



**CITY OF BELVIDERE, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2021



SIKICH.COM

Prepared By

Shannon Hansen  
Finance/Budget Officer

**CITY OF BELVIDERE, ILLINOIS**  
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**CITY OF BELVIDERE, ILLINOIS**  
**PRINCIPAL OFFICIALS**  
April 30, 2021

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LEGISLATIVE

ELECTED OFFICIALS

Mayor: Mike Chamberlain  
(Clinton Morris as of May 03, 2021)

City Clerk: Sarah Turnipseed  
Treasurer: Cory Thornton

Ward 1 Alderman:	Tom Porter
Ward 1 Alderman:	Clayton Stevens
Ward 2 Alderman:	Daniel Arevalo (Natalie Mulhall as of May 03, 2021)
Ward 2 Alderman:	Daniel Snow
Ward 3 Alderman:	Thomas Ratcliffe (Sheryl Prather as of 05.03.21)
Ward 3 Alderman:	Wendy Frank
Ward 4 Alderman:	Mike McGee
Ward 4 Alderman:	Matt Fleury
Ward 5 Alderman:	Marsha Freeman
Ward 5 Alderman:	Ric Brereton

ADMINISTRATIVE

Police Chief:	Shane Woody
Fire Chief:	Alan Hyser
Budget/Finance Officer:	Open (Shannon Hansen as of June 21, 2021)
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

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, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Ida Public Library, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Belvidere, Illinois as of April 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

### *Other Information*

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

The supplemental data and principal officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
October 14, 2021

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **CITY OF BELVIDERE, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2021**

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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, 2021. Please read it in conjunction with the City's financial statements, which begin on page 4.

### **FINANCIAL HIGHLIGHTS**

- The City of Belvidere's net position increased as a result of this year's operations. While net position of business-type activities decreased by \$341,221, or 0.8 percent, net position of the governmental activities increased by \$3,972,189.
- During the year, government-wide revenues before transfers for the primary government totaled \$29,379,843 while expenses totaled \$25,748,875, resulting in an increase to net position of \$3,630,968.
- The City's net position totaled \$39,364,981 on April 30, 2021, which includes \$55,987,160 net investment in capital assets, \$2,178,730 subject to external restrictions, and \$(18,800,909) 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 \$3,426,326 resulting in an ending fund balance of \$14,466,919 which is an increase of 31.0 percent. This increase was the result of new revenue streams that were implemented during the fiscal year 2019 in addition to COVID-19 relief funding from the United States Department of Treasury that was passed down through the Illinois Department of Commerce and Economic Opportunity (DCEO).

### **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 4-7) 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 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the City of Belvidere's finances, in a matter similar to a private sector business. The government-wide financial statements can be found on pages 4-7 of this report.

# **CITY OF BELVIDERE, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2021**

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### **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, 2021**

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Belvidere maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major fund. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8-11 of this report.

##### **Proprietary Funds**

The City maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes an enterprise fund to account for its water and sewer operations. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 12-16 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 17-18 of this report.

**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

**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 19-75 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 76-93 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 103-111 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the City of Belvidere, assets/deferred outflows exceeded liabilities/deferred inflows by \$39,364,981.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current/Other Assets	\$ 24,609,533	19,687,387	7,088,478	6,609,695	31,698,011	26,297,082
Capital Assets	21,422,359	22,531,770	39,400,272	40,199,729	60,822,631	62,731,499
Total Assets	46,031,892	42,219,157	46,488,750	46,809,424	92,520,642	89,028,581
Deferred Outflows	4,013,296	6,250,600	730,374	827,532	4,743,670	7,078,132
Total Assets and Deferred Outflows	50,045,188	48,469,757	47,219,124	47,636,956	97,264,312	96,106,713
Long-Term Liabilities	32,790,401	42,225,600	3,267,089	4,005,539	36,057,490	46,231,139
Other Liabilities	5,306,165	4,500,225	352,990	292,137	5,659,155	4,792,362
Total Liabilities	38,096,566	46,725,825	3,620,079	4,297,676	41,716,645	51,023,501
Deferred Inflows	14,900,493	8,667,992	1,282,193	681,207	16,182,686	9,349,199
Total Assets and Deferred Outflows	52,997,059	55,393,817	4,902,272	4,978,883	57,899,331	60,372,700
Net Position						
Net Investment in Capital Assets	17,938,607	18,924,111	38,048,553	38,771,751	55,987,160	57,695,862
Restricted	2,178,730	1,078,108	-	-	2,178,730	1,078,108
Unrestricted (Deficit)	(23,069,208)	(26,926,279)	4,268,299	3,886,322	(18,800,909)	(23,039,957)
Total Net Position	(2,951,871)	(6,924,060)	42,316,852	42,658,073	39,364,981	35,734,013

# **CITY OF BELVIDERE, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2021**

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### **GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

A large portion of the City's net position, \$55,987,160 or 142.2 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, \$2,178,730 or 5.5 percent, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining 7.7 percent, or \$(18,800,909), 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, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,526,875	1,643,291	5,103,705	5,663,893	6,630,580	7,307,184
Operating Grants/Contrib.	2,790,863	1,096,568	9,852	5,990	2,800,715	1,102,558
Capital Grants/Contrib.	1,039,859	205,959	-	30,270	1,039,859	236,229
General Revenues						
Property Taxes	5,285,926	5,298,344	-	-	5,285,926	5,298,344
Utility Taxes	2,483,954	1,815,989	-	-	2,483,954	1,815,989
Replacement Taxes	520,400	551,483	-	-	520,400	551,483
Other Taxes	856,361	1,026,461	-	-	856,361	1,026,461
Sales and Use Taxes	6,117,897	5,676,025	-	-	6,117,897	5,676,025
Income Taxes	2,932,995	2,773,012	-	-	2,932,995	2,773,012
Other General Revenues	619,795	703,910	91,361	198,677	711,156	902,587
Total Revenues	24,174,925	20,791,042	5,204,918	5,898,830	29,379,843	26,689,872
<b>Expenses</b>						
General Government	3,933,222	2,735,244	-	-	3,933,222	2,735,244
Public Safety	11,714,684	14,134,916	-	-	11,714,684	14,134,916
Highways and Streets	3,903,779	4,804,963	-	-	3,903,779	4,804,963
Health and Social Services	43,834	464,453	-	-	43,834	464,453
Community/Economic Devel.	60,820	209,828	-	-	60,820	209,828
Interest on Long-Term Debt	402,342	403,526	-	-	402,342	403,526
Water and Sewer	-	-	5,690,194	6,245,584	5,690,194	6,245,584
Total Expenses	20,058,681	22,752,930	5,690,194	6,245,584	25,748,875	28,998,514
Change in Net Position						
Before Transfers	4,116,244	(1,961,888)	(485,276)	(346,754)	3,630,968	(2,308,642)
Transfers in (out)	(144,055)	-	144,055	-	-	-
Change in Net Position	3,972,189	(1,961,888)	(341,221)	(346,754)	3,630,968	(2,308,642)
Net Position - Beginning	(6,924,060)	(4,962,172)	42,658,073	43,004,827	35,734,013	38,042,655
Net Position - Ending	(2,951,871)	(6,924,060)	42,316,852	42,658,073	39,364,981	35,734,013



**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

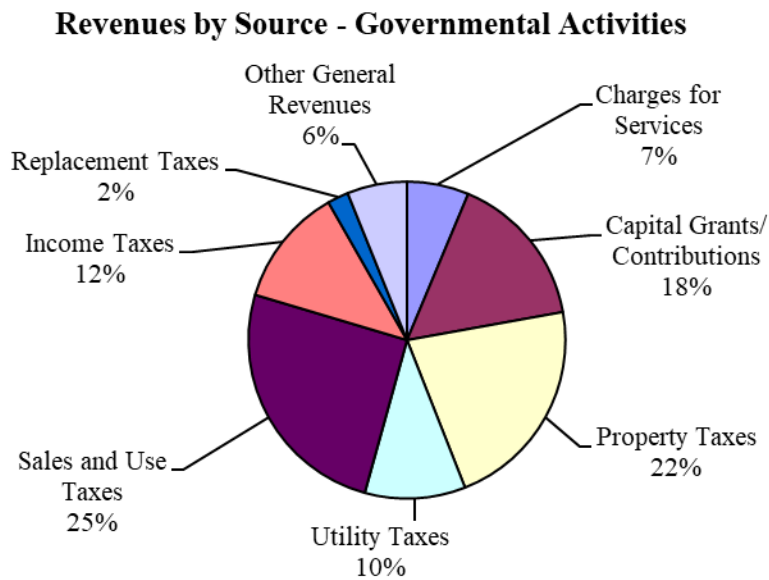
Net position of the City of Belvidere’s governmental activities increased by 57.4 percent to \$(2,951,871) in 2021 compared to \$(6,924,060) in 2020. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit position of \$(23,069,208) at April 30, 2021.

Net position of the business-type activities decreased by 0.8 percent to \$42,316,852 in 2021 compared to \$42,658,073 in 2020.

**Governmental Activities**

Revenues for governmental activities totaled \$24,174,925 while the cost of all governmental functions totaled \$20,058,681. This results in a surplus of \$4,116,244 and transfers out totaled \$(144,055). In 2020, revenues of \$20,791,042 were less than expenses of \$22,752,930 resulting in a deficit of \$1,961,888 and there were no transfers out.

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



**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

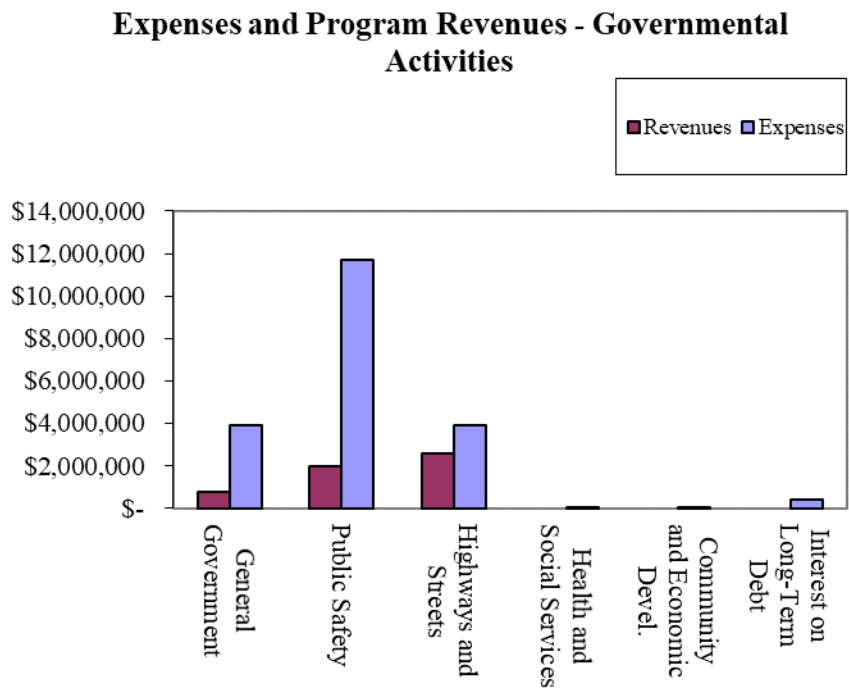
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**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 \$5,204,918, while the cost of all business-type activities totaled \$5,690,194. This results in a deficit of \$(485,276) and there was a transfer in of \$144,055. In 2020, revenues were \$5,898,830, while the cost of all business-type activities totaled \$6,245,884 resulting in a deficit of \$(346,754) and there were no transfers.

**CITY OF BELVIDERE, ILLINOIS**

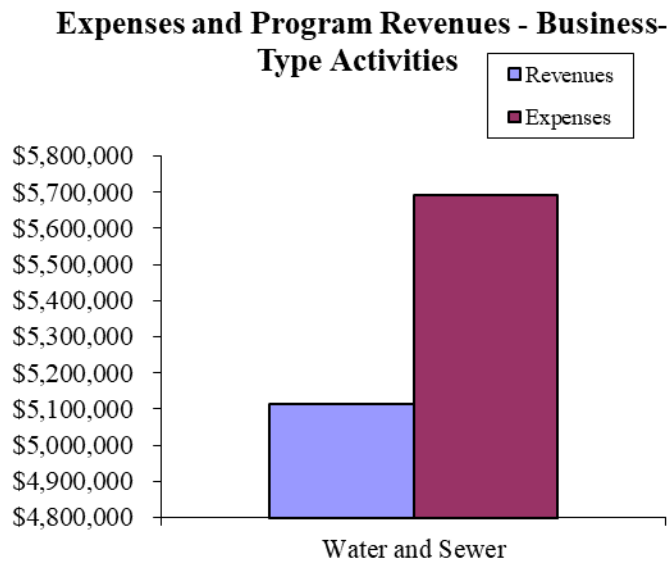
**Management’s Discussion and Analysis  
April 30, 2021**

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**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 \$17,650,662, which is \$3,990,742, or 29.2 percent, higher than last year’s total of \$13,659,920. Of the \$17,650,662 total, \$14,104,882, or approximately 79.9 percent, of the fund balance, constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$3,426,326, an increase of 31.0 percent. This was due in large part to new revenue sources that were approved during fiscal year 2019 in addition to COVID-19 relief funding from the United States Department of Treasury that was passed down through the Illinois Department of Commerce and Economic Opportunity (DCEO). Budgeted expenditures totaled \$18,031,400 while actual expenditures totaled \$17,634,957. 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, 2021**

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#### **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, 2021, unassigned fund balance in the General Fund was \$14,104,882 which represents 97.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 79.9 percent of total General Fund expenditures.

The Nonmajor Funds realized an increase in fund balance of \$564,416 as a result of a capital fund project that had not been expensed by the end of fiscal year 2021.

##### **Proprietary Funds**

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

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

The decrease in the Water/Sewer Fund during the current fiscal year was \$341,221 while the previous fiscal year reported a decrease of \$346,754. Unrestricted net position in the Water/Sewer Fund totaled \$4,268,299 at April 30, 2021.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund actual revenues for the year totaled \$21,704,273, compared to budgeted revenues of \$19,085,271. The actual revenues were \$2,619,002 higher than the original budget of \$19,085,271.

The General Fund actual expenditures for the year were \$396,443 lower than the original budget of \$18,031,400.

**CITY OF BELVIDERE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2021**

**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, 2021 was \$60,822,631 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 963,418	963,418	696,551	696,551	1,659,969	1,659,969
Construction in Progress	661,998	264,053	1,241,896	1,787,477	1,903,894	2,051,530
Land Improvements	37,172	38,750	-	-	37,172	38,750
Infrastructure	15,781,844	17,128,105	-	-	15,781,844	17,128,105
Building and Improvements	1,587,966	1,706,216	922,935	950,738	2,510,901	2,656,954
Water Transmission System	-	-	10,525,540	10,801,102	10,525,540	10,801,102
Sewer Collection System	-	-	21,987,499	22,919,671	21,987,499	22,919,671
Equipment	782,418	812,526	3,907,250	2,925,694	4,689,668	3,738,220
Vehicles	1,607,553	1,618,702	118,601	118,496	1,726,154	1,737,198
<b>Total</b>	<b>21,422,369</b>	<b>22,531,770</b>	<b>39,400,272</b>	<b>40,199,729</b>	<b>60,822,641</b>	<b>62,731,499</b>

**Governmental Activities**

Construction in Progress	\$ 665,212
Infrastructure	332,611
Equipment	160,471
Vehicles	265,963
	<u>\$ 1,424,257</u>

**Business-Type Activities**

Construction in Progress	\$ 993,520
Infrastructure	26,044
Sewer Collection System	11,133
Vehicles	22,334.00
	<u>\$ 1,053,031</u>

Additional information on the City of Belvidere’s capital assets can be found in Note 3 on pages 30-31 of this report.

# CITY OF BELVIDERE, ILLINOIS

## Management's Discussion and Analysis April 30, 2021

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the City of Belvidere had total outstanding debt of \$5,140,471 as compared to \$5,390,637 the previous year, a decrease of 4.6 percent. The following is a comparative statement of outstanding debt:

	Governmental		Long-Term Debt Outstanding		Total	
	Activities		Business-type			
	2021	2020	2021	2020	2021	2020
Debt Certificates	\$ 315,098	375,098	-	-	315,098	375,098
Tax Increment Revenue Notes	3,036,000	3,036,000	-	-	3,036,000	3,036,000
Capital Lease	132,654	196,561	-	-	132,654	196,561
Landfill Post Closure Costs	305,000	355,000	-	-	305,000	355,000
IEPA Loan	-	-	1,351,719	1,427,978	1,351,719	1,427,978
Total	3,788,752	3,962,659	1,351,719	1,427,978	5,140,471	5,390,637

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 32-36 of this report.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 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, 2021 for the City of Belvidere was 12.3% and Boone County was 10.0%. The state and national unemployment rates were 7.1% and 6.1%, 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.

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2021

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Ida Public Library
<b>ASSETS</b>				
Cash and investments	\$ 16,143,425	\$ 5,520,230	\$ 21,663,655	\$ 954,642
Receivables, net where applicable of allowance for uncollectibles				
Property taxes	5,313,091	-	5,313,091	744,525
Sales taxes	1,308,961	-	1,308,961	-
Income taxes	249,630	-	249,630	-
Telecommunications tax	263,085	-	263,085	-
Accounts	-	786,443	786,443	-
Accrued interest	14,482	7,053	21,535	-
Other	500,824	-	500,824	37,738
Prepaid expenses	315,485	205,897	521,382	6,929
Inventory	-	64,714	64,714	-
Net pension asset - IMRF	500,550	504,141	1,004,691	95,451
Capital assets not being depreciated	1,625,406	1,938,447	3,563,853	290,999
Capital assets being depreciated, net of accumulated depreciation	19,796,953	37,461,825	57,258,778	523,371
Total assets	46,031,892	46,488,750	92,520,642	2,653,655
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Asset retirement obligation	-	195,450	195,450	-
Pension items - IMRF (Regular)	135,223	139,884	275,107	39,471
Pension items - IMRF (SLEP)	3,386	-	3,386	-
Pension items - Police Pension	875,869	-	875,869	-
Pension items - Firefighters' Pension	1,028,852	-	1,028,852	-
OPEB items	1,969,966	395,040	2,365,006	14,304
Total deferred outflows of resources	4,013,296	730,374	4,743,670	53,775
Total assets and deferred outflows of resources	50,045,188	47,219,124	97,264,312	2,707,430
<b>LIABILITIES</b>				
Accounts payable	560,898	319,857	880,755	-
Accrued payroll	209,861	24,872	234,733	6,253
Deposits payable	374,471	-	374,471	-
Unearned revenue	-	-	-	2,700
Interest payable	4,160,935	8,261	4,169,196	-
Long-term liabilities				
Due within one year	622,601	206,839	829,440	20,659
Due in more than one year	32,167,800	3,060,250	35,228,050	352,927
Total liabilities	38,096,566	3,620,079	41,716,645	382,539
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - IMRF (Regular)	1,011,436	1,030,895	2,042,331	238,125
Pension items - IMRF (SLEP)	84,517	-	84,517	-
Pension items - Police Pension	4,411,270	-	4,411,270	-
Pension items - Firefighters' Pension	2,827,018	-	2,827,018	-
OPEB items	1,253,161	251,298	1,504,459	78,924
Deferred revenue - property taxes	5,313,091	-	5,313,091	744,525
Total deferred inflows of resources	14,900,493	1,282,193	16,182,686	1,061,574
Total liabilities and deferred inflows of resources	52,997,059	4,902,272	57,899,331	1,444,113

(This statement is continued on the following page.)

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

April 30, 2021

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Ida Public Library
<b>NET POSITION</b>				
Net investment in capital assets	\$ 17,938,607	\$ 38,048,553	\$ 55,987,160	\$ 552,642
Restricted for				
Public safety	432,633	-	432,633	-
Capital projects	15,288	-	15,288	-
Highways and streets	1,657,005	-	1,657,005	-
Economic development	27,252	-	27,252	-
Specific purpose	46,552	-	46,552	-
Donor specific	-	-	-	174,086
Unrestricted (deficit)	(23,069,208)	4,268,299	(18,800,909)	536,589
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (2,951,871)</b>	<b>\$ 42,316,852</b>	<b>\$ 39,364,981</b>	<b>\$ 1,263,317</b>

See accompanying notes to financial statements.



**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 3,933,222	\$ 803,559	\$ -	\$ -
Public safety	11,714,684	395,411	1,577,686	-
Highways and streets	3,903,779	327,905	1,213,177	1,039,859
Health and social services	43,834	-	-	-
Community and economic development	60,820	-	-	-
Interest and fees	402,342	-	-	-
Total governmental activities	20,058,681	1,526,875	2,790,863	1,039,859
Business-Type Activities				
Water and sewer	5,690,194	5,103,705	9,852	-
Total business-type activities	5,690,194	5,103,705	9,852	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 25,748,875</b>	<b>\$ 6,630,580</b>	<b>\$ 2,800,715</b>	<b>\$ 1,039,859</b>
<b>COMPONENT UNIT</b>				
Ida Public Library	\$ 645,308	\$ 36,848	\$ 94,021	\$ -

	Net (Expense) Revenue and Change in Net Position			Component Unit Ida Public Library
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
	\$ (3,129,663)	\$ -	\$ (3,129,663)	\$ -
	(9,741,587)	-	(9,741,587)	-
	(1,322,838)	-	(1,322,838)	-
	(43,834)	-	(43,834)	-
	(60,820)	-	(60,820)	-
	(402,342)	-	(402,342)	-
	(14,701,084)	-	(14,701,084)	-
	-	(576,637)	(576,637)	-
	-	(576,637)	(576,637)	-
	(14,701,084)	(576,637)	(15,277,721)	-
	-	-	-	(514,439)
General Revenues				
Taxes				
Property	5,285,926	-	5,285,926	724,071
Utility	2,483,954	-	2,483,954	-
Telecommunications	85,308	-	85,308	-
Other	771,053	-	771,053	-
Intergovernmental				
Sales and use taxes	6,117,897	-	6,117,897	-
Income	2,932,995	-	2,932,995	-
Replacement	520,400	-	520,400	39,562
Investment income	79,235	32,806	112,041	93,289
Miscellaneous	491,766	-	491,766	29,577
Insurance recoveries	-	58,555	58,555	-
Gain on sale of capital assets	48,794	-	48,794	-
Transfers in (out)	(144,055)	144,055	-	-
Total	18,673,273	235,416	18,908,689	886,499
CHANGE IN NET POSITION	3,972,189	(341,221)	3,630,968	372,060
NET POSITION (DEFICIT), MAY 1	(6,924,060)	42,658,073	35,734,013	891,257
NET POSITION (DEFICIT), APRIL 30	\$ (2,951,871)	\$ 42,316,852	\$ 39,364,981	\$ 1,263,317

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2021

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 12,884,181	\$ 3,259,244	\$ 16,143,425
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	5,225,487	87,604	5,313,091
Sales taxes	1,308,961	-	1,308,961
Local use taxes	249,630	-	249,630
Other taxes	263,085	-	263,085
Accrued interest	14,482	-	14,482
Other	246,650	254,174	500,824
Prepaid items	315,485	-	315,485
<b>TOTAL ASSETS</b>	<b>\$ 20,507,961</b>	<b>\$ 3,601,022</b>	<b>\$ 24,108,983</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 231,223	\$ 329,675	\$ 560,898
Accrued payroll	209,861	-	209,861
Deposits payable	374,471	-	374,471
Total liabilities	815,555	329,675	1,145,230
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	5,225,487	87,604	5,313,091
Total deferred inflows of resources	5,225,487	87,604	5,313,091
Total liabilities and deferred inflows of resources	6,041,042	417,279	6,458,321
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	315,485	-	315,485
Restricted			
Public safety	-	432,633	432,633
Highways and streets	-	1,657,005	1,657,005
Economic development	-	27,252	27,252
Capital projects	-	15,288	15,288
Specific purpose	46,552	-	46,552
Assigned			
Capital projects	-	1,051,565	1,051,565
Unassigned	14,104,882	-	14,104,882
Total fund balances	14,466,919	3,183,743	17,650,662
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 20,507,961</b>	<b>\$ 3,601,022</b>	<b>\$ 24,108,983</b>

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, 2020

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 17,650,662</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	21,422,359
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	(876,213)
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	(81,131)
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	(3,535,401)
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	(1,798,166)
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	716,805
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	(305,000)
Capital lease payable	(132,654)
Debt certificates payable	(315,098)
Tax increment revenue note payable	(3,036,000)
Compensated absences payable	(141,248)
Other postemployment benefit liability	(8,175,874)
Net pension liability - IMRF (SLEP)	(28,365)
Net pension liability - Police Pension Fund	(10,884,651)
Net pension liability - Firefighters' Pension Fund	(9,771,511)
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	500,550
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	<u>(4,160,935)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (2,951,871)</u></b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 17,638,541	\$ 127,407	\$ 17,765,948
Licenses and permits	462,208	-	462,208
Intergovernmental	2,244,272	2,024,885	4,269,157
Fines and forfeits	645,658	-	645,658
Charges for services	295,487	123,522	419,009
Investment income	69,395	9,840	79,235
Miscellaneous	348,712	136,204	484,916
<b>Total revenues</b>	<b>21,704,273</b>	<b>2,421,858</b>	<b>24,126,131</b>
<b>EXPENDITURES</b>			
Current			
General government	2,915,612	17,536	2,933,148
Public safety	12,410,434	87,885	12,498,319
Highways and streets	2,158,440	1,138,972	3,297,412
Health and social services	40,873	-	40,873
Community and economic development	109,598	-	109,598
Capital outlay	-	1,026,909	1,026,909
Debt service			
Principal	-	123,907	123,907
Interest and fiscal charges	-	13,962	13,962
<b>Total expenditures</b>	<b>17,634,957</b>	<b>2,409,171</b>	<b>20,044,128</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,069,316</b>	<b>12,687</b>	<b>4,082,003</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	52,794	-	52,794
Transfers in	-	552,729	552,729
Transfers (out)	(695,784)	(1,000)	(696,784)
<b>Total other financing sources (uses)</b>	<b>(642,990)</b>	<b>551,729</b>	<b>(91,261)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,426,326</b>	<b>564,416</b>	<b>3,990,742</b>
<b>FUND BALANCES, MAY 1</b>	<b>11,040,593</b>	<b>2,619,327</b>	<b>13,659,920</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 14,466,919</b>	<b>\$ 3,183,743</b>	<b>\$ 17,650,662</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 3,990,742
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized on the statement of net position and depreciated on the statement of activities	1,424,257
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,529,668)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(4,000)
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	123,907
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	(388,380)
The change in compensated absences payable is shown as an increase (decrease) of the statement of activities	38,737
The change in the other postemployment benefit obligation and deferred outflows and inflows of resources is not a source or use of financial resources	(237,620)
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	708,444
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	327,702
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	491,795
The change in the Illinois Municipal Retirement Fund (SLEP) net pension liability and deferred outflows of resources is not a source or use of a financial resource	<u>(23,727)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 3,972,189</u>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

April 30, 2021

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 5,520,230
Receivables, net of allowance for uncollectibles	
Billed services	114,208
Unbilled services	672,235
Accrued interest	7,053
Prepaid expenses	205,897
Inventory	64,714
	<hr/>
Total current assets	6,584,337
	<hr/>
<b>NONCURRENT ASSETS</b>	
Net pension asset - IMRF	504,141
Capital assets	
Assets not being depreciated	1,938,447
Assets being depreciated	
Cost	74,968,637
Accumulated depreciation	(37,506,812)
	<hr/>
Total noncurrent assets	39,904,413
	<hr/>
Total assets	46,488,750
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Asset retirement obligation	195,450
Pension items - IMRF	139,884
OPEB items	395,040
	<hr/>
Total deferred outflows of resources	730,374
	<hr/>
Total assets and deferred outflows of resources	47,219,124
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(This statement is continued on the following page.)

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2021

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 319,857
Accrued payroll	24,872
Accrued interest payable	8,261
Current portion of IEPA loans payable	107,565
Current portion of compensated absences payable	15,283
Current portion of OPEB liability	83,991
	<hr/>
Total current liabilities	559,829
	<hr/>
<b>NONCURRENT LIABILITIES</b>	
Asset retirement obligation	199,440
IEPA loans payable, less current portion	1,244,154
Compensated absences payable, less current portion	61,130
Total OPEB liability, less current portion	1,555,526
	<hr/>
Total noncurrent liabilities	3,060,250
	<hr/>
Total liabilities	3,620,079
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension items - OPEB	251,298
Pension items - IMRF	1,030,895
	<hr/>
Total deferred inflows of resources	1,282,193
	<hr/>
Total liabilities and deferred inflows of resources	4,902,272
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	38,048,553
Unrestricted	4,268,299
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 42,316,852</b>
	<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, 2021

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 5,090,316
Other revenue	13,389
	<hr/>
Total operating revenues	5,103,705
	<hr/>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	
Operations	3,818,856
	<hr/>
Total operating expenses excluding depreciation	3,818,856
	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	1,284,849
	<hr/>
Depreciation and amortization	1,854,483
	<hr/>
OPERATING INCOME (LOSS)	(569,634)
	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	32,806
Grants	9,852
Insurance recoveries	58,555
Interest expense and fees	(16,855)
	<hr/>
Total non-operating revenues (expenses)	84,358
	<hr/>
INCOME (LOSS) BEFORE TRANSFERS	(485,276)
	<hr/>
<b>TRANSFERS</b>	
Transfers In	144,055
	<hr/>
Total transfers	144,055
	<hr/>
CHANGE IN NET POSITION	(341,221)
	<hr/>
NET POSITION, MAY 1	42,658,073
	<hr/>
NET POSITION, APRIL 30	\$ 42,316,852
	<hr/> <hr/>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended April 30, 2021

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 5,136,485
Payments to suppliers	(1,981,189)
Payments to employees	(2,465,758)
	<hr/>
Net cash from operating activities	689,538
	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	144,055
Grants	9,852
	<hr/>
Net cash from noncapital financing activities	153,907
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(838,126)
Insurance recoveries	58,555
Issuance of long-term debt	29,974
Principal retirement	(106,233)
Interest paid	(17,519)
	<hr/>
Net cash from capital and related financing activities	(873,349)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	32,806
	<hr/>
Net cash from investing activities	32,806
	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,902
	<hr/>
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	5,517,328
	<hr/>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u><u>\$ 5,520,230</u></u>

(This statement is continued on the following page.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

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	<b>Business-Type Activities</b>
	<b>Water and Sewer</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (569,634)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	1,852,488
Changes in current assets and liabilities	
Accounts receivable	(56,124)
Interest receivable	88,904
Inventory	-
Prepaid expenses	(4,520)
Accounts payable	(154,623)
Accrued payroll	1,236
Asset retirement obligation and deferred outflow of resources	1,995
Net pension liability and deferred inflows/outflows of resources	(501,172)
Total OPEB liability and deferred inflows/outflows of resources	47,650
Compensated absences payable	(16,662)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 689,538</b>
<b>NONCASH TRANSACTIONS</b>	
Capital asset additions in accounts payable	\$ 214,905
<b>CASH AND CASH EQUIVALENTS</b>	
Cash and investments	\$ 5,520,230
Restricted investments	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,520,230</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FIDUCIARY FUNDS

April 30, 2021

	<b>Pension Trust Funds</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and short-term investments	\$ 19,524	\$ 197,598
Investments at fair value		
U.S. Treasury obligations	2,145,452	-
U.S. agency obligations	9,731,906	-
Municipal bonds	2,516,689	-
Corporate bonds	2,765,426	-
Mortgage-backed securities	28,433	-
Negotiable certificates of deposit	1,020,311	-
Mutual funds	30,160,928	-
Money market mutual funds	658,925	-
Insurance contracts	1,233,259	-
Total investments	50,261,329	-
Receivables		
Accrued interest	114,809	-
Total receivables	114,809	-
Prepaid items	6,780	-
Total assets	50,402,442	197,598
<b>LIABILITIES</b>		
Accounts payable	16,412	-
Total liabilities	16,412	-
<b>NET POSITION</b>		
Restricted for pensions	50,386,030	-
Restricted for other governments	-	197,598
<b>TOTAL NET POSITION</b>	<b>\$ 50,386,030</b>	<b>\$ 197,598</b>

See accompanying notes to financial statements.

**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2021

	<b>Pension Benefit Trust Funds</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 2,548,278	\$ -
Employee	569,521	-
Other	-	-
Land cash and exaction fees	-	70,587
Total contributions	<u>3,117,799</u>	<u>70,587</u>
Investment income		
Net appreciation (depreciation) in fair value of investments	9,752,591	-
Interest and dividends	1,085,958	-
Total investment income	10,838,549	-
Less investment expenses	<u>(91,196)</u>	-
Net investment income	<u>10,747,353</u>	-
Total additions	<u>13,865,152</u>	<u>70,587</u>
<b>DEDUCTIONS</b>		
Land cash and extraction fees disbursed	-	118,379
Benefits and refunds	3,112,036	-
Administrative expenses	107,433	-
Total deductions	<u>3,219,469</u>	<u>118,379</u>
NET INCREASE (DECREASE)	10,645,683	(47,792)
<b>NET POSITION RESTRICTED</b>		
May 1	<u>39,740,347</u>	<u>245,390</u>
April 30	<u>\$ 50,386,030</u>	<u>\$ 197,598</u>

See accompanying notes to financial statements.

# CITY OF BELVIDERE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2021

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### 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. PPERS is reported as a pension trust fund, a fiduciary component unit. PPERS 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 2020 are levied in December 2020 and attach as an enforceable lien on the property on January 1, 2020. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021 and are due and collectible on or about June 1, 2021 and September 1, 2021. The County collects the taxes and remits them periodically to the City. Those 2020 taxes are intended to finance the 2022 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2021 tax levy has not been recorded as a receivable at April 30, 2021, as the tax attached as a lien on property as of January 1, 2021; however, the tax will not be levied until December 2021 and, accordingly, is not measurable at April 30, 2021.

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)**

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**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, 2021, 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 fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704. IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. The IMET 1-3 Year Series is designed for public funds that may be invested for longer than one year. Although the 1-3 Year Series is designed for funds that may be invested for a year or longer, there is no minimum investment term and there are no 'early' withdrawal/redemption fees or penalties for funds invested for less than one year. The 1-3 Year Series provides 5 day liquidity; participants are able to redeem investment shares with 5 business days' notice. The IMET 1-3 Year Series has a fluctuating net asset value (NAV) and an average portfolio maturity of 1 to 3 years. The 1-3 Year Series is invested primarily in U.S. government backed securities (Treasuries and Agencies). Investments in IMET are valued at the share price, the price for which the investments could be sold.

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

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

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**2. CASH AND INVESTMENTS (Continued)**

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, 2021, 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, 2021, 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	\$ 2,506,312	\$ -	\$ 2,506,312	\$ -	\$ -
TOTAL	\$ 2,506,312	\$ -	\$ 2,506,312	\$ -	\$ -

The City has the following recurring fair value measurements as of April 30, 2021: the IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The City's investment policy does not address credit risk. The City's investment in The Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment 1-3 Year Fund is rated AAF by Standard & Poor's.

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

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy does not address custodial credit risk. At April 30, 2021, the City had no investments that represent over 5% of the total cash and investment portfolio.



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

**3. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 963,418	\$ -	\$ -	\$ 963,418
Construction in progress	264,053	665,212	267,277	661,988
Total capital assets not being depreciated	1,227,471	665,212	267,277	1,625,406
Capital assets being depreciated				
Land improvements	56,551	-	-	56,551
Infrastructure	38,622,429	599,888	-	39,222,317
Building and improvements	3,235,101	-	-	3,235,101
Equipment	2,963,649	160,471	84,156	3,039,964
Vehicles	4,405,411	265,963	-	4,671,374
Total capital assets being depreciated	49,283,141	1,026,322	84,156	50,225,307
Less accumulated depreciation for				
Land improvements	17,801	1,578	-	19,379
Infrastructure	21,494,324	1,946,149	-	23,440,473
Building and improvements	1,528,885	118,250	-	1,647,135
Equipment	2,151,123	186,579	80,156	2,257,546
Vehicles	2,786,709	277,112	-	3,063,821
Total accumulated depreciation	27,978,842	2,529,668	80,156	30,428,354
Total capital assets being depreciated, net	21,304,299	(1,503,346)	4,000	19,796,953
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 22,531,770</b>	<b>\$ (838,134)</b>	<b>\$ 271,277</b>	<b>\$ 21,422,359</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 106,326
Public safety	368,539
Highways and streets	2,054,803
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,529,668</b>

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

**3. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 696,551	\$ -	\$ -	\$ 696,551
Construction in progress	1,787,477	993,520	1,539,101	1,241,896
Total capital assets not being depreciated	<u>2,484,028</u>	<u>993,520</u>	<u>1,539,101</u>	<u>1,938,447</u>
Capital assets being depreciated				
Building and structures	3,174,607	-	-	3,174,607
Equipment	7,355,638	1,565,145	-	8,920,783
Furniture and fixtures	162,225	-	-	162,225
Vehicles	821,028	22,334	-	843,362
Water transmission system	18,634,269	-	-	18,634,269
Sewer collection system	43,222,258	11,133	-	43,233,391
Total capital assets being depreciated	<u>73,370,025</u>	<u>1,598,612</u>	<u>-</u>	<u>74,968,637</u>
Less accumulated depreciation for				
Building and structures	2,223,869	27,803	-	2,251,672
Equipment	4,429,944	583,589	-	5,013,533
Furniture and fixtures	162,225	-	-	162,225
Vehicles	702,532	22,229	-	724,761
Water transmission system	7,833,167	275,562	-	8,108,729
Sewer collection system	20,302,587	943,305	-	21,245,892
Total accumulated depreciation	<u>35,654,324</u>	<u>1,852,488</u>	<u>-</u>	<u>37,506,812</u>
Total capital assets being depreciated, net	<u>37,715,701</u>	<u>(253,876)</u>	<u>-</u>	<u>37,461,825</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 40,199,729</u>	<u>\$ 739,644</u>	<u>\$ 1,539,101</u>	<u>\$ 39,400,272</u>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Water and Sewer	<u>\$ 1,852,488</u>

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

**4. LONG-TERM DEBT**

a. Long-Term Debt - Governmental Activities

Long-term liability activity for governmental activities for the year ended April 30, 2021, was as follows:

	May 1	Additions	Reductions/ Refundings	April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
Debt certificates payable**	\$ 375,098	\$ -	\$ 60,000	\$ 315,098	\$ 60,000
Tax increment note payable***	3,036,000	-	-	3,036,000	-
Capital lease**	196,561	-	63,907	132,654	65,507
Landfill post closure liability*	355,000	-	50,000	305,000	50,000
Net pension liability - IMRF*+	390,076	-	390,076	-	-
Net pension liability - SLEP*	97,948	-	69,583	28,365	-
Net pension liability - Police*	15,634,724	-	4,750,073	10,884,651	-
Net pension liability - Fire *	12,577,229	-	2,805,718	9,771,511	-
Compensated absences*	179,985	509	39,246	141,248	28,250
Other postemployment benefit liability*	9,382,979	-	1,207,105	8,175,874	418,844
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 42,225,600</b>	<b>\$ 509</b>	<b>\$ 9,435,708</b>	<b>\$ 32,790,401</b>	<b>\$ 622,601</b>

\*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 - IMRF is now reported as a net pension asset as of April 30, 2021

Long-term liabilities payable from governmental activities (excluding net pension liabilities, other postemployment benefit liability, and compensated absences) at April 30, 2021, 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 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.	\$ 315,098	\$ 60,000
Tax Increment General Mills Revenue Notes, Series 2003 dated March 17, 2003, due in annual installments plus interest of 8% through May 30, 2023.	3,036,000	-

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

**4. LONG-TERM DEBT (Continued)**

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

Issue	Balances April 30	Current
Landfill post closure liability.	\$ 305,000	\$ 50,000
Fire Truck Capital Lease, dated December 21, 2016, due in annual installments plus interest of 2.475% through June 1, 2022.	132,654	65,507
<b>TOTAL</b>	<u>\$ 3,788,752</u>	<u>\$ 175,507</u>

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.

**Debt Service Requirements to Maturity**

The annual requirements to amortize all debt outstanding as of April 30, 2021 are as follows:

Year Ending April 30,	Governmental Activities					
	Capital Lease			Debt Certificates		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 65,507	\$ 3,321	\$ 68,828	\$ 60,000	\$ 4,133	\$ 64,133
2023	67,147	1,681	68,828	60,000	3,264	63,264
2024	-	-	-	65,000	2,357	67,357
2025	-	-	-	65,000	1,415	66,415
2026	-	-	-	65,098	472	65,570
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
<b>TOTAL</b>	<u>\$ 132,654</u>	<u>\$ 5,002</u>	<u>\$ 137,656</u>	<u>\$ 315,098</u>	<u>\$ 11,641</u>	<u>\$ 326,739</u>

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:

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

**4. LONG-TERM DEBT (Continued)**

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

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Estimated Percent of Pledged Revenue
2003 Tax Incremental General Mills Revenue Notes	Incremental property tax revenue	\$3,036,000 plus accrued interest at 8%	May 30, 2023	\$ 18,584	\$ 4,065	21.87%

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 \$305,000.

b. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2021, was as follows:

	May 1	Additions	Reductions	April 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
IEPA revolving loan	\$ 1,427,978	\$ 29,974	\$ 106,233	\$ 1,351,719	\$ 107,565
Asset retirement obligation	199,440	-	-	199,440	-
Net pension liability - IMRF*	403,467	-	403,467	-	-
Other postemployment benefit liability	1,881,579	-	242,062	1,639,517	83,991
Compensated absences	93,075	1,953	18,615	76,413	15,283
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 4,005,539</b>	<b>\$ 31,927</b>	<b>\$ 770,377</b>	<b>\$ 3,267,089</b>	<b>\$ 206,839</b>

\*The net pension liability - IMRF is now reported as a net pension asset as of April 30, 2021.

**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, 2021, comprise the following:

Issue	Total	Current Portion
IEPA Loan		
IEPA loan payable; due in semiannual installments of \$61,876, including interest at 1.25% through May 1, 2032.	\$ 1,321,745	\$ 107,565
<b>TOTAL</b>	<b>\$ 1,321,745</b>	<b>\$ 107,565</b>

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

Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2021 are as follows:

Year Ending April 30,	IEPA Loan Payable		
	Principal	Interest	Total
2022	\$ 107,565	\$ 16,187	\$ 123,752
2023	108,914	14,838	123,752
2024	110,280	13,472	123,752
2025	111,662	12,090	123,752
2026	113,062	10,690	123,752
2027	114,480	9,272	123,752
2028	115,916	7,836	123,752
2029	117,369	6,383	123,752
2030	118,841	4,911	123,752
2031	120,331	3,421	123,752
2032	121,840	1,912	123,752
2033	61,485	384	61,869
2034	-	-	-
<b>TOTAL</b>	<b>\$ 1,321,745</b>	<b>\$ 101,396</b>	<b>\$ 1,423,141</b>

**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)**

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**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, 2021, were as follows:

	Transfers In	Transfers Out
	<u>          </u>	<u>          </u>
General	\$ -	\$ 695,784
Water and Sewer	144,055	-
Nonmajor Governmental		
Capital Projects Fund	551,729	-
Farmington SSA #2 Fund	-	1,000
Farmington SSA #3 Fund	1,000	-
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 696,784</u>	<u>\$ 696,784</u>

The purpose of significant transfers is as follows:

- \$551,729 transferred to the Capital Projects Fund from the General Fund to fund capital projects. This transfer will not be repaid.
- \$144,055 transferred to the Water and Sewer Fund from the General Fund to transfer a portion of the CURES grant reimbursement relative to public works payroll. This transfer will not be repaid.



**8. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are not eligible for benefits. The City pays for net single coverage for most retirees.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. For certain disabled public safety employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents until Medicare eligibility.

c. Membership

At April 30, 2021, 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>
<b>TOTAL</b>	<b><u>143</u></b>

d. Total OPEB Liability

The City's total OPEB liability of \$9,815,391 was measured as of April 30, 2021 and was determined by an actuarial valuation as of May 1, 2021.

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

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

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2021, 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.

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	2.27%
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, 2020	<u>\$ 11,264,558</u>
Changes for the period	
Service cost	520,098
Interest	281,937
Difference between expected and actual experience	(1,341,722)
Assumption changes	(298,888)
Change in benefit terms	(107,757)
Benefit payments	<u>(502,835)</u>
Net changes	<u>(1,449,167)</u>
BALANCES AT APRIL 30, 2021	<u>\$ 9,815,391</u>

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

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

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

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 2.27% 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 (1.27%) or 1 percentage point higher (3.27%) than the current rate:

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Total OPEB liability	\$ 10,518,926	\$ 9,815,391	\$ 9,149,276

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	\$ 8,788,960	\$ 9,815,391	\$ 11,012,971

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

For the year ended April 30, 2021, the City recognized OPEB expense of \$788,105. At April 30, 2021, 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	\$ 1,266,946	\$ 1,230,375
Changes in assumptions	1,098,060	274,084
<b>TOTAL</b>	<b>\$ 2,365,006</b>	<b>\$ 1,504,459</b>

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

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

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

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

Year Ending April 30,	
2022	\$ 93,827
2023	93,827
2024	93,827
2025	93,827
2026	93,827
Thereafter	<u>391,412</u>
<b>TOTAL</b>	<u><u>\$ 860,547</u></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)**

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

Illinois Municipal Retirement Fund - City and SLEP (Continued)

b. Plan Membership

At December 31, 2020, the measurement date, IMRF membership consisted of:

	<u>IMRF - City</u>	<u>SLEP</u>
Inactive employees or their beneficiaries currently receiving benefits	61	-
Inactive employees entitled to but not yet receiving benefits	32	-
Active employees	<u>59</u>	<u>1</u>
<b>TOTAL</b>	<b><u>152</u></b>	<b><u>1</u></b>

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 years ended April 30, 2020 and 2021 was 12.34% and 10.57%, respectively, of covered payroll. The employer contribution for SLEP for the fiscal years ended April 30, 2020 and 2021 was 0.00% of covered payroll.

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

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**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, 2020 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, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Market Value of Assets

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

f. Discount Rate

Illinois Municipal Retirement Fund - City

The discount rate used to measure the total pension liability at December 31, 2020 was 7.25%. The discount rate used to measure the total pension liability at December 31, 2019 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, 2020 was 7.25%. The discount rate used to measure the total pension liability at December 31, 2019 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, 2020	\$ 23,397,040	\$ 22,489,839	\$ 907,201
Changes for the period			
Service cost	363,572	-	363,572
Interest	1,666,431	-	1,666,431
Difference between expected and actual experience	51,120	-	51,120
Changes in assumptions	(161,277)	-	(161,277)
Employer contributions	-	387,001	(387,001)
Employee contributions	-	153,844	(153,844)
Net investment income	-	3,171,366	(3,171,366)
Benefit payments and refunds	(1,187,144)	(1,187,144)	-
Other (net transfer)	-	214,978	(214,978)
Net changes	732,702	2,740,045	(2,007,343)
BALANCES AT DECEMBER 31, 2020	\$ 24,129,742	\$ 25,229,884	\$ (1,100,142)



**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, 2020	\$ 836,338	\$ 738,390	\$ 97,948
Changes for the period			
Service cost	-	-	-
Interest	58,287	-	58,287
Difference between expected and actual experience	8,404	-	8,404
Changes in assumptions	4,093	-	4,093
Employer contributions	-	11,108	(11,108)
Employee contributions	-	-	-
Net investment income	-	116,989	(116,989)
Benefit payments and refunds	(64,766)	(64,766)	-
Other (net transfer)	-	12,270	(12,270)
Net changes	6,018	75,601	(69,583)
BALANCES AT DECEMBER 31, 2020	\$ 842,356	\$ 813,991	\$ 28,365

For both IMRF – City and SLEP, changes in assumptions related to inflation rates, salary increases, retirement age and mortality rates were made in 2020.

Total net pension liability (asset) for the City’s IMRF and SLEP plans is \$(1,071,777) and is reported in the basic financial statements as follows:

Governmental activities - City	\$ (500,550)
Governmental activities - SLEP	28,365
Business-type activities/Enterprise Fund	(504,141)
Discretely presented component unit/IDA Public Library	(95,451)
TOTAL	<u>\$ (1,071,777)</u>

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

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**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, 2021, the City recognized pension expense of \$(722,495).

At April 30, 2021, 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	\$ 41,723	\$ 199,029
Changes in assumption	148,001	158,070
Net difference between projected and actual earnings on pension plan investments	-	1,923,357
Contributions made after measurement date	124,854	-
<b>TOTAL</b>	<u>\$ 314,578</u>	<u>\$ 2,280,456</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:

\$124,854 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2022	\$ (637,344)
2023	(342,518)
2024	(799,574)
2025	(311,296)
2026	-
Thereafter	-
<b>TOTAL</b>	<u>\$ (2,090,732)</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, 2021, the City recognized pension expense of \$27,644.

At April 30, 2021, 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	-	84,517
Contributions made after measurement date	3,386	-
<b>TOTAL</b>	<b>\$ 3,386</b>	<b>\$ 84,517</b>

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

\$3,386 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, 2022. 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>	
2022	\$ (23,501)
2023	(15,743)
2024	(32,281)
2025	(12,992)
2026	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (84,517)</b>

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

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

Illinois Municipal Retirement Fund - City and SLEP (Continued)

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

SLEP (Continued)

Total net deferred outflows (inflows) for the City's IMRF and SLEP plan is \$(2,047,009) and is reported in the basic financial statements as follows:

Governmental activities - City	\$ (876,213)
Governmental activities - SLEP	(81,131)
Business-type activities/Enterprise Fund	(891,011)
Discretely presented component unit/IDA Public Library	<u>(198,654)</u>
<b>TOTAL</b>	<b><u><u>\$ (2,047,009)</u></u></b>

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)	\$ 1,655,617	\$ (1,100,142)	\$ (3,298,150)

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)	\$ 109,318	\$ 28,365	\$ (41,221)

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

Police Pension Plan

a. Plan Administration

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

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

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

b. Plan Membership

At April 30, 2021, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	41
 TOTAL	 76

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

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

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. The City's policy is to fund the actuarially determined contribution. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has been funding the plan based on 100% amortization of the past service cost over the same time frame. For the year ended April 30, 2021, the City's contribution was 40.78% of covered payroll.

e. Investment Policy

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

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

Police Pension Plan (Continued)

e. Investment Policy (Continued)

portfolios of securities issued or guaranteed by the United States Government, investment grade corporate bonds, pooled accounts of the Illinois Metropolitan Investment Funds, and The Illinois Funds. The Fund may also invest in Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, direct obligations of the State of Israel, Illinois insurance company general and separate accounts, mutual funds, corporate bonds rated as investment grade by one of the two largest rating services, and corporate equity securities. The investment policy was not modified during the year ended April 30, 2021.

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%	1.40%
U.S. large company stocks	42.00%	5.80%
U.S. small company stocks	12.00%	7.60%
Foreign stocks	6.00%	7.10%

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 2.20% 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, 2021 are listed in the table above.

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

Police Pension Plan (Continued)

f. Investment Valuations

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

g. Investment Concentrations

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

h. Investment Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.52%. 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.



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

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

Police Pension Plan (Continued)

j. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 5,982,657	\$ 206,006	\$ 1,122,960	\$ 4,653,691	\$ -
U.S. Treasury securities	1,229,828	101,391	417,578	710,859	-
Negotiable CDs	570,989	-	327,112	-	243,877
Mortgage-backed securities	1,195	-	-	1,195	-
Municipal bonds	1,515,964	-	333,338	1,085,215	97,411
Corporate bonds	1,650,362	254,334	1,286,398	109,630	-
<b>TOTAL</b>	<b>\$ 10,950,995</b>	<b>\$ 561,731</b>	<b>\$ 3,487,386</b>	<b>\$ 6,560,590</b>	<b>\$ 341,288</b>

The Fund has the following recurring fair value measurements as of April 30, 2021, 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.

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

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

Police Pension Plan (Continued)

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.

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, 2020	\$ 38,787,414	\$ 23,152,690,	\$ 15,634,724
Changes for the period			
Service cost	845,217	-	845,217
Interest	2,621,839	-	2,621,839
Difference between expected and actual experience	(130,176)	-	(130,176)
Change in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	1,393,328	(1,393,328)
Employee contributions	-	355,843	(355,843)
Net investment income	-	6,404,339	(6,404,339)
Benefit payments and refunds	(1,611,398)	(1,611,398)	-
Administrative expense	-	(66,557)	66,557
Net changes	1,725,482	6,475,555	(4,750,073)
BALANCES AT APRIL 30, 2021	\$ 40,512,896	\$ 29,628,245	\$ 10,884,651

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

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

Police Pension Plan (Continued)

n. Changes in the Net Pension Liability (Continued)

The funded status of the plan as of April 30, 2021 is 73.10%.

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, 2021
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	\$ 17,215,108	\$ 10,884,651	\$ 5,779,775

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

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**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, 2021, the City recognized pension expense of \$684,884. At April 30, 2021, 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	\$ 463,210	\$ 871,825
Changes in assumptions	412,659	533,868
Net difference between projected and actual earnings on pension plan investments	-	3,005,577
<b>TOTAL</b>	<b>\$ 875,869</b>	<b>\$ 4,411,270</b>

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

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

Year Ending April 30,	
2022	\$ (881,363)
2023	(897,051)
2024	(772,393)
2025	(975,398)
2026	(23,302)
Thereafter	14,106
<b>TOTAL</b>	<b>\$ 3,535,401</b>

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

Firefighters' Pension Plan

a. Plan Administration

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

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

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

b. Plan Membership

At April 30, 2021, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>31</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, 2021, the City's contribution was 51.25% of covered payroll.

e. Investment Policy

ILCS limits the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees.

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

Firefighters' Pension Plan (Continued)

e. Investment Policy (Continued)

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, 2021.

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
Large cap domestic equity	38.50%	5.80%
Small cap domestic equity	11.00%	7.60%
International equity	5.50%	7.10%
Fixed income	45.00%	1.40%

The long-term expected real rates of return are net of a 2.20% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2021, are listed in the table above.

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

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

Firefighters' Pension Plan (Continued)

f. Concentrations

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

g. Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 26.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

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

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 915,624	\$ 151,246	\$ 407,284	\$ 357,094	\$ -
U.S. agency obligations	3,749,249	50,586	924,803	2,773,860	-
Negotiable CDs	449,322	-	252,311	197,011	-
Municipal bonds	1,000,725	100,951	473,822	329,216	96,736
Corporate bonds	1,115,064	35,432	646,117	433,515	-
Asset-backed securities	27,238	-	9,636	850	16,752
<b>TOTAL</b>	<b>\$ 7,257,222</b>	<b>\$ 338,215</b>	<b>\$ 2,713,973</b>	<b>\$ 4,091,546</b>	<b>\$ 113,488</b>



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

Firefighters' Pension Plan (Continued)

i. Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2021, the U.S. Treasury obligations, U.S. agency obligations, municipal bonds, corporate bonds, negotiable CDs, and asset-backed securities are valued using quoted matrix pricing models (Level 2 inputs). The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The annuity insurance contracts are valued using information provided directly from the insurance companies (Level 3 inputs).

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

j. Credit Risk

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

k. Custodial Credit Risk

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

**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, 2020	\$ 29,164,886	\$ 16,587,657	\$ 12,577,229
Changes for the period			
Service cost	597,607	-	597,607
Interest	1,969,486	-	1,969,486
Difference between expected and actual experience	297,955	-	297,955
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	1,154,950	(1,154,950)
Employee contributions	-	213,678	(213,678)
Contributions - other	-	-	-
Net investment income	-	4,343,014	(4,343,014)
Benefit payments and refunds	(1,500,638)	(1,500,638)	-
Administrative expense	-	(40,876)	40,876
Net changes	1,364,410	4,170,128	(2,805,718)
BALANCES AT APRIL 30, 2021	\$ 30,529,296	\$ 20,757,785	\$ 9,771,511

The funded status of the plan as of April 30, 2021 is 68.00%.

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

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**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, 2021
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	\$ 14,112,627	\$ 9,771,511	\$ 6,239,229

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

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**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, 2021, the City recognized pension expense of \$827,248. At April 30, 2021, 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	\$ 596,992	\$ 717,038
Changes in assumption	431,860	62,135
Net difference between projected and actual earnings on pension plan investments	-	2,047,845
<b>TOTAL</b>	<u>\$ 1,028,852</u>	<u>\$ 2,827,018</u>

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>	
2022	\$ (343,709)
2023	(424,856)
2024	(462,198)
2025	(596,165)
2026	7,977
Thereafter	<u>20,785</u>
<b>TOTAL</b>	<u>\$ (1,798,166)</u>

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

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

Police Pension Plan and Firefighters' Pension Plan

a. Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and short-term investments	\$ 9,949	\$ 9,575	\$ 19,524
Investments at fair value			
U.S. Treasury obligations	1,229,828	915,624	2,145,452
U.S. agency obligations	5,982,657	3,749,249	9,731,906
Municipal bonds	1,515,964	1,000,725	2,516,689
Corporate bonds	1,650,362	1,115,064	2,765,426
Mortgage-backed securities	1,195	27,238	28,433
Negotiable certificate of deposit	570,989	449,322	1,020,311
Mutual funds	18,162,383	11,998,545	30,160,928
Money market mutual funds	439,932	218,993	658,925
Insurance contracts	-	1,233,259	1,233,259
Accrued interest receivable	71,257	43,552	114,809
Prepaid items	4,250	2,530	6,780
<b>Total assets</b>	<b>29,638,766</b>	<b>20,763,676</b>	<b>50,402,442</b>
<b>LIABILITIES</b>			
Accounts payable	10,521	5,891	16,412
<b>Total liabilities</b>	<b>10,521</b>	<b>5,891</b>	<b>16,412</b>
<b>NET POSITION RESTRICTED FOR PENSION</b>	<b>\$ 29,628,245</b>	<b>\$ 20,757,785</b>	<b>\$ 50,386,030</b>

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,393,328	\$ 1,154,950	\$ 2,548,278
Employee	355,843	213,678	569,521
<b>Total contributions</b>	<b>1,749,171</b>	<b>1,368,628</b>	<b>3,117,799</b>

**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 (Continued)

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS (Continued)</b>			
Investment income			
Net appreciation in fair value investments	\$ 5,793,790	\$ 3,958,801	\$ 9,752,591
Interest	665,431	420,527	1,085,958
Total investment income	6,459,221	4,379,328	10,838,549
Less investment expense	(54,882)	(36,314)	(91,196)
Net investment income	6,404,339	4,343,014	10,747,353
Total additions	8,153,510	5,711,642	13,865,152
<b>DEDUCTIONS</b>			
Benefits and refunds	1,611,398	1,500,638	3,112,036
Administrative expenses	66,557	40,876	107,433
Total deductions	1,677,955	1,541,514	3,219,469
NET INCREASE	6,475,555	4,170,128	10,645,683
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	23,152,690	16,587,657	39,740,347
April 30	\$ 29,628,245	\$ 20,757,785	\$ 50,386,030

**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, \$0 was exposed to custodial credit risk.

b. Investments

As of April 30, 2021, the Library had investments and maturities as follows:

The Library holds 1,608 shares of Consolidated Edison common stock with a fair value of \$95,391 at April 30, 2021 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 2020 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. Infrastructure such as streets, traffic signals, and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

	Years
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, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 290,999	\$ -	\$ -	\$ 290,999
Capital assets being depreciated				
Improvements	8,697	-	-	8,697
Buildings	1,702,637	-	-	1,702,637
Equipment	57,372	32,564	-	89,936
Total capital assets being depreciated	1,768,706	32,564	-	1,801,270
Less accumulated depreciation for				
Land improvements	8,697	-	-	8,697
Buildings	1,171,624	38,913	-	1,210,537
Equipment	50,412	8,253	-	58,665
Total accumulated depreciation	1,230,733	47,166	-	1,277,899
Total capital assets being depreciated, net	537,973	(14,602)	-	523,371
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<b>\$ 828,972</b>	<b>\$ (14,602)</b>	<b>\$ -</b>	<b>\$ 814,370</b>

e. Long-Term Debt

Mortgage Loans Payable

The Library has one outstanding mortgage loan payable as of April 30, 2021. 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
<b>BUSINESS-TYPE ACTIVITIES</b>					
Mortgage notes payable	\$ 285,595	\$ -	\$ 23,867	\$ 261,728	\$ 17,764
Compensated absences	14,256	-	9,431	4,825	965
Net pension liability - IMRF*	113,658	-	113,658	-	-
Other postemployment benefit liability	115,068	-	8,035	107,033	1,930
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 528,577</b>	<b>\$ -</b>	<b>\$ 154,991</b>	<b>\$ 373,586</b>	<b>\$ 20,659</b>

\*The net pension liability - IMRF is now reported as a net pension asset as of April 30, 2021.

f. Debt Service Requirements to Maturity

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

Year Ending	Principal	Interest
2022	\$ 17,764	\$ 9,102
2023	22,170	10,069
2024	23,121	9,119
2025	24,160	8,080
2026	25,220	7,018
2027	149,293	1,066
<b>TOTAL</b>	<b>\$ 261,728</b>	<b>\$ 44,454</b>

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

g. Other Postemployment Benefits

Plan Description

In addition to providing the pension benefits described, the Library provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Library and can be amended by the Library through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The Library provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Library's retirement plans. Elected officials are not eligible for benefits. The Library pays for net single coverage for most retirees.

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

Membership

At April 30, 2021, membership consisted of:

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

Total OPEB Liability

The Library's total OPEB liability of \$107,033 was measured as of April 30, 2021 and was determined by an actuarial valuation as of May 1, 2021.

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

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

g. Other Postemployment Benefits (Continued)

. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2021, 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.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.00%
Discount rate	2.27%
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.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2020	<u>\$ 115,068</u>
Changes for the period	
Service cost	12,293
Interest	2,921
Difference between expected and actual experience	(23,341)
Assumption changes	3,217
Change in benefit terms	(1,195)
Benefit payments	<u>(1,930)</u>
Net changes	<u>(8,035)</u>
BALANCES AT APRIL 30, 2021	<u>\$ 107,033</u>

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

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

g. Other Postemployment Benefits (Continued)

Changes in the Total OPEB Liability (Continued)

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

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 2.27% 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 (1.27%) or 1 percentage point higher (3.27%) than the current rate:

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Total OPEB liability	\$ 118,874	\$ 107,033	\$ 96,393

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	\$ 92,601	\$ 107,033	\$ 124,457

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

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**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

For the year ended April 30, 2021, the Library recognized OPEB expense of \$8,011. At April 30, 2021, 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	\$ -	\$ 78,924
Changes in assumptions	14,304	-
<b>TOTAL</b>	<b>\$ 14,304</b>	<b>\$ 78,924</b>

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

Year Ending April 30,	
2022	\$ (6,008)
2023	(6,008)
2024	(6,008)
2025	(6,008)
2026	(6,008)
Thereafter	(34,580)
<b>TOTAL</b>	<b>\$ (64,620)</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BELVIDERE, ILLINOIS**

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

Last Six Fiscal Years

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

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 23 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 Six Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contribution	\$ 18,619	\$ 19,277	\$ 17,757	\$ 107	\$ 3,917	\$ 10,791
Contributions in relation to the actuarially determined contribution	18,619	19,277	17,757	107	3,917	10,791
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 102,873	\$ 103,686	\$ 96,858	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	18.10%	18.59%	18.33%	0.00%	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 23 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 Seven Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contribution	\$ 1,007,631	\$ 1,072,241	\$ 1,089,027	\$ 1,150,677	\$ 1,246,427	\$ 1,304,118	\$ 1,393,328
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
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (4,087)</b>	<b>\$ (7,367)</b>	<b>\$ (3,402)</b>	<b>\$ (1,959)</b>	<b>\$ (4,539)</b>	<b>\$ (1)</b>	<b>\$ -</b>
Covered payroll	\$ 2,932,915	\$ 3,608,001	\$ 3,711,365	\$ 3,831,984	\$ 3,383,915	\$ 3,586,222	\$ 3,416,964
Contributions as a percentage of covered payroll	34.50%	29.92%	29.43%	30.08%	36.97%	36.36%	40.78%

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 20.93 years; the asset valuation method was at 5-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 Seven Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Actuarially determined contribution	\$ 781,938	\$ 775,947	\$ 861,063	\$ 1,032,926	\$ 1,065,291	\$ 1,103,286	\$ 1,154,950
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
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (4,320)</b>	<b>\$ (7,500)</b>	<b>\$ (3,085)</b>	<b>\$ (2,584)</b>	<b>\$ (4,978)</b>	<b>\$ (1)</b>	<b>\$ -</b>
Covered payroll	\$ 1,871,647	\$ 2,202,000	\$ 2,200,810	\$ 2,272,336	\$ 2,077,740	\$ 2,182,622	\$ 2,253,557
Contributions as a percentage of covered payroll	42.01%	35.58%	39.26%	45.57%	51.51%	50.55%	51.25%

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 20.95 years; the asset valuation method was at 5-Year smoothed market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 4.00% to 9.75% annually, and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

Last Six Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 333,951	\$ 346,118	\$ 344,572	\$ 320,080	\$ 352,156	\$ 363,572
Interest	1,525,504	1,572,488	1,579,309	1,588,927	1,634,521	1,666,431
Differences between expected and actual experience	(129,658)	(667,839)	67,547	(55,841)	(376,751)	51,120
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)
Net change in total pension liability	676,039	47,781	71,180	1,376,180	446,084	732,702
Total pension liability - beginning	20,779,776	21,455,815	21,503,596	21,574,776	22,950,956	23,397,040
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 21,455,815</b>	<b>\$ 21,503,596</b>	<b>\$ 21,574,776</b>	<b>\$ 22,950,956</b>	<b>\$ 23,397,040</b>	<b>\$ 24,129,742</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 448,219	\$ 452,185	\$ 413,418	\$ 410,245	\$ 333,813	\$ 387,001
Contributions - member	138,625	139,563	140,724	149,602	156,112	153,844
Net investment income	89,709	1,259,537	3,322,307	(1,173,375)	3,714,142	3,171,366
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)
Other	296,584	(71,807)	(166,593)	252,176	(312,697)	214,978
Net change in plan fiduciary net position	(131,482)	679,598	2,473,001	(1,459,586)	2,727,528	2,740,045
Plan fiduciary net position - beginning	18,200,780	18,069,298	18,748,896	21,221,897	19,762,311	22,489,839
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 18,069,298</b>	<b>\$ 18,748,896</b>	<b>\$ 21,221,897</b>	<b>\$ 19,762,311</b>	<b>\$ 22,489,839</b>	<b>\$ 25,229,884</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 3,386,517</b>	<b>\$ 2,754,700</b>	<b>\$ 352,879</b>	<b>\$ 3,188,645</b>	<b>\$ 907,201</b>	<b>\$ (1,100,142)</b>

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

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  
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP

Last Six Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 19,739	\$ 19,843	\$ 19,142	\$ 18,954	\$ -	\$ -
Interest	41,167	45,912	46,711	46,638	58,141	58,287
Differences between expected and actual experience	4,739	(57,413)	(29,744)	161,267	7,736	8,404
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)
Net change in total pension liability	75,442	(4,902)	24,156	196,042	2,898	6,018
Total pension liability - beginning	542,702	618,144	613,242	637,398	833,440	836,338
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 618,144</b>	<b>\$ 613,242</b>	<b>\$ 637,398</b>	<b>\$ 833,440</b>	<b>\$ 836,338</b>	<b>\$ 842,356</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 18,857	\$ 18,932	\$ 20,068	\$ 3,783	\$ 321	\$ 11,108
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
Benefit payments, including refunds of member contributions	-	-	-	(50,069)	(62,979)	(64,766)
Other	(24,973)	(106)	(2,437)	64,021	4,128	12,270
Net change in plan fiduciary net position	4,286	62,155	107,281	(12,378)	83,285	75,601
Plan fiduciary net position - beginning	493,761	498,047	560,202	667,483	655,105	738,390
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 498,047</b>	<b>\$ 560,202</b>	<b>\$ 667,483</b>	<b>\$ 655,105</b>	<b>\$ 738,390</b>	<b>\$ 813,991</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 120,097</b>	<b>\$ 53,040</b>	<b>\$ (30,085)</b>	<b>\$ 178,335</b>	<b>\$ 97,948</b>	<b>\$ 28,365</b>

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

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 636,905	\$ 691,067	\$ 720,229	\$ 770,645	\$ 794,169	\$ 845,217
Interest	2,197,905	2,195,513	2,305,373	2,386,069	2,519,366	2,621,839
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)
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)
Net change in total pension liability	61,270	1,649,684	1,137,053	1,925,408	2,039,758	1,725,482
Total pension liability - beginning	31,974,241	32,035,511	33,685,195	34,822,248	36,747,656	38,787,414
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 32,035,511</b>	<b>\$ 33,685,195</b>	<b>\$ 34,822,248</b>	<b>\$ 36,747,656</b>	<b>\$ 38,787,414</b>	<b>\$ 40,512,896</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 1,079,609	\$ 1,092,429	\$ 1,152,636	\$ 1,250,966	\$ 1,304,119	\$ 1,393,328
Contributions - member	291,901	295,545	310,449	331,743	341,551	355,843
Contributions - other	-	60,493	-	-	-	-
Net investment income	(151,962)	1,249,839	1,317,562	1,522,124	239,123	6,404,339
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)
Administrative expense	(29,572)	(28,411)	(27,020)	(34,988)	(44,942)	(66,557)
Net change in plan fiduciary net position	38,768	1,327,819	1,251,028	1,598,751	326,427	6,475,555
Plan fiduciary net position - beginning	18,609,897	18,648,665	19,976,484	21,227,512	22,826,263	23,152,690
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 18,648,665</b>	<b>\$ 19,976,484</b>	<b>\$ 21,227,512</b>	<b>\$ 22,826,263</b>	<b>\$ 23,152,690</b>	<b>\$ 29,628,245</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 13,386,846</b>	<b>\$ 13,708,711</b>	<b>\$ 13,594,736</b>	<b>\$ 13,921,393</b>	<b>\$ 15,634,724</b>	<b>\$ 10,884,651</b>



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

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 Six Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 477,887	\$ 498,539	\$ 508,606	\$ 544,208	\$ 529,349	\$ 597,607
Interest	1,602,246	1,747,535	1,787,737	1,842,898	1,939,180	1,969,486
Changes in benefit terms*	-	-	-	-	113,275	-
Differences between expected and actual experience	540,219	(591,688)	(61,697)	416,680	(720,228)	297,955
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)
Net change in total pension liability	2,104,987	577,544	826,932	1,424,835	730,846	1,364,410
Total pension liability - beginning	23,499,742	25,604,729	26,182,273	27,009,205	28,434,040	29,164,886
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 25,604,729</b>	<b>\$ 26,182,273</b>	<b>\$ 27,009,205</b>	<b>\$ 28,434,040</b>	<b>\$ 29,164,886</b>	<b>\$ 30,529,296</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 783,447	\$ 864,148	\$ 1,035,510	\$ 1,070,269	\$ 1,103,287	\$ 1,154,950
Contributions - member	175,173	178,195	191,818	194,621	200,958	213,678
Contributions - other	-	-	-	42,872	2,555	-
Net investment income	(278,241)	1,278,591	1,095,097	1,033,752	314,719	4,343,014
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)
Administrative expense	(33,155)	(37,289)	(36,932)	(39,887)	(39,184)	(40,876)
Net change in plan fiduciary net position	(573,794)	1,003,765	999,133	937,454	119,403	4,170,128
Plan fiduciary net position - beginning	14,101,696	13,527,902	14,531,667	15,530,800	16,468,254	16,587,657
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 13,527,902</b>	<b>\$ 14,531,667</b>	<b>\$ 15,530,800</b>	<b>\$ 16,468,254</b>	<b>\$ 16,587,657</b>	<b>\$ 20,757,785</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,076,827</b>	<b>\$ 11,650,606</b>	<b>\$ 11,478,405</b>	<b>\$ 11,965,786</b>	<b>\$ 12,577,229</b>	<b>\$ 9,771,511</b>

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

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 Three Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 373,427	\$ 419,463	\$ 520,098
Interest	298,747	360,003	281,937
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)
Benefit payments	(295,231)	(403,960)	(502,835)
Net change in total OPEB liability	524,020	3,067,811	(1,449,167)
Total OPEB liability - beginning	7,672,727	8,196,747	11,264,558
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 8,196,747</b>	<b>\$ 11,264,558</b>	<b>\$ 9,815,391</b>
Covered payroll	\$ 8,341,323	\$ 8,369,148	\$ 8,417,775
Employer's total OPEB liability as a percentage of covered payroll	98.27%	134.60%	116.60%

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

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

Changes in benefit terms were made specific to the City paying 86% of the single retiree premium compared to 88% previously.

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 Three Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 6,242	\$ 11,155	\$ 12,293
Interest	5,847	3,404	2,921
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
Benefit payments	(5,752)	(901)	(1,930)
Net change in total OPEB liability	8,989	(44,069)	(8,035)
Total OPEB liability - beginning	150,148	159,137	115,068
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 159,137</b>	<b>\$ 115,068</b>	<b>\$ 107,033</b>
Covered payroll	\$ 125,479	\$ 220,314	\$ 279,037
Employer's total OPEB liability as a percentage of covered payroll	126.82%	52.23%	38.36%

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

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

Changes in benefit terms were made specific to the Library paying 86% of the single retiree premium compared to 88% previously.

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 Six Fiscal Years

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

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 Six Fiscal Years

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

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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 16,284,396	\$ 16,284,396	\$ 17,638,541
Licenses and permits	418,809	418,809	462,208
Intergovernmental	594,768	594,768	2,244,272
Fines and forfeits	1,013,464	1,013,464	645,658
Charges for services	223,950	223,950	295,487
Investment income	128,000	128,000	69,395
Miscellaneous	421,884	421,884	348,712
<b>Total revenues</b>	<b>19,085,271</b>	<b>19,085,271</b>	<b>21,704,273</b>
<b>EXPENDITURES</b>			
General government	2,683,739	2,683,739	2,915,612
Public safety	13,366,715	13,366,715	12,410,434
Highways and streets	1,807,196	1,807,196	2,158,440
Health and social services	23,000	23,000	40,873
Community and economic development	150,750	150,750	109,598
<b>Total expenditures</b>	<b>18,031,400</b>	<b>18,031,400</b>	<b>17,634,957</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,053,871</b>	<b>1,053,871</b>	<b>4,069,316</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	-	-	52,794
Transfers (out)	(2,248,332)	(2,248,332)	(695,784)
<b>Total other financing sources (uses)</b>	<b>(2,248,332)</b>	<b>(2,248,332)</b>	<b>(642,990)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,194,461)</b>	<b>\$ (1,194,461)</b>	<b>3,426,326</b>
<b>FUND BALANCE, MAY 1</b>			<b>11,040,593</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 14,466,919</b>

(See independent auditor's report.)



## CITY OF BELVIDERE, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2021

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

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

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

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

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

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

Budgetary authority lapses at year end.

Expenditures exceeded budget in the Capital Projects Fund by \$441,148.

## **SUPPLEMENTARY INFORMATION**

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>TAXES</b>			
Property taxes	\$ 5,203,934	\$ 5,203,934	\$ 5,200,516
Personal property replacement tax	278,031	278,031	520,400
Income tax	2,686,425	2,686,425	2,932,995
Sales tax	4,790,855	4,790,855	4,944,223
State use tax	908,267	908,267	1,173,674
Hotel/motel tax	3,420	3,420	977
Video gambling tax	366,000	366,000	271,827
Cannabis tax	-	-	20,912
Auto rental tax	7,200	7,200	3,755
Telecommunications tax	105,000	105,000	85,308
Utility tax	1,935,264	1,935,264	2,483,954
<b>Total taxes</b>	<b>16,284,396</b>	<b>16,284,396</b>	<b>17,638,541</b>
<b>INTERGOVERNMENTAL</b>			
Grants	594,768	594,768	2,244,272
<b>Total intergovernmental</b>	<b>594,768</b>	<b>594,768</b>	<b>2,244,272</b>
<b>LICENSES AND PERMITS</b>			
Liquor licenses	117,900	117,900	189,150
Business licenses	14,950	14,950	8,810
Building permits	158,827	158,827	154,432
Electrical permits	16,000	16,000	10,608
Plumbing permits	5,000	5,000	695
HVAC permits	3,035	3,035	6,124
Amusement machine permits	85,000	85,000	64,329
Planning fees	11,797	11,797	22,372
Other	6,300	6,300	5,688
<b>Total licenses and permits</b>	<b>418,809</b>	<b>418,809</b>	<b>462,208</b>

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>FINES AND FORFEITS</b>			
Circuit court fines	\$ 282,238	\$ 282,238	\$ 166,611
Parking fines	21,040	21,040	4,670
Engineering fees	20,000	20,000	-
Electrician certification fees	3,000	3,000	3,100
Plan review fees	20,000	20,000	10,469
Police fines and fees	194,878	194,878	57,621
Sidewalk/lot grading	3,000	3,000	7,425
Franchise fees	279,964	279,964	265,707
Death and birth certificates	19,678	19,678	21,692
Accident/fire reports	5,108	5,108	3,470
Seized vehicle fees	64,800	64,800	31,400
Tipping fees	64,858	64,858	47,992
Sex offender registration fee	5,000	5,000	3,320
Code enforcement	6,500	6,500	2,075
Police court fines	-	-	14,766
Fire review fees	-	-	1,472
Annexation/plat fees	20,000	20,000	-
Zoning review fee	3,400	3,400	3,868
<b>Total fines and forfeits</b>	<b>1,013,464</b>	<b>1,013,464</b>	<b>645,658</b>
<b>CHARGES FOR SERVICES</b>			
School resource officer reimbursement	-	-	7,975
County fuel charges	223,950	223,950	287,512
<b>Total charges for services</b>	<b>223,950</b>	<b>223,950</b>	<b>295,487</b>
<b>INVESTMENT INCOME</b>			
Investment income	128,000	128,000	69,395

(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, 2021

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>MISCELLANEOUS</b>			
Reimbursements	\$ 358,484	\$ 358,484	\$ 229,465
Other	63,400	63,400	119,247
Total miscellaneous	421,884	421,884	348,712
<b>TOTAL REVENUES</b>	<b>\$ 19,085,271</b>	<b>\$ 19,085,271</b>	<b>\$ 21,704,273</b>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>			
Personnel services			
Salaries - elected officials	\$ 215,889	\$ 215,889	\$ 215,342
Salaries - regular	240,828	240,828	244,784
Group health insurance	529,174	529,174	383,955
Dental insurance claims paid	35,000	35,000	30,615
Group life insurance	1,512	1,512	1,372
IMRF	177,268	177,268	137,929
FICA	239,885	239,885	56,370
Medicare	151,328	151,328	137,467
<b>Total personnel services</b>	<b>1,590,884</b>	<b>1,590,884</b>	<b>1,207,834</b>
Contractual services			
Accounting and auditing	37,500	37,500	43,701
Grants	-	-	365,000
Codification	5,000	5,000	5,274
Legal	15,100	15,100	8,725
Liability insurance	480,375	480,375	454,839
Telephone	45,660	45,660	41,535
Other professional services	78,000	78,000	170,602
<b>Total contractual services</b>	<b>661,635</b>	<b>661,635</b>	<b>1,089,676</b>
Commodities			
Meetings and conferences	14,430	14,430	3,867
Office supplies	84,800	84,800	120,635
Other communications	2,700	2,700	2,205
Heritage days	-	-	4,225
Subscriptions and educational materials	700	700	1,017
Repairs and maintenance - building	26,060	26,060	25,321
Repairs and maintenance - equipment	5,500	5,500	3,880
Reimbursements - seized vehicle	-	-	300
Gas and oil	206,400	206,400	343,127
Other supplies	6,800	6,800	1,782
Miscellaneous	83,830	83,830	111,743
<b>Total commodities</b>	<b>431,220</b>	<b>431,220</b>	<b>618,102</b>
<b>Total general government</b>	<b>2,683,739</b>	<b>2,683,739</b>	<b>2,915,612</b>
<b>PUBLIC SAFETY</b>			
Police department			
Personnel services			
Salaries	3,808,854	3,808,854	3,635,227
Overtime	406,000	406,000	192,064
Police pension	1,326,460	1,326,460	1,393,328
Group health insurance	974,355	974,355	873,694
Dental insurance claims paid	60,000	60,000	50,553
Uniform allowance	77,539	77,539	71,876
Training	88,905	88,905	28,138
Physical exams	2,135	2,135	1,998
<b>Total personnel services</b>	<b>6,744,248</b>	<b>6,744,248</b>	<b>6,246,878</b>

(This schedule is continued on the following pages.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Contractual services			
Telephone	\$ 44,000	\$ 44,000	\$ 41,760
Total contractual services	44,000	44,000	41,760
Commodities			
Community policing	13,500	13,500	4,584
K-9 expenses	8,800	8,800	9,409
Repairs and maintenance - vehicle	115,700	115,700	49,642
Police equipment - maintenance	30,280	30,280	20,244
Sex offender state disbursement	3,600	3,600	2,150
Office supplies	8,050	8,050	7,637
Gas and oil	112,500	112,500	68,280
Operating supplies	45,825	45,825	7,565
Miscellaneous	31,700	31,700	7,233
Total commodities	369,955	369,955	176,744
Capital outlay			
Equipment	66,650	66,650	17,269
Total capital outlay	66,650	66,650	17,269
Total police department	7,224,853	7,224,853	6,482,651
Public safety building			
Contractual services			
Public safety building expenses	1,149,074	1,149,074	1,104,469
Total contractual services	1,149,074	1,149,074	1,104,469
Total public safety building	1,149,074	1,149,074	1,104,469
Fire department			
Personnel services			
Salaries	2,351,452	2,351,452	2,230,005
Overtime	140,000	140,000	164,604
Fire pension	1,088,082	1,088,082	1,154,950
Group health insurance	595,102	595,102	491,100
Dental insurance claims paid	32,000	32,000	26,394
Uniform allowance	34,400	34,400	32,903
Training	20,000	20,000	12,141
Physical exams	2,500	2,500	376
Total personnel services	4,263,536	4,263,536	4,112,473
Contractual services			
Telephone	10,440	10,440	10,208
Total contractual services	10,440	10,440	10,208

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Fire department (Continued)			
Commodities			
Gas and oil	\$ 20,000	\$ 20,000	\$ 13,002
Fire prevention	12,000	12,000	3,060
Repairs and maintenance - building	40,000	40,000	44,631
Repairs and maintenance - vehicle	55,000	55,000	51,622
Repairs and maintenance - equipment	17,000	17,000	9,561
Emergency medical supplies	11,500	11,500	10,446
Office supplies	15,300	15,300	16,142
Operating supplies	10,000	10,000	8,516
Miscellaneous	1,000	1,000	572
Total commodities	<u>181,800</u>	<u>181,800</u>	<u>157,552</u>
Capital outlay			
Equipment	25,000	25,000	36,539
Total capital outlay	<u>25,000</u>	<u>25,000</u>	<u>36,539</u>
Total fire department	<u>4,480,776</u>	<u>4,480,776</u>	<u>4,316,772</u>
Police and fire commission			
Personnel services			
Physical exams	16,500	16,500	3,694
Total personnel services	<u>16,500</u>	<u>16,500</u>	<u>3,694</u>
Contractual services			
Miscellaneous contractual services	10,015	10,015	33,364
Total contractual services	<u>10,015</u>	<u>10,015</u>	<u>33,364</u>
Total police and fire commission	<u>26,515</u>	<u>26,515</u>	<u>37,058</u>
Building department			
Personnel services			
Salaries	266,350	266,350	285,534
FICA	20,376	20,376	18,853
IMRF	28,281	28,281	25,082
Community development health	74,770	74,770	62,287
Community development dental	4,000	4,000	4,406
Training	5,000	5,000	2,848
Total personnel services	<u>398,777</u>	<u>398,777</u>	<u>399,010</u>
Contractual services			
Telephone	2,400	2,400	2,239
Other contractual services	6,150	6,150	6,150
Other professional services	47,000	47,000	30,546
Total contractual services	<u>55,550</u>	<u>55,550</u>	<u>38,935</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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>			
Building department (Continued)			
Commodities			
Postage	\$ 3,577	\$ 3,577	\$ 3,841
Printing and publishing	2,743	2,743	2,788
Office supplies	9,000	9,000	3,498
Repairs and maintenance - equipment	6,100	6,100	3,338
Gas and oil	1,000	1,000	938
Maintenance of vehicles	1,000	1,000	28
Miscellaneous	750	750	11,158
Total commodities	24,170	24,170	25,589
Total building department	478,497	478,497	463,534
Civil defense			
Commodities			
Miscellaneous	7,000	7,000	5,950
Total commodities	7,000	7,000	5,950
Total civil defense	7,000	7,000	5,950
Total public safety	13,366,715	13,366,715	12,410,434
<b>HIGHWAYS AND STREETS</b>			
Street department			
Personnel services			
Salaries	694,500	694,500	648,996
Overtime	45,000	45,000	47,442
Group health insurance	201,096	201,096	194,326
Uniform allowance	16,000	16,000	15,804
Training	1,500	1,500	175
Total personnel services	958,096	958,096	906,743
Contractual services			
Telephone	8,000	8,000	10,841
Leaf cleanup	12,000	12,000	1,142
Total contractual services	20,000	20,000	11,983
Commodities			
Office supplies	6,000	6,000	7,329
Gas and oil	75,000	75,000	58,891
Repairs and maintenance - storm	30,000	30,000	36,247
Repairs and maintenance - sidewalk	40,000	40,000	42,188
Repairs and maintenance - building	10,000	10,000	9,000
Repairs and maintenance - equipment	110,000	110,000	99,296
Repairs and maintenance - traffic	30,000	30,000	112,285
Parking lot maintenance	97,500	97,500	164,958
Operating supplies	30,000	30,000	20,580
Miscellaneous	2,000	2,000	244,882
Total commodities	430,500	430,500	795,656

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HIGHWAYS AND STREETS (Continued)</b>			
Street department (Continued)			
Capital outlay			
Equipment	\$ -	\$ -	\$ 17,235
Total capital outlay	-	-	17,235
Total street department	1,408,596	1,408,596	1,731,617
Street lighting			
Contractual services			
Electric	230,000	230,000	237,520
Total contractual services	230,000	230,000	237,520
Commodities			
Repairs and maintenance - street lighting	30,000	30,000	11,182
Total commodities	30,000	30,000	11,182
Total street lighting	260,000	260,000	248,702
Garbage			
Commodities			
Miscellaneous	54,000	54,000	53,841
Total commodities	54,000	54,000	53,841
Total garbage	54,000	54,000	53,841
Forestry			
Contractual services			
Tree removal/purchase	40,000	40,000	96,546
Total contractual services	40,000	40,000	96,546
Total forestry	40,000	40,000	96,546
City engineering			
Commodities			
Office supplies	7,600	7,600	8,322
Engineering	27,000	27,000	10,774
Subdivision expenses	10,000	10,000	8,638
Total commodities	44,600	44,600	27,734
Total city engineering	44,600	44,600	27,734
Total highways and streets	1,807,196	1,807,196	2,158,440

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>HEALTH AND SOCIAL SERVICES</b>			
Health regulations and inspections			
Commodities			
Council on aging	\$ 23,000	\$ 23,000	\$ -
Demolition	-	-	40,873
Total commodities	<u>23,000</u>	<u>23,000</u>	<u>40,873</u>
Total health regulations and inspections	<u>23,000</u>	<u>23,000</u>	<u>40,873</u>
Total health and social services	<u>23,000</u>	<u>23,000</u>	<u>40,873</u>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>			
Economic development			
Commodities			
Planning department services	27,500	27,500	1,680
Economic development	91,000	91,000	67,652
Tourism	6,000	6,000	5,000
Historic preservation	4,000	4,000	9,115
Buchanan strolls - entertainment	13,500	13,500	12,379
Buchanan strolls - supplies	5,750	5,750	2,253
Buchanan strolls - miscellaneous	3,000	3,000	5,074
Bellwood detention basin	-	-	6,445
Total commodities	<u>150,750</u>	<u>150,750</u>	<u>109,598</u>
Total economic development	<u>150,750</u>	<u>150,750</u>	<u>109,598</u>
Total community and economic development	<u>150,750</u>	<u>150,750</u>	<u>109,598</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 18,031,400</u>	<u>\$ 18,031,400</u>	<u>\$ 17,634,957</u>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF BELVIDERE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2021

	<b>Special Revenue</b>		
	<b>Motor Fuel Tax</b>	<b>Kishwaukee TIF</b>	<b>Kishwaukee TIF #2</b>
<b>ASSETS</b>			
Cash and investments	\$ 1,573,763	\$ 22,337	\$ 4,915
Receivables			
Property taxes	-	18,404	-
Other	84,285	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,658,048</b>	<b>\$ 40,741</b>	<b>\$ 4,915</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,043	\$ -	\$ -
Advance from other funds	-	-	-
Total liabilities	1,043	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	18,404	-
Total deferred inflows of resources	-	18,404	-
Total liabilities and deferred inflows of resources	1,043	18,404	-
<b>FUND BALANCES</b>			
Restricted			
Public safety	-	-	-
Highways and streets	1,657,005	-	-
Capital projects	-	-	-
Economic development	-	22,337	4,915
Assigned			
Capital projects	-	-	-
Unassigned	-	-	-
Total fund balances	1,657,005	22,337	4,915
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,658,048</b>	<b>\$ 40,741</b>	<b>\$ 4,915</b>

<b>Special Revenue</b>						
<b>Farmington SSA #2</b>	<b>Farmington SSA #3</b>	<b>Foreign Fire Insurance</b>	<b>Police Restricted</b>	<b>Capital Projects</b>	<b>Total</b>	
\$ 15,221	\$ 67	\$ 40,207	\$ 392,426	\$ 1,210,308	\$ 3,259,244	
20,848	8,335	-	-	40,017	87,604	
-	-	-	-	169,889	254,174	
<b>\$ 36,069</b>	<b>\$ 8,402</b>	<b>\$ 40,207</b>	<b>\$ 392,426</b>	<b>\$ 1,420,214</b>	<b>\$ 3,601,022</b>	
\$ -	\$ -	\$ -	\$ -	\$ 328,632	\$ 329,675	
-	-	-	-	-	-	
-	-	-	-	328,632	329,675	
20,848	8,335	-	-	40,017	87,604	
20,848	8,335	-	-	40,017	87,604	
20,848	8,335	-	-	368,649	417,279	
-	-	40,207	392,426	-	432,633	
-	-	-	-	-	1,657,005	
15,221	67	-	-	-	15,288	
-	-	-	-	-	27,252	
-	-	-	-	1,051,565	1,051,565	
-	-	-	-	-	-	
15,221	67	40,207	392,426	1,051,565	3,183,743	
<b>\$ 36,069</b>	<b>\$ 8,402</b>	<b>\$ 40,207</b>	<b>\$ 392,426</b>	<b>\$ 1,420,214</b>	<b>\$ 3,601,022</b>	

(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, 2021

	<b>Special Revenue</b>		
	<b>Motor Fuel Tax</b>	<b>Kishwaukee TIF</b>	<b>Kishwaukee TIF #2</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 18,584	\$ -
Intergovernmental	1,828,102	-	-
Charges for services	-	-	-
Investment income	2,428	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>1,830,530</b>	<b>18,584</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	807,244	-	-
Capital outlay	-	2,961	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	4,065	-
<b>Total expenditures</b>	<b>807,244</b>	<b>7,026</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,023,286</b>	<b>11,558</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,023,286</b>	<b>11,558</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT), MAY 1</b>	<b>633,719</b>	<b>10,779</b>	<b>4,915</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 1,657,005</b>	<b>\$ 22,337</b>	<b>\$ 4,915</b>

<b>Special Revenue</b>						
<b>Farmington</b>	<b>Farmington</b>	<b>Foreign</b>	<b>Police</b>	<b>Capital</b>		
<b>SSA #2</b>	<b>SSA #3</b>	<b>Fire Insurance</b>	<b>Restricted</b>	<b>Projects</b>	<b>Total</b>	
\$ 19,099	\$ 7,812	\$ 41,997	\$ -	\$ 39,915	\$ 127,407	
-	-	-	-	196,783	2,024,885	
-	-	-	105,501	18,021	123,522	
-	-	-	-	7,412	9,840	
-	-	-	-	136,204	136,204	
19,099	7,812	41,997	105,501	398,335	2,421,858	
10,970	6,566	-	-	-	17,536	
-	-	25,317	62,568	-	87,885	
-	-	-	-	331,728	1,138,972	
-	-	-	-	1,023,948	1,026,909	
-	-	-	-	123,907	123,907	
-	-	-	-	9,897	13,962	
10,970	6,566	25,317	62,568	1,489,480	2,409,171	
8,129	1,246	16,680	42,933	(1,091,145)	12,687	
-	1,000	-	-	551,729	552,729	
(1,000)	-	-	-	-	(1,000)	
(1,000)	1,000	-	-	551,729	551,729	
7,129	2,246	16,680	42,933	(539,416)	564,416	
8,092	(2,179)	23,527	349,493	1,590,981	2,619,327	
\$ 15,221	\$ 67	\$ 40,207	\$ 392,426	\$ 1,051,565	\$ 3,183,743	

(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, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 1,098,519	\$ 1,098,519	\$ 985,026
REBUILD Illinois	-	-	843,076
Investment income	6,000	6,000	2,428
	<hr/>		
Total revenues	1,104,519	1,104,519	1,830,530
	<hr/>		
<b>EXPENDITURES</b>			
Highways and streets			
Street maintenance	1,215,000	1,215,000	807,244
	<hr/>		
Total expenditures	1,215,000	1,215,000	807,244
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (110,481)</u>	<u>\$ (110,481)</u>	1,023,286
FUND BALANCE, MAY 1			<u>633,719</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 1,657,005</u></u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 22,000	\$ 22,000	\$ 18,584
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>18,584</u>
<b>EXPENDITURES</b>			
Capital outlay	2,000	2,000	2,961
Debt service			
Interest and fiscal charges	<u>8,600</u>	<u>8,600</u>	<u>4,065</u>
Total expenditures	<u>10,600</u>	<u>10,600</u>	<u>7,026</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 11,400</u>	<u>\$ 11,400</u>	11,558
<b>FUND BALANCE, MAY 1</b>			<u>10,779</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 22,337</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, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 16,500	\$ 16,500	\$ 19,099
Total revenues	<u>16,500</u>	<u>16,500</u>	<u>19,099</u>
<b>EXPENDITURES</b>			
General government			
Repairs and maintenance	<u>15,500</u>	<u>15,500</u>	<u>10,970</u>
Total expenditures	<u>15,500</u>	<u>15,500</u>	<u>10,970</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,000</u>	<u>1,000</u>	<u>8,129</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>-</u>	<u>-</u>	<u>(1,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>7,129</u>
<b>FUND BALANCE, MAY 1</b>			<u>8,092</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 15,221</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, 2021

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	<u>\$ 6,700</u>	<u>\$ 6,700</u>	<u>\$ 7,812</u>
Total revenues	<u>6,700</u>	<u>6,700</u>	<u>7,812</u>
<b>EXPENDITURES</b>			
General government			
Repairs and maintenance	<u>6,700</u>	<u>6,700</u>	<u>6,566</u>
Total expenditures	<u>6,700</u>	<u>6,700</u>	<u>6,566</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>1,246</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>1,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>2,246</u>
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>(2,179)</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 67</u></u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 40,000	\$ 40,000	\$ 39,915
Intergovernmental	50,000	50,000	196,783
Charges for services	-	-	18,021
Investment income	6,070	6,070	7,412
Miscellaneous	-	-	136,204
<b>Total revenues</b>	<b>96,070</b>	<b>96,070</b>	<b>398,335</b>
<b>EXPENDITURES</b>			
Current			
Highways and streets			
Miscellaneous	140,000	140,000	331,728
Capital outlay			
Vehicles	418,828	418,828	268,213
Infrastructure	165,000	165,000	587,528
Buildings and improvements	70,000	70,000	2,714
Equipment	189,500	189,500	165,493
Debt service			
Principal	65,004	65,004	123,907
Interest and fiscal charges	-	-	9,897
<b>Total expenditures</b>	<b>1,048,332</b>	<b>1,048,332</b>	<b>1,489,480</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(952,262)</b>	<b>(952,262)</b>	<b>(1,091,145)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,248,332	2,248,332	551,729
<b>Total other financing sources (uses)</b>	<b>2,248,332</b>	<b>2,248,332</b>	<b>551,729</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,296,070</b>	<b>\$ 1,296,070</b>	<b>(539,416)</b>
<b>FUND BALANCE, MAY 1</b>			<b>1,590,981</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 1,051,565</b>

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Water sales	\$ 2,019,518	\$ 2,019,518	\$ 1,946,724
Sewer charges	3,243,413	3,243,413	2,903,080
Water connection fees	20,000	20,000	17,883
Sewer connection fees	24,000	24,000	44,100
Water meter sales	90,000	90,000	93,423
Sewer meter sales	90,000	90,000	85,106
Other	5,000	5,000	13,389
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,491,931	5,491,931	5,103,705
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Water	1,844,577	1,844,577	1,917,203
Sewer	1,968,855	1,968,855	2,746,511
Collection system	751,325	751,325	661,695
	<hr/>	<hr/>	<hr/>
Total operating expenses excluding depreciation	4,564,757	4,564,757	5,325,409
<b>OPERATING INCOME (LOSS)</b>	<hr/>	<hr/>	<hr/>
	927,174	927,174	(221,704)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	3,350	3,350	32,806
Grants	-	-	9,852
Insurance recoveries	-	-	58,555
Principal payments	(106,233)	(106,233)	(106,233)
Interest and fiscal charges	(17,519)	(17,519)	(16,855)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(120,402)	(120,402)	(21,875)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<hr/>	<hr/>	<hr/>
	806,772	806,772	(243,579)
<b>TRANSFERS</b>			
Transfers In	52,500	52,500	144,055
	<hr/>	<hr/>	<hr/>
Total Transfers	52,500	52,500	144,055
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	<hr/>	<hr/>	<hr/>
	\$ 859,272	\$ 859,272	(99,524)
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Additions to capital assets			1,053,031
Pension items			501,172
OPEB items			(47,650)
Depreciation and amortization			(1,854,483)
Principal payments			106,233
			<hr/>
Total adjustment to GAAP basis			(241,697)
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<hr/>
			(341,221)
<b>NET POSITION, MAY 1</b>			<hr/>
			42,658,073
<b>NET POSITION, APRIL 30</b>			<hr/>
			\$ 42,316,852

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>WATER</b>			
Personnel services			
Salaries	\$ 538,814	\$ 538,814	\$ 570,130
Overtime	35,000	35,000	26,975
IMRF	66,046	66,046	70,052
FICA/Medicare	43,897	43,897	43,389
Group health insurance	175,160	175,160	184,932
Uniform allowance	12,600	12,600	7,011
Total personnel services	<u>871,517</u>	<u>871,517</u>	<u>902,489</u>
Capital outlay			
Equipment	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Contractual services			
Utilities	250,000	250,000	239,587
Telephone	9,000	9,000	10,248
Liability insurance	122,560	122,560	110,891
Lab expense	36,000	36,000	27,916
Other professional services	64,500	64,500	51,415
Total contractual services	<u>482,060</u>	<u>482,060</u>	<u>440,057</u>
Commodities			
Chemicals	90,000	90,000	81,159
Gas and oil	20,000	20,000	14,249
Postage	20,000	20,000	15,680
Meters	20,000	20,000	24,409
Repair and maintenance - infrastructure	74,000	74,000	77,368
Repair and maintenance - building	16,000	16,000	14,160
Repair and maintenance - equipment	33,000	33,000	25,700
Repair and maintenance - vehicle	20,000	20,000	9,410
Repair and maintenance - contractual	85,000	85,000	52,392
Office supplies	9,000	9,000	15,318
Office equipment rental/maintenance	28,000	28,000	27,118
Operating supplies	67,000	67,000	71,200
Bad debt expense	2,000	2,000	737
Miscellaneous	7,000	7,000	1,872
Total commodities	<u>491,000</u>	<u>491,000</u>	<u>430,772</u>
Total water	<u>1,844,577</u>	<u>1,844,577</u>	<u>1,773,318</u>

(This schedule is continued on the following pages.)



**CITY OF BELVIDERE, ILLINOIS**

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

For the Year Ended April 30, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>SEWER</b>			
Personnel services			
Salaries	\$ 641,517	\$ 641,517	\$ 614,094
Overtime	55,000	55,000	42,230
IMRF	80,169	80,169	70,807
Group health insurance	204,305	204,305	186,506
FICA	53,284	53,284	43,591
Uniform allowance	20,000	20,000	22,696
Total personnel services	<u>1,054,275</u>	<u>1,054,275</u>	<u>979,924</u>
Capital outlay			
Equipment	-	-	1,000
Total capital outlay	<u>-</u>	<u>-</u>	<u>1,000</u>
Contractual services			
Utilities	210,000	210,000	209,666
Telephone	11,000	11,000	8,554
Liability insurance	145,580	145,580	131,683
Lab expense	40,000	40,000	52,125
NARP watershed	-	-	5,000
Other professional services	73,500	73,500	64,151
Total contractual services	<u>480,080</u>	<u>480,080</u>	<u>471,179</u>
Commodities			
Chemicals	45,000	45,000	43,851
Gas and oil	30,000	30,000	13,624
Postage	18,000	18,000	13,744
Office equipment rental/maintenance	6,000	6,000	8,489
Sludge disposal	10,000	10,000	13,297
Repair and maintenance - lift station	20,000	20,000	43,329
Repair and maintenance - building	123,000	123,000	73,406
Repair and maintenance - equipment	-	-	17,085
Repair and maintenance - vehicle	26,000	26,000	17,744
Repair and maintenance - contractual	100,000	100,000	89,383
Office supplies	8,000	8,000	14,050
Operating supplies	20,000	20,000	12,073
Meters	20,000	20,000	23,099
Bad debt expense	3,500	3,500	887
Miscellaneous	5,000	5,000	1,201
Total commodities	<u>434,500</u>	<u>434,500</u>	<u>385,262</u>
Total sewer	<u>1,968,855</u>	<u>1,968,855</u>	<u>1,837,365</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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>COLLECTION SYSTEM</b>			
Personnel services			
Salaries	\$ 384,757	\$ 384,757	\$ 336,916
Overtime	30,000	30,000	28,957
IMRF	47,739	47,739	43,080
FICA	31,729	31,729	28,708
Group health insurance	115,500	115,500	117,831
Uniform allowance	6,600	6,600	11,427
Total personnel services	<u>616,325</u>	<u>616,325</u>	<u>566,919</u>
Commodities			
Gas and oil	10,000	10,000	6,373
Office equipment rental/maintenance	30,000	30,000	17,781
Repair and maintenance - infrastructure	40,000	40,000	26,701
Repair and maintenance - equipment	12,000	12,000	13,321
Repair and maintenance - vehicle	20,000	20,000	5,567
Operating supplies	20,000	20,000	24,436
Miscellaneous	3,000	3,000	597
Total commodities	<u>135,000</u>	<u>135,000</u>	<u>94,776</u>
Total collection system	<u>751,325</u>	<u>751,325</u>	<u>661,695</u>
<b>TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	<u>\$ 4,564,757</u>	<u>\$ 4,564,757</u>	<u>\$ 4,272,378</u>

(See independent auditor's report.)

**FIDUCIARY FUNDS**

**CITY OF BELVIDERE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
PENSION TRUST FUNDS

April 30, 2021

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 9,949	\$ 9,575	\$ 19,524
Investments at fair value			
U.S. Treasury obligations	1,229,828	915,624	2,145,452
U.S. agency obligations	5,982,657	3,749,249	9,731,906
Municipal bonds	1,515,964	1,000,725	2,516,689
Corporate bonds	1,650,362	1,115,064	2,765,426
Mortgage-backed securities	1,195	27,238	28,433
Negotiable certificate of deposit	570,989	449,322	1,020,311
Mutual funds	18,162,383	11,998,545	30,160,928
Money market mutual funds	439,932	218,993	658,925
Insurance contracts	-	1,233,259	1,233,259
Total investments	29,553,310	20,708,019	50,261,329
Receivables			
Accrued interest	71,257	43,552	114,809
Total receivables	71,257	43,552	114,809
Prepaid items	4,250	2,530	6,780
Total assets	29,638,766	20,763,676	50,402,442
<b>LIABILITIES</b>			
Accounts payable	10,521	5,891	16,412
Total liabilities	10,521	5,891	16,412
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
	\$ 29,628,245	\$ 20,757,785	\$ 50,386,030

(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, 2021

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,393,328	\$ 1,154,950	\$ 2,548,278
Employee	355,843	213,678	569,521
Other	-	-	-
Total contributions	<u>1,749,171</u>	<u>1,368,628</u>	<u>3,117,799</u>
Investment income			
Net appreciation in fair value of investments	5,793,790	3,958,801	9,752,591
Interest and dividends	665,431	420,527	1,085,958
Total investment income	6,459,221	4,379,328	10,838,549
Less investment expenses	<u>(54,882)</u>	<u>(36,314)</u>	<u>(91,196)</u>
Net investment income	<u>6,404,339</u>	<u>4,343,014</u>	<u>10,747,353</u>
Total additions	<u>8,153,510</u>	<u>5,711,642</u>	<u>13,865,152</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,611,398	1,500,638	3,112,036
Administrative expenses	66,557	40,876	107,433
Total deductions	<u>1,677,955</u>	<u>1,541,514</u>	<u>3,219,469</u>
NET INCREASE	6,475,555	4,170,128	10,645,683
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	<u>23,152,690</u>	<u>16,587,657</u>	<u>39,740,347</u>
April 30	<u>\$ 29,628,245</u>	<u>\$ 20,757,785</u>	<u>\$ 50,386,030</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,393,328	\$ 1,393,328	\$ 1,393,328
Employee	340,000	340,000	355,843
	<hr/>	<hr/>	<hr/>
Total contributions	1,733,328	1,733,328	1,749,171
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation in fair value of investments	1,100,000	1,100,000	5,793,790
Interest and dividends	-	-	665,431
	<hr/>	<hr/>	<hr/>
Total investment income	1,100,000	1,100,000	6,459,221
Less investment expenses	(35,000)	(35,000)	(54,882)
	<hr/>	<hr/>	<hr/>
Net investment income	1,065,000	1,065,000	6,404,339
	<hr/>	<hr/>	<hr/>
Total additions	2,798,328	2,798,328	8,153,510
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,515,226	1,515,226	1,611,398
Administrative expenses	-	-	66,557
	<hr/>	<hr/>	<hr/>
Total deductions	1,515,226	1,515,226	1,677,955
	<hr/>	<hr/>	<hr/>
NET INCREASE	\$ 1,283,102	\$ 1,283,102	6,475,555
	<hr/>	<hr/>	<hr/>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1			<hr/> 23,152,690
April 30			<hr/> \$ 29,628,245

(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, 2021

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,154,950	\$ 1,154,950	\$ 1,154,950
Employee	254,618	254,618	213,678
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions	1,409,568	1,409,568	1,368,628
	<hr/>	<hr/>	<hr/>
Investment income			
Net appreciation (depreciation) in fair value of investments	-	-	3,958,801
Interest	850,000	850,000	420,527
	<hr/>	<hr/>	<hr/>
Total investment income	850,000	850,000	4,379,328
Less investment expenses	(45,000)	(45,000)	(36,314)
	<hr/>	<hr/>	<hr/>
Net investment income	805,000	805,000	4,343,014
	<hr/>	<hr/>	<hr/>
Total additions	2,214,568	2,214,568	5,711,642
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,405,098	1,405,098	1,500,638
Administrative expenses	-	-	40,876
	<hr/>	<hr/>	<hr/>
Total deductions	1,405,098	1,405,098	1,541,514
	<hr/>	<hr/>	<hr/>
NET INCREASE	<u>\$ 809,470</u>	<u>\$ 809,470</u>	4,170,128
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1			<hr/> 16,587,657
April 30			<hr/> <u>\$ 20,757,785</u>

(See independent auditor's report.)

## **COMPONENT UNIT**



**CITY OF BELVIDERE, ILLINOIS**

STATEMENT OF NET POSITION AND BALANCE SHEET  
IDA PUBLIC LIBRARY

April 30, 2021

	<b>Balance Sheet</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets			
Cash and investments	\$ 954,642	\$ -	\$ 954,642
Receivables, net where applicable of allowance for uncollectibles			
Property taxes	744,525	-	744,525
Other	37,738	-	37,738
Prepaid expenses	6,929	-	6,929
<b>Total current assets</b>	<b>1,743,834</b>	<b>-</b>	<b>1,743,834</b>
Noncurrent assets			
Net pension asset - IMRF	-	95,451	95,451
Capital assets not being depreciated	-	290,999	290,999
Capital assets being depreciated, net of accumulated depreciation	-	523,371	523,371
<b>Total noncurrent assets</b>	<b>-</b>	<b>909,821</b>	<b>909,821</b>
<b>Total assets</b>	<b>1,743,834</b>	<b>909,821</b>	<b>2,653,655</b>
Deferred outflows of resources			
Pension items - IMRF	-	39,471	39,471
OPEB items	-	14,304	14,304
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>53,775</b>	<b>53,775</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,743,834</b>	<b>\$ 963,596</b>	<b>\$ 2,707,430</b>

(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, 2021

	<b>Balance Sheet</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION</b>			
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	6,253	-	6,253
Unearned revenue	2,700	-	2,700
Compensated absences payable	-	965	965
Mortgage loans payable	-	17,764	17,764
Total OPEB liability	-	1,930	1,930
Total current liabilities	8,953	20,659	29,612
Noncurrent liabilities			
Net pension liability - IMRF	-	-	-
Compensated absences	-	3,860	3,860
Mortgage loans payable	-	243,964	243,964
Total OPEB liability	-	105,103	105,103
Total noncurrent liabilities	-	352,927	352,927
Total liabilities	8,953	373,586	382,539
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	-	238,125	238,125
OPEB items	-	78,924	78,924
Deferred revenue - property taxes	744,525	-	744,525
Total deferred inflows of resources	744,525	317,049	1,061,574
Total liabilities and deferred inflows of resources	753,478	690,635	1,444,113
<b>FUND BALANCE/NET POSITION</b>			
Net investment in capital assets	-	552,642	552,642
Nonspendable - prepaids	6,929	(6,929)	-
Restricted - donor specific	174,086	-	174,086
Unassigned (deficit)	809,341	(272,752)	536,589
Total fund balance	990,356	272,961	1,263,317
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/ NET POSITION</b>	<b>\$ 1,743,834</b>	<b>\$ 963,596</b>	<b>\$ 2,707,430</b>

(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, 2021

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES</b>					
Taxes					
Property taxes	\$ 726,224	\$ 726,224	\$ 724,071	\$ -	\$ 724,071
Replacement taxes	39,000	39,000	39,562	-	39,562
Grants and contributions	40,500	40,500	94,021	-	94,021
Charges for services	38,500	38,500	36,848	-	36,848
Investment income	31,650	31,650	93,289	-	93,289
Miscellaneous	9,500	9,500	29,577	-	29,577
<b>Total revenues</b>	<b>885,374</b>	<b>885,374</b>	<b>1,017,368</b>	<b>-</b>	<b>1,017,368</b>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	711,759	711,759	587,363	(71,652)	515,711
Capital outlay	139,850	139,850	131,543	(32,564)	98,979
Debt service					
Principal	-	-	23,867	(23,867)	-
Interest and fiscal charges	33,765	33,765	30,618	-	30,618
<b>Total expenditures</b>	<b>885,374</b>	<b>885,374</b>	<b>773,391</b>	<b>(128,083)</b>	<b>645,308</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>243,977</b>	<b>128,083</b>	<b>372,060</b>
<b>NET POSITION, MAY 1</b>			<b>746,379</b>	<b>144,878</b>	<b>891,257</b>
<b>NET POSITION, APRIL 30</b>			<b>\$ 990,356</b>	<b>\$ 272,961</b>	<b>\$ 1,263,317</b>

(See independent auditor's report.)

## **SUPPLEMENTAL SCHEDULES**

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2021

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 65,507	\$ 3,321	\$ 68,828
2023	67,147	1,681	68,828
	<u>\$ 132,654</u>	<u>\$ 5,002</u>	<u>\$ 137,656</u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2021

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 60,000	\$ 4,133	\$ 64,133
2023	60,000	3,264	63,264
2024	65,000	2,357	67,357
2025	65,000	1,415	66,415
2026	65,098	472	65,570
	<u>\$ 315,098</u>	<u>\$ 11,641</u>	<u>\$ 326,739</u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

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

April 30, 2021

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Amounts Due</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 107,565	\$ 16,187	\$ 123,752
2023	108,914	14,838	123,752
2024	110,280	13,472	123,752
2025	111,662	12,090	123,752
2026	113,062	10,690	123,752
2027	114,480	9,272	123,752
2028	115,916	7,836	123,752
2029	117,369	6,383	123,752
2030	118,841	4,911	123,752
2031	120,331	3,421	123,752
2032	121,840	1,912	123,752
2033	61,485	384	61,869
	<u>\$ 1,321,745</u>	<u>\$ 101,396</u>	<u>\$ 1,423,141</u>

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2021

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
420-00-0505	Grants Management Program	\$ 223,440	\$ -	\$ -	\$ 223,440
420-00-1858	Intersection Improvements - 2019 Department of Commerce and Economic Opportunity (DCEO) Grant Management Initiative	171,783	-	-	171,783
420-00-2433	Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Payments Grant Program	-	1,312,273	-	1,312,273
494-00-0967	High-Growth Cities Program	68,978	-	-	68,978
494-00-1488	Motor Fuel Tax Program	690,756	-	-	690,756
494-00-2356	REBUILD ILLINOIS Program	47,510	-	-	47,510
494-10-0343	State & Community Highway Safety/ National Priority Safety Programs	-	14,508	-	14,508
	Other grant programs and activities	41,536	22,815	-	64,351
	All other costs not allocated	-	-	23,155,276	23,155,276
	<b>TOTALS</b>	<b>\$ 1,244,003</b>	<b>\$ 1,349,596</b>	<b>\$ 23,155,276</b>	<b>\$ 25,748,875</b>

(See independent auditor's report.)



## **SUPPLEMENTAL DATA**

**CITY OF BELVIDERE, ILLINOIS**

**ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS**

Last Seven Tax Levy Years

<b>Tax Levy Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Assessed Valuations							
City	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933
Library	\$ 291,335,467	\$ 293,858,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933
Tax Rates - City							
Corporate	0.61271	0.60660	0.56329	0.53972	0.51194	0.48902	0.46196
IMRF	0.02518	0.02481	0.02178	0.02071	0.01964	0.01876	0.01773
Fire Protection	0.00700	0.00690	0.00670	0.00638	0.00605	0.00578	0.00546
Firefighters' Pension	0.25112	0.27457	0.32452	0.31890	0.30248	0.28894	0.27295
Police Protection	0.00700	0.00689	0.00670	0.00637	0.00605	0.00578	0.00546
Police Pension	0.35452	0.35311	0.36368	0.37632	0.35695	0.34097	0.32210
Garbage	0.02273	0.01551	0.01508	0.01593	0.01511	0.01444	0.01364
Audit	0.00703	0.00690	0.00670	0.00638	0.00605	0.00578	0.00546
Street Lighting	0.07344	0.07236	0.06700	0.06690	0.06345	0.06061	0.08180
Public Benefit	0.01399	0.01379	0.01340	0.01275	0.01209	0.01155	0.05726
Civil Defense	0.00245	0.00242	0.00235	0.00223	0.00212	0.00203	0.01091
Social Security	0.07869	0.07753	0.06700	0.06371	0.06043	0.05773	0.00191
Forestry	0.01399	0.01379	0.01173	0.01275	0.01209	0.01155	0.05453
Special Road and Bridge	0.02099	-	0.02010	0.01912	0.01813	0.01732	0.01091
Tort Judgment/Liability Insurance	0.11540	0.11026	0.09715	0.09557	0.09065	0.08659	0.01636
Insurance	0.02798	0.02757	0.02513	0.02390	0.02267	0.02165	0.02045
	1.63422	1.63369	1.61231	1.58764	1.50590	1.43850	1.35889
Tax Rates - Library							
Corporate	0.23464	0.23304	0.22999	0.22646	0.21034	0.20594	0.20132
Total Tax Rates	1.86886	1.8667	1.8423	1.8141	1.7162	1.6444	1.5602

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

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Tax Levy Years

<b>Tax Levy Year</b>	<b>Fiscal Year</b>	<b>Tax Levy Extensions</b>	<b>Total Collections to Date</b>	
			<b>Amount*</b>	<b>Percent of Levy Collected</b>
2011	2013	\$ 4,119,723	\$ 4,093,709	99.37%
2012	2014	4,462,309	4,453,854	99.81%
2013	2015	4,573,916	4,569,415	99.90%
2014	2016	4,673,353	4,680,978	100.16%
2015	2017	4,741,604	4,748,444	100.14%
2016	2018	4,813,126	4,822,065	100.19%
2017	2019	4,984,278	4,995,340	100.22%
2018	2020	4,984,198	4,988,658	100.09%
2019	2021	4,984,222	4,971,503	99.74%
2020	2022	4,984,257	-	0.00%

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

(See independent auditor's report.)

**CITY OF BELVIDERE, ILLINOIS**

LEGAL DEBT MARGIN

Last Seven Tax Levy Years

<b>Tax Levy Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Assessed valuation	\$ 291,335,467	\$ 293,958,710	\$ 308,270,221	\$ 322,311,995	\$ 338,207,857	\$ 352,823,338	\$ 370,011,933
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
Amount of debt applicable to limit	635,098	585,098	535,098	485,098	430,098	375,098	315,098
<b>LEGAL DEBT MARGIN</b>	<b>\$ 24,492,586</b>	<b>\$ 24,768,841</b>	<b>\$ 26,053,209</b>	<b>\$ 27,314,312</b>	<b>\$ 28,740,330</b>	<b>\$ 30,055,915</b>	<b>\$ 31,598,431</b>
<b>PERCENTAGE OF LEGAL DEBT MARGIN TO BONDED DEBT LIMIT</b>	<b>2.53%</b>	<b>2.31%</b>	<b>2.01%</b>	<b>1.74%</b>	<b>1.47%</b>	<b>1.23%</b>	<b>0.99%</b>

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.)