safety building expenses	1,158,935	1,158,935	1,083,267
Total contractual services	1,158,935	1,158,935	1,083,267
Total public safety building	1,158,935	1,158,935	1,083,267
Fire department			
Personnel services			
Salaries	2,421,221	2,421,221	2,212,019
Overtime	136,000	136,000	221,635
Fire pension	1,171,834	1,171,834	1,238,702
Group health insurance	563,337	563,337	488,317
Dental insurance claims paid	30,000	30,000	31,730
Uniform allowance	41,500	41,500	41,810
Training	20,000	20,000	13,268
Physical exams	2,500	2,500	1,807
Total personnel services	4,386,392	4,386,392	4,249,288
Contractual services			
Telephone	10,540	10,540	15,554
Total contractual services	10,540	10,540	15,554

(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, 2022

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Commodities			
Gas and oil	\$ 20,000	\$ 20,000	\$ 17,456
Fire prevention	12,000	12,000	6,631
Repairs and maintenance - building	40,000	40,000	30,162
Repairs and maintenance - vehicle	55,000	55,000	35,075
Repairs and maintenance - equipment	17,000	17,000	13,027
Emergency medical supplies	11,500	11,500	10,484
Office supplies	15,300	15,300	20,872
Operating supplies	10,000	10,000	12,309
Miscellaneous	1,000	1,000	900
Total commodities	<u>181,800</u>	<u>181,800</u>	<u>146,916</u>
Capital outlay			
Equipment			
	25,000	25,000	21,074
Total capital outlay	<u>25,000</u>	<u>25,000</u>	<u>21,074</u>
Total fire department	<u>4,603,732</u>	<u>4,603,732</u>	<u>4,432,832</u>
Police and fire commission			
Personnel services			
Physical exams	16,500	16,500	5,685
Total personnel services	<u>16,500</u>	<u>16,500</u>	<u>5,685</u>
Contractual services			
Miscellaneous contractual services	10,015	10,015	13,917
Total contractual services	<u>10,015</u>	<u>10,015</u>	<u>13,917</u>
Total police and fire commission	<u>26,515</u>	<u>26,515</u>	<u>19,602</u>
Building department			
Personnel services			
Salaries	271,629	271,629	244,855
FICA	20,780	20,780	19,625
IMRF	26,827	26,827	22,219
Community development health	71,876	71,876	62,652
Community development dental	4,000	4,000	1,160
Training	5,000	5,000	3,742
Total personnel services	<u>400,112</u>	<u>400,112</u>	<u>354,253</u>
Contractual services			
Telephone	2,400	2,400	2,050
Other contractual services	6,150	6,150	6,150
Other professional services	47,000	47,000	30,000
Total contractual services	<u>55,550</u>	<u>55,550</u>	<u>38,200</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, 2022

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Building department (Continued)			
Commodities			
Postage	\$ 3,700	\$ 3,700	\$ 3,340
Printing and publishing	2,743	2,743	2,399
Office supplies	9,000	9,000	9,933
Repairs and maintenance - equipment	6,100	6,100	2,818
Gas and oil	1,000	1,000	1,356
Maintenance of vehicles	1,000	1,000	498
Miscellaneous	750	750	1,520
Total commodities	<u>24,293</u>	<u>24,293</u>	<u>21,864</u>
Total building department	<u>479,955</u>	<u>479,955</u>	<u>414,317</u>
Civil defense			
Commodities			
Miscellaneous	7,000	7,000	5,760
Total commodities	<u>7,000</u>	<u>7,000</u>	<u>5,760</u>
Total civil defense	<u>7,000</u>	<u>7,000</u>	<u>5,760</u>
Total public safety	<u>13,739,321</u>	<u>13,739,321</u>	<u>13,048,772</u>
HIGHWAYS AND STREETS			
Street department			
Personnel services			
Salaries	703,850	703,850	674,698
Overtime	45,000	45,000	49,394
Group health insurance	204,560	204,560	177,358
Uniform allowance	16,000	16,000	19,063
Training	1,500	1,500	50
Total personnel services	<u>970,910</u>	<u>970,910</u>	<u>920,563</u>
Contractual services			
Telephone	8,000	8,000	9,475
Leaf cleanup	12,000	12,000	9,928
Total contractual services	<u>20,000</u>	<u>20,000</u>	<u>19,403</u>
Commodities			
Office supplies	6,000	6,000	5,825
Gas and oil	75,000	75,000	59,717
Repairs and maintenance - storm	30,000	30,000	9,518
Repairs and maintenance - sidewalk	40,000	40,000	75,193
Repairs and maintenance - building	10,000	10,000	5,742
Repairs and maintenance - equipment	110,000	110,000	140,008
Repairs and maintenance - traffic	30,000	30,000	17,276
Parking lot maintenance	97,500	97,500	111,374
Operating supplies	30,000	30,000	22,541
Miscellaneous	2,000	2,000	2,013
Total commodities	<u>430,500</u>	<u>430,500</u>	<u>449,207</u>
Total street department	<u>1,421,410</u>	<u>1,421,410</u>	<u>1,389,173</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, 2022

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street lighting			
Contractual services			
Electric	\$ 230,000	\$ 230,000	\$ 275,405
Total contractual services	230,000	230,000	275,405
Commodities			
Repairs and maintenance - street lighting	10,000	10,000	9,644
Total commodities	10,000	10,000	9,644
Total street lighting	240,000	240,000	285,049
Garbage			
Commodities			
Miscellaneous	54,000	54,000	53,201
Total commodities	54,000	54,000	53,201
Total garbage	54,000	54,000	53,201
Forestry			
Contractual services			
Tree removal/purchase	40,000	40,000	47,723
Total contractual services	40,000	40,000	47,723
Total forestry	40,000	40,000	47,723
City engineering			
Commodities			
Office supplies	7,200	7,200	6,150
Engineering	27,000	27,000	25,603
Subdivision expenses	10,000	10,000	7,168
Total commodities	44,200	44,200	38,921
Total city engineering	44,200	44,200	38,921
Total highways and streets	1,799,610	1,799,610	1,814,067
HEALTH AND SOCIAL SERVICES			
Health regulations and inspections			
Commodities			
Council on aging	23,000	23,000	-
Demolition	5,000	5,000	2,599
Total commodities	28,000	28,000	2,599
Total health regulations and inspections	28,000	28,000	2,599
Total health and social services	28,000	28,000	2,599

(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, 2022

	Original Budget	Final Budget	Actual
COMMUNITY AND ECONOMIC DEVELOPMENT			
Economic development			
Commodities			
Planning department services	\$ 27,500	\$ 27,500	\$ 2,520
Economic development	92,290	92,290	108,648
Tourism	5,000	5,000	5,000
Historic preservation	5,000	5,000	3,794
Buchanan strolls - entertainment	12,000	12,000	10,205
Buchanan strolls - supplies	4,000	4,000	1,008
Buchanan strolls - miscellaneous	3,500	3,500	3,186
Bellwood detention basin	-	-	2,406
	<hr/>	<hr/>	<hr/>
Total commodities	149,290	149,290	136,767
	<hr/>	<hr/>	<hr/>
Total economic development	149,290	149,290	136,767
	<hr/>	<hr/>	<hr/>
Total community and economic development	149,290	149,290	136,767
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 18,467,038	\$ 18,467,038	\$ 17,663,084

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF BELVIDERE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	Special Revenue		
	Motor Fuel Tax	Kishwaukee TIF	Kishwaukee TIF #2
ASSETS			
Cash and investments	\$ 2,366,564	\$ 37,045	\$ 4,915
Receivables			
Property taxes	-	17,972	-
Other	85,854	-	-
Due from other funds	20,354	-	-
TOTAL ASSETS	\$ 2,472,772	\$ 55,017	\$ 4,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,056	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	5,056	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	17,972	-
Total deferred inflows of resources	-	17,972	-
Total liabilities and deferred inflows of resources	5,056	17,972	-
FUND BALANCES			
Restricted			
Public safety	-	-	-
Highways and streets	2,467,716	-	-
Capital projects	-	-	-
Economic development	-	37,045	4,915
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	2,467,716	37,045	4,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,472,772	\$ 55,017	\$ 4,915

Special Revenue						
Farmington SSA #2	Farmington SSA #3	Foreign Fire Insurance	Police Restricted	Capital Projects	Total	
\$ 17,930	\$ 1,825	\$ 55,118	\$ 282,164	\$ 44,542	\$ 2,810,103	
1,278	492	-	-	40,034	59,776	
-	-	-	-	100,000	185,854	
-	-	-	-	-	20,354	
\$ 19,208	\$ 2,317	\$ 55,118	\$ 282,164	\$ 184,576	\$ 3,076,087	
\$ 1,108	\$ 610	\$ -	\$ -	\$ 165,321	\$ 172,095	
-	-	-	-	20,354	20,354	
1,108	610	-	-	185,675	192,449	
1,278	492	-	-	40,034	59,776	
1,278	492	-	-	40,034	59,776	
2,386	1,102	-	-	225,709	252,225	
-	-	55,118	282,164	-	337,282	
-	-	-	-	-	2,467,716	
16,822	1,215	-	-	-	18,037	
-	-	-	-	-	41,960	
-	-	-	-	(41,133)	(41,133)	
16,822	1,215	55,118	282,164	(41,133)	2,823,862	
\$ 19,208	\$ 2,317	\$ 55,118	\$ 282,164	\$ 184,576	\$ 3,076,087	

(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, 2022

	Special Revenue		
	Motor Fuel Tax	Kishwaukee TIF	Kishwaukee TIF #2
REVENUES			
Taxes	\$ -	\$ 18,446	\$ -
Intergovernmental	1,629,679	-	-
Charges for services	-	-	-
Investment income	2,168	-	-
Miscellaneous	-	-	-
Total revenues	1,631,847	18,446	-
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	821,136	-	-
Capital outlay	-	3,738	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	821,136	3,738	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	810,711	14,708	-
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	810,711	14,708	-
FUND BALANCES, MAY 1	1,657,005	22,337	4,915
FUND BALANCES (DEFICIT), APRIL 30	\$ 2,467,716	\$ 37,045	\$ 4,915

Special Revenue						
Farmington	Farmington	Foreign	Police	Capital		
SSA #2	SSA #3	Fire Insurance	Restricted	Projects	Total	
\$ 20,839	\$ 8,425	\$ 46,919	\$ -	\$ 40,109	\$	134,738
-	-	-	-	100,000		1,729,679
-	-	-	69,000	-		69,000
-	-	-	-	490		2,658
-	-	-	-	58		58
20,839	8,425	46,919	69,000	140,657		1,936,133
19,238	7,277	-	-	-		26,515
-	-	32,008	123,072	-		155,080
-	-	-	-	699,801		1,520,937
-	-	-	-	814,513		818,251
-	-	-	-	125,507		125,507
-	-	-	-	7,422		7,422
19,238	7,277	32,008	123,072	1,647,243		2,653,712
1,601	1,148	14,911	(54,072)	(1,506,586)		(717,579)
-	-	-	-	41,063		41,063
-	-	-	-	372,825		372,825
-	-	-	(56,190)	-		(56,190)
-	-	-	(56,190)	413,888		357,698
1,601	1,148	14,911	(110,262)	(1,092,698)		(359,881)
15,221	67	40,207	392,426	1,051,565		3,183,743
\$ 16,822	\$ 1,215	\$ 55,118	\$ 282,164	\$ (41,133)	\$	2,823,862

(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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 1,033,000	\$ 1,033,000	\$ 1,067,628
REBUILD Illinois	843,076	843,076	562,051
Investment income	372	372	2,168
	<hr/>		
Total revenues	1,876,448	1,876,448	1,631,847
	<hr/>		
EXPENDITURES			
Highways and streets			
Street maintenance	2,946,152	2,946,152	821,136
	<hr/>		
Total expenditures	2,946,152	2,946,152	821,136
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,069,704)</u>	<u>\$ (1,069,704)</u>	810,711
FUND BALANCE, MAY 1			<hr/> 1,657,005
FUND BALANCE, APRIL 30			<hr/> \$ 2,467,716 <hr/>

(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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 20,000	\$ 20,000	\$ 18,446
Total revenues	20,000	20,000	18,446
EXPENDITURES			
Capital outlay	2,000	2,000	3,738
Debt service			
Interest and fiscal charges	6,250	6,250	-
Total expenditures	8,250	8,250	3,738
NET CHANGE IN FUND BALANCE	<u>\$ 11,750</u>	<u>\$ 11,750</u>	14,708
FUND BALANCE, MAY 1			<u>22,337</u>
FUND BALANCE, APRIL 30			<u>\$ 37,045</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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 16,500	\$ 16,500	\$ 20,839
Total revenues	16,500	16,500	20,839
EXPENDITURES			
General government			
Repairs and maintenance	15,500	15,500	19,238
Total expenditures	15,500	15,500	19,238
NET CHANGE IN FUND BALANCE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	1,601
FUND BALANCE, MAY 1			<u>15,221</u>
FUND BALANCE, APRIL 30			<u>\$ 16,822</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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 6,700	\$ 6,700	\$ 8,425
Total revenues	6,700	6,700	8,425
EXPENDITURES			
General government			
Repairs and maintenance	6,700	6,700	7,277
Total expenditures	6,700	6,700	7,277
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,148
FUND BALANCE, MAY 1			<u>67</u>
FUND BALANCE, APRIL 30			<u>\$ 1,215</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, 2022

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 40,000	\$ 40,000	\$ 40,109
Intergovernmental	-	-	100,000
Investment income	1,275	1,275	490
Miscellaneous	-	-	58
Total revenues	41,275	41,275	140,657
EXPENDITURES			
Current			
Highways and streets			
Miscellaneous	250,000	250,000	699,801
Capital outlay			
Vehicles	396,328	396,328	420,291
Infrastructure	70,000	70,000	336,012
Buildings and improvements	25,000	25,000	58,210
Equipment	38,131	38,131	-
Debt service			
Principal	64,134	64,134	125,507
Interest and fiscal charges	-	-	7,422
Total expenditures	843,593	843,593	1,647,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(802,318)	(802,318)	(1,506,586)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	41,063
Transfers in	2,193,593	2,193,593	372,825
Total other financing sources (uses)	2,193,593	2,193,593	413,888
NET CHANGE IN FUND BALANCE	\$ 1,391,275	\$ 1,391,275	(1,092,698)
FUND BALANCE, MAY 1			1,051,565
FUND BALANCE (DEFICIT), APRIL 30			\$ (41,133)

(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, 2022

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water sales	\$ 2,022,931	\$ 2,022,931	\$ 1,899,822
Sewer charges	2,992,181	2,992,181	2,741,644
Water connection fees	20,000	20,000	190,752
Sewer connection fees	24,000	24,000	418,950
Water meter sales	93,000	93,000	117,492
Sewer meter sales	93,000	93,000	117,194
Other	5,000	5,000	106,612
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,250,112	5,250,112	5,592,466
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Water	1,820,402	1,820,402	2,041,626
Sewer	1,917,064	1,917,064	4,391,481
Collection system	775,227	775,227	737,946
	<hr/>	<hr/>	<hr/>
Total operating expenses excluding depreciation	4,512,693	4,512,693	7,171,053
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	737,419	737,419	(1,578,587)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	7,600	7,600	(20,537)
Grants	-	-	3,365
Principal payments	(107,565)	(107,565)	(107,565)
Interest and fiscal charges	(16,547)	(16,547)	(15,514)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(116,512)	(116,512)	(140,251)
	<hr/>	<hr/>	<hr/>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	620,907	620,907	(1,718,838)
CAPITAL GRANTS AND CONTRIBUTIONS			
Capital contributions	-	-	621,893
	<hr/>	<hr/>	<hr/>
Total capital grants and contributions	-	-	621,893
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ 620,907</u>	<u>\$ 620,907</u>	<u>(1,096,945)</u>
ADJUSTMENTS TO GAAP BASIS			
Additions to capital assets			2,619,120
Pension items			441,423
OPEB items			(64,094)
Depreciation			(1,970,936)
Principal payments			107,565
			<hr/>
Total adjustment to GAAP basis			1,133,078
			<hr/>
CHANGE IN NET POSITION - GAAP BASIS			36,133
			<hr/>
NET POSITION, MAY 1			42,316,852
			<hr/>
NET POSITION, APRIL 30			<u>\$ 42,352,985</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, 2022

	Original Budget	Final Budget	Actual
WATER			
Personnel services			
Salaries	\$ 554,650	\$ 554,650	\$ 520,001
Overtime	35,000	35,000	55,493
IMRF	64,134	64,134	55,932
FICA/Medicare	45,108	45,108	43,523
Group health insurance	205,910	205,910	173,150
Uniform allowance	11,600	11,600	8,433
Total personnel services	916,402	916,402	856,532
Contractual services			
Utilities	250,000	250,000	224,572
Telephone	10,000	10,000	6,736
Liability insurance	111,000	111,000	113,433
Lab expense	36,000	36,000	14,211
Other professional services	15,000	15,000	3,225
Total contractual services	422,000	422,000	362,177
Commodities			
Chemicals	90,000	90,000	105,370
Gas and oil	20,000	20,000	22,024
Postage	18,000	18,000	15,401
Meters	20,000	20,000	40,432
Repair and maintenance - infrastructure	74,000	74,000	82,358
Repair and maintenance - building	16,000	16,000	12,487
Repair and maintenance - equipment	33,000	33,000	24,997
Repair and maintenance - vehicle	20,000	20,000	11,082
Repair and maintenance - contractual	80,000	80,000	83,781
Office supplies	9,000	9,000	29,894
Office equipment rental/maintenance	28,000	28,000	25,782
Operating supplies	67,000	67,000	68,235
Bad debt expense	2,000	2,000	883
ARO Amortization	-	-	1,995
Miscellaneous	5,000	5,000	1,955
Total commodities	482,000	482,000	526,676
Total water	1,820,402	1,820,402	1,745,385

(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, 2022

	Original Budget	Final Budget	Actual
SEWER			
Personnel services			
Salaries	\$ 655,560	\$ 655,560	\$ 614,049
Overtime	55,000	55,000	53,442
IMRF	77,285	77,285	63,973
Group health insurance	225,361	225,361	207,236
FICA	54,358	54,358	49,216
Uniform allowance	20,000	20,000	17,562
Total personnel services	<u>1,087,564</u>	<u>1,087,564</u>	<u>1,005,478</u>
Contractual services			
Utilities	200,000	200,000	235,682
Telephone	11,000	11,000	8,578
Liability insurance	132,000	132,000	134,702
Lab expense	30,000	30,000	48,839
NARP watershed	30,000	30,000	12,216
Other professional services	73,500	73,500	59,136
Total contractual services	<u>476,500</u>	<u>476,500</u>	<u>499,153</u>
Commodities			
Chemicals	45,000	45,000	59,962
Gas and oil	25,000	25,000	25,064
Postage	17,000	17,000	15,565
Office equipment rental/maintenance	6,000	6,000	5,571
Sludge disposal	10,000	10,000	11,396
Repair and maintenance - lift station	20,000	20,000	22,221
Repair and maintenance - building	100,000	100,000	70,093
Repair and maintenance - equipment	-	-	184,940
Repair and maintenance - vehicle	26,000	26,000	34,543
Repair and maintenance - contractual	50,000	50,000	46,642
Maintenance supplies	-	-	2,982
Office supplies	9,000	9,000	31,525
Operating supplies	20,000	20,000	9,256
Meters	20,000	20,000	40,432
Bad debt expense	3,000	3,000	1,087
Miscellaneous	2,000	2,000	2,692
Total commodities	<u>353,000</u>	<u>353,000</u>	<u>563,971</u>
Total sewer	<u>1,917,064</u>	<u>1,917,064</u>	<u>2,068,602</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, 2022

	Original Budget	Final Budget	Actual
COLLECTION SYSTEM			
Personnel services			
Salaries	\$ 386,385	\$ 386,385	\$ 365,197
Overtime	30,000	30,000	48,113
IMRF	45,289	45,289	40,884
FICA	31,853	31,853	31,843
Group health insurance	145,600	145,600	134,105
Uniform allowance	6,600	6,600	4,508
Total personnel services	<u>645,727</u>	<u>645,727</u>	<u>624,650</u>
Commodities			
Gas and oil	9,000	9,000	9,231
Office equipment rental/maintenance	30,000	30,000	18,875
Repair and maintenance - infrastructure	35,000	35,000	21,133
Repair and maintenance - equipment	14,000	14,000	8,014
Repair and maintenance - vehicle	20,000	20,000	14,773
Telephone	-	-	1,353
Operating supplies	20,000	20,000	38,751
Miscellaneous	1,500	1,500	1,166
Total commodities	<u>129,500</u>	<u>129,500</u>	<u>113,296</u>
Total collection system	<u>775,227</u>	<u>775,227</u>	<u>737,946</u>
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>\$ 4,512,693</u>	<u>\$ 4,512,693</u>	<u>\$ 4,551,933</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF BELVIDERE, ILLINOIS

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

April 30, 2022

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 8,054	\$ 96,859	\$ 104,913
Investments, at fair value			
U.S. Treasury obligations	1,042,438	-	1,042,438
U.S. agency obligations	5,476,507	-	5,476,507
Municipal bonds	1,837,661	-	1,837,661
Corporate bonds	1,548,869	-	1,548,869
Mortgage-backed securities	829	-	829
Negotiable certificate of deposit	525,063	-	525,063
Mutual funds	16,253,197	-	16,253,197
Money market mutual funds	265,239	262,767	528,006
Investments held in the Illinois Firefighters' Pension Investment Fund	-	18,718,481	18,718,481
Total investments	26,949,803	18,981,248	45,931,051
Receivables			
Due from Municipality	489,452	333,781	823,233
Accrued interest	73,985	-	73,985
Total receivables	563,437	333,781	897,218
Prepaid items	-	862	862
Total assets	27,521,294	19,412,750	46,934,044
LIABILITIES			
Accounts payable	7,961	3,880	11,841
Total liabilities	7,961	3,880	11,841
NET POSITION RESTRICTED FOR PENSIONS			
	\$ 27,513,333	\$ 19,408,870	\$ 46,922,203

(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, 2022

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,545,285	\$ 1,238,702	\$ 2,783,987
Employee	353,005	206,203	559,208
Other	-	194	194
Total contributions	<u>1,898,290</u>	<u>1,445,099</u>	<u>3,343,389</u>
Investment income			
Net (depreciation) in fair value of investments	(3,531,032)	(1,243,556)	(4,774,588)
Interest and dividends	1,395,474	151,823	1,547,297
Total investment income	<u>(2,135,558)</u>	<u>(1,091,733)</u>	<u>(3,227,291)</u>
Less investment expenses	(59,663)	(23,660)	(83,323)
Net investment income	<u>(2,195,221)</u>	<u>(1,115,393)</u>	<u>(3,310,614)</u>
Total additions	<u>(296,931)</u>	<u>329,706</u>	<u>32,775</u>
DEDUCTIONS			
Benefits and refunds	1,756,045	1,628,797	3,384,842
Administrative expenses	61,936	49,824	111,760
Total deductions	<u>1,817,981</u>	<u>1,678,621</u>	<u>3,496,602</u>
NET DECREASE	(2,114,912)	(1,348,915)	(3,463,827)
NET POSITION RESTRICTED FOR PENSIONS			
May 1	<u>29,628,245</u>	<u>20,757,785</u>	<u>50,386,030</u>
April 30	<u>\$ 27,513,333</u>	<u>\$ 19,408,870</u>	<u>\$ 46,922,203</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
ADDITIONS			
Contributions			
Employer	\$ 1,545,285	\$ 1,545,285	\$ 1,545,285
Employee	365,645	365,645	353,005
	<hr/>	<hr/>	<hr/>
Total contributions	1,910,930	1,910,930	1,898,290
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation (depreciation) in fair value of investments	-	-	(3,531,032)
Interest and dividends	632,000	632,000	1,395,474
	<hr/>	<hr/>	<hr/>
Total investment income	632,000	632,000	(2,135,558)
Less investment expenses	-	-	(59,663)
	<hr/>	<hr/>	<hr/>
Net investment income	632,000	632,000	(2,195,221)
	<hr/>	<hr/>	<hr/>
Total additions	2,542,930	2,542,930	(296,931)
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Benefits and refunds	1,626,763	1,626,763	1,756,045
Administrative expenses	55,000	55,000	61,936
	<hr/>	<hr/>	<hr/>
Total deductions	1,681,763	1,681,763	1,817,981
	<hr/>	<hr/>	<hr/>
NET INCREASE (DECREASE)	<u>\$ 861,167</u>	<u>\$ 861,167</u>	(2,114,912)
 NET POSITION RESTRICTED FOR PENSIONS			
May 1			<hr/> 29,628,245
April 30			<hr/> <u>\$ 27,513,333</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, 2022

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,238,702	\$ 1,238,702	\$ 1,238,702
Employee	218,677	218,677	206,203
Other	-	-	194
	<hr/>	<hr/>	<hr/>
Total contributions	1,457,379	1,457,379	1,445,099
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation (depreciation) in fair value of investments	-	-	(1,243,556)
Interest	484,518	484,518	151,823
	<hr/>	<hr/>	<hr/>
Total investment income	484,518	484,518	(1,091,733)
Less investment expenses	-	-	(23,660)
	<hr/>	<hr/>	<hr/>
Net investment income	484,518	484,518	(1,115,393)
	<hr/>	<hr/>	<hr/>
Total additions	1,941,897	1,941,897	329,706
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Benefits and refunds	1,538,402	1,538,402	1,628,797
Administrative expenses	45,000	45,000	49,824
	<hr/>	<hr/>	<hr/>
Total deductions	1,583,402	1,583,402	1,678,621
	<hr/>	<hr/>	<hr/>
NET INCREASE (DECREASE)	<u>\$ 358,495</u>	<u>\$ 358,495</u>	(1,348,915)
 NET POSITION RESTRICTED FOR PENSIONS			
May 1			<hr/> 20,757,785
April 30			<hr/> <u>\$ 19,408,870</u>

(See independent auditor's report.)

COMPONENT UNIT

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION AND BALANCE SHEET
IDA PUBLIC LIBRARY

April 30, 2022

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets			
Cash and investments	\$ 828,157	\$ -	\$ 828,157
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	744,554	-	744,554
Other	38,741	-	38,741
Prepaid expenses	19,611	-	19,611
Total current assets	<u>1,631,063</u>	<u>-</u>	<u>1,631,063</u>
Noncurrent assets			
Net pension asset - IMRF	-	390,830	390,830
Capital assets not being depreciated	-	385,547	385,547
Capital assets being depreciated, net of accumulated depreciation	-	514,001	514,001
Total noncurrent assets	<u>-</u>	<u>1,290,378</u>	<u>1,290,378</u>
Total assets	<u>1,631,063</u>	<u>1,290,378</u>	<u>2,921,441</u>
Deferred outflows of resources			
Pension items - IMRF	-	19,196	19,196
OPEB items	-	12,940	12,940
Total deferred outflow of resources	<u>-</u>	<u>32,136</u>	<u>32,136</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,631,063</u></u>	<u><u>\$ 1,322,514</u></u>	<u><u>\$ 2,953,577</u></u>

(This statement is continued on the following page.)

CITY OF BELVIDERE, ILLINOIS

STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)
IDA PUBLIC LIBRARY

April 30, 2022

	Balance Sheet	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 13,644	\$ -	\$ 13,644
Accrued payroll	10,316	-	10,316
Unearned revenue	2,700	-	2,700
Compensated absences payable	-	1,473	1,473
Mortgage loans payable	-	22,170	22,170
Total OPEB liability	-	990	990
Total current liabilities	26,660	24,633	51,293
Noncurrent liabilities			
Compensated absences	-	5,893	5,893
Mortgage loans payable	-	221,795	221,795
Total OPEB liability	-	90,604	90,604
Total noncurrent liabilities	-	318,292	318,292
Total liabilities	26,660	342,925	369,585
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	-	411,527	411,527
OPEB items	-	93,800	93,800
Deferred revenue - property taxes	744,554	-	744,554
Total deferred inflows of resources	744,554	505,327	1,249,881
Total liabilities and deferred inflows of resources	771,214	848,252	1,619,466
FUND BALANCE/NET POSITION			
Net investment in capital assets	-	655,583	655,583
Nonspendable - prepaids	19,611	(19,611)	-
Restricted - donor specific	171,219	-	171,219
Unassigned (deficit)	669,019	(161,710)	507,309
Total fund balance	859,849	474,262	1,334,111
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION			
	\$ 1,631,063	\$ 1,322,514	\$ 2,953,577

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

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

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Adjustments	Statement of Activities
REVENUES					
Taxes					
Property taxes	\$ 744,525	\$ 744,525	\$ 746,206	\$ -	\$ 746,206
Replacement taxes	39,000	39,000	39,562	-	39,562
Grants and contributions	33,500	33,500	59,676	-	59,676
Charges for services	47,400	47,400	38,339	-	38,339
Investment income	6,500	6,500	21,376	-	21,376
Miscellaneous	13,100	13,100	13,972	-	13,972
Total revenues	884,025	884,025	919,131	-	919,131
EXPENDITURES					
Current					
Culture and recreation	683,675	683,675	893,636	(58,111)	835,525
Capital outlay	200,350	200,350	125,427	(125,427)	-
Debt service					
Principal	-	-	17,763	(17,763)	-
Interest and fiscal charges	-	-	12,812	-	12,812
Total expenditures	884,025	884,025	1,049,638	(201,301)	848,337
CHANGE IN NET POSITION	\$ -	\$ -	(130,507)	201,301	70,794
NET POSITION, MAY 1			990,356	272,961	1,263,317
NET POSITION, APRIL 30			\$ 859,849	\$ 474,262	\$ 1,334,111

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

CITY OF BELVIDERE, ILLINOIS

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

April 30, 2022

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
2023	\$ 67,147	\$ 1,681	\$ 68,828
	\$ 67,147	\$ 1,681	\$ 68,828

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

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

April 30, 2022

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
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>\$ 255,098</u>	<u>\$ 7,508</u>	<u>\$ 262,606</u>

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

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

April 30, 2022

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Amounts Due		
	Principal	Interest	Total
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>\$ 1,214,180</u>	<u>\$ 85,209</u>	<u>\$ 1,299,389</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

CITY OF BELVIDERE, ILLINOIS

ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS

Last Eight Tax Levy Years

Tax Levy Year	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Valuations								
City	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933	\$ 394,428,173
Library	\$ 291,335,467	\$ 293,858,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933	\$ 394,428,173
Tax Rates - City								
Corporate	0.61271	0.60660	0.56329	0.53972	0.51194	0.48902	0.46196	0.42959
IMRF	0.02518	0.02481	0.02178	0.02071	0.01964	0.01876	0.01773	0.01648
Fire Protection	0.00700	0.00690	0.00670	0.00638	0.00605	0.00578	0.00546	0.00508
Firefighters' Pension	0.25112	0.27457	0.32452	0.31890	0.30248	0.28894	0.27295	0.25382
Police Protection	0.00700	0.00689	0.00670	0.00637	0.00605	0.00578	0.00546	0.00508
Police Pension	0.35452	0.35311	0.36368	0.37632	0.35695	0.34097	0.32210	0.29953
Garbage	0.02273	0.01551	0.01508	0.01593	0.01511	0.01444	0.01364	0.01268
Audit	0.00703	0.00690	0.00670	0.00638	0.00605	0.00578	0.00546	0.00508
Street Lighting	0.07344	0.07236	0.06700	0.06690	0.06345	0.06061	0.05726	0.05325
Public Benefit	0.01399	0.01379	0.01340	0.01275	0.01209	0.01155	0.01091	0.01015
Civil Defense	0.00245	0.00242	0.00235	0.00223	0.00212	0.00203	0.01091	0.00178
Social Security	0.07869	0.07753	0.06700	0.06371	0.06043	0.05773	0.05453	0.05071
Forestry	0.01399	0.01379	0.01173	0.01275	0.01209	0.01155	0.01091	0.01015
Special Road and Bridge	0.02099	-	0.02010	0.01912	0.01813	0.01732	0.01636	0.01522
Tort Judgment/Liability Insurance	0.11540	0.11026	0.09715	0.09557	0.09065	0.08659	0.02045	0.01902
Insurance	0.02798	0.02757	0.02513	0.02390	0.02267	0.02165	0.08180	0.07606
	1.63422	1.63369	1.61231	1.58764	1.50590	1.43850	1.36789	1.26368
Tax Rates - Library								
Corporate	0.23464	0.23304	0.22999	0.22646	0.21034	0.20594	0.20132	0.18794
Total Tax Rates	1.86886	1.8667	1.8423	1.8141	1.7162	1.6444	1.5692	1.4516

Tax Levy Year	2014	2015	2016	2017	2018	2019	2020	2021
Tax Extensions - City								
Corporate	\$ 1,752,157	\$ 1,760,579	\$ 1,681,554	\$ 1,694,390	\$ 1,694,409	\$ 1,694,393	\$ 1,694,417	\$ 1,694,424
IMRF	72,007	72,008	65,018	65,017	65,004	65,001	65,032	65,002
Fire Protection	20,018	20,026	20,001	20,029	20,024	20,027	20,027	20,037
Firefighters' Pension	718,124	796,904	968,769	1,001,150	1,001,142	1,001,141	1,001,150	1,001,138
Police Protection	20,018	20,026	20,001	20,029	20,024	20,027	20,027	20,037
Police Pension	1,013,815	1,024,856	1,085,671	1,181,445	1,181,426	1,181,418	1,181,426	1,181,431
Garbage	65,001	45,016	45,017	50,011	50,011	50,033	50,030	50,013
Audit	20,103	20,026	20,001	20,029	20,024	20,027	20,027	20,037
Street Lighting	210,016	210,016	200,011	210,025	210,006	210,006	210,023	210,033
Public Benefit	40,007	40,024	40,002	40,027	40,015	40,019	40,017	40,034
Civil Defense	7,006	7,024	7,015	7,001	7,017	7,034	7,006	7,021
Social Security	225,028	225,021	200,011	200,010	200,010	200,027	200,010	200,015
Forestry	40,007	40,024	35,017	40,027	40,015	40,019	40,017	40,034
Special Road and Bridge	60,025	60,021	60,003	60,025	60,006	60,012	60,007	60,032
Tort Judgment/Liability Insurance	330,007	320,015	290,016	300,031	300,032	300,023	300,033	300,002
Insurance	80,014	80,018	75,019	75,032	75,033	75,015	75,008	75,020
	4,673,353	4,741,604	4,813,126	4,984,278	4,984,198	4,984,222	4,984,257	4,984,310
Tax Extensions - Library								
Corporate	683,590	676,369	686,574	710,945	710,950	726,241	744,549	744,554
Total Tax Extensions	\$ 5,356,943	\$ 5,417,973	\$ 5,499,700	\$ 5,695,223	\$ 5,695,148	\$ 5,710,463	\$ 5,728,806	\$ 5,728,864

(See independent auditor's report.)

CITY OF BELVIDERE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Tax Levy Years

Tax Levy Year	Fiscal Year	Tax Levy Extensions	Total Collections to Date	
			Amount*	Percent of Levy Collected
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	4,988,658	100.09%
2019	2021	4,984,222	4,971,503	99.74%
2020	2022	4,984,257	4,994,783	100.21%
2021	2023	4,984,310	-	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.

CITY OF BELVIDERE, ILLINOIS

LEGAL DEBT MARGIN

Last Eight Tax Levy Years

Tax Levy Year	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933	\$ 394,428,173
Bonded debt limit - 8.625% of assessed value	\$ 25,127,684	\$ 25,353,939	\$ 26,588,307	\$ 27,799,410	\$ 29,170,428	\$ 30,431,013	\$ 31,913,529	\$ 34,019,430
Amount of debt applicable to limit	635,098	585,098	535,098	485,098	430,098	375,098	315,098	255,098
LEGAL DEBT MARGIN	\$ 24,492,586	\$ 24,768,841	\$ 26,053,209	\$ 27,314,312	\$ 28,740,330	\$ 30,055,915	\$ 31,598,431	\$ 33,764,332
PERCENTAGE OF LEGAL DEBT MARGIN TO BONDED DEBT LIMIT	2.53%	2.31%	2.01%	1.74%	1.47%	1.23%	0.99%	0.75%

Note: The City is a home rule municipality. To date, the General Assesmbly has set no debt limits for home rule municipalities.

(See independent auditor's report.)