CITY OF BLOOMINGTON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended April 30, 2006

Prepared by:
Brian J. Barnes, Director of Finance

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CITY OF BLOOMINGTON
Finance Department

September 15, 2006

The Honorable Mayor Stockton
Members of the City Council
Citizens of the City of Bloomington

The Comprehensive Annual Financial Report of the City of Bloomington, Illinois, for the fiscal year ended April 30, 2006 is hereby submitted. This report presents a comprehensive and detailed picture of our financial transactions during the 2005 - 2006 fiscal year and the financial condition of the various funds as of April 30, 2006.

Responsibility for both the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with the City management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the City's financial position and results of operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial condition have been included. The organization and content of this report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board. To provide as reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Bloomington's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The City has implemented GASB Statement No.34, *Basic Financial Statements – and Managements Discussion and Analysis - for state and local governments*, including infrastructure reporting. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by McGladrey and Pullen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Bloomington for the fiscal year ended April 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended April 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Bloomington

The City of Bloomington is located in the heart of Central Illinois, approximately 125 miles southwest of Chicago, 155 miles northeast of St. Louis and 64 miles Northeast of Springfield, the State Capital. Bloomington is the County Seat of McLean County, the largest county in Illinois (approximately 762,240 acres). Bloomington (2000 population 64,808) is a twin city with the Town of Normal (2000 population 45,368). In the summer of 2006, a special census was conducted and this resulted in population count of 74,975 or an increase of 15.68 percent from the 2000 population. Intestates #74, #55 and #39 intersect in Bloomington-Normal as well as U.S. Routes #51 and #150 and State Route #9. The twin cities are serviced by three major railroad lines and AMTRAK as well as air transportation at the Bloomington-Normal Airport, which services commercial, commuter, corporate, and private aircraft. Bloomington is located in one of the most productive agriculture areas in the nation, but the economy is diverse and well balanced with commercial, agricultural and industrial businesses. In addition to the major manufacturers and industries, there are two universities, two community colleges, two hospitals, and multiple financial institutions located in Bloomington-Normal. The City of Bloomington is one of the fastest growing urban areas in Illinois with an estimated 18.7 percent increase in population between 1997 and 2006. New construction continues to enhance residential, industrial and commercial growth.

The City operates under the Council/City Manager form of government. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and eight-member Council of Aldermen. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments. The Council is elected on a nonpartisan basis. Council members are elected to four-year staggered terms, while the Mayor is elected to a four-year term. The Mayor is elected at large, the Council members by ward.

The City provides a full range of services that include police and fire protection, the construction and maintenance of streets and other infrastructure, parks and recreation classes and services, the operation of water, storm water, and sewer utilities, the operation of public parking facilities, daily refuse pickup, the Cultural District, and the US Cellular Coliseum.

In October 1995, the City of Bloomington established the Central Illinois Risk Pooling Authority, a blended component unit, which allows the City of Bloomington to purchase Property, Casualty, Liability and Worker’s Compensation Insurance at wholesale prices and avail the City of a more aggressive investment strategy. The long-term goal is to produce enough revenue from investments to pay for the City’s insurance.

The annual budget serves as the foundation for the City's financial planning and control. The City of Bloomington operates under a five-year Budget Program. The budget is also the City’s Appropriation Ordinance. All departments of the City are required to submit their budget requests to the Finance Director by November 15th of each year. The Finance Director then works with the City Manager and Department Heads to refine the budget request, and the City Manager then presents this proposed budget to the City Council before March 31st of each year. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th of each year, the close of the City's previous fiscal year. The appropriated budget is prepared by fund and department. Budget transfers or amendments require approval of the City Council. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. The City’s budget process has been successful to the point that we usually finish the year within 3 percent of the budget. For the General Corporate Fund, this comparison is presented in the required supplementary information. For governmental funds, other than the general corporate fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report.

Major Initiatives

The City staff, following specific directives of the City Council and the City Manager, has been involved in a variety of projects throughout the year; projects which reflect the City's commitment to ensuring that its citizens are able to live and work in an enviable environment. The most significant of these projects are discussed more thoroughly below:

Community Development: The City of Bloomington has established a number of ongoing programs, including but not limited to demolition, miscellaneous public services and the rehabilitation of single-family residential dwellings as a part of its community development programs. Eligible households may have their homes rehabilitated through a variety of loan programs. Eligible households/individuals who receive assistance through Community Development must meet one of HUD’s national objectives. These objectives are to benefit low to moderate income households or to eliminate slum and/or blight.

Tax Increment Financing: In 1986, the City of Bloomington augmented its economic development programs by creating three Tax Increment Financial (TIF) districts; Market Square, Veterans Parkway, and Downtown Bloomington. The purpose of the TIF’s is to stimulate economic development in areas of the City that have not kept pace with the rest of the City in terms of jobs, public facilities, shopping choice, and quality of life. To date, over $70 million of private investment has been attracted to the districts. Specifically, a 250,000 square foot shopping center, major hotel-conference center and three auto dealerships have developed in the Veterans Parkway District. In Market Square, a full service truck stop and a 60,000 square foot shopping center have opened their doors. The City has been able to attract and support historic rehabilitation of over 100,000 square feet for various uses in downtown Bloomington through the TIF, rehabilitate a 70-year old theater, and assist many business owners to remodel the fronts of their businesses through facade grants.

The City issued over $12,500,000 in TIF bonds in 1987 to finance projects in the Veterans Parkway and Market Square Districts. In 1988, an additional $2,500,000 in bonds was issued for additional work in Market Square and to assist the downtown project. The City will continue to use TIF as an economic development tool in the future where appropriate. The success of the Veterans Parkway TIF allowed the City to retire the $7,200,000 of debt before scheduled and close the TIF.

Other Projects:

- Completed the construction of a $35 million Downtown Sports and Entertainment Center named US Cellular Coliseum. This center includes a public skating rink named the Pepsi Ice Center, 6,000 seat multi-use arena, and a 270-space parking deck located on the southwest edge of the downtown area.

- The addition of 21 positions within the Police Department. This includes the addition of seventeen telecommunicators, three patrol officers and one staff position.

- The construction of telecommunications facility within the Police Department that will assume sole responsibility to dispatch fire, police and emergency medical services within the City of Bloomington.

- The continual rehabilitation of Cultural District including the remodeling of the Bloomington Center for the Performing Arts, selection of staff, and the promotion of a diverse group of performances for the opening season.

- The implementation within the Fire Department of a respirator protection program and the recalibration of the Weapons of Mass Destruction detectors within the Department.

- The addition of a forester, laborer, and season positions within the Parks and Recreation Department.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy: The City has experienced a moderate recovery in local economic activities to recover from the slow down in the economy earlier in the decade. The City has a historical lower unemployment rate as compared to the entire state, and sales tax collections have been improved significantly in the last year. The region has a professional office, light manufacturing and industrial base, which assist the previously mentioned employment situation. Retail sales in the Bloomington-Normal area have been strong over the past few years. There are approximately 14 major shopping areas located in the Bloomington-Normal area serving a large retail-trading region covering a radius of about 50 miles. The household effective buying income of $52,770 in 2005 for Bloomington-Normal was 7.26 percent above the United States EBI of $49,200; 17.00 percent above the Champaign/Urbana EBI of $45,100; 11.63 percent above the Peoria EBI of $47,270, and is 5.32 percent above the Springfield EBI of $50,104.

Bloomington is the headquarters for State Farm Insurance Company. State Farm Insurance Company is the City's largest employer. There are four major employers in Bloomington-Normal who employ between 1,000 and 14,315 employees. Another nineteen employers provide jobs for between 244 and 951 employees, of which the 830 employees of the City of Bloomington are included.

Commercial and residential growth has been strong and steady. Several years ago, Eastland Mall expanded with the addition of a Macys plus a significant expansion of the Kohl's store. It is conservatively estimated the City will benefit from this agreement with an increase of $9 million to sales and property tax collections. An exposition center was built on the west side of the City near the outlet mall, which hosts events year-round. Several hotels and restaurants have been built in this area surrounding a Super Wal-Mart. The City enjoys the presence of several major retailers such as Lowe's and Wal-Mart, in addition to numerous restaurants. Major employers have for the most part remained stable and the issuance of commercial building permits remain strong. New projects and renovation abound in the downtown area to enhance this areas appeal to citizens, visitors and future employers. The majority of the widening of Veterans Parkway has been completed and this development will encourage future growth along this beltway. The Cultural District has continued to focus upon the renovation of the consistory in preparation for a September 2006 grand opening. Please refer to the MD&A section of this document to review further information about the City's economic condition and bond rating status.

Long-Term Financial Planning: The primary emphasis of the City Council at this time remain the extension of a new water main from Lake Bloomington, the completion of the telecommunication center within the Police Department, the completion of a Downtown Sports and Entertainment Center, the addition of additional staff for various departments to compensate City growth, and the maintenance and repair of City infrastructure. Additionally, the project to remodel the Public Library continues to move forward as well as the development of the downtown area including a Cultural District.

Cash Management Policies and Practices: Cash temporarily idle during the year in the City's operating funds was invested in the Illinois State Treasurer's Pool (Illinois Fund), the Illinois Metropolitan Investment Fund (IMET), the Financial Investors Trust (FIT) and certificates of deposit. The maturities of the investments vary from being immediately accessible (Illinois Funds and FIT) to approximately six months (CDs) to 2 to 3 years (IMET). The average yield of these investments tracked closely with the return for Illinois Funds which for the fiscal year ended April 30, 2006 was 3.72 percent. The Police Pension and Firemen's Pension Funds are managed by their respective boards. For the fiscal year from May 1, 2005 to April 30 2006, the rate of return for the Firemen's Pension Fund was 8.62 percent. For the fiscal year from May 1, 2005 to April 30 2006, the rate of return for the Police Pension Fund was 12.07 percent as their investments performed better in the stock market. Usually the two Pension Board's returns are higher than the City because the Pension funds can invest in long-term securities and in equities.

Pension and Other Post Employment Benefits: The City sponsors a single-employer defined benefit pension plan for its police officers and firemen. Each year, an independent actuary engaged by the City and the pension plans calculates the amount of the annual contribution that the City must make to each respective pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the respective pension plans as determined by the actuary. As a result of the City's conservative funding policy, the City has succeeded as of April 30, 2005 of funding 59.8 percent of the Police Pension and 60.2 percent of the Firemen's Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded over 29 years as part of the annual required contribution calculated by the actuary.

The City also provides pension benefits for its nonpublic safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The City has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the City's pension arrangements can be found in Note #8 in the financial statements.

Deferred Compensation: The City does offer its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Further details on this can be found in Note # 10 in the financial statements.

Flexible Compensation: The City provides a Section 125 Flexible Compensation Plan for all full-time employees. The plan allows tax-free deductions for premiums for health and dental insurance and for medical and daycare reimbursement. Employees can select one or all of the tax-free deductions.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2005. This was the 29th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA this year to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation especially to Judy Whikehart, Assistant Finance Director, Timothy Ervin, Supervisor of Financial Services, and all other members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bloomington's Finances.

Respectfully submitted,

Brian J. Barnes

Brian J. Barnes,
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bloomington, Illinois

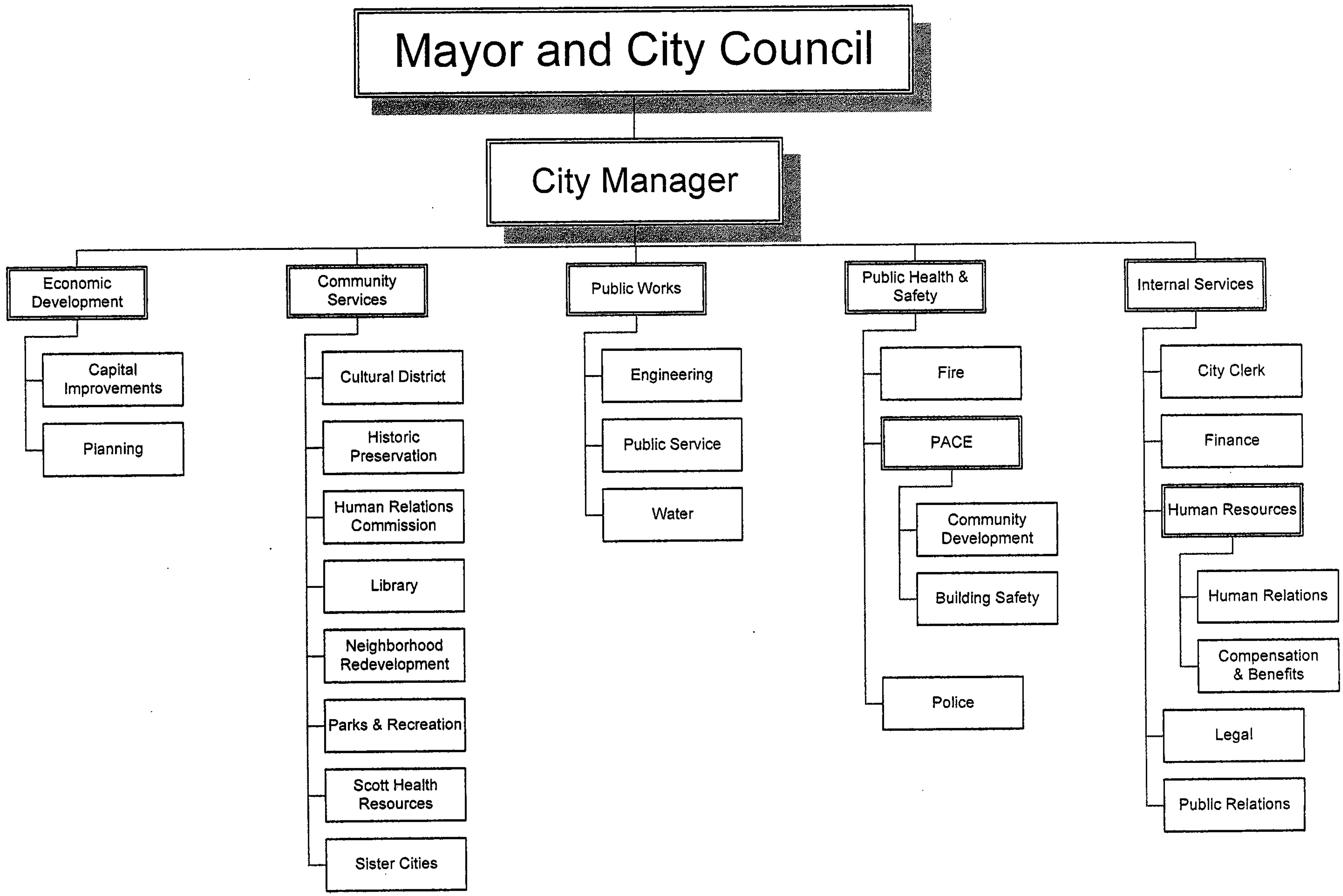
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director


Mayor and City Council
City Manager
Economic Development
Capital Improvements
Planning
Community Services
Cultural District
Historic Preservation
Human Relations Commission
Library
Neighborhood Redevelopment
Parks & Recreation
Scott Health Resources
Sister Cities
Public Works
Engineering
Public Service
Water
Public Health & Safety
Fire
PACE
Community Development
Building Safety
Police
Internal Services
City Clerk
Finance
Human Resources
Human Relations
Compensation & Benefits
Legal
Public Relations

City of Bloomington, Illinois

Officers and Officials
Year Ended April 30, 2006

Elected Officials	Administrative Officials
Mayor	**City Manager**
Stephen Stockton	Thomas Hamilton
	City Clerk
Aldermen	Tracey Covert
Allen Gibson	**Director of Finance and City Treasurer**
Michael Matejka	Brian J. Barnes
Kevin Huette	**Corporate Counselor**
J.E. "Skip" Crawford III	Todd Greenburg
Jim Finnegan	**Fire Chief**
Karen Schmidt	Keith Ranney
Steven Purcell	**Police Chief**
John Hanson	Roger J. Aikin
	Director of Water
	Craig Cummings
	Director of Public Services
	Brian Brakebill
	Director of Engineering
	Doug Grovesteen
	Director of Human Resources
	Emily Bell
	Director of Parks & Recreation
	Dean Kohn
	Director of Planning & Code Enforcement
	Mark Huber
	Director of Bloomington Public Library
	Brian Barnes
	Director of J.M. Scott Health Resources Center
	Ruth Ann Sikora
	Executive Director of Bloomington Cultural District
	Bruce Marquis
	Director of Information Services
	Scott Sprouls

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Bloomington, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bloomington, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Central Illinois Risk Pooling Authority, which represent 4 percent and 12 percent, respectively, of the assets and revenues of the aggregate remaining fund information and represents 2 percent of the governmental activities assets and none of the governmental activities revenues.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Central Illinois Risk Pooling Authority, Police Pension Fund and Firemen's Pension Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of April 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 14, the April 30, 2005 government-wide financial statements have been restated for correction of an error in the recording of compensated absences.

In accordance with *Government Auditing Standards,* we have also issued our report dated June 28, 2006 on our consideration of the City of Bloomington, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 17 and budgetary comparison information on pages 74 and 75 and the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 71 through 73 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomington, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
June 28, 2006, except for the U.S. Cellular Coliseum
enterprise fund as to which the date is July 31, 2006,
the Police Pension trust fund as to which the date is
September 27, 2006 and the Firemen's Pension Trust
Fund as to which the date is October 2, 2006

The City of Bloomington's (the "City") Management's Discussion and Analysis (MD&A) is designed to:

- Assist the reader in focusing on significant issues;
- Provide an overview of the City's financial activity;
- Identify changes in the City's financial position (its ability to address the next and subsequent years challenges);
- Pinpoint and explain any material deviations from the financial plan (the approved budget); and
- Recognize individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the transmittal letter beginning on page iv) and the City's financial statements (beginning on page 18).

Financial Highlights

- The City's net assets increased by $13.8 million (or 4.95 percent) during the fiscal year ended April 30, 2006 (FY06). The government net assets increased by $13.4 million (or 8.8 percent) while the business-type activities increased $.4 million (or .31 percent) during the same time.

- The governmental activities' total revenues increased by $10 million (or 11.98 percent). The governmental activities program expenses increased by $9.2 million (or 12.5 percent).

- The business-type activities' total revenues increased by $4.0 million (or 22.2 percent). The business-type activities program expenses increased by $5.3 million (or 38.7 percent).

- The total cost of City programs increased by $14.5 million (or 16.61 percent).

Using the Financial Section of this Comprehensive Annual Report

The financial statement's focus (implemented in 2002/2003) is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 18 - 21) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the primary government. The focus of the statement of net assets (the "unrestricted net assets") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The statement of activities (see pages 20 - 21) is focused on both the gross and net cost of various activities (including governmental, business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the City's basic services, including police, fire, parks and recreations, public works, engineering, community development, interest on debt and administration. Shared property taxes, state sales tax, home rule sales tax, local utility tax and shared state income taxes finance the majority of these services. The business-type activities reflect private sector type operations, historically including water, sewer, parking and stormwater operations. With FY 06, there is the addition of the U.S. Cellular Coliseum. Generally, these business-type activities are designed to be based on a fee for service to cover all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements (pages 22 - 39) presentation more familiar. The focus is on major funds rather than fund types.

The governmental major fund (see pages 22 - 26) presentation is organized on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its pension fund (Police Pension and Firemen's Pension Fund). While this fund represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements (see pages 28 and 29) is the same as the business-type column at the government-wide financial statements, the government major funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 24, 27 and 30). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the governmental activities column (in the government-wide statements).

Infrastructure Assets

Prior to the advent of GASB Statement No. 34, a government's largest group of assets (infrastructure - roads, bridges, sidewalks, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. However, post GASB Statement No. 34, this statement required these assets be valued and reported within the governmental column of the government-wide statements. The City of Bloomington has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Government-Wide Statement

Statement of Net Assets

The City's combined net assets increased by $13.8 million or 4.95 percent from FY 05, increasing from $278.8 million to $292.6 million. The analysis following will look at net assets and net expenses of governmental and business-type activities separately. Table 1 reflects the condensed statement of net assets compared to FY 05. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

Table 1 - Statement of Net Assets as of April 30, 2006 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current assets and other	$ 89.5	$ 97.8	$ 5.5	$ 6.8	$ 95.0	$ 104.6
Noncurrent assets	172.9	155.4	167.6	129.8	340.5	285.2
Total assets	262.4	253.2	173.1	136.6	435.5	389.8
Current liabilities	47.7	30.1	6.3	1.7	54.0	31.8
Noncurrent liabilities	49.6	67.8	39.3	7.8	88.9	75.6
Total liabilities	97.3	97.9	45.6	9.5	142.9	107.4
Net assets:						
Invested in capital assets, net of related debt	129.6	80.1	129.7	121.8	259.3	201.9
Restricted	5.4	5.4	-	-	5.4	5.4
Unrestricted	30.1	69.8	(2.2)	5.3	27.9	75.1
Total net assets	$ 165.1	$ 155.3	$ 127.5	$ 127.1	$ 292.6	$ 282.4

For more detailed information, see the statement of net assets (pages 18 - 19). There will be some minor variations due to rounding.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the statement of net assets summary presentation.

<u>Net results of activities</u> will impact (increase/decrease) current assets and unrestricted net assets.

<u>Borrowing for capita</u> will increase current assets and long-term debt.

<u>Spending borrowed proceeds on new capital</u> will reduce current assets and increase capital assets. There is a second impact, which is an increase in "invested in capital assets" and an increase of "invested in capital assets, net of debt".

<u>Spending of nonborrowed current assets on new capital</u> will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal payment on debt will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of capital assets through depreciation will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts – Overall Government Financial Position

The City's combined net assets (which is the City's bottom line) increased $13.8 million to $292.6 million from $278.8 million as a result of the combination of many factors. First the business-type total assets increased $36.5 million while total liabilities increased $36.1 million. At the same time, governmental activities' total assets increased $9.2 million while total liabilities decreased $.6 million. The increase of assets over liabilities increased the City's cash position. Overall, the City's financial condition improved and strengthened from FY 05 to FY 06.

Net assets of the City's governmental funds increased from $151.7 million in FY 05 to $165.1 million in FY 06. The City's unrestricted net assets for governmental activities, or the part that can be used to finance day-to day operations, were down $36.1 million from $66.2 million in FY 05 to $30.1 million in FY 06. This decrease in unrestricted net assets is attributed to a variety of factors. The City has spent bond proceeds to pay for expenses generated from several large construction projects such as the US Cellular Coliseum, Pepsi Ice Center, Coliseum parking facility, and the Cultural District. This is evident with the increase of capital assets as well as the reclassification of net assets from unrestricted to invested in capital assets, net of related debt. Additionally, the City made a decision to employ a more conservative calculation to recognize employee compensated absences and this decision incurred a noncurrent liability of $3.9 million. Finally, the decrease in unrestricted assets is affected by the significant increase in accounts payable related to several large building projects. Overall, accounts payable increased by $6.9 million or an increase of 250 percent. In addition, there was a $17.5 million increase in governmental activities' net capital assets from $155.4 in FY 05 to $172.9 in FY 06. Review Note 3 on page 51 and it will show the majority of this change involves construction-in-progress, land improvements and infrastructure that reflect the work on the Coliseum, Cultural District, and roads and parks in the City.

The net assets of business-type activities grew $.4 million, from $127.1 million in FY 05 to $127.5 million in FY 06. Current assets decreased 19.12 percent from $6.8 million in FY 05 to $5.5 million in FY 06 partly due to a combined effect of a large sum of interfund receivables and payables due to the governmental activities from the business-type activities and increase of water, sewer and stormwater accounts receivable. The U.S. Cellular Coliseum opened on April 1, 2006 and FY 06 was the first year the stormwater management utility operated during the entire fiscal year. Additionally, the parking division purchased a centralized access system for the parking facilities and installed the system at the A/C and Coliseum parking garage. A multi-year project continues within the water department as an additional ten miles of water line is under construction from Lake Bloomington to town. Business-type unrestricted net assets decreased $7.5 million, from $5.3 million in FY 05 to $(2.2) million in FY 06. This was due to water, stormwater and sewer utilizing liquid assets to support continuing operations plus the initial costs of operations of the US Cellular Coliseum. The costs of operations is reflected within accounts such as accounts payable, unearned revenue, and accrued interest payable which facilitated the increase of current liabilities by $4.6 million. A rate study has been conducted and a revision of the rate structure for the water, sewer and stormwater utilities is within the foreseeable future. Management reviews the parking fee structure periodically to ensure the financial stability of the service.

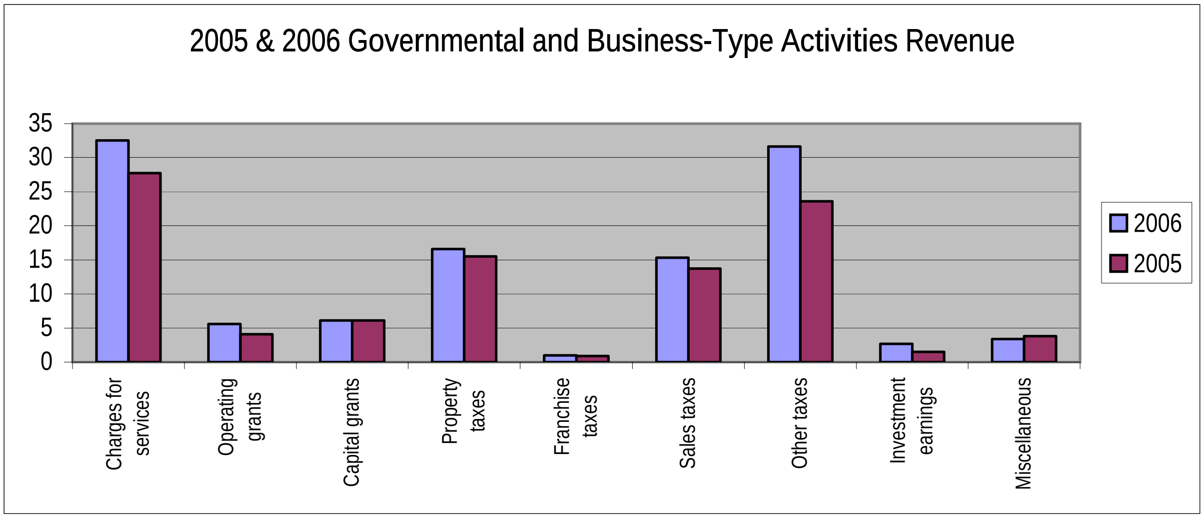
Changes in Net Assets

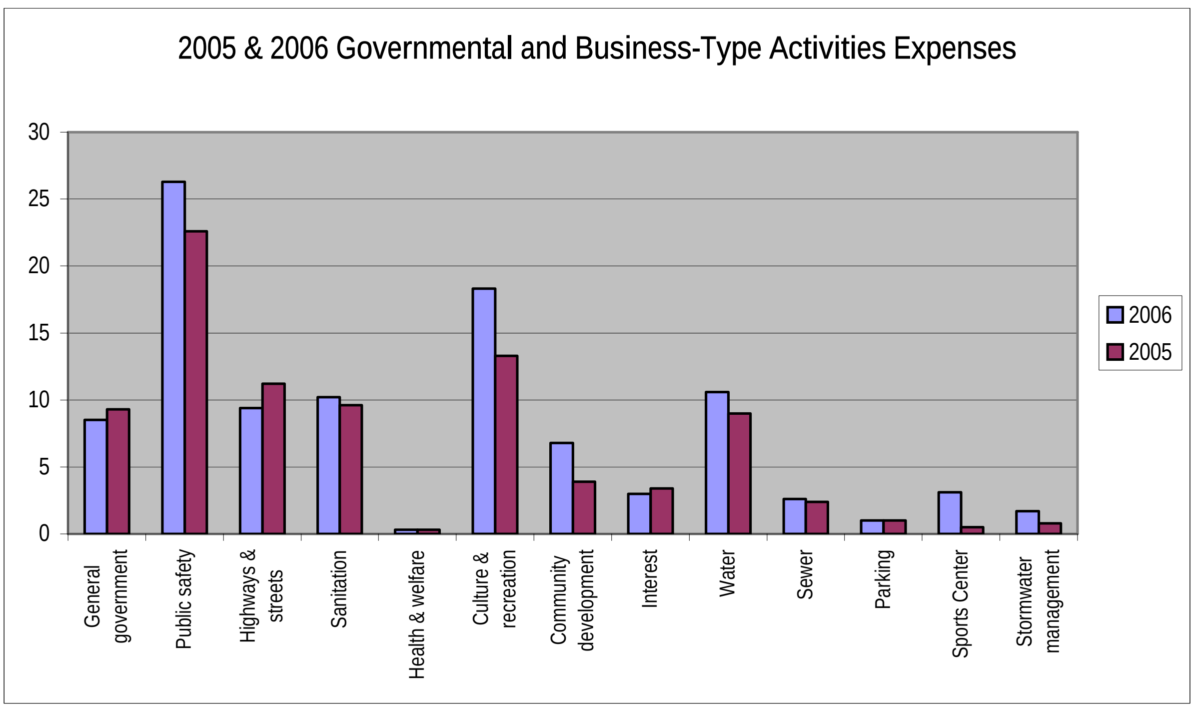
The City's combined change in net assets was an increase of $13.7 million from 2005 to 2006. The City's total revenues increased by $13.6 million or 13.4 percent. The City's cost of all programs increased $14.5 million or 16.6 percent. For more detailed information, see the Statement of Activities (pages 20 - 21).

See the table below comparing revenues and expenditures for the current and previous year:

Table 2 - Changes in Net Assets For Fiscal Year Ended April 30, 2006 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	$ 13.3	$ 11.7	$ 19.2	$ 16.0	$ 32.5	$ 27.7
Operating grants	5.6	3.2	-	0.9	5.6	4.1
Capital grants	4.8	4.7	2.0	1.4	6.8	6.1
General revenues:						
Property taxes	16.6	15.5	-	-	16.6	15.5
Franchise taxes	1.0	0.9	-	-	1.0	0.9
Sales taxes	15.3	13.7	-	-	15.3	13.7
Other taxes	31.6	28.6	-	-	31.6	28.6
Investment earnings	2.6	1.5	0.1	-	2.7	1.5
Miscellaneous	2.7	3.7	0.7	0.1	3.4	3.8
Total revenues	93.5	83.5	22.0	18.4	115.5	101.9
Expenses:						
Governmental activities:						
General government	8.5	9.3	-	-	8.5	9.3
Public safety	26.3	22.6	-	-	26.3	22.6
Highways & streets	9.4	11.2	-	-	9.4	11.2
Sanitation	10.2	9.6	-	-	10.2	9.6
Health & welfare	0.3	0.3	-	-	0.3	0.3
Culture & recreation	18.3	13.3	-	-	18.3	13.3
Community development	6.8	3.9	-	-	6.8	3.9
Interest	3.0	3.4	-	-	3.0	3.4
Business-type activities:						
Water	-	-	10.6	9.0	10.6	9.0
Sewer	-	-	2.6	2.4	2.6	2.4
Parking	-	-	1.0	1.0	1.0	1.0
Sports Center	-	-	3.1	0.5	3.1	0.5
Stormwater management	-	-	1.7	0.8	1.7	0.8
Total expenses	82.8	73.6	19.0	13.7	101.8	87.3
Excess before transfers	10.7	9.9	3.0	4.7	13.7	14.6
Transfers	2.7	0.4	(2.7)	(0.4)	-	-
Changes in net assets	$ 13.4	$ 10.3	$ 0.3	$ 4.3	$ 13.7	$ 14.6


2005 & 2006 Governmental and Business-Type Activities Revenue
35
30
25
20
15
10
5
0
Charges for services
Operating grants
Capital grants
Property taxes
Franchise taxes
Sales taxes
Other taxes
Investment earnings
Miscellaneous
2006
2005


2005 & 2006 Governmental and Business-Type Activities Expenses
30
25
20
15
10
5
0
General government
Public safety
Highways & streets
Sanitation
Health & welfare
Culture & recreation
Community development
Interest
Water
Sewer
Parking
Sports Center
Stormwater management
2006
2005

Normal Impacts

There are eight basic impacts on revenues and expenses and are reflected below:

Revenues:

Economic condition: This can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/decrease in City approved rates: While certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, parking, fees, home rule sales tax, food and beverage tax, utility taxes, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring): Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income: The City's investment portfolio is managed using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer-term options.

Expenses:

Introduction of new programs: Within the functional expense categories (public safety, public works, general government, etc.), individual programs may be added or deleted to meet changing community needs or unfunded mandates from other governmental levels.

Increasing authorized personnel: Changes in service demand may cause the City Council to increase/decrease authorized staffing levels; staffing costs (salary and related benefits) represent approximately 65 percent of the City's General Fund operating costs.

Salary increases (annual adjustments and merit): The ability to attract and retain human and intellectual resources requires the City to strive for a competitive salary range position in the marketplace. In addition, the City has ten separate bargaining units representing and negotiating for various segments of the employee population.

Inflation: While overall inflation appears to be reasonably low, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some specific areas may experience unusually high price increases.

Current Year Impacts – Overall Results of Operations

Governmental Activities

Revenues: The City's governmental revenues increased by $10 million. Charges for services and sales increased by $1.0 million due to the continual collection of tow fees by the police department and the collection of the ambulance fee by the fire department. Additionally, revenue increased for the operating grants as the City applies and collects various grants to offset the costs of operations. The operating grant increase was most evident in highway and streets. Finally, capital grants and contributions revenue remained relatively the same as the previous fiscal year.

Property taxes increased $1.1 million or 7.1 percent due to general increases to absorb increasing costs of providing services. Investment earnings increased by $1.1 million as interest rates increased on various City cash and investment holdings. The City's net equalized assessed value increased in the 2004 levy year (which was collected in FY 05-06) by 4.73 percent to $1,415,670,679. This shows a healthy growth in the tax base for the City in order to pay for services.

Expenses: The City's governmental expenses increased by $9.2 million or 12.5 percent. The largest increase was identified within the culture and recreation activity which grew $5.0 million or 38.11 percent. This increase is primarily attributed to the construction and remodeling of the Cultural District in Downtown Bloomington. Expenses for public safety increased by $3.7 million or 16.4 percent. This increase was due to the mounting costs of police and fire protection in conjunction with the construction of a telecommunications facility within the Police Department that will assume sole responsibility to dispatch fire, police and emergency medical services within the City of Bloomington. Finally, Community Development experienced a significant increase in expenses of $2.8 million or 74.3 percent as the City continued and expanded the inspection program of rentable property. Other increases were primarily due to the costs of salaries and fringe benefits of existing and new staff hired to compensate for City growth. Additions to staff included single positions added in the Finance, Central Garage and Facility Management, respectively, to handle growth. Two positions were added to the Building Safety and four to Information Services to deal the inspection program and an increased workload. The Police Department added six patrol officers and twenty-one dispatcher positions to accommodate the new telecommunications facility. Several positions are being added to the Cultural District and to Parks & Recreation for the Pepsi Ice Center.

The Bloomington/Normal area has had low unemployment numbers in recent years, below the state and national average. Given this competition for good employees, the City must provide a competitive compensation package to attract and retain high quality employees. The FY 2006 expenses included funding for the City's pay for performance compensation package targeted to a 3 percent increase. In addition, many of the ten bargaining units have contracts that contain longevity increases that can amount to significantly more than 3 percent increases for the eligible staff.

Business-Type Activities

Revenues: The City's business-type revenues increased by $4.0 million or 22.2 percent. This reflects an increase in collections for charges for service as activity grew while rates for services held flat. Collections for water, sewer and stormwater did increase especially since no water restrictions existed during the summer which was hot. Residents took advantage of no water restrictions and consumption did increase throughout the summer months. Parking revenues were down since the demand for paid parking spaces was not as strong as previous years and the issuance of fewer parking violations in Downtown Bloomington.

Expenses: The City's business-type expenses increased by $5.3 million or 38.7 percent. Expenses increased for water by $1.5 million, sewer by $.2 million and stormwater by $.8 million in the latest fiscal year. Water expenses increased with the addition of eight staff and as a result of the higher commodity costs to conduct operations, while stormwater increases reflect expenses for an entire fiscal year rather than the partial year as presented in the previous statements. The expenses incurred by parking were actually slightly lower from the previous fiscal year as demand for downtown parking has changed over the past several years. Also, operating expenses are reflected for the US Cellular Coliseum that opened April 1, 2006 in Downtown Bloomington, but these expenses cannot be compared to the previous year since the facility was under construction.

Financial Analysis of the City's Funds

Governmental Funds: As of April 30, 2006, the governmental funds (as presented on the balance sheet on pages 22 and 23) reported a combined total fund balance of $50.1 million, which is a decrease of $27.2 million or 35.2 percent over the FY 2005 total of $77.3 million. Of the total fund balance of $50.1 million, $15.4 million is unreserved indicating availability for continuing City services. Reserved fund balances of $34.7 million includes $0.5 million in inventory, $1.5 million in loans, $2.4 million in interfund advances, $4.2 million in prepaid items, $20.5 million in encumbrances from the prior year, $5.4 million in trust corpus, and $0.2 million in property held for sale. For more detailed information, see the statement of revenues, expenditures and changes in fund balances, governmental funds (pages 25 - 26).

Major Governmental Funds: The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased $2.7 million or 13.8 percent from $19.5 million in FY 05 to $16.8 million in FY 06. Per the statement of revenues, expenditures and changes in fund balances on pages 25 and 26, General Fund total revenues increased by $6.2 million or 10.1 percent and General Fund total expenditures increased by 10.5 million or 19.4 percent. Total revenues, less total expenses for FY 06, were $3.7 million. A net other financing use of ($6.4 million) reduced the net change in fund balance to $(2.7 million). This was achieved by a combination of several items as the City worked hard to improve fund balances:

- Increases in tax collections as the local economy continued to grow;
- Increases in charges for service collections as the City continued to grow and some fees are raised periodically to keep pace with inflation;
- Contain costs wherever possible by delaying purchases;
- The internal spend down of fund balance was undertaken as multiple major projects were completed and began operations. This spend down of fund balance may continue for the next several years as each individual project develops and matures in operations.

The fund balance for the Debt Service Fund increased $0.7 million or 10.6 percent from $6.7 million to $7.4 million. Total revenues for debt service increased $0.2 million or 4.9 percent. Total expenses for debt service increased $1 million or 20.2 percent. The City issued $9.9 million in debt for the second component of the project to create and remodel the infrastructure that will provide a framework for the Cultural District.

Capital Project – U.S. Cellular Coliseum

The fund balance for the U.S. Cellular Coliseum decreased $20.0 million or approximately 112 percent. This decrease was due to the expenses incurred to construct this facility. Total expenses incurred during the fiscal year for the construction of the U.S. Cellular Coliseum were $19,408,138 million. Construction was completed in spring 2006 and the facility opened in April 2006.

Nonmajor Governmental Funds

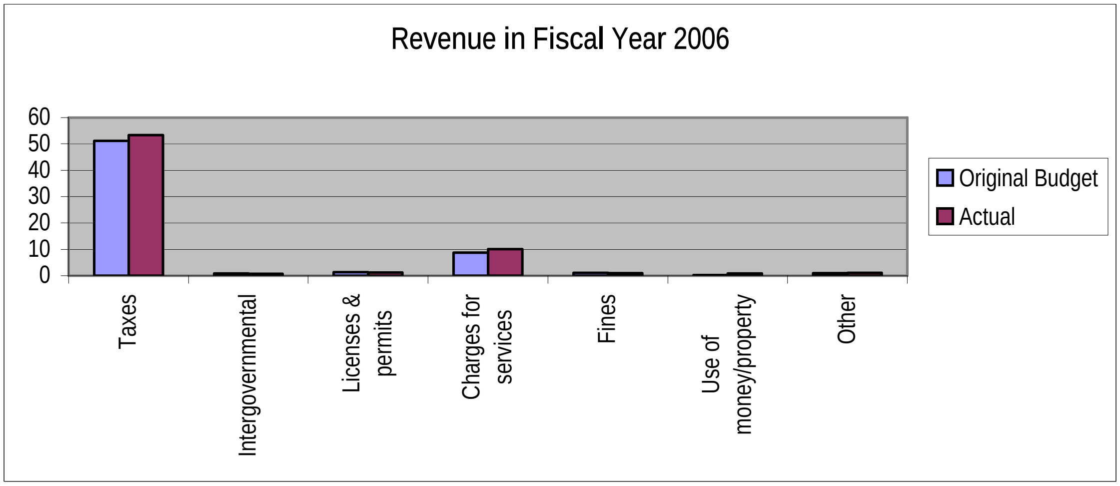
The fund balance for the nonmajor governmental funds decreased $5.2 million or 15.6 percent from $33.4 million to $28.2 million. Total revenues for the nonmajor governmental funds increased $6.0 million or 74.2 percent. A contributing factor to both statistics is the fact the library operating account was reclassified as a minor fund rather than a major fund as presented in the previous financial statements. This reclassification consists of approximately $4.5 million in revenue and $4.3 million in expenditures being included in the fund balances for nonmajor governmental funds. Additionally, revenue increased by $.3 million for Motor Fuel Tax and $.2 million for the Board of Elections. Total expenditures for the nonmajor governmental funds increased $23.5 million or 181 percent as multiple capital projects were undertaken throughout the fiscal year. For example, the Cultural District incurred $9.1 million in expenditures in the remodeling of the Bloomington Center for the Performing Arts, while the Pepsi Ice Center incurred $3.4 million in the construction of an ice ring adjacent to the US Cellular Coliseum. Additionally, the library expansion incurred $1.7 million of expenditures plus several other capital projects incurred expenditures throughout the fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget once. It is the policy of the City to not continually amend the budget during the year as new projects are authorized, as some other projects may not happen due to uncontrollable events and so it could be confusing to keep amending the budget during the fiscal year. Rather, the City waits until the end of the year, processes the late bills as they come in, and then does a series of budget amendments to cover any overages that become apparent. Usually the budget is amended at least once and generally only the expenditures are amended. Below is a table, which reflects the original and revised budget and the actual for the revenues and expenditures for the General Fund. This corresponds to page 70 in the audit (note, there has been some slight rounding in the below table):

Fiscal Year 2006 (in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	$ 51.1	$ 51.1	$ 53.3
Intergovernmental	0.8	0.8	0.7
Licenses & permits	1.3	1.3	1.2
Charges for services	8.7	8.7	10.1
Fines	1.1	1.1	1.0
Use of money and property	0.3	0.3	0.8
Other	1.0	1.0	1.1
Total	64.3	64.3	68.2
Expenditures and transfers:			
Expenditures	62.8	66.6	63.8
Transfers	5.3	7.5	6.4
Total	68.1	74.1	70.2
Change in fund balance	$ (3.8)	$ (9.8)	$ (2.0)



The General Fund actual revenues were $3.9 million more than the original budgeted amount. Tax collections experienced the most significant positive variance from budget as collections exceeded the budget by $2.1 million. Sales taxes proved to be the most significant contributor within tax collections with collections exceeding the budget by $2.2 million, but other taxes such as food and beverage taxes ($0.2 million over budget), income tax ($0.2 million over budget), and utility taxes ($0.1 million over budget) also exceeded each budgeted collections. Although collections for license and permits plus fines and forfeitures did not exceed budgeted collections, charges for services surpassed budget projections by $1.3 million as the City continued to show strong collections in tow fees, ambulance fees, and garbage collections. Generally, the City budgets revenues very conservatively, rarely projecting any revenue item to increase by more than 3 percent in a given year.

The General Fund actual expenditures were $2.8 million less than the original budgeted amount. This was caused by general restraint on expenditures.

Due to budget amendments, actual General Fund expenditures and transfers were less than the amended budget by $1.1 million.

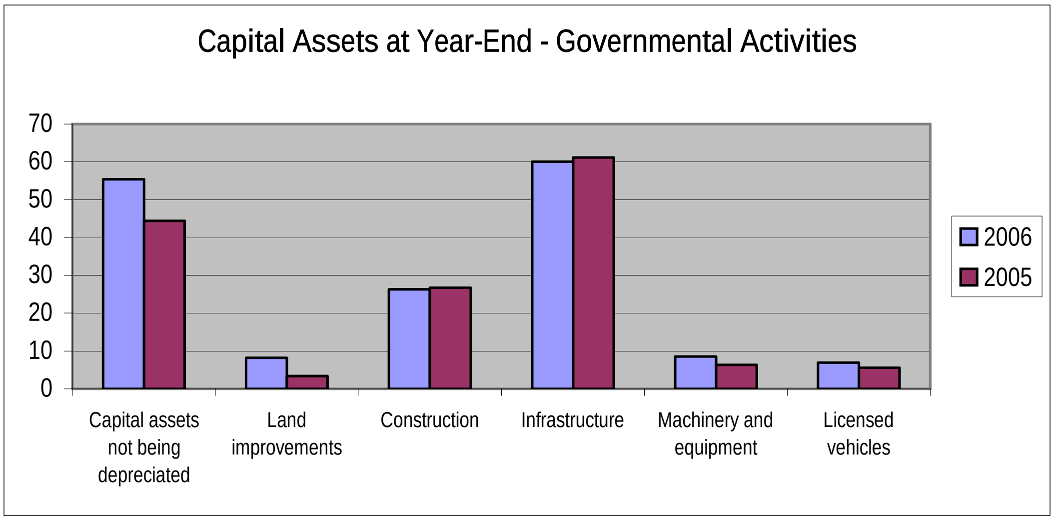
Capital Assets and Debt Administration

Table 3 - Capital Assets at Year-End Net of Depreciation (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Capital assets not being depreciated	$ 55.4	$ 44.4	$ 11.1	$ 14.6	$ 66.5	$ 59.0
Land improvements	8.2	3.4	0.2	0.2	8.4	3.6
Construction	26.3	26.7	46.7	20.4	73.0	47.1
Infrastructure	60.0	61.1	95.6	89.3	155.6	150.4
Machinery and equipment	8.5	6.3	12.3	4.5	20.8	10.8
Licensed vehicles	6.9	5.6	1.1	0.7	8.0	6.3
Total net capital assets	$ 165.3	$ 147.5	$ 167.0	$ 129.7	$ 332.3	$ 277.2

(Note: columns may not total due to rounding)

At the end of FY 2006, the City had a combined total of capital assets, net of depreciation, of $332.3 million. This is an increase of $55.1 million or 19.9 percent over the FY 2005 total of $277.2 million. Most of the increase occurred as a result of more construction-in-progress, land improvements and infrastructure with the completion of the construction for the US Cellular Coliseum and the continual construction as the Cultural District projects move forward, as well as extensive street work taking place. For more details, see Note 3 capital assets on pages 55 – 57.



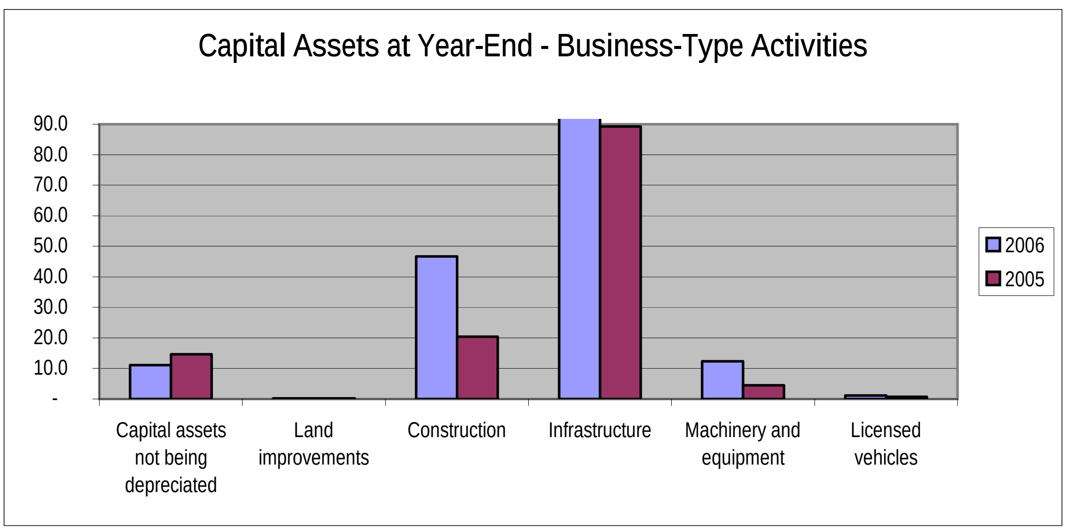


Table 4 - Change in Capital Assets (in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance	$ 147.5	$ 129.7	$ 277.2
Additions:			
Nondepreciation	43.9	8.8	52.7
Depreciation	7.2	40.8	48.0
Retirements:			
Nondepreciation	33.0	12.3	45.3
Depreciation	0.3	-	0.3
Total	$ 165.3	$ 167.0	$ 332.3

This year's major additions to the capital assets include the following (in millions):

Governmental activities:	
U.S. Cellular Coliseum	$ 18.290
Pepsi Ice Center	3.120
Bloomington Center for the Performing Arts	7.757
Airport Road (Route 9 to Gill St.)	1.701
Tipton Park Phase II	0.676
Fort Jesse Road Improvement Phase I	0.847
Holiday Pool Park Renovation	0.662
Erickson Avenue (Oakland to Illinois)	0.233
Hamilton Rd (Timberlake to Main)	0.211
Mitsubishi Motorway (Design and Specifications)	0.159
Library Expansion (Design and Construction)	1.269
Hershey Rd Widening (Yorktown to Eastland)	0.842
Downtown Courthouse Square Streetscape Project	0.181
Prairie Vista Golf Course - Renovation Hole #18	0.261
Downtown Intersection Improvements	0.317
Six Point Road at Heartland Hills	0.138
Multi-Purpose Community Center Infrastructure Improvement	0.691
703 N. Mason - AVC Built House	0.103
Hamilton Road at the Fox Creek Intersection	1.228
Business-type activities:	
West Side Parking Deck	3.006
US Cellular Coliseum	0.371
Route 9 Water Main (Wylie to 3,500 feet)	0.259
Lake Bloomington Retaining Wall at Treatment Plant	0.214
Pipeline Road Water Main Northtown to 2350 N.	0.856
Irvine Park Storm Sewer Replacement	0.107
Royal Links Storm Sewer	0.315
Multi-Purpose Community Center Water Main Improvement	0.274
Multi-Purpose Community Center Infrastructure Improvement	0.191
West Washington Trunk Sewer	0.532
Fell Avenue Bridge	0.173
Hamilton Road at Fox Creek Intersection	0.915
Links at Ireland Grove Road - Water Main	0.152

The governmental activities' net capital assets increased from FY 05 to FY 06 by $17.8 million or 12.1 percent because additions were larger than the amount of depreciation expensed this year. The business-type activities' net capital assets increased from FY 05 to FY 06 by $37.3 million or 28.8 percent because additions were also larger than the amount of depreciation expensed this year. The most significant additions to both categories are listed above.

Debt Outstanding

The City of Bloomington had total long-term debt and loans payable of $80.642 million as of April 30, 2005. This is comprised of general obligation debt, agreements with developers, compensated absences to employees and loans payable as follows:

Table 4 - Long-Term Debt (in millions)

	Beginning Balance April 30, 2005	Net Additions/ Deletions	Ending Balance April 30, 2006
Governmental activities:			
General obligation debt	$ 67.931	$ (21.698)	$ 46.233
Agreements with developers	3.311	0.273	3.584
Compensated absences	4.927	0.585	5.512
Governmental activities, long-term liabilities	$ 76.169	$ (20.840)	$ 55.329
Business-type activities:			
Loans payable	$ 4.884	$ 1.880	$ 6.764
General obligation bonds	3.175	29.434	32.609
Compensated absences	-	0.393	0.393
Business-type activities, long-term liabilities	$ 8.059	$ 31.707	$ 39.766

For more details, see Note 5, long-term debt on pages 58 – 60.

During the year, $2.4 million net of the general obligation debt was retired while $10.2 million of new debt was issued. In addition, $2 million of the Developers Agreements was retired while there was $2.2 million in new agreements. Compensated absences increased by $1 million in accrual. The loan payable (from the IEPA to pay for a new water main from Lake Bloomington) increased by $1.9 million net. See Note 5 on page 58 for more details.

The City of Bloomington maintains an AA rating from Standard and Poor's, an AA rating from Fitch, and an Aa2 rating from Moody's Investor Services as of April 30, 2006. In past years, Moody's and Standard and Poor's had assigned a negative outlook to those ratings, but this outlook was removed during the FY 04-05 year in recognition of the growing financial condition of the municipality and low debt levels and was replaced with a stable outlook. As a home rule authority, the City of Bloomington does not have a legal debt limit. The City has no plans to issue debt in calendar year 2006, but there are current plans to issue $10-15 million in tax-exempt general obligation debt for multiple capital improvement projects in the fall of 2007.

Economic Factor's and Next Year's Budget

The City's assessed value grew by an average of 7.15 percent over the last five years. The majority of this increase has been due to growth through new development, so this should be a sign of a growing economy in Bloomington. Property taxes comprise 22.95 percent of general revenues (see pages 20-21). The City of Bloomington has been very aggressive in encouraging new developments as exemplified by the Agreements with Developers amounts shown in the long-term debt section on the preceding page. Such growth activities have been a major reason for the growth in the assessed value and the good performance of sales taxes. The City's share of state sales tax grew from 2005 to 2006 by $1.581 million or 11.5 percent. Property tax grew from 2005 to 2006 by $1.105 million or 7.1 percent. Home rule sales tax grew from 2005 to 2006 by $.646 million or 5.76 percent. Property taxes, sales taxes and home rule sales taxes represent the largest components of the general revenues. Clearly, the City's economy is growing in a healthy manner. Taxes comprise 78.05 percent of general revenues. There are multiple housing developments taking place around the community. The completion of US Cellular Coliseum, Pepsi Ice Center and the Coliseum parking facility in Downtown Bloomington will encourage more growth and development in the Downtown. The Cultural District will join these facilities in attracting residents to Downtown Bloomington upon its completion in 2006. Additionally, strong residential expansion continues along the east as well as southwest portions of the City. For additional details on the above, please review the statistical section of the Comprehensive Annual Financial Report.

Unemployment for the City was 4.1 percent countywide (down from 4.67 percent last year), 5.1 percent for the state (down from 6.0 percent a year ago) and 4.7 percent for the United States (down from 5.0 percent last year) as of April 30, 2006. The City unemployment rate is less than both the national rate and the statewide rate. The decrease in the local rate is due primarily to companies expanding their employee base as well as laid off Mitsubishi Motors employees reentering the job market. This shows the employment environment in the Bloomington area is very strong.

The budget for 2006-07 shows an increase of 6.9 percent of revenue in the General Fund and an increase in expenses increasing 6.9 percent, for a balanced budget. With the new budget year, the City Council approved the building of the Coliseum and the Pepsi Ice Center and the completion of the Cultural District in the downtown.

Request for Information

This financial report is designed to provide a general overview of the City of Bloomington'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 financial information should be addressed to Brian Barnes, City Finance Director, City of Bloomington, 109 East Olive St., Bloomington, Illinois 61702.

City of Bloomington, Illinois

Statement of Net Assets
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	$ 40,402,669	$ 5,458,456	$ 45,861,125
Receivables, net of allowances for uncollectibles of $331,927:			
Taxes	24,791,653	-	24,791,653
Loans	1,507,264	-	1,507,264
Accounts	4,309,431	3,366,927	7,676,358
Accrued interest	9,024	-	9,024
Due from other governmental units	8,157,787	-	8,157,787
Internal balances	4,832,733	(4,832,733)	-
Inventory	475,614	65,187	540,801
Prepaid items and other assets	4,730,441	1,406,880	6,137,321
Properties held for resale	285,241	-	285,241
Total current assets	89,501,857	5,464,717	94,966,574
Noncurrent assets:			
Land	18,594,020	5,257,544	23,851,564
Construction-in-progress	36,821,794	5,827,631	42,649,425
Other depreciable capital assets, net of accumulated depreciation	109,836,353	155,911,352	265,747,705
Total capital assets, net of depreciation	165,252,167	166,996,527	332,248,694
Pension assets	2,020,903	-	2,020,903
Bond issuance costs	218,692	276,653	495,345
Bond discounts	60,017	351,242	411,259
Restricted investments	5,402,151	-	5,402,151
Total noncurrent assets	172,953,930	167,624,422	340,578,352
Total assets	$ 262,455,787	$ 173,089,139	$ 435,544,926

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities and Net Assets			
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	$ 9,670,999	$ 2,487,030	$ 12,158,029
Ticket escrow payable	-	644,790	644,790
Claims payable	4,307,892	-	4,307,892
Compensated absences	1,595,046	161,952	1,756,998
Accrued interest payable	1,017,784	849,318	1,867,102
Unearned revenue	1,982,590	1,865,838	3,848,428
Deferred revenue, property taxes	24,791,654	-	24,791,654
Deposits	35,300	23,715	59,015
Current portion of developer agreements	1,954,000	-	1,954,000
Current portion of loan payable	-	267,393	267,393
Current portion of general obligation bonds payable	2,356,912	61,052	2,417,964
Total current liabilities	47,712,177	6,361,088	54,073,265
Noncurrent liabilities:			
Compensated absences	3,916,609	230,680	4,147,289
Bond premium	215,869	-	215,869
Developer agreements, noncurrent portion	1,630,265	-	1,630,265
Loan payable, noncurrent portion	-	6,496,715	6,496,715
General obligation bonds payable, noncurrent portion	43,875,855	32,548,325	76,424,180
Total noncurrent liabilities	49,638,598	39,275,720	88,914,318
Total liabilities	97,350,775	45,636,808	142,987,583
Net assets:			
Invested in capital assets, net of related debt	129,599,203	129,681,276	259,280,479
Permanently restricted, nonexpendable	5,402,151	-	5,402,151
Unrestricted	30,103,658	(2,228,945)	27,874,713
Total net assets	165,105,012	127,452,331	292,557,343
Total liabilities and net assets	$ 262,455,787	$ 173,089,139	$ 435,544,926

City of Bloomington, Illinois

Statement of Activities
For the Year Ended April 30, 2006

		Program Revenues		
Functions/Programs	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ (8,522,974)	$ 6,889,902	$ 1,541,092	$ -
Public safety	(26,344,845)	2,269,302	430,063	9,375
Highways and streets	(9,384,880)	302,484	2,355,285	4,807,027
Sanitation	(10,195,565)	-	-	-
Health and welfare	(321,696)	-	-	-
Culture and recreation	(18,305,653)	3,849,409	108,909	-
Community development	(6,756,891)	-	1,183,180	19,011
Interest on long-term debt	(2,966,747)	-	-	-
Total governmental activities	(82,799,251)	13,311,097	5,618,529	4,835,413
Business-type activities:				
Water	(10,531,819)	12,864,096	-	775,909
Sewer	(2,607,931)	2,317,337	-	1,036,379
Parking	(1,054,418)	881,386	-	-
U.S. Cellular Coliseum	(3,084,480)	484,031	-	-
Stormwater management	(1,708,820)	2,661,831	-	200,451
Total business-type activities	(18,987,468)	19,208,681	-	2,012,739
Total government	$ (101,786,719)	$ 32,519,778	$ 5,618,529	$ 6,848,152

General Revenues and Transfers

Taxes:

- Property taxes
- Franchise taxes
- Sales taxes
- Home rule sales taxes
- Utility taxes
- Income taxes
- Food and beverage taxes
- Other taxes

Investment earnings

Gain on the sale of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net assets

Net assets, beginning of year, restated

Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (91,980)	$ -	$ (91,980)
(23,636,105)	-	(23,636,105)
(1,920,084)	-	(1,920,084)
(10,195,565)	-	(10,195,565)
(321,696)	-	(321,696)
(14,347,335)	-	(14,347,335)
(5,554,700)	-	(5,554,700)
(2,966,747)	-	(2,966,747)
(59,034,212)	-	(59,034,212)
-	3,108,186	3,108,186
-	745,785	745,785
-	(173,032)	(173,032)
-	(2,600,449)	(2,600,449)
-	1,153,462	1,153,462
-	2,233,952	2,233,952
(59,034,212)	2,233,952	(56,800,260)
16,628,517	-	16,628,517
984,688	-	984,688
15,296,099	-	15,296,099
11,859,024	-	11,859,024
5,492,035	-	5,492,035
5,012,999	-	5,012,999
3,330,564	-	3,330,564
5,734,824	-	5,734,824
2,625,417	59,570	2,684,987
67,909	-	67,909
2,673,437	724,634	3,398,071
2,719,148	(2,719,148)	-
72,424,661	(1,934,944)	70,489,717
13,390,449	299,008	13,689,457
151,714,563	127,153,323	278,867,886
$ 165,105,012	$ 127,452,331	$ 292,557,343

City of Bloomington, Illinois

Balance Sheet
Governmental Funds
April 30, 2006

	General	Debt Service	U.S. Cellular Coliseum Capital Project Fund
Assets			
Cash and investments	$ 5,342,250	$ 7,679,765	$ 598,786
Receivables, net of allowance for uncollectibles:			
Taxes	9,557,611	11,170,521	-
Loans	422,265	-	-
Accounts	2,145,356	-	-
Due from other governmental units	7,693,300	173,726	-
Due from other funds	1,569,249	111,298	-
Interfund advances	1,925,359	-	-
Inventory	475,614	-	-
Prepaid items	3,887,045	-	48,575
Properties held for resale	-	-	-
Total assets	$ 33,018,049	$ 19,135,310	$ 647,361
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued expenditures	$ 3,028,035	$ 23,395	$ 2,932,343
Due to other funds	850,984	441,123	-
Deposits	-	-	-
Unearned income	203,722	-	-
Deferred revenue	12,135,023	11,244,626	-
Interfund advance	-	-	-
Total liabilities	16,217,764	11,709,144	2,932,343
Fund balances:			
Reserved for:			
Inventory	475,614	-	-
Loans	422,265	-	-
Interfund advances	1,925,359	-	-
Prepaid items	3,887,045	-	48,575
Encumbrances	2,045,657	-	3,492,942
Trust corpus	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated reported in:			
General Fund	8,044,345	-	-
Special revenue funds	-	-	-
Debt Service Fund	-	7,426,166	-
Capital project funds	-	-	(5,826,499)
Permanent Fund	-	-	-
Total fund balances	16,800,285	7,426,166	(2,284,982)
Total liabilities and fund balances	$ 33,018,049	$ 19,135,310	$ 647,361

See Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total
$ 29,033,546	$ 42,654,347
4,063,521	24,791,653
1,084,999	1,507,264
1,199,503	3,344,859
290,761	8,157,787
4,270,942	5,951,489
444,524	2,369,883
-	475,614
299,053	4,234,673
285,241	285,241
$ 40,972,090	$ 93,772,810
$ 3,672,533	$ 9,656,306
3,260,989	4,553,096
35,300	35,300
-	203,722
5,204,410	28,584,059
596,095	596,095
12,769,327	43,628,578
-	475,614
1,084,999	1,507,264
444,524	2,369,883
299,053	4,234,673
14,436,295	19,974,894
5,402,151	5,402,151
285,241	285,241
-	8,044,345
3,605,494	3,605,494
-	7,426,166
(30,929)	(5,857,428)
2,675,935	2,675,935
28,202,763	50,144,232
$ 40,972,090	$ 93,772,810

City of Bloomington, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
April 30, 2006

Total governmental fund balances		$ 50,144,232
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		165,252,167
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		3,792,405
Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net asset:		
Current assets	$ 4,619,837	
Internal balances	1,037,435	
Current liabilities	(6,101,453)	(444,181)
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds.		2,020,903
Internal service funds allocated to business-type activities.		623,117
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(5,511,655)	
Bond premium	(215,869)	
Bond discount	60,017	
Bond issuance costs	218,692	
Accrued interest payable	(1,017,784)	
Developer agreements	(3,584,265)	
General obligation bonds payable	(46,232,767)	(56,283,631)
Net assets of governmental activities		$ 165,105,012

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2006

	General	Debt Service	U.S. Cellular Coliseum Capital Project Fund
Revenues:			
Taxes	$ 53,247,081	$ 3,173,254	$ -
Intergovernmental	737,178	-	-
Licenses and permits	1,226,067	-	-
Charges for services	10,098,690	-	-
Fines and forfeitures	977,425	-	-
Use of money and property	811,466	29,969	451,800
Other	1,119,001	-	-
Total revenues	68,216,908	3,203,223	451,800
Expenditures:			
Current:			
General government	7,732,006	-	-
Public safety	26,886,389	-	-
Highways and streets	3,815,849	-	-
Sanitation	10,279,429	-	-
Health and welfare		-	-
Culture and recreation	8,768,554	-	19,408,138
Community development	-	-	-
Debt service:			
Principal	890,437	2,414,649	-
Interest and fiscal agent fees	-	3,278,319	-
Bond issuance costs	-	-	-
Capital outlay	6,176,787	-	-
Total expenditures	64,549,451	5,692,968	19,408,138
Excess (deficiency) of revenues over (under) expenditures	3,667,457	(2,489,745)	(18,956,338)
Other financing sources (uses):			
Transfers in	708,136	2,981,617	34,165
Issuance of long-term debt	-	217,141	-
Premium on issuance of debt	-	-	-
Proceeds from sale of capital assets	28,985	-	-
Transfers out	(7,125,290)	-	(1,098,429)
Total other financing sources (uses)	(6,388,169)	3,198,758	(1,064,264)
Net change in fund balances	(2,720,712)	709,013	(20,020,602)
Fund balances, beginning of year	19,520,997	6,717,153	17,735,620
Fund balances, end of year	$ 16,800,285	$ 7,426,166	$ (2,284,982)

See Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total
$ 6,656,496	$ 63,076,831
4,881,351	5,618,529
-	1,226,067
90,343	10,189,033
58,331	1,035,756
1,171,586	2,464,821
1,554,436	2,673,437
14,412,543	86,284,474
1,334,038	9,066,044
-	26,886,389
4,878,080	8,693,929
-	10,279,429
324,525	324,525
18,609,925	46,786,617
7,099,653	7,099,653
1,064,468	4,369,554
-	3,278,319
127,674	127,674
3,049,901	9,226,688
36,488,264	126,138,821
(22,075,721)	(39,854,347)
5,415,749	9,139,667
11,910,859	12,128,000
93,628	93,628
469,747	498,732
(988,947)	(9,212,666)
16,901,036	12,647,361
(5,174,685)	(27,206,986)
33,377,448	77,351,218
$ 28,202,763	$ 50,144,232

City of Bloomington, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2006

Net change in fund balances - governmental funds	$	(27,206,986)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay		49,146,891
Depreciation		(9,648,865)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:		
Gain on the sale of capital assets		67,909
Proceeds from sale of capital assets		(498,732)
Transfer of capital assets to business-type activities		(26,066,267)
Contributions of capital assets		4,835,413
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, change in compensated absences		(585,104)
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of bond principal and developer agreements		4,369,554
Transfer of bond principal to business-type activities		28,858,414
Issuance of long-term debt		(9,900,000)
Bond premium		(93,628)
Issuance costs		127,674
Developer agreements		(2,228,000)
Amortization of issuance costs, bond premuim and bond discount		(24,446)
Interest		336,018
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		316,891
Change in internal service fund allocation to business-type activities		80,139
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		1,261,918
The increase in pension asset resulting from contributions in excess of the annual required contribution is not a financial resource and is not reported in the funds.		241,656
Change in net assets of governmental activities	$	13,390,449

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Balance Sheet
Proprietary Funds
April 30, 2006

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	US Cellular Coliseum
Assets			
Current assets:			
Cash and investments	$ 2,430,230	$ 186,830	$ 2,411,200
Accounts receivable, net of allowance for uncollectibles	1,524,950	217,035	1,232,381
Accrued interest receivable	-	-	-
Due from other funds	1,050,000	318,888	-
Inventory	65,187	-	-
Prepaid items and other assets	683,352	122,404	430,353
Total current assets	5,753,719	845,157	4,073,934
Noncurrent assets:			
Interfund advances	2,000,000	-	-
Capital assets:			
Land	4,283,672	33,737	448,524
Construction-in-progress	3,910,565	1,566,515	-
Other depreciable capital assets, net of accumulated depreciation	71,707,960	47,186,618	28,854,301
Total capital assets, net of depreciation	79,902,197	48,786,870	29,302,825
Bond issuance costs	-	-	262,547
Bond discounts	-	-	334,039
Total noncurrent assets	81,902,197	48,786,870	29,899,411
Total assets	$ 87,655,916	$ 49,632,027	$ 33,973,345
Liabilities and net assets			
Current liabilities:			
Accounts payable and accrued expenses	$ 747,932	$ 260,094	$ 1,143,259
Ticket escrow payable	-	-	644,790
Claims payable	-	-	-
Compensated absences	116,341	23,937	-
Accrued interest payable	77,180		772,138
Due to other funds	1,297,123	1,172,404	-
Unearned revenue	-	-	1,865,838
Deposits	11,385	-	-
Current maturities of long-term debt	267,393		-
Total current liabilities	2,517,354	1,456,435	4,426,025
Noncurrent liabilities:			
Interfund advances	-	-	4,773,788
Compensated absences	205,470	-	-
Loan payable, noncurrent portion	6,496,715	-	-
General obligation bonds payable, noncurrent portion	-	-	29,455,000
Total noncurrent liabilities	6,702,185	-	34,228,788
Total liabilities	9,219,539	1,456,435	38,654,813
Net assets (deficit):			
Invested in capital assets, net of related debt	73,138,089	48,786,870	1,542,840
Unrestricted	5,298,288	(611,278)	(6,224,308)
Total net assets (deficit)	78,436,377	48,175,592	(4,681,468)
Total liabilities and net assets (deficit)	$ 87,655,916	$ 49,632,027	$ 33,973,345

See Notes to Basic Financial Statements.

	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	$ 430,196	$ 5,458,456	$ 3,150,473
	392,561	3,366,927	964,572
	-	-	9,024
	420,629	1,789,517	37,435
	-	65,187	-
	170,771	1,406,880	495,768
	1,414,157	12,086,967	4,657,272
	-	2,000,000	1,000,000
	491,611	5,257,544	-
	350,549	5,827,629	-
	8,162,475	155,911,354	-
	9,004,635	166,996,527	-
	14,106	276,653	-
	17,203	351,242	-
	9,035,944	169,624,422	1,000,000
	$ 10,450,101	$ 181,711,389	$ 5,657,272
	$ 335,745	$ 2,487,030	$ 14,693
	-	644,790	-
	-	-	4,307,892
	21,674	161,952	-
	-	849,318	-
	755,818	3,225,345	-
	-	1,865,838	1,778,868
	12,330	23,715	-
	61,052	328,445	-
	1,186,619	9,586,433	6,101,453
	-	4,773,788	-
	25,210	230,680	-
	-	6,496,715	-
	3,093,325	32,548,325	-
	3,118,535	44,049,508	-
	4,305,154	53,635,941	6,101,453
	6,213,478	129,681,277	-
	(68,531)	(1,605,829)	(444,181)
	6,144,947	128,075,448	(444,181)
	$ 10,450,101	$ 181,711,389	$ 5,657,272

City of Bloomington, Illinois

Reconciliation of Enterprise Funds Net Assets to the Statement of Net Assets
April 30, 2006

Total enterprise funds net assets	$	128,075,448
Amounts reported for enterprise activities in the statement of net assets are different because:		
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(623,117)
Net assets of business-type activities	$	127,452,331

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)
Proprietary Funds
For the Year Ended April 30, 2006

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	U.S. Cellular Coliseum
Operating revenues, charges for services	$ 12,864,096	$ 2,317,337	$ 484,031
Operating expenses:			
Personal services	3,981,993	861,604	132,070
Contractual services	2,483,510	332,792	1,827,507
Commodities	2,195,957	448,559	232,343
Depreciation	1,758,197	978,300	73,777
Other charges, primarily claims	41,239	-	23,041
Total operating expenses	10,460,896	2,621,255	2,288,738
Operating income (loss)	2,403,200	(303,918)	(1,804,707)
Nonoperating revenues (expenses):			
Investment earnings	13,381	-	991
Loss on disposal of capital assets	(3,625)	(3,747)	-
Other income	247,356	383,124	-
Other expense	-	-	(772,138)
Total nonoperating revenues (expenses)	257,112	379,377	(771,147)
Income (loss) before transfers and capital contributions	2,660,312	75,459	(2,575,854)
Transfers in	-	-	1,098,429
Transfers out	(533,783)	(551,781)	-
Transferred net assets	-	-	(2,792,147)
Capital contributions	775,909	1,036,379	-
Total transfers and capital contributions	242,126	484,598	(1,693,718)
Change in net assets	2,902,438	560,057	(4,269,572)
Total net assets (deficits), beginning of year	75,533,939	47,615,535	(411,896)
Total net assets (deficits), end of year	$ 78,436,377	$ 48,175,592	$ (4,681,468)

See Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
$ 3,543,217	$ 19,208,681	$ 10,521,794
995,999	5,971,666	-
604,106	5,247,915	2,530,969
933,193	3,810,052	-
193,876	3,004,150	-
-	64,280	7,834,530
2,727,174	18,098,063	10,365,499
816,043	1,110,618	156,295
45,198	59,570	160,596
(11,994)	(19,366)	-
94,154	724,634	-
(17,762)	(789,900)	-
109,596	(25,062)	160,596
925,639	1,085,556	316,891
104,740	1,203,169	-
(44,606)	(1,130,170)	-
-	(2,792,147)	-
200,451	2,012,739	-
260,585	(706,409)	-
1,186,224	379,147	316,891
4,958,723	127,696,301	(761,072)
$ 6,144,947	$ 128,075,448	$ (444,181)

City of Bloomington, Illinois

Reconciliation of the Change in Net Assets of Enterprise Funds to the Statement of Activities
For the Year Ended April 30, 2006

Net change in net assets in enterprise funds	$	379,147
Amounts reported for proprietary activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.		(80,139)
Change in net assets of business-type activities	$	299,008

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2006

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	U.S. Cellular Coliseum
Cash flows from operating activities:			
Receipts from customers and users	$ 12,674,827	$ 2,271,438	$ 1,419,411
Payments to suppliers	(4,925,946)	(814,444)	(838,126)
Payments to claimants	-	-	-
Payments to employees	(3,768,162)	(850,272)	(78,762)
Net cash provided by operating activities	3,980,719	606,722	502,523
Cash flows from noncapital financing activities:			
Payments from (to) interfund accounts	(2,729,711)	341,094	4,757,693
Other nonoperating income	247,356	383,124	-
Other nonoperating (expense)	-	-	-
Net cash provided by (used in) noncapital financing activities	(2,482,355)	724,218	4,757,693
Cash flows from capital and related financing activities:			
Purchase of capital assets	(3,218,035)	(1,689,113)	(2,865,811)
Payments on loan	(109,849)	-	-
Proceeds from issuance of long-term debt	1,989,390	-	-
Net cash (used in) capital and related financing activities	(1,338,494)	(1,689,113)	(2,865,811)
Cash flows from investing activities:			
Interest and dividends received	13,381	-	991
Purchase of investments	-	-	-
Proceeds from sale and maturity of investments	-	-	-
Net cash provided by investing activities	13,381	-	991
Increase (decrease) in cash and cash equivalents	173,251	(358,173)	2,395,396
Cash and cash equivalents, beginning of year	2,256,979	545,003	15,804
Cash and cash equivalents, end of year	$ 2,430,230	$ 186,830	$ 2,411,200

(Continued)

		Governmental Activities
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 3,476,988	$ 19,842,664	$ 10,830,772
(1,277,498)	(7,856,014)	(3,927,809)
-	-	(6,312,693)
(963,442)	(5,660,638)	-
1,236,048	6,326,012	590,270
(62,330)	2,306,746	(999,862)
94,154	724,634	-
(16,022)	(16,022)	-
15,802	3,015,358	(999,862)
(3,882,409)	(11,655,368)	-
(20,351)	(130,200)	-
-	1,989,390	-
(3,902,760)	(9,796,178)	-
45,198	59,570	141,343
-	-	(3,539,000)
2,660,414	2,660,414	3,732,192
2,705,612	2,719,984	334,535
54,702	2,265,176	(75,057)
43,583	2,861,369	518,772
$ 98,285	$ 5,126,545	$ 443,715

City of Bloomington, Illinois

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended April 30, 2006

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	US Cellular Coliseum
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 2,403,200	$ (303,918)	$ (1,804,707)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	1,758,197	978,300	73,777
Change in assets and liabilities:			
Receivables	(190,381)	(45,899)	(1,232,381)
Inventory	20,567	-	-
Prepaid items and other assets	(163,706)	(26,732)	(17,289)
Accounts payable and accrued expenses	(70,529)	6,677	1,142,445
Ticket escrow payable	-	-	644,790
Claims payable	-	-	-
Unearned revenue	-	-	1,695,888
Deposits	1,112	-	-
Compensated absences	222,259	(1,706)	-
Net cash provided by operating activities	$ 3,980,719	$ 606,722	$ 502,523
Reconciliation of cash and cash equivalents to specific assets on the statement of net assets:			
Cash and investments	$ 2,430,230	$ 186,830	$ 2,411,200
Less items not meeting the definition of cash equivalents	-	-	-
Cash and cash equivalents at end of year	$ 2,430,230	$ 186,830	$ 2,411,200
Schedule of noncash items:			
Capital and related financing activities:			
Contribution of capital assets	$ 775,909	$ 1,036,379	$ -
Transfer of capital assets from governmental activities	-	-	26,066,267
Transfer of debt from governmental activities:			
General obligation bonds	-	-	(29,455,000)
Bond issuance costs	-	-	262,547
Bond discounts	-	-	334,039
Capital assets acquired through interfund advance	-	-	444,524
Amortization	-	-	-
Investing activities, net appreciation in fair value of investments	-	-	-

See Notes to Basic Financial Statements.

		Governmental Activities
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 816,043	$ 1,110,618	$ 156,295
193,876	3,004,150	-
(62,184)	(1,530,845)	(258,624)
-	20,567	-
(40,626)	(248,353)	108,569
302,990	1,381,583	(13,545)
-	644,790	-
-	-	29,973
-	1,695,888	567,602
(4,045)	(2,933)	-
29,994	250,547	-
$ 1,236,048	$ 6,326,012	$ 590,270
$ 430,196	$ 5,458,456	$ 3,150,473
331,911	331,911	2,706,758
$ 98,285	$ 5,126,545	$ 443,715
$ 200,451	$ 2,012,739	$ -
-	26,066,267	-
-	(29,455,000)	-
-	262,547	-
-	334,039	-
-	444,524	-
1,740	1,740	-
-	-	23,196

City of Bloomington, Illinois

Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2006

Assets:		
Cash	$	1,715,938
Investments:		
U.S. government securities		16,564,360
U.S. government agencies and corporations		5,785,146
IPPFA real estate		965,823
Annuities - fixed		4,376,073
Annuities - variable		12,315,842
Money market mutual funds		1,140,266
Mutual funds		18,564,371
Stocks		7,124,622
Receivables:		
Employer		3,552,933
Employee		20,470
Accrued interest		345,930
Total assets		72,471,774
Liabilities, accounts payable		18,379
Net assets, held in trust for pension benefits	$	72,453,395

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended April 30, 2006

Additions:		
Contributions:		
Employer	$	3,804,791
Active members		1,227,441
Other sources		325,056
Total contributions		5,357,288
Net investment:		
Net appreciation in fair value of investments		5,012,286
Interest		998,094
Dividends		528,940
Total investment income		6,539,320
Less investment expense		67,738
Net investment income		6,471,582
Total additions		11,828,870
Deductions:		
Benefits		4,762,091
Refund of contributions		22,810
Administrative expenses		109,198
Total deductions		4,894,099
Change in net assets		6,934,771
Net assets held in trust for benefits, beginning of year		65,518,624
Net assets held in trust for benefits, end of year	$	72,453,395

See Notes to Basic Financial Statements.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

Reporting entity:

The City of Bloomington, Illinois (the City) was incorporated in 1850 under the laws of the state of Illinois. The City operates under the Mayor-Council-Administrator form of government. The City provides services to its residents in many areas, including public safety, public works services, community enrichment and development.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, the City is presented as a primary government.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations. The Central Illinois Risk Pooling Authority (CIRPA) is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, CIRPA is treated as a blended component unit because its sole purpose is to provide insurance coverage to the City. CIRPA is reported as an internal service fund. The audited financial information included is for the twelve months ended December 31, 2005. CIRPA issues a separate audited financial report which may be obtained from the administrative offices at 2203 E. Empire Street, Bloomington, Illinois 61701.

There are no other organizations or agencies which should be included in these basic financial statements.

Basis of presentation:

<u>Government-wide and fund financial statements</u>: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no indirect expenses. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported 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. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance”. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City’s major governmental funds:

General Fund: The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund: To account for the servicing of the general long-term debt not financed by a specific source.

U.S. Cellular Coliseum Capital Project Fund: To account for the construction of the City’s downtown sports and entertainment center.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

Motor Fuel Tax Fund: To account for the revenue and expenditures related to projects financed by the motor fuel tax funds collected and distributed by the state of Illinois.

Special Olympics and Recreation Fund: To account for the activities of the Special Olympics and Recreation Program.

Board of Elections Fund: To account for the tax resources used to provide for the Election Commission expenses.

Sister City Program Fund: To account for activities of maintaining a relationship with the City of Asahikawa, Japan.

Cultural District Fund: To account for sales tax revenues and rental fees to provide facilities for artistic and cultural events.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Drug Enforcement Fund: To account for police department revenues from drug raids.

Residential/Rehabilitation Escrow Fund: To account for low interest loans to residential homeowners within the Community Development program.

Community Development Fund: To account for a federally funded block grant program designed to assist low and moderate-income families and eliminate slum and blight conditions.

IHDA Grant Fund: To account for federally funded state grants to provide funds for the acquisition and rehabilitation of single-family homes for the low and moderate-income population.

Library Special Revenue Fund: To account for the tax and other resources used to provide library services to the citizens of the City.

Park Dedication Fund: To account for collections to be used for future park development.

Capital Projects Funds: are used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

Market Square TIF Redevelopment Fund: To account for the construction expenses in the tax increment financing district.

Central Bloomington TIF Redevelopment Fund: To account for the construction expenses in the tax increment financing district.

1991 Southeast Improvement Bond Fund: To account for the 1991 bond proceeds which are intended for infrastructure improvements necessitated by the expansion of the southeast part of the City.

1995 Southwest Development Fund: To account for the construction of infrastructure in the City's southwest section as a result of expansion projects.

2003 Bond Projects Fund: To account for the 2003 bond proceeds which are intended for the use of various City projects.

Pepsi Ice Center Fund: To account for the construction of the City's public ice rink.

Cultural District Fund: To account for construction and improvements to the City's cultural district.

Capital Improvements Fund: To account for the receipt and disbursement of monies used for the acquisition of capital facilities.

Library Expansion Fund: To account for the expenditures for capital improvements to expand and remodel the Bloomington Public Library.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Permanent Funds: are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

J.M. Scott Health Care Trust Fund: To account for access to health services, supplies, medical equipment, special nutritional support and health care programs in McLean County for indigent area residents.

Proprietary Fund Types: Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector (business-type activities). The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The following are the City's major enterprise funds:

Water Fund: To account for the operation of the City's water treatment facilities and services.

Sewer Fund: To account for the operation of the City's waste disposal activities.

U.S. Cellular Coliseum Fund: To account for the activities of operating the City's downtown sports and entertainment facility.

The other enterprise funds of the City are considered nonmajor and are as follows:

Parking Fund: To account for the activities of operating the City's downtown parking system and City-owned parking lots.

Stormwater Management Fund: To account for the operation of the City's stormwater management activities.

Internal Service Funds: are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City. The following are the City's internal service funds:

Employee Group Healthcare Fund: To account for the premiums and medical claims of all covered City employees and their covered dependents and Township employees.

Central Illinois Risk Pooling Authority Fund: To account for the premiums and the payment of claims for insurance for the City.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

Pension Trust Funds: are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Pension Trust Funds account for the assets of the City's police and Firemen's Pension plans.

Police Pension Fund: To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from police force members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Firemen's Pension Fund: To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from fire department members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Measurement focus and basis of accounting:

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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these 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 and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represents an estimate of the 2005 levy. Property taxes are levied each year on all taxable real property in the City. The City passes a property tax levy ordinance, usually in the second calendar quarter of each year, for the fiscal year beginning on May 1 of such calendar year. The tax becomes a lien as of the following January 1, on the assessed value listed as of the day prior (December 31) for all real property located in the City. In the year following the levy, the County bills the property taxes in two installments, generally in May and August. The taxes become delinquent approximately 40 days after the dates billed. The County collects the taxes and remits them to the City. The City receives these remittances approximately one month after the collection dates.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Summary of significant accounting policies:

The significant accounting policies followed by the City include the following:

Cash and investments: except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being allocated to the funds based on their respective balance.

Investments are reported at fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates. The City invests in the Illinois Metropolitan Investment Fund and the Illinois State Funds Money Market Fund. A board of directors, which includes investment advisors regulated by the SEC, provides administrative oversight for the Illinois Metropolitan Investment Fund. The Illinois State Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pools is the same as the value of the pool shares.

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures* – an amendment of GASB Statement No. 3, during the current fiscal year. This statement modifies disclosure requirements for deposits and investments to address common deposit and investment risks related to credit risk, concentration of risk, interest rate risk and foreign currency risk. Accordingly, certain footnote disclosures have been revised to conform to the provisions of GASB Statement No. 40.

Statement of cash flows: for purposes of the statement of cash flows for proprietary fund types funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Accounts receivable: results primarily from services provided to citizens and are accounted for in the governmental funds. Water services are accounted for in the Water Fund and sewer and parking services are accounted for in the Sewer Fund and Parking Fund. All are net of an allowance for uncollectibles.

Trade/In-kind agreements: primarily provide advertising services to the third parties in exchange for services or goods provided by the third party to the U.S. Cellular Coliseum Enterprise Fund. Revenue is recognized as services are provided to the third party and expenses are recognized as the U.S. Cellular Coliseum redeems the services or goods per the agreement. The receivable portion of the agreement is included in other assets while the liability portion is included in the unearned.

Inventory: consists of consumable supplies and are valued at cost using the first-in first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital assets: including land, construction, land improvements, machinery and equipment, licensed vehicles, zoo animals and infrastructure 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 of more than $1,000 and an initial useful life of one year or greater. Infrastructure capitalization thresholds are as follows:

	Capitalization Threshold
Sanitary sewers, watermains and sidewalks	$ 25,000
Street lighting	5,000
Streets, bridges, detention basins, pumping stations, reservoir, water plant and dams	100,000
Traffic signals	50,000

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the Water Fund and the Parking Fund was $159,941 and $90,947, respectively, of which $138,425 and $74,925, respectively, was capitalized in connection with the water plant construction and the parking deck construction.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each fixed asset type are as follows:

Infrastructure	10 - 65 years
Land improvements	20 - 50 years
Construction	25 - 50 years
Machinery and equipment	3 - 20 years
Licensed vehicles	3 - 20 years
Zoo animals	10 - 60 years

The City's collection of library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

The City adopted GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, during the current fiscal year. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner. The adoption of this Statement had no effect on the City.

<u>Deferred revenues</u>: in the governmental funds, deferred revenues represent amounts due, which are measurable, but not available. In the statement of net assets, deferred revenues represent the deferral of property tax receivables which are levied for a future period.

<u>Unearned revenue</u>: represents grants and similar items received; however, the City has not met all eligibility requirements imposed by the provider.

<u>Ticket escrow payable</u>: monies received for ticket sales are booked to ticket escrow payable until the event occurs. After each event, a settlement is prepared. The settlement determines the amount to be paid to the promoter and the amount that the U.S. Cellular Coliseum Enterprise Fund will recognize as revenue.

<u>Interfund transactions</u>: transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental funds and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Compensated absences: it is the City's policy to permit employees to accumulate earned but unused vacation benefits. For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

The City's policy is to accumulate sick leave as it is earned and, upon termination, the amount of sick leave paid out is dependent on two criteria: (1) years of service and (2) number of hours accumulated. If the years of service criteria is met, then the amount of sick leave hours paid out is limited based on the number of hours accumulated at the time of termination. The maximum amount of hours allowed to be paid ranges from 1,800 to 960.

Other benefits are accumulative as far as time available but are not reimbursable to employees upon termination. The costs of these benefits are recognized when paid to active employees.

Fund equity: reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represents tentative management plans that are subject to change.

Net assets: represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the governmental activities, U.S. Cellular Coliseum Enterprise Fund and Parking Enterprise Fund were $10,516,960, $1,098,429 and $331,911, respectively. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets include unspent bond proceeds, net of related debt.

The City first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 1. Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Bond premium, discounts and issuance costs: in the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

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

Properties held for resale: Properties acquired through the Community Development Program are recorded at the lower of cost or market value. Therefore, costs incurred which are not recoverable upon resale and permanent declines in market value are charged to expense/expenditures.

Use of estimates: the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Cash and Investments

As of April 30, 2006, the City's cash and investments were as follows:

Cash on hand and deposits with financial institutions	$ 11,608,672
Investments	39,654,604
Deposits with financial institutions, fiduciary funds	2,856,204
Investments, fiduciary funds	66,836,503
	$ 120,955,983

Authorized investments: State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, Illinois Funds Money Market Fund and annuities.

Note 2. Cash and Investments (Continued)

The City's policy further limits investments to (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest; (2) bonds, notes, debentures or other similar obligations of the United States of America or its agencies; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term obligations of corporations organized in the United States with assets exceeding $500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10 percent of the corporation's outstanding obligations and (iii) no more than one third of the City's funds may be invested in short-term obligation's of corporations; (5) money market mutual funds registered under the Investment Company Act of 1940 provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) and (2) above and to agreements to repurchase such obligations; (6) investments only in banks which are insured by the FDIC; (7) short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of Illinois and which are insured by the FDIC; (8) the Public Treasurer's Investment Pool or a fund managed, operated, and administered by a bank, or subsidiary of a bank holding company, or use the services of such an entity to hold and invest or advise regarding the investment of any City funds.

The Police Pension Fund and Firemen’s Pension Fund investment policies authorize the pension funds to invest in the securities permitted in the Illinois Compiled Statutes Chapter 40, Act 5, Articles one and three, and the Illinois Public Funds Investment Act, Illinois Compiled Statutes Chapter 30, Act 235.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City’s investment policy, each investment shall seek to first ensure that capital losses are avoided. As such the City shall follow a "buy and hold" till maturity philosophy. The policy also limits investments to instruments maturing within three years of the time of purchase. The policy further states the City will not consider investments with the intent of "timing the market", i.e., speculating on changes in interest rates and the corresponding value change to bonds and other fixed income investments to realize a large short term gain but at a high risk. Instead, the City will follow a policy of investing till maturity, of obtaining a market rate of return, but avoiding risk where possible.

In accordance with the Police Pension Fund’s investment policy, the Pension Fund’s investment portfolio will remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

The Firemen’s Pension Fund’s investment policy requires the Fund to minimize the risk of large losses caused by highly volatile changes in interest rates through the use of proper diversification and to maintain cash flow adequate to meet anticipated disbursements for up to a one-year period. Anticipated expenses for a one-year period will be maintained in short-term investments, namely the Illinois Funds account maintained by the State Treasurer.

Note 2. Cash and Investments (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Fair Value	< 1 Year	1-5 Years	6-10 Years	> 10 Years
City of Bloomington					
U.S. Government Securities	$ 697,230	$ -	$ 697,230	$ -	$ -
Mutual Fund	10,932,551	10,932,551	-	-	-
Money Market Mutual Fund	28,024,823	28,024,823	-	-	-
Total City of Bloomington	39,654,604	38,957,374	697,230	-	-
Police Pension Fund					
U.S. Government Securities	11,872,255	446,486	7,383,591	4,042,178	-
U.S. Government Agencies and Corporations	2,464,143	-	1,610,430	831,013	22,700
IPPFA Real Estate	965,823	965,823	-	-	-
Annuities	1,929,029	-	1,929,029	-	-
Mutual Funds	10,614,040	10,614,040	-	-	-
Stocks	7,124,622	7,124,622	-	-	-
Total Police Pension Fund	34,969,912	19,150,971	10,923,050	4,873,191	22,700
Fire Pension Fund					
U.S. Government Treasury Strip	4,692,105	-	-	-	4,692,105
U.S. Government Agencies and Corporations	3,321,003	488,905	954,060	-	1,878,038
Annuities	14,762,886	5,285,285	3,570,521	5,907,080	-
Money Market Mutual Funds	1,140,266	1,140,266	-	-	-
Mutual Funds	7,950,331	7,950,331	-	-	-
Total Fire Pension Fund	31,866,591	14,864,787	4,524,581	5,907,080	6,570,143
Total Primary Government	$ 106,491,106	$ 72,973,131	$ 16,144,861	$ 10,780,271	$ 6,592,843

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Police Pension Fund’s investment policy limits the Pension Fund’s investment in conventional mortgage pass-through securities to those having not less than an “A” rating from at least one national securities rating service; investments made in contracts and agreements of Life Insurance Companies licensed to do business in the state of Illinois shall be rated at least A+ by A.M. Best Company, Aa rated by Moody’s and AA+ rated by Standard & Poor’s rating services. Securities issued by the state of Illinois, or any county, township or municipal corporation of the state of Illinois, may be held in the portfolio as long as the said security is not rated less than Aa by Moody’s or AA+ by Standard and Poor’s.

The State Statutes limit the Firemen’s Pension Fund’s investment in conventional mortgage pass-through securities to those having not less than an “A” rating from at least one national securities rating service.

Note 2. Cash and Investments (Continued)

As of April 30, 2006, the City's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's	A.M Best Company*
City of Bloomington			
US Treasury Strips	AAA	AAA	N/A
American Freedom Funds - U.S. Govt Class I	Not Rated	AAAm	N/A
Vanguard Short-Term Bond Index Adm	AA	AA	N/A
Vanguard Inflation-Protect Sec Adm	AAA	AAA	N/A
Vanguard -Total Stock Market Index Fund	Not Rated	Not rated	N/A
Illinois Metropolitan Investment Fund	Not Rated	AAA	N/A
Illinois Funds Money Market Fund	Not Rated	AAAm	N/A
Police Pension Fund			
U.S. Government Securities:			
United States Treasury Bonds	Aaa	AAA	N/A
United States Treasury Notes	Aaa	AAA	N/A
U.S. Government Agencies and Corporations:			
Federal Home Loan Mortgage Corporation	Aaa	AAA	N/A
Federal National Mortgage Association	Aaa	AAA	N/A
Federal Home Loan Banks	Aaa	AAA	N/A
GNMA Pools	Aaa	AAA	N/A
IPPFA Real Estate	Aaa	AAA	N/A
Annuities:			
Protective Life Insurance - Prosaver Platinum	Aa3	N/A	A+
Mutual Funds:			
Schwab Government Money Fund	Not Rated	Not Rated	N/A
Schwab U.S. Treasury Money Fund	Not Rated	Not Rated	N/A
American Funds Europacific Growth Fund	Not Rated	Not Rated	N/A
American Funds Growth Fund of America	Not Rated	Not Rated	N/A
Baron Small Cap Fund	Not Rated	Not Rated	N/A
DFA U.S. Small Cap Value Portfolio	Not Rated	Not Rated	N/A
Dodge & Cox Stock Fund	Not Rated	Not Rated	N/A
Royce Special Equity Fund	Not Rated	Not Rated	N/A
Thornburg Value Fund	Not Rated	Not Rated	N/A
William Blair International Growth Fund	Not Rated	Not Rated	N/A
Stocks, SPDR Trust Unit SR1 Stock	Not Rated	Not Rated	N/A

Note 2. Cash and Investments (Continued)

Investment Type	Moody's Investors Service	Standard & Poor's	A.M Best Company*
Firemen's Pension Fund			
U.S. Treasury Strip	Aaa	AAA	N/A
U.S. Government Agencies and Corporations:			
GNMA Pools	Aaa	AAA	N/A
Federal Home Loan Banks	Aaa	AAA	N/A
Annuities:			
Protective Life Insurance - Prosaver Platinum	Aa3	Not Available	A+
Sun Life Financial - Sun Life Assurance Co.	Aa3	Not Available	A+
Sun Life Financial - Key Port Annuities	Aa3	Not Available	A+
Sun Life Financial - MFS Investment Management	Aa3	Not Available	A+
Money Market Mutual Funds:			
Illinois Funds	Not Rated	AAAm	N/A
American Funds Freedom U.S. Government	Not Rated	Not Rated	N/A
Mutual Funds:			
Mass Investors Growth Stock Fund-A	Not Rated	Not Rated	N/A
MFS Capital Opportunities Fund-A	Not Rated	Not Rated	N/A
MFS Value Fund-A	Not Rated	Not Rated	N/A
Van Kampen Emerging Growth C1 A	Not Rated	Not Rated	N/A
Fidelity Dividend Growth Fund	Not Rated	Not Rated	N/A
American Funds Growth Fund of America CL A	Not Rated	Not Rated	N/A

* A.M. Best Company is a rating agency for insurance companies.

Concentration of Credit Risk: It is the policy of the City of Bloomington to diversify its investment portfolio in order to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The policy requires the portfolio maturities of securities be staggered to avoid undue concentration of assets in a specific maturity sector; maturities selected provide for stability of income and reasonable liquidity; and the average maturity of the portfolio shall never exceed one and one half years. With the exception of deposits with the Illinois Fund through the State Treasurer's Pool, the City will not have more than 50 percent of its investible funds in any one institution or type of investment.

Note 2. Cash and Investments (Continued)

It is the policy of the Police Pension Fund to invest in a manner that seeks to ensure the preservation of capital. The Pension Fund is to consciously diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. The Pension Fund has adopted an asset allocation policy as follows:

	Minimum	Target	Maximum
Cash	1.00%	2.00%	25.00%
Fixed income	30.00	57.00	75.00
Large cap domestic equities	20.00	30.00	36.00
Small cap domestic equities	2.50	5.00	18.00
International equities	-	3.00	10.00
Real estate	-	3.00	10.00

The Police Pension Fund further requires that the investment in a general account of an Insurance Company shall not be invested in more than 10 percent of real estate and more than 10 percent of bonds with rating of less than Baa1 by Moody's or BBB+ by Standard & Poor's. Total investments in contracts and agreements of life insurance companies shall not exceed 15 percent of the aggregate market value of the Police Pension Fund and no more than 5 percent of the Police Pension Fund assets may be invested in one single insurance company. Up to 5 percent of the assets of the Police Pension Fund may be invested in nonconvertible bonds, debenture, notes and other corporate obligations; Canadian securities; and direct obligations of Israel. Investments in notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act are limited to 20 percent of the investment portfolio. Investments in stocks and convertible debt are limited to 50 percent of the investment portfolio. As of April 30, 2006, the Police Pension Fund exceeded its 5 percent limit on assets held in one single insurance company. It's investment in Protective Life Insurance Co. was 5.5 percent.

It is the policy of the Firemen's Pension Fund to invest in a manner that seeks to ensure the prudent and consistent management of the investments of the Pension Fund. The State Statutes governing the Pension Fund limit investments in nonconvertible bonds, debenture, notes and other corporate obligations; Canadian securities; direct obligations of Israel to 5 percent of the investment portfolio; investments in notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act are limited to 20 percent of the investment portfolio; and investments in stocks and convertible debt to 50 percent of the investment portfolio.

Investments in any one issuer that represent more than 5 percent or more of the total City and Pension Fund's investments are as follows.

Issuer	Investment Type	Fair Value
City of Bloomington		
American Freedom Funds	Money Market Mutual Fund	$ 2,900,177
Vanguard	Stock Index Mutual Fund & Bond Index Fund	8,032,374
Illinois Fund	Money Market Mutual Fund	26,701,963

Note 2. Cash and Investments (Continued)

Issuer	Investment Type		Fair Value
Police Pension Fund			
U.S. Treasury Bond, 7.25%, due 5/15/16	Treasury Bond	$	2,876,380
U.S. Treasury Note, 5.50%, due 5/15/09	Treasury City Bond		4,172,570
Protective Life Insurance Company	Annuity Contract		1,929,029
Dodge & Cox Stock Fund	Mutual Fund		2,323,968
Thornburg Value Fund	Mutual Fund		2,329,492
SPDR Trust Unit SR1 Stock	Stock		7,124,622
Firemen's Pension Fund			
U.S.Treasury Strip, 0%, due 5/15/30	Treasury Strip	$	4,692,105
Protective Life Insurance Company	Annuity Contract		1,832,006
Sun Life Financial	Annuity Contract		12,930,879
American Funds Growth Fund of America Class A	Mutual Fund		3,225,420
Fidelity Dividend Growth Fund	Mutual Fund		2,182,601

Custodial Credit Risk: Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. State Statutes require the Pension Funds to protect its investments through third-party custodial safekeeping.

It is the policy of the City of Bloomington to secure its assets through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions and Finance Department employees handling investments shall be bonded. The policy also requires ownership shall be protected through third-party custodial safekeeping. The finance director, at his discretion, may require that collateralization of certain public deposits be performed through pledging of appropriate securities by the depository.

As of April 30, 2006, $1,172,658 of the City's deposits, $921,156 of the pension trust funds deposits and $2,441,443 of the pension trust funds investments were exposed to custodial credit risk, as they were uninsured and uncollateralized.

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended April 30, 2006:

	Balance April 30, 2005	Additions	Deletions	Balance April 30, 2006
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 18,123,410	$ 620,610	$ 150,000	$ 18,594,020
Construction-in-progress	26,362,780	43,261,356	32,802,342	36,821,794
Total capital assets, not being depreciated	44,486,190	43,881,966	32,952,342	55,415,814
Capital assets, being depreciated:				
Land improvements	5,482,986	5,055,068	-	10,538,054
Construction	34,988,098	284,552	203,505	35,069,145
Infrastructure	174,164,010	6,089,285	-	180,253,295
Machinery and equipment	16,971,810	2,778,205	944,333	18,805,682
Licensed vehicles	12,142,363	2,629,303	469,966	14,301,700
Zoo animals	15,200	-	-	15,200
Total capital assets, being depreciated	243,764,467	16,836,413	1,617,804	258,983,076

Note 3. Capital Assets (Continued)

	Balance April 30, 2005	Additions	Deletions	Balance April 30, 2006
Less accumulated depreciation for:				
Land improvements	2,072,844	260,491	-	2,333,335
Construction	8,216,979	600,278	1,205	8,816,052
Infrastructure	114,209,205	6,016,680	-	120,225,885
Machinery and equipment	9,622,121	1,614,270	889,308	10,347,083
Licensed vehicles	6,711,957	1,156,526	446,468	7,422,015
Zoo animals	1,733	620	-	2,353
Total accumulated depreciation	140,834,839	9,648,865	1,336,981	149,146,723
Total capital assets, being depreciated, net	102,929,628	7,187,548	280,823	109,836,353
Governmental activities capital assets, net	$ 147,415,818	$ 51,069,514	$ 33,233,165	$ 165,252,167

	Balance April 30, 2005	Additions	Deletions	Balance April 30, 2006
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ 4,608,469	$ 649,075	$ -	$ 5,257,544
Construction-in-progress	9,993,579	8,141,295	12,307,243	5,827,631
Total capital assets, not being depreciated	14,602,048	8,790,370	12,307,243	11,085,175
Capital assets, being depreciated:				
Land improvements	373,317	39,645	9,889	403,073
Construction	28,367,323	26,688,411	-	55,055,734
Infrastructure	113,059,553	7,867,121	-	120,926,674
Machinery and equipment	10,847,159	8,540,651	41,927	19,345,883
Licensed vehicles	1,741,063	559,944	75,627	2,225,380
Total capital assets, being depreciated	154,388,415	43,695,772	127,443	197,956,744
Less accumulated depreciation for:				
Land improvements	156,026	16,189	7,046	165,169
Construction	7,909,881	568,687	-	8,478,568
Infrastructure	23,753,893	1,584,999	-	25,338,892
Machinery and equipment	6,360,420	623,724	29,186	6,954,958
Licensed vehicles	969,099	210,551	71,845	1,107,805
Total accumulated depreciation	39,149,319	3,004,150	108,077	42,045,392
Total capital assets, being depreciated, net	115,239,096	40,691,622	19,366	155,911,352
Business-type activities capital assets, net	$ 129,841,144	$ 49,481,992	$ 12,326,609	$ 166,996,527

Note 3. Capital Assets (Continued)

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

Governmental Activities		
General government	$	639,316
Public safety		965,556
Highways and streets		6,204,857
Sanitation		484,745
Health		453
Culture and recreation		1,300,869
Community development		53,069
	$	9,648,865
Business-Type Activities		
Water	$	1,758,197
Sewer		978,300
Parking		131,985
Stormwater management		61,891
U.S. Cellular Coliseum		73,777
	$	3,004,150

Note 4. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2006:

Fund		Deficit Fund Balance/ Net Assets
Major Governmental Fund; U.S. Cellular Coliseum Capital Projects Fund	$	(2,284,982)
Nonmajor Governmental Funds:		
Capital Projects Funds:		
Market Square TIF Redevelopment		(596,095)
Library Expansion		(1,395,091)
Major Enterprise Fund; U.S. Cellular Coliseum		(4,681,468)
Internal Service Fund, Central Illinois Risk Pooling Authority		(734,391)

Note 4. Individual Fund Disclosures (Continued)

The following is a summary of expenditures in excess of budget as of April 30, 2006:

	Amount in Excess
Nonmajor Funds, Capital Project Fund, Central Bloomington TIF Redevelopment	$ 2,122,821

This fund is over budget due to the expenditure related to the new developer's agreement in the current year. This expenditure is offset by the recognition of an other financing source, issuance of long-term debt.

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2006:

	Balance April 30, 2005	Additions	Retirements	Balance April 30, 2006	Due Within One Year	Range of Interest Rates
Governmental activities:						
General Obligation Bonds:						
Series 1991	$ 1,641,212	$ 270,932	$ 695,000	$ 1,217,144	$ 397,964	5.35% to 6.70%
Series 1993	770,000	-	385,000	385,000	385,000	4.10% to 6.10%
Series 1995	3,850,000	-	875,000	2,975,000	925,000	5.20% to 5.70%
Series 1996	3,580,000	-	320,000	3,260,000	350,000	4.70% to 6.20%
Series 2001	6,210,000	-	60,000	6,150,000	60,000	3.50% to 4.05%
Series 2003	10,000,000	-	-	10,000,000	-	3.50% to 4.05%
Series 2004, taxable	29,455,000	-	29,455,000	-	-	5.50% to 6.38%
Series 2004	12,425,272	-	79,649	12,345,623	238,948	variable
Series 2005	-	9,900,000	-	9,900,000	-	3.875% to 4.10%
	67,931,484	10,170,932	31,869,649	46,232,767	2,356,912	
Other liabilities:						
Agreements with developers	3,311,170	2,228,000	1,954,905	3,584,265	1,954,000	
Compensated absences	4,926,551	1,927,725	1,342,621	5,511,655	1,595,046	
Governmental activities, long-term liabilities	$ 76,169,205	$ 14,326,657	$ 35,167,175	$ 55,328,687	$ 5,905,958	
Business-type activities:						
Loan payable	$ 4,884,567	$ 1,989,390	$ 109,849	$ 6,764,108	$ 267,393	2.50%
General obligation bonds:						
Series 2004 taxable	-	29,455,000	-	29,455,000	-	5.50% to 6.38%
Series 2004	3,174,728	-	20,351	3,154,377	61,052	variable
Compensated absences	-	392,632	-	392,632	161,952	
Business-type activities, long-term liabilities	$ 8,059,295	$ 31,837,022	$ 130,200	$ 39,766,117	$ 490,397	

The Series 1991 General Obligation Bonds are zero coupon bonds. The additions are the accretion of the interest.

Note 5. Long-Term Debt (Continued)

The outstanding general obligation bonds mature as follows:

	Principal	Interest	Total
April 30, 2007	$ 2,417,964	$ 3,929,625	$ 6,347,589
April 30, 2008	3,161,215	3,894,530	7,055,745
April 30, 2009	5,177,965	6,087,042	11,265,007
April 30, 2010	3,655,000	3,456,369	7,111,369
April 30, 2011	3,900,000	3,198,589	7,098,589
April 30, 2012 - 2016	10,920,000	14,299,821	25,219,821
April 30, 2017 - 2021	13,890,000	11,779,421	25,669,421
April 30, 2022 - 2026	14,325,000	8,525,177	22,850,177
April 30, 2027 - 2031	9,430,000	5,437,814	14,867,814
April 30, 2032 - 2035	11,965,000	1,618,460	13,583,460
	$ 78,842,144	$ 62,226,848	$ 141,068,992

As a Home Rule entity, under the Illinois Constitution, the City has no statutory debt limit.

The City has entered into several special agreements with developers involving rebates of sales tax and real estate tax revenues in excess of agreed-upon floor amounts. The details of various agreements are as follows:

- The City will rebate to the developers of a project to renovate a former apartment building into an upscale apartment building in downtown Bloomington. The maximum outlay by the City will be $558,200. The outstanding liability as of April 30, 2006 is $186,067.
- The City will rebate to the redevelopers of a bank project in downtown Bloomington, the cost of improvements based on the annual real estate revenue resulting from the redevelopment. The maximum liability to the City is $400,000. The outstanding liability as of April 30, 2006 is $305,840.
- The City will rebate to developers the cost of improvements for various downtown projects. The maximum liability to the City for these projects is $2,695,610. The outstanding liability as of April 30, 2006 is $933,775.
- The City will rebate to redevelopers of the Ensenberger Building tax increment financing (TIF) revenues with an initial payment of $300,000 and the remaining paid annually over five years. The maximum liability to the City is $2,228,000. The outstanding liability as of April 30, 2006 is $1,528,000.
- The City will rebate to the developers for various economic development projects the cost of specific improvements and incremental sales tax revenue generated by the businesses on the property annually. The maximum liability to the City is $1,318,479. The outstanding liability as of April 30, 2006 is $630,583.

The payments on the bonds payable that pertain to the City’s governmental activities are made by the Debt Service Fund. The payments on the developer agreements are made by the General Fund and the Central Bloomington TIF Redevelopment Capital Project Fund. The compensated absences are liquidated by the General Fund.

Note 5. Long-Term Debt (Continued)

The City entered into two separate loan agreements with the Illinois Environmental Protection Agency both for the Drinking Water State Revolving Fund Program. The City may draw up to $7,447,292 for the program. Payment will be required each May 1 and November 1 until final repayment on April 1, 2025 on the first agreement and each June 5 and December 5 until final repayment on June 5, 2025 on the second agreement. The outstanding loan payable as of April 30, 2006 matures as follows:

	Principal	Interest	Total
April 30, 2007	$ 267,393	$ 186,147	$ 453,540
April 30, 2008	294,954	162,922	457,876
April 30, 2009	302,485	155,391	457,876
April 30, 2010	310,209	147,667	457,876
April 30, 2011	318,130	139,746	457,876
April 30, 2012 - 2016	1,716,730	572,738	2,289,468
April 30, 2017 - 2021	1,947,401	341,978	2,289,379
April 30, 2022 - 2026	1,606,806	89,690	1,696,496
	$ 6,764,108	$ 1,796,279	$ 8,560,387

Prior Year Defeasances:

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of April 30, 2006, $1,736,125 of bonds outstanding are considered defeased.

Note 6. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances as of April 30, 2006 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
General	$ 1,569,249	$ 850,984
Debt service	111,298	441,123
Nonmajor governmental funds	4,270,942	3,260,989
Internal service	37,435	-
Total governmental activities	5,988,924	4,553,096
Business-type activities:		
Water	1,050,000	1,297,123
Sewer	318,888	1,172,404
Nonmajor enterprise funds	420,629	755,818
Total business-type activities	1,789,517	3,225,345
Total	$ 7,778,441	$ 7,778,441

Note 6. Interfund Receivables and Payables (Continued)

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

	Interfund Advance Receivable	Interfund Advance Payable
Governmental activities:		
General	$ 1,925,359	$ -
Nonmajor governmental funds	444,524	596,095
Internal service	1,000,000	-
Total governmental activities	3,369,883	596,095
Business-type activities:		
Water	2,000,000	-
U.S. Cellular Coliseum	-	4,773,788
Total business-type activities	2,000,000	4,773,788
Total	$ 5,369,883	$ 5,369,883

Note 7. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
General	$ 708,136	$ 7,125,290
Debt service	2,981,617	-
U.S. Cellular Coliseum	34,165	1,098,429
Nonmajor governmental funds	5,415,749	988,947
Total governmental activities	9,139,667	9,212,666
Business-type activities:		
Water	-	533,783
Sewer	-	551,781
U.S. Cellular Coliseum	1,098,429	-
Nonmajor enterprise funds	104,740	44,606
Total business-type activities	1,203,169	1,130,170
Total	$ 10,342,836	$ 10,342,836

Note 7. Interfund Transfers (Continued)

The U.S. Cellular Coliseum commenced operations on April 1, 2006. At the point of commencement, governmental activities of the City transferred capital assets in the amount of $26,066,267 and related debt of $28,858,414 resulting in transferred net assets of ($2,792,147) which has been reported in the fund statement of revenue, expenses and changes in fund net assets and as a transfer in the government-wide statements.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8. Defined Benefit Pension Plans

Plan Descriptions and Provisions:

Illinois Municipal Retirement Fund

The City's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 9.27 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2004 was 28 years.

For December 31, 2004, the City's annual pension cost of $1,769,297 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses) (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 percent per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

Three-Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2005	$ 2,000,572	100%	$ -
December 31, 2004	1,769,297	100	-
December 31, 2003	1,486,797	100	-

Note 8. Defined Benefit Pension Plans (Continued)

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single employer pension plan. The Plan issues a stand-alone financial report which is available at City Hall, 109 East Olive Street, P.O. Box 3157, Bloomington, Illinois 61702. It is included as a Pension Trust Fund in this Comprehensive Annual Financial Report. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

The Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of fifty or more with twenty or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly 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 monthly pension shall be increased by 2.5 percent of such monthly salary for each additional year of service over twenty years up to thirty years, to a maximum of 75 percent of such monthly salary. Employees with at least eight years but less than twenty years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent simple interest annually thereafter.

Covered employees are required to contribute 9.91 percent of their base salary to the Plan. If an employee leaves covered employment with less than twenty years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the Plan is provided by a property tax levy. These tax levies are required to be of an amount necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

Annual Pension Cost and Net Pension Asset: The City's annual pension cost and net pension asset to the Police Pension Plan for the most current year (April 30, 2004) were as follows:

Annual required contributions	$ 1,518,851
Interest on net pension asset	(68,435)
Adjustments to annual required contribution	43,883
Annual pension cost	1,494,299
Annual contributions made	1,615,608
Increase in net pension asset	121,309
Net pension asset, beginning of year	912,461
Net pension asset, end of year	$ 1,033,770

Note 8. Defined Benefit Pension Plans (Continued)

The annual required contribution was determined as part of the May 1, 2004 actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at the May 1, 2004 actuarial valuation date was 29 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2005	$ 1,494,299	108.12%	$ 1,033,770
April 30, 2004	1,501,995	107.92	912,461
April 30, 2003	1,494,795	105.69	793,427

Firemen's Pension

Fire sworn personnel are covered by the Firemen's Pension Plan, which is a defined benefit single employer pension plan. The Plan issues a stand-alone financial report which is available at City Hall, 109 East Olive Street, P.O. Box 3157, Bloomington, Illinois 61702. It is included as a Pension Trust Fund in this Comprehensive Annual Financial Report. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

The Plan provides retirement as well as death and disability benefits. Employees attaining the age of fifty or more with twenty or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last date of service. The monthly pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over twenty years through thirty years, to a maximum of 75 percent of such monthly salary. Employees with at least ten years of service but less than twenty years of service may retire at or after age sixty and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 9.455 percent of their base salary to the Plan. If an employee leaves covered employment with less than twenty years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the Plan is provided by a property tax levy. These tax levies are required to be of an amount necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

Note 8. Defined Benefit Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset: The City's annual pension cost and net pension asset to the Firefighters' Pension Plan for the most current year (April 30, 2004) were as follows:

Annual required contributions	$ 1,436,424
Interest on net pension asset	(65,009)
Adjustments to annual required contribution	41,686
Annual pension cost	1,413,101
Annual contributions made	1,533,448
Increase in net pension asset	120,347
Net pension asset, beginning of year	866,786
Net pension asset, end of year	$ 987,133

The annual required contribution for the current year was determined as part of the May 1, 2004, actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at May 1, 2004 actuarial valuation date was 29 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2005	$ 1,413,101	108.52%	$ 987,133
April 30, 2004	1,377,427	108.57	866,786
April 30, 2003	1,313,451	106.76	748,619

Note 9. Leases

The City of Bloomington leases a total of 266 residential lots to various individuals under agreements expiring in 2032 and 2131. Other long-term agreements involve a lake marina which is leased through April 15, 2017 and a parking area property which is leased indefinitely. In addition, certain parking lots, parking garage spaces and various other properties are rented on a monthly or other short-term basis. All of these agreements are accounted for as operating leases.

Note 9. Leases (Continued)

A total of $75,875 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2006. The following is a schedule by years of minimum future rentals due to the City under noncancellable lease agreements in effect as of April 30, 2006:

Fiscal Year Ending April 30:	Operating
2007	$ 78,110
2008	81,969
2009	86,059
2010	90,394
2011	82,340
2012-2016	485,135
2017-2021	649,221
2022-2026	868,804
2027-2031	1,162,655
	$ 3,584,687

The assets leased have a cost of $4,933,302, accumulated depreciation of $2,046,344 and net book value of $2,886,958.

The City is a lessee for office space and a parking area. The lease was amended on October 4, 2005 requiring the City to pay $633,180 on October 1, 2006, then beginning October 1, 2007 payments of $719,509 each October 1 until October 1, 2022. The future minimum lease obligation is as follows:

Fiscal Year Ending April 30:	
2007	$ 633,180
2008	719,509
2009	719,509
2010	719,509
2011	719,509
2012-2016	3,597,545
2017-2021	3,597,545
2022-2023	1,439,018
	$ 12,145,324

Note 10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death or unforeseeable emergency. The plan has been amended to comply with IRC Section 457(b) which allowed for the plan to hold its assets in trust. Under these new requirements, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding assets are not reflected in the financial statements.

Note 11. Joint Venture

The Transit System is a joint venture between the City of Bloomington and the Town of Normal for the purpose of engaging in a wide variety of activities necessary for operation of a transit system within the corporate limits of the two governmental entities. The governing Board is divided equally between City and Town representatives. The System is funded primarily through federal and state governmental assistance. Other revenue sources include fares and contractual fees. Any deficits incurred by the System are to be made up by the City and Town in accordance with a prescribed formula. The System's financial activities, other than operating subsidies and advances from the City, are not included in the City's reporting entity.

Summarized financial information of the Bloomington-Normal Public Transit System, for the year ended June 30, 2005, is presented below:

Balance Sheet as of June 30, 2005

Current assets:		
Cash and cash equivalents	$ 4,030,898	
Accounts receivable	1,690,296	
Inventory	6,237	
Prepaid expenses	102,347	
Total current assets		$ 5,829,778
Capital assets, net		5,455,394
Total assets		$ 11,285,172
Current liabilities:		
Advances from City of Bloomington and Town of Normal	122,299	
Accounts payable, accrued expenses and other	1,759,228	
Total current liabilities		$ 1,881,527
Net assets:		
Investment in capital assets, net	5,455,394	
Restricted	3,853,141	
Unrestricted	95,110	
Total fund equity		9,403,645
Total liabilities and net assets		$ 11,285,172

Note 11. Joint Venture (Continued)

Operations for Year Ended June 30, 2005 - General Fund and Capital Project Fund

Revenues:	
General revenues	$ 87,724
Charges for services	692,676
Operating grants and contributions	3,689,099
Capital grants and contributions	2,180,973
Total revenues	6,650,472
Expenses	4,871,310
Change in net assets	1,779,162
Net assets, beginning of year	7,624,483
Net assets, end of year	$ 9,403,645

Complete financial statements for the System may be obtained at the entity's administrative offices located at 104 East Oakland Avenue, Bloomington, Illinois.

Note 12. Risk Management and Self Insurance

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City is self-insured and carries supplemental commercial insurance. The City maintains internal service funds for its self-insured employees' health insurance program, and its general liability, property and worker's compensation insurance claims. Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the fund financial statements as revenues and expenditures/expenses.

For medical claims, self-insurance is in effect up to a stop loss of $90,000 per individual occurrence. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. An independent claims administrator performs all claim handling procedures.

On October 1, 1995, the City established the Central Illinois Risk Pooling Authority (CIRPA), a blended component unit, pursuant to the provisions of the Illinois Compiled Statutes for general liability and worker's compensation claims. CIRPA has purchased commercial insurance for coverage in excess of self-insured reserve limits and for all other risks of loss. For those exposures covered by insurance policies, settled claims have not exceeded insurance coverage purchased for each of the past three fiscal years.

Note 12. Risk Management and Self Insurance (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The changes in the aggregate liabilities for claims for the years ended April 30, 2006 and 2005 are as follows:

	Employee Health Insurance		CIRPA	
	2006	2005	2006	2005
Claims payable, beginning of the year	$ 700,000	$ 709,608	$ 3,599,219	$ 3,640,829
Claims incurred and changes in accrual	3,693,926	3,449,340	2,627,440	3,055,586
Claim payments	(3,771,564)	(3,458,948)	(2,541,129)	(3,097,196)
Claims payable, end of the year	$ 622,362	$ 700,000	$ 3,685,530	$ 3,599,219

Note 13. Pre-Opening and Management Agreements

The City and Central Illinois Arena Management, Inc. (CIAM) entered into a Pre-Opening and Management Agreement which commenced February 1, 2004 through April 30, 2006. Under this agreement, CIAM agreed to assist the City in the development of the U.S. Cellular Coliseum and to facilitate the transition from development to operational. The City paid CIAM $14,300 per month for these services. In addition, the City paid CIAM a commission of five percent of gross receipts realized from sales of naming rights, suites, club seats, sponsorships and signage per the agreement. Amounts paid to CIAM under this agreement totaled $1,459,083 during the year ended April 30, 2006.

The City and CIAM entered into a Development and Management Agreement in October 2005. The term of the agreement commences on May 1, 2006 and expires 10 years subsequent to the date of the first public event held in the U.S. Cellular Coliseum. The agreement requires CIAM to negotiate a naming rights agreement, invest $1,000,000 in concession equipment, provide for sports franchises and to promote, operate and manage the U.S. Cellular Coliseum during the term of the agreement. CIAM will receive a commission of 10 percent of proceeds from sponsorship sales, suites and club seats and an annual fee representing 4 percent of gross revenues of the U.S. Cellular Coliseum as base compensation. In addition, CIAM will receive a 20 percent share of the U.S. Cellular Coliseum's net operating income. Any resale of naming rights resulting in cash and trade proceeds in excess of $200,000 per fiscal year shall be contributed to an incentive account and split evenly between the City and CIAM.

As of April 30, 2006, CIAM owed the City $1,112,573. This has been included in accounts receivable in the statement of net assets.

Note 14. Restatement

The City restated governmental activities net assets and compensated absences by $3,583,930 due to an error in the sick leave accrual calculation as of April 30, 2005. This restatement did not have a material impact on the governmental activities reported in the statement of activities for the year ended April 30, 2005.

Note 15. Commitments and Contingent Liabilities

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

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

The City has several construction contract commitments to be financed from capital projects and enterprise funds. The total outstanding construction commitments of the City as of April 30, 2006 is $30,041,584.

Note 16. New Pronouncements

As of April 30, 2006, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* issued April 2004, will be effective for the City beginning with its year ending April 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending April 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postretirement benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation,* an amendment of GASB Statement No. 34, issued December 2004, will be effective for the City beginning with its year ending April 30, 2007. This Statement establishes and modifies requirements related to restrictions of net assets resulting from enabling legislation.

GASB Statement No. 47, *Accounting for Termination Benefits,* issued June 2005, will be effective for the City with its year ending April 30, 2007. This Statement establishes accounting standards for termination benefits. In financial statements prepared on the accrual basis of accounting, employers should recognize a liability and expense for voluntary termination benefits (early retirement incentives) when the offer is accepted and the amount can be estimated. A liability for involuntary termination benefits (severance benefits) should be recognized when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees and the amount can be estimated. In financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources.

The City’s management has not yet determined the effect these Statements will have on the City’s financial statements.

City of Bloomington, Illinois

Required Supplementary Information
Illinois Municipal Retirement Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2006	12/31/2005	$ 47,313,518	$ 56,931,419	$ 9,617,901	83.11%	$ 20,289,781	47.40%
2005	12/31/2004	46,926,424	54,147,215	7,220,791	86.66	19,086,271	37.83
2004	12/31/2003	47,554,724	51,689,356	4,134,632	92.00	18,492,199	22.36
2003	12/31/2002	47,237,555	49,278,243	2,040,688	95.86	17,808,742	11.46
2002	12/31/2001	46,247,843	45,386,955	(860,888)	101.90	16,789,700	-
2001	12/31/2000	41,993,596	41,750,750	(242,846)	100.58	15,634,600	-
2000	12/31/1999	36,156,640	38,072,848	1,916,208	94.97	14,560,354	13.16

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2005	$ 2,000,572	$ 2,000,572	100.00%
12/31/2004	1,769,297	1,769,297	100.00
12/31/2003	1,486,797	1,486,797	100.00
12/31/2002	1,487,030	1,487,030	100.00
12/31/2001	1,512,752	1,512,752	100.00
12/31/2000	1,529,064	1,529,064	100.00
12/31/1999	1,509,908	1,509,908	100.00

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

> The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3% per year. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2005 was 27 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002 – 2004 experience study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

City of Bloomington, Illinois

Required Supplementary Information
Police Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2006	05/01/2005	$ 33,939,624	$ 56,756,291	$ 22,816,667	59.80%	$ 6,987,972	326.51%
2005	05/01/2004	32,352,495	53,449,052	21,096,557	60.53	6,498,943	324.62
2004	05/01/2003	28,557,244	49,554,943	20,997,699	57.63	5,993,055	350.37
2003	05/02/2002	28,841,069	46,529,753	17,688,684	61.99	6,037,774	292.97
2002	05/03/2002	29,004,064	42,383,076	13,379,012	68.43	5,444,299	245.74
2001	05/04/2002	30,033,994	39,924,283	9,890,289	75.23	5,118,223	193.24

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2005. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5% and salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2004 actuarial valuation date was 29 years.

Required Supplementary Information
Firemen's Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2006	05/01/2005	$ 31,579,001	$ 52,474,118	$ 20,895,117	60.18%	$ 5,163,224	404.69%
2005	05/01/2004	30,547,302	49,675,449	19,128,147	61.49	4,889,807	391.18
2004	05/01/2003	28,280,545	44,545,200	16,264,655	63.49	4,733,615	343.60
2003	05/01/2002	28,367,668	42,134,932	13,767,264	67.33	4,514,155	304.98
2002	05/01/2001	29,351,692	39,154,645	9,802,953	74.96	4,301,614	227.89
2001	05/01/2000	30,734,110	37,029,757	6,295,647	83.00	4,207,590	149.63

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2005. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5% and salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2004 actuarial valuation date was 29 years.

City of Bloomington, Illinois

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
General Fund
For the Year Ended April 30, 2006

	Budget Original	Budget Final	Actual	Variance
Revenues:				
Taxes	$ 51,104,964	$ 51,104,964	$ 53,247,081	$ 2,142,117
Intergovernmental	750,977	750,977	737,178	(13,799)
Licenses and permits	1,326,121	1,326,121	1,226,067	(100,054)
Charges for services	8,714,730	8,714,730	10,098,690	1,383,960
Fine and forfeitures	1,112,250	1,112,250	977,425	(134,825)
Use of money and property	302,850	302,850	811,466	508,616
Other	993,192	993,192	1,119,001	125,809
Total revenues	64,305,084	64,305,084	68,216,908	3,911,824
Expenditures:				
Current:				
General government	8,735,542	8,747,542	8,410,499	337,043
Public safety	25,274,317	27,074,317	26,803,993	270,324
Highways and streets	3,783,771	3,783,771	3,153,584	630,187
Sanitation	9,321,287	9,321,287	9,643,941	(322,654)
Culture and recreation	8,572,073	8,572,073	8,732,557	(160,484)
Debt service, principal	1,250,000	1,250,000	890,437	359,563
Capital outlay	5,821,623	7,831,223	6,176,787	1,654,436
Total expenditures	62,758,613	66,580,213	63,811,798	2,768,415
Excess of revenues over expenditures	1,546,471	(2,275,129)	4,405,110	6,680,239
Other financing sources (uses):				
Transfers in	2,879,991	2,879,991	708,136	(2,171,855)
Proceeds from sale of capital assets	39,427	39,427	28,985	(10,442)
Transfers out	(8,248,744)	(10,453,880)	(7,125,290)	3,328,590
Total other financing sources and (uses)	(5,329,326)	(7,534,462)	(6,388,169)	1,146,293
Net change in fund balance	$ (3,782,855)	$ (9,809,591)	(1,983,059)	$ 7,826,532
Fund balance, beginning of year			19,520,997	
Fund balance, end of year, budgetary basis			17,537,938	
Change in encumbrances			(737,653)	
Fund balance, end of year			$ 16,800,285	

See Note to Required Supplementary Information.

Note 1. Budgetary Basis of Accounting

Annual budgets are legally adopted and separately reported for all funds of the City of Bloomington except for the Market Square TIF Redevelopment Fund and the IHDA Grant Fund. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to February 1, the City Manager 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. All budgets are adopted on a modified accrual basis except for the following modifications:
    - ✓ Encumbrances are treated as expenditures in the year in which the purchase commitment is made.
    - ✓ Collections of special revenue fund loans, capital project fund assessments and special assessments are budgeted as revenue in the year received.
    - ✓ Special revenue fund loans are shown as expenditures when the funds are disbursed.
    - ✓ Special revenue fund disbursements which result in increases in balances of properties held for rehabilitation or development and transfers to savings accounts used for property rehabilitation purposes are shown as expenditures. Receipts from sales of these properties or transfers from the savings accounts are treated as revenues.
    - ✓ The proceeds of general obligation bond proceeds reserved for enterprise fund projects and expenditures of such monies are accounted for in a Capital Project Fund.
    - ✓ Certain operating transfers between governmental funds are budgeted as revenues and expenditures. Budgeted Governmental Fund expenditures also include capital expenditures related to proprietary fund operations.
    - ✓ In the Debt Service Fund, transfers from enterprise funds for payment of revenue-supported general obligation debt are reflected as revenue and payments of the debt and are shown as expenditures.
    - ✓ For report presentation purposes, actual revenues and expenditures and other financing sources and uses have been adjusted to incorporate these modifications with reconciliation provided.
    - ✓ Capital contributions and capital outlay from donated assets are not budgeted.
- Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
- Prior to May 1, the annual operating budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items.
- The annual budget can be amended by a two-thirds vote of the City Council. Various budget amendments were approved in this manner by the Council during the current year, and the changes are reflected in the budgetary figures included in the accompanying financial statements. The budget expenditure adjustments for the year ended April 30, 2006 were $38,803,545 in total with $6,026,736 of the adjustments charged to the General Fund.
- All appropriations lapse at year-end.

City of Bloomington, Illinois

Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2006

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Assets			
Cash and investments	$ 2,591,871	$ 46,845	$ 234,914
Receivables, net of allowance for uncollectibles:			
Taxes	-	-	-
Loans	-	-	-
Accounts	-	-	-
Due from other governmental units	290,761	-	-
Due from other funds	-	-	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	$ 2,882,632	$ 46,845	$ 234,914
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	$ 372,178	$ 10,441	$ 1,253
Due to other funds	-	-	-
Deposits	-	-	-
Deferred revenue	-	-	-
Interfund advance	-	-	-
Total liabilities	372,178	10,441	1,253
Fund balances (deficits):			
Reserved for:			
Encumbrances	1,843,137	1,825	-
Trust corpus	-	-	-
Loans	-	-	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	667,317	34,579	233,661
Total fund balances (deficits)	2,510,454	36,404	233,661
Total liabilities and fund balances (deficits)	$ 2,882,632	$ 46,845	$ 234,914

(Continued)

Special Revenue					
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant
$ 57,625	$ 2,302,601	$ 176,813	$ 5,961	$ 7,597	$ 561
-	-	-	-	-	-
-	-	-	1,084,999	-	-
-	-	-	-	694	-
-	-	-	-	-	-
-	-	-	-	630,393	-
-	-	-	-	444,524	-
-	217,093	-	-	73,035	-
-	-	-	-	285,241	-
$ 57,625	$ 2,519,694	$ 176,813	$ 1,090,960	$ 1,441,484	$ 561
$ 769	$ 142,353	$ 3,524	$ -	$ 28,402	$ -
-	138,843	-	630,393	78,797	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
769	281,196	3,524	630,393	107,199	-
-	1,132,778	720	-	-	-
-	-	-	-	-	-
-	-	-	1,084,999	-	-
-	-	-	-	444,524	-
-	217,093	-	-	73,035	-
-	-	-	-	285,241	-
56,856	888,627	172,569	(624,432)	531,485	561
56,856	2,238,498	173,289	460,567	1,334,285	561
$ 57,625	$ 2,519,694	$ 176,813	$ 1,090,960	$ 1,441,484	$ 561

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
April 30, 2006

	Special Revenue		Capital Projects
	Library	Park Dedication	Market Square TIF Redevelopment
Assets			
Cash and investments	$ 934,129	$ 3,221	$ -
Receivables, net of allowance for uncollectibles:			
Taxes	4,063,521	-	-
Loans	-	-	-
Accounts	48,809	-	-
Due from other governmental units	-	-	-
Due from other funds	-	850,000	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	$ 5,046,459	$ 853,221	$ -
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	$ 140,908	$ -	$ -
Due to other funds	41,262	-	-
Deposits	-	-	-
Deferred revenue	4,063,521	-	-
Interfund advance	-	-	596,095
Total liabilities	4,245,691	-	596,095
Fund balances (deficits):			
Reserved for:			
Encumbrances	-	9,718	-
Trust corpus	-	-	-
Loans	-	-	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	800,768	843,503	(596,095)
Total fund balances (deficits)	800,768	853,221	(596,095)
Total liabilities and fund balances (deficits)	$ 5,046,459	$ 853,221	$ -

(Continued)

Capital Projects						
Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	2003 Bond Projects	Pepsi Ice Center	Cultural District	Capital Improvements
$ 1,258,468	$ 10,099	$ -	$ 5,691,767	$ 1,053,826	$ 3,857,290	$ 2,224,186
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,100,000	-	-	-	-	-	50,000
-	-	-	-	-	-	-
-	-	-	-	-	-	2,790,549
-	-	-	-	-	-	-
-	-	-	-	8,925	-	-
-	-	-	-	-	-	-
$ 2,358,468	$ 10,099	$ -	$ 5,691,767	$ 1,062,751	$ 3,857,290	$ 5,064,735
$ 166,344	$ -	$ -	$ 165,539	$ 467,462	$ 1,443,450	$ 131,326
1,080,000	-	-	-	-	-	-
-	-	-	-	-	-	35,300
1,100,000	-	-	-	-	-	40,889
-	-	-	-	-	-	-
2,346,344	-	-	165,539	467,462	1,443,450	207,515
1,623,096	-	-	2,787,576	556,683	3,940,472	1,403,295
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	8,925	-	-
-	-	-	-	-	-	-
(1,610,972)	10,099	-	2,738,652	29,681	(1,526,632)	3,453,925
12,124	10,099	-	5,526,228	595,289	2,413,840	4,857,220
$ 2,358,468	$ 10,099	$ -	$ 5,691,767	$ 1,062,751	$ 3,857,290	$ 5,064,735

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
April 30, 2006

	Capital Projects	Permanent	
	Library Expansion	J.M. Scott	Total
Assets			
Cash and investments	$ 402,426	$ 8,173,346	$ 29,033,546
Receivables, net of allowance for uncollectibles:			
Taxes	-	-	4,063,521
Loans	-	-	1,084,999
Accounts	-	-	1,199,503
Due from other governmental units	-	-	290,761
Due from other funds	-	-	4,270,942
Interfund advances	-	-	444,524
Prepaid items	-	-	299,053
Properties held for resale	-	-	285,241
Total assets	$ 402,426	$ 8,173,346	$ 40,972,090
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	$ 507,517	$ 91,067	$ 3,672,533
Due to other funds	1,290,000	1,694	3,260,989
Deposits	-	-	35,300
Deferred revenue	-	-	5,204,410
Interfund advance	-	-	596,095
Total liabilities	1,797,517	92,761	12,769,327
Fund balances (deficits):			
Reserved for:			
Encumbrances	1,134,496	2,499	14,436,295
Trust corpus	-	5,402,151	5,402,151
Loans	-	-	1,084,999
Interfund advances	-	-	444,524
Prepaid items	-	-	299,053
Property held for resale	-	-	285,241
Unreserved, undesignated	(2,529,587)	2,675,935	6,250,500
Total fund balances (deficits)	(1,395,091)	8,080,585	28,202,763
Total liabilities and fund balances (deficits)	$ 402,426	$ 8,173,346	$ 40,972,090

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City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended April 30, 2006

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Revenues:			
Taxes	$ -	$ -	$ -
Intergovernmental	2,259,090	111,531	586,540
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	111,180	-	-
Other, primarily contributions	162,799	40,898	49
Total revenues	2,533,069	152,429	586,589
Expenditures:			
Current:			
General government	-	-	538,025
Highways and streets	4,878,080	-	-
Health and welfare	-	-	-
Culture and recreation	-	293,662	-
Community development	-	-	-
Public safety	-	-	-
Debt service:			
Principal retirement	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
Total expenditures	4,878,080	293,662	538,025
Excess of revenues over (under) expenditures	(2,345,011)	(141,233)	48,564
Other financing sources (uses):			
Transfers in	-	167,297	-
Issuance of long-term debt	-	-	-
Premium on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	-	(50)	-
Total other financing sources (uses)	-	167,247	-
Net change in fund balances	(2,345,011)	26,014	48,564
Fund balances (deficits), beginning of year	4,855,465	10,390	185,097
Fund balances (deficits), end of year	$ 2,510,454	$ 36,404	$ 233,661

(Continued)

Special Revenue					
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant
$ -	$ 1,550,000	$ -	$ -	$ -	$ -
9,600	-	10,697	-	1,173,180	-
-	1,289	27,457	-	4,750	-
-	-	58,331	-	-	-
-	61,222	50	1,926	-	-
25,730	6,408	1,125	-	16,487	-
35,330	1,618,919	97,660	1,926	1,194,417	-
19,798	731,655	44,560	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,391,218	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,798	731,655	44,560	-	1,391,218	-
15,532	887,264	53,100	1,926	(196,801)	-
9,600	25,671	-	53,462	144,921	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	469,722	-
-	(158,424)	-	(137,250)	(61,133)	-
9,600	(132,753)	-	(83,788)	553,510	-
25,132	754,511	53,100	(81,862)	356,709	-
31,724	1,483,987	120,189	542,429	977,576	561
$ 56,856	$ 2,238,498	$ 173,289	$ 460,567	$ 1,334,285	$ 561

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended April 30, 2006

	Special Revenue		Capital Projects
	Library	Park Dedication	Market Square TIF Redevelopment
Revenues:			
Taxes	$ 4,050,432	$ -	$ -
Intergovernmental	95,316	117,155	-
Charges for services	56,847	-	-
Fines and forfeitures	-	-	-
Use of money and property	66,993	-	-
Other, primarily contributions	262,186	174,444	-
Total revenues	4,531,774	291,599	-
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Culture and recreation	3,937,769	36,611	-
Community development	-	-	-
Debt service:			-
Principal retirement	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
Total expenditures	3,937,769	36,611	-
Excess of revenues over (under) expenditures	594,005	254,988	-
Other financing sources (uses):			
Transfers in	197,918	50,000	-
Issuance of long-term debt	-	-	-
Premium on long-term debt	-	-	-
Proceeds from sale of capital assets	25	-	-
Transfers out	(597,918)	-	-
Total other financing sources (uses)	(399,975)	50,000	-
Net change in fund balances	194,030	304,988	-
Fund balances (deficits), beginning of year	606,738	548,233	(596,095)
Fund balances (deficits), end of year	$ 800,768	$ 853,221	$ (596,095)

(Continued)

Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	2003 Bond Projects	Pepsi Ice Center	Cultural District
	Capital Projects				
$ 1,056,064	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	250,668	97,731	153,920
-	-	-	-	-	-
1,056,064	-	-	250,668	97,731	153,920
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,455,769	9,109,023
2,663,330	817,474	-	2,227,631	-	-
1,064,468	-	-	-	-	-
-	-	-	-	-	127,674
-	-	-	-	-	-
3,727,798	817,474	-	2,227,631	3,455,769	9,236,697
(2,671,734)	(817,474)	-	(1,976,963)	(3,358,038)	(9,082,777)
-	-	-	-	-	-
2,228,000	-	-	-	-	9,682,859
-	-	-	-	-	93,628
-	-	-	-	-	-
-	-	(7)	-	-	-
2,228,000	-	(7)	-	-	9,776,487
(443,734)	(817,474)	(7)	(1,976,963)	(3,358,038)	693,710
455,858	827,573	7	7,503,191	3,953,327	1,720,130
$ 12,124	$ 10,099	$ -	$ 5,526,228	$ 595,289	$ 2,413,840

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended April 30, 2006

	Capital Projects		Permanent	
	Capital Improvements	Library Expansion	J.M. Scott	Total
Revenues:				
Taxes	$ -	$ -	$ -	$ 6,656,496
Intergovernmental	518,242	-	-	4,881,351
Charges for services	-	-	-	90,343
Fines and forfeitures	-	-	-	58,331
Use of money and property	-	-	427,896	1,171,586
Other, primarily contributions	459,526	-	404,784	1,554,436
Total revenues	977,768	-	832,680	14,412,543
Expenditures:				
Current:				
General government	-	-	-	1,334,038
Highways and streets	-	-	-	4,878,080
Health and welfare	-	-	324,525	324,525
Culture and recreation	-	1,777,091	-	18,609,925
Community development	-	-	-	7,099,653
Debt service:				
Principal retirement	-	-	-	1,064,468
Bond issuance costs	-	-	-	127,674
Capital outlay	3,049,901	-	-	3,049,901
Total expenditures	3,049,901	1,777,091	324,525	36,488,264
Excess of revenues over (under) expenditures	(2,072,133)	(1,777,091)	508,155	(22,075,721)
Other financing sources (uses):				
Transfers in	4,366,880	400,000	-	5,415,749
Issuance of long-term debt	-	-	-	11,910,859
Premium on long-term debt	-	-	-	93,628
Proceeds from sale of capital assets	-	-	-	469,747
Transfers out	(34,165)	-	-	(988,947)
Total other financing sources (uses)	4,332,715	400,000	-	16,901,036
Net change in fund balances	2,260,582	(1,377,091)	508,155	(5,174,685)
Fund balances (deficits), beginning of year	2,596,638	(18,000)	7,572,430	33,377,448
Fund balances (deficits), end of year	$ 4,857,220	$ (1,395,091)	$ 8,080,585	$ 28,202,763

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City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual
For the Year Ended April 30, 2006

	Special Revenue			
	Motor Fuel Tax		Special Olympics and Recreation	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	4,086,000	2,259,090	111,531	111,531
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	50,000	111,180	-	-
Other, primarily contributions	640,000	162,799	33,000	40,898
Total revenues	4,776,000	2,533,069	144,531	152,429
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	6,630,000	3,119,664	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	311,754	295,487
Community development	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,630,000	3,119,664	311,754	295,487
Excess (deficiency) of revenues over (under) expenditures	(1,854,000)	(586,595)	(167,223)	(143,058)
Other financing sources (uses):				
Transfers in	-	-	167,297	167,297
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	74	(50)
Total other financing sources (uses)	-	-	167,371	167,247
Net change in fund balances	$ (1,854,000)	(586,595)	$ 148	24,189
Fund balances (deficits), beginning of year		4,855,465		10,390
Fund balances (deficits), end of year, budgetary basis		4,268,870		34,579
Change in encumbrances		(1,758,416)		1,825
Fund balances (deficits), end of year		$ 2,510,454		$ 36,404

(Continued)

	Special Revenue					
	Board of Elections		Sister City Program		Cultural District	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
	$ -	$ -	$ -	$ -	$ 1,550,000	$ 1,550,000
	337,544	586,540	9,600	9,600	-	-
	-	-	-	-	900,000	1,289
	-	-	-	-	-	-
	-	-	-	-	15,000	61,222
	500	49	29,460	25,730	-	6,408
	338,044	586,589	39,060	35,330	2,465,000	1,618,919
	538,044	538,025	48,634	19,798	2,681,271	1,864,433
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	538,044	538,025	48,634	19,798	2,681,271	1,864,433
	(200,000)	48,564	(9,574)	15,532	(216,271)	(245,514)
	-	-	9,600	9,600	25,671	25,671
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(25,671)	(158,424)
	-	-	9,600	9,600	-	(132,753)
	$ (200,000)	48,564	$ 26	25,132	$ (216,271)	(378,267)
		185,097		31,724		1,483,987
		233,661		56,856		1,105,720
		-		-		1,132,778
		$ 233,661		$ 56,856		$ 2,238,498

City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
For the Year Ended April 30, 2006

	Special Revenue			
	Drug Enforcement		Residential/Rehabilitation Escrow	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	1,500	10,697	-	-
Charges for services	18,000	27,457	-	-
Fines and forfeitures	30,300	58,331	-	-
Use of money and property	-	50	3,000	1,926
Other, primarily contributions	-	1,125	60,000	-
Total revenues	49,800	97,660	63,000	1,926
Expenditures:				
Current:				
General government	75,000	45,280	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	75,000	45,280	-	-
Excess (deficiency) of revenues over (under) expenditures	(25,200)	52,380	63,000	1,926
Other financing sources (uses):				
Transfers in	-	-	-	53,462
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	(137,250)	(137,250)
Total other financing sources (uses)	-	-	(137,250)	(83,788)
Net change in fund balances	$ (25,200)	52,380	$ (74,250)	(81,862)
Fund balances (deficits), beginning of year		120,189		542,429
Fund balances (deficits), end of year, budgetary basis		172,569		460,567
Change in encumbrances		720		-
Fund balances (deficits), end of year		$ 173,289		$ 460,567

(Continued)

Special Revenue					
Community Development		Park Dedication		Library	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
$ -	$ -	$ -	$ -	$ 4,008,740	$ 4,050,432
1,183,747	1,173,180	-	117,155	91,010	95,316
5,000	4,750	-	-	48,100	56,847
-	-	-	-	-	-
-	-	-	-	21,700	66,993
1,100	16,487	50,000	174,444	305,300	262,186
1,189,847	1,194,417	50,000	291,599	4,474,850	4,531,774
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-		90,000	17,855	4,567,491	3,937,769
1,477,847	1,179,407	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,477,847	1,179,407	90,000	17,855	4,567,491	3,937,769
(288,000)	15,010	(40,000)	273,744	(92,641)	594,005
70,500	144,921	-	50,000	197,918	197,918
-	-	-	-	-	-
-	-	-	-	-	-
95,000	469,722	-	-	1,300	25
(7,500)	(61,133)	-	-	(197,918)	(597,918)
158,000	553,510	-	50,000	1,300	(399,975)
$ (130,000)	568,520	$ (40,000)	323,744	$ (91,341)	194,030
	977,576		548,233		606,738
	1,546,096		871,977		800,768
	(211,811)		(18,756)		-
	$ 1,334,285		$ 853,221		$ 800,768

City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
For the Year Ended April 30, 2006

	Capital Projects			
	Central Bloomington TIF Redevelopment		1991 Southeast Improvement Bond	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	$ 935,000	$ 1,056,064	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Other, primarily contributions	39,286	-	-	-
Total revenues	974,286	1,056,064	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	365,000	4,173,353	1,400,000	648
Debt service:				
Principal retirement	2,750,000	1,064,468	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	3,115,000	5,237,821	1,400,000	648
Excess (deficiency) of revenues over (under) expenditures	(2,140,714)	(4,181,757)	(1,400,000)	(648)
Other financing sources (uses):				
Transfers in	-	-	-	-
Issuance of long-term debt	-	2,228,000	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	2,228,000	-	-
Net change in fund balances	$ (2,140,714)	(1,953,757)	$ (1,400,000)	(648)
Fund balances (deficits), beginning of year		455,858		827,573
Fund balances (deficits), end of year, budgetary basis		(1,497,899)		826,925
Change in encumbrances		1,510,023		(816,826)
Fund balances (deficits), end of year		$ 12,124		$ 10,099

(Continued)

Capital Projects					
1995 Southwest Development		2003 Bond Projects		Pepsi Ice Center	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	250,668	-	97,731
-	-	195,000	-	-	-
-	-	195,000	250,668	-	97,731
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,800,000	878,830
-	-	7,005,000	4,507,846	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	7,005,000	4,507,846	3,800,000	878,830
-	-	(6,810,000)	(4,257,178)	(3,800,000)	(781,099)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(8)	(7)	-	-	-	-
(8)	(7)	-	-	-	-
$ (8)	(7)	$ (6,810,000)	(4,257,178)	$ (3,800,000)	(781,099)
	7		7,503,191		3,953,327
	-		3,246,013		3,172,228
	-		2,280,215		(2,576,939)
	$ -		$ 5,526,228		$ 595,289

City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
For the Year Ended April 30, 2006

	Capital Projects			
	Cultural District		Capital Improvements	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	400,000	518,242
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	153,920	-	-
Other, primarily contributions	-	-	90,000	459,526
Total revenues	-	153,920	490,000	977,768
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	12,550,000	1,471,606	-	-
Community development	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond issuance costs	-	127,674	-	-
Capital outlay	-	-	6,527,000	3,479,056
Total expenditures	12,550,000	1,599,280	6,527,000	3,479,056
Excess (deficiency) of revenues over (under) expenditures	(12,550,000)	(1,445,360)	(6,037,000)	(2,501,288)
Other financing sources (uses):				
Transfers in	-	-	4,366,873	4,366,880
Issuance of long-term debt	9,900,000	9,682,859	-	-
Premium on long-term debt	-	93,628	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	(34,165)
Total other financing sources (uses)	9,900,000	9,776,487	4,366,873	4,332,715
Net change in fund balances	$ (2,650,000)	8,331,127	$ (1,670,127)	1,831,427
Fund balances (deficits), beginning of year		1,720,130		2,596,638
Fund balances (deficits), end of year, budgetary basis		10,051,257		4,428,065
Change in encumbrances		(7,637,417)		429,155
Fund balances (deficits), end of year		$ 2,413,840		$ 4,857,220

Capital Projects		Permanent	
Library Expansion		J.M. Scott Health Care Trust	
Final Budget	Actual	Final Budget	Actual
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	50,000	427,896
-	-	362,000	404,784
-	-	412,000	832,680
-	-	-	-
-	-	-	-
-	-	412,000	326,808
2,950,000	2,911,586	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,950,000	2,911,586	412,000	326,808
(2,950,000)	(2,911,586)	-	505,872
-	400,000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	400,000	-	-
$ (2,950,000)	(2,511,586)	$ -	505,872
	(18,000)		7,572,430
	(2,529,586)		8,078,302
	1,134,495		2,283
	$ (1,395,091)		$ 8,080,585

City of Bloomington, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
Debt Service Fund
For the Year Ended April 30, 2006

	Final	Actual
Revenues:		
Taxes	$ 2,729,187	$ 3,173,254
Use of money and property	-	29,969
Total revenues	2,729,187	3,203,223
Expenditures:		
Debt Service:		
Principal	2,335,000	2,414,649
Interest and fiscal agent fees	3,374,914	3,278,319
Total expenditures	5,709,914	5,692,968
(Deficiency) of revenues over expenditures	(2,980,727)	(2,489,745)
Other financing sources (uses):		
Transfers in	3,430,959	2,981,617
Issuance of long-term debt	-	217,141
Payment to refunded bond escrow agent	(100,000)	-
Total other financing sources (uses)	3,330,959	3,198,758
Net change in fund balance	$ 350,232	709,013
Fund balance, beginning of year		6,717,153
Fund balance, end of year, budgetary basis		7,426,166
Change in encumbrances		-
Fund balance, end of year		$ 7,426,166

City of Bloomington, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
U.S. Cellular Coliseum Capital Project Fund
For the Year Ended April 30, 2006

	Final	Actual
Revenues:		
Intergovernmental	$ 1,350,000	$ -
Use of money and property	-	451,800
Total revenues	1,350,000	451,800
Expenditures, culture and recreation	21,300,000	4,688,102
(Deficiency) of revenues over expenditures	(19,950,000)	(4,236,302)
Other financing sources (uses):		
Transfer in	-	34,165
Transfer out	-	(1,098,429)
Total other financing sources and uses	-	(1,064,264)
Net change in fund balance	$ (19,950,000)	(5,300,566)
Fund balance, beginning of year		17,735,620
Fund balance, end of year, budgetary basis		12,435,054
Change in encumbrances		(14,720,036)
Fund balance, end of year		$ (2,284,982)

City of Bloomington, Illinois

Combining Balance Sheet
Nonmajor Enterprise Funds
April 30, 2006

Assets	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Current assets:			
Cash and investments	$ 350,170	$ 80,026	$ 430,196
Accounts receivable, net of allowance for uncollectibles	40,422	352,139	392,561
Due from other funds	-	420,629	420,629
Prepaid items and other assets	38,146	132,625	170,771
Total current assets	428,738	985,419	1,414,157
Noncurrent assets:			
Land	290,440	201,171	491,611
Construction-in-progress	52,841	297,708	350,549
Other depreciable capital assets, net of accumulated depreciation	6,073,971	2,088,504	8,162,475
Total capital assets, net of depreciation	6,417,252	2,587,383	9,004,635
Bond issuance costs	14,106	-	14,106
Bond discounts	17,203	-	17,203
Total noncurrent assets	6,448,561	2,587,383	9,035,944
Total assets	$ 6,877,299	$ 3,572,802	$ 10,450,101
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$ 322,691	$ 13,054	$ 335,745
Compensated absences	14,075	7,599	21,674
Due to other funds	623,194	132,624	755,818
Deposits	12,330	-	12,330
Current maturities of long-term debt	61,052	-	61,052
Total current liabilities	1,033,342	153,277	1,186,619
Noncurrent liabilities:			
Compensated absences	25,210	-	25,210
General obligation bonds payable	3,093,325	-	3,093,325
	3,118,535	-	3,118,535
Net assets (deficits):			
Invested in capital assets, net of related debt	3,626,095	2,587,383	6,213,478
Unrestricted	(900,673)	832,142	(68,531)
Total net assets (deficits)	2,725,422	3,419,525	6,144,947
Total liabilities and net assets (deficits)	$ 6,877,299	$ 3,572,802	$ 10,450,101

City of Bloomington, Illinois

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended April 30, 2006

	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Operating revenues, charges for services	$ 881,386	$ 2,661,831	$ 3,543,217
Operating expenses:			
Personal services	396,466	599,533	995,999
Contractual services	462,962	141,144	604,106
Commodities	35,384	897,809	933,193
Depreciation	131,985	61,891	193,876
Total operating expenses	1,026,797	1,700,377	2,727,174
Operating income (loss)	(145,411)	961,454	816,043
Nonoperating revenues (expenses):			
Investment earnings	45,198	-	45,198
Loss on disposal of capital assets	(11,994)	-	(11,994)
Other income	55	94,099	94,154
Other expense, primarily interest expense	(17,762)	-	(17,762)
Total nonoperating revenues (expenses)	15,497	94,099	109,596
Income (loss) before transfers and capital contributions	(129,914)	1,055,553	925,639
Transfers in	104,740	-	104,740
Transfers out	-	(44,606)	(44,606)
Capital contributions	-	200,451	200,451
Total transfers and capital contributions	104,740	155,845	260,585
Change in net assets	(25,174)	1,211,398	1,186,224
Total net assets, beginning of year	2,750,596	2,208,127	4,958,723
Total net assets, end of year	$ 2,725,422	$ 3,419,525	$ 6,144,947

City of Bloomington, Illinois

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended April 30, 2006

	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	$ 874,405	$ 2,602,583	$ 3,476,988
Payments to suppliers	(204,793)	(1,072,705)	(1,277,498)
Payments to employees	(367,740)	(595,702)	(963,442)
Net cash provided by operating activities	301,872	934,176	1,236,048
Cash flows from noncapital financing activities:			
Proceeds from (to) interfund accounts	188,359	(250,689)	(62,330)
Other nonoperating income	55	94,099	94,154
Other nonoperating (expense)	(16,022)	-	(16,022)
Net cash provided by (used in) noncapital financing activities	172,392	(156,590)	15,802
Cash flows from capital and related financing activities:			
Purchase of capital assets	(3,176,528)	(705,881)	(3,882,409)
Payments on loan	(20,351)	-	(20,351)
Net cash used in capital and related financing activities	(3,196,879)	(705,881)	(3,902,760)
Cash flows from investing activities:			
Interest and dividends received	45,198	-	45,198
Proceeds from sale and maturity of investments	2,660,414	-	2,660,414
Net cash provided by investing activities	2,705,612	-	2,705,612
Increase (decrease) in cash and cash equivalents	(17,003)	71,705	54,702
Cash and cash equivalents, beginning of year	35,262	8,321	43,583
Cash and cash equivalents, end of year	$ 18,259	$ 80,026	$ 98,285
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (145,411)	$ 961,454	$ 816,043
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	131,985	61,891	193,876
Change in assets and liabilities:			
Receivables	(2,936)	(59,248)	(62,184)
Prepaid items and other assets	(10,321)	(30,305)	(40,626)
Accounts payable and accrued expenses	304,970	(1,980)	302,990
Deposits	(4,045)	-	(4,045)
Compensated absences	27,630	2,364	29,994
Net cash provided by (used in) operating activities	$ 301,872	$ 934,176	$ 1,236,048
Schedule of noncash items, capital and related financing activities:			
Contribution of capital assets	$ -	$ 200,451	$ 200,451
Amortization	1,740	-	1,740

City of Bloomington, Illinois

Combining Statement of Net Assets
Internal Service Funds
April 30, 2006

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Assets			
Cash and investments	$ 73,491	$ 3,076,982	$ 3,150,473
Accounts receivable, net of allowance for uncollectibles	-	964,572	964,572
Accrued interest	-	9,024	9,024
Due from other funds	37,435	-	37,435
Interfund advances	1,000,000	-	1,000,000
Prepaid items and other assets	-	495,768	495,768
Total assets	$ 1,110,926	$ 4,546,346	$ 5,657,272
Liabilities and Net Assets			
Accounts payable and accrued expenses	$ 5,736	$ 8,957	$ 14,693
Claims payable	622,362	3,685,530	4,307,892
Unearned revenue	192,618	1,586,250	1,778,868
Total liabilities	820,716	5,280,737	6,101,453
Net assets (deficit), unrestricted	290,210	(734,391)	(444,181)
Total liabilities and net assets (deficit)	$ 1,110,926	$ 4,546,346	$ 5,657,272

City of Bloomington, Illinois

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)
Internal Service Funds
For the Fiscal Year Ended April 30, 2006

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Operating revenues, charges for services	$ 6,987,627	$ 3,534,167	$ 10,521,794
Operating expenses:			
Contractual services	2,530,969	-	2,530,969
Other charges, claims	3,693,926	4,140,604	7,834,530
Total operating expenses	6,224,895	4,140,604	10,365,499
Operating income (loss)	762,732	(606,437)	156,295
Nonoperating income, investment earnings	50	160,546	160,596
Change in net assets	762,782	(445,891)	316,891
Net assets (deficit), beginning	(472,572)	(288,500)	(761,072)
Net assets (deficit), ending	$ 290,210	$ (734,391)	$ (444,181)

City of Bloomington, Illinois

Combining Statement of Cash Flows
Internal Service Funds
For The Fiscal Year Ended April 30, 2006

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Cash flows from operating activities:			
Receipts from customers and users	$ 7,034,396	$ 3,796,376	$ 10,830,772
Payments to claimants	(3,771,564)	(2,541,129)	(6,312,693)
Payments for contractual services	(2,532,171)	(1,395,638)	(3,927,809)
Net cash provided by (used in) operating activities	730,661	(140,391)	590,270
Cash flows from noncapital financing activities, payments from interfund accounts	(999,862)	-	(999,862)
Cash flows from investing activities:			
Interest and dividends received	50	141,293	141,343
Purchase of investments	-	(3,539,000)	(3,539,000)
Sale of investments	-	3,732,192	3,732,192
Net cash provided by investing activities	50	334,485	334,535
Increase (decrease) in cash and cash equivalents	(269,151)	194,094	(75,057)
Cash and cash equivalents, beginning of year	342,642	176,130	518,772
Cash and cash equivalents, end of year	$ 73,491	$ 370,224	$ 443,715
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 762,732	$ (606,437)	$ 156,295
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables	-	(258,624)	(258,624)
Prepaid items and other assets	-	108,569	108,569
Accounts payable and accrued expenses	(1,202)	(12,343)	(13,545)
Claims payable	(77,638)	107,611	29,973
Unearned revenue	46,769	520,833	567,602
Net cash provided by (used in) operating activities	$ 730,661	$ (140,391)	$ 590,270
Schedule of noncash items, investing activities, net appreciation in fair value of investments	$ -	$ 23,196	$ 23,196

City of Bloomington, Illinois

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2006

	Police Pension	Firemen's Pension	Total
Assets:			
Cash	$ 969,320	$ 746,618	$ 1,715,938
Investments:			
U.S. government securities	11,872,255	4,692,105	16,564,360
U.S. government agencies and corporations	2,464,143	3,321,003	5,785,146
IPPFA real estate	965,823	-	965,823
Annuities - fixed	1,929,029	2,447,044	4,376,073
Annuities - variable	-	12,315,842	12,315,842
Money market mutual funds	-	1,140,266	1,140,266
Mutual funds	10,614,040	7,950,331	18,564,371
Stocks	7,124,622	-	7,124,622
Receivables:			
Employer	1,826,840	1,726,093	3,552,933
Employee	-	20,470	20,470
Accrued interest	294,259	51,671	345,930
Total assets	38,060,331	34,411,443	72,471,774
Liabilities, accounts payable	15,913	2,466	18,379
Net assets, held in trust for pension benefits	$ 38,044,418	$ 34,408,977	$ 72,453,395

City of Bloomington, Illinois

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Fiscal Year Ended April 30, 2006

	Police Pension	Firemen's Pension	Total
Additions:			
Contributions:			
Employer	$ 1,953,492	$ 1,851,299	$ 3,804,791
Active members	717,417	510,024	1,227,441
Other sources	325,056	-	325,056
Total contributions	2,995,965	2,361,323	5,357,288
Net investment income:			
Net appreciation in fair value of investments	2,557,900	2,454,386	5,012,286
Interest	732,564	265,530	998,094
Dividends	361,139	167,801	528,940
Total investment income	3,651,603	2,887,717	6,539,320
Less investment expense	67,738	-	67,738
Net investment income	3,583,865	2,887,717	6,471,582
Total additions	6,579,830	5,249,040	11,828,870
Deductions:			
Benefits	2,391,447	2,370,644	4,762,091
Refund of contributions	20,810	2,000	22,810
Administrative expenses	62,778	46,420	109,198
Total deductions	2,475,035	2,419,064	4,894,099
Change in net assets	4,104,795	2,829,976	6,934,771
Net assets held in trust for benefits, beginning of year	33,939,623	31,579,001	65,518,624
Net assets held in trust for benefits, end of year	$ 38,044,418	$ 34,408,977	$ 72,453,395

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Statistical Section
Contents

The statistical section of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City’s overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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City of Bloomington, Illinois

Net Assets By Component
Last Four Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	$ 101,340,822	$ 102,956,350	$ 80,134,161	$ 129,599,203
Restricted	5,402,151	5,402,151	5,402,151	5,402,151
Unrestricted	24,573,968	36,621,181	69,762,181	30,103,658
Total governmental activities net assets	$ 131,316,941	$ 144,979,682	$ 155,298,493	$ 165,105,012
Business-type activities:				
Invested in capital assets, net of related debt	$ 115,691,264	$ 121,523,887	$ 121,814,898	$ 129,681,276
Unrestricted	3,596,404	1,366,819	5,338,425	(2,228,945)
Total business-type activities net assets	$ 119,287,668	$ 122,890,706	$ 127,153,323	$ 127,452,331
Primary government:				
Invested in capital assets, net of related debt	$ 217,032,086	$ 224,480,237	$ 201,949,059	$ 259,280,479
Restricted	5,402,151	5,402,151	5,402,151	5,402,151
Unrestricted	28,170,372	37,988,000	75,100,606	27,874,713
Total primary government net assets	$ 250,604,609	$ 267,870,388	$ 282,451,816	$ 292,557,343

GASB Statement No. 34 Implemented in Fiscal Year 2003

City of Bloomington, Illinois

Changes In Net Assets
Last Four Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Expenses:				
Governmental activities:				
General government	$ 11,492,732	$ 11,863,297	$ 9,315,837	$ 8,522,974
Public safety	18,411,111	18,816,277	22,632,094	26,344,845
Highway and streets	11,789,502	12,881,016	11,228,589	9,384,880
Sanitation	8,098,356	8,221,203	9,603,786	10,195,565
Health and welfare	344,003	372,700	333,600	321,696
Culture and recreation	12,020,505	12,391,433	13,253,966	18,305,653
Community development	2,097,137	3,601,348	3,875,334	6,756,891
Interest on long-term debt	1,322,768	1,371,371	3,429,408	2,966,747
Total governmental activities expenses	65,576,114	69,518,645	73,672,614	82,799,251
Business-type activities:				
Water	9,193,747	8,971,757	8,986,194	10,531,819
Sewer	2,238,765	2,581,981	2,423,695	2,607,931
Parking	618,427	1,028,987	1,080,682	1,054,418
U.S Cellular Coliseum	-	49,159	462,974	3,084,480
Stormwater	-	-	844,984	1,708,820
Total business-type activities expenses	12,050,939	12,631,884	13,798,529	18,987,468
Total primary government expenses	77,627,053	82,150,529	87,471,143	101,786,719
Program revenue:				
Governmental activities:				
Charges for services:				
General government	4,041,612	4,573,663	6,360,215	6,889,902
Public safety	1,320,738	1,195,762	1,240,643	2,269,302
Highway and streets	43,635	44,479	290,843	302,484
Culture and recreation	3,231,038	3,295,253	3,828,057	3,849,409
Operating grants and contributions:				
General government	1,117,843	2,022,589	1,643,091	1,541,092
Public safety	373,198	238,157	115,913	430,063
Highway and streets	121,005	-	-	2,355,285
Culture and recreation	1,303,161	2,016,740	121,005	108,909
Community development	-	1,047,303	1,281,005	1,183,180
Capital grants and contributions:				
Public safety	-	-	-	9,375
Highway and streets	1,316,953	4,125,266	4,651,148	4,807,027
Community development	-	-	-	19,011
Total governmental activities program revenue	12,869,183	18,559,212	19,531,920	23,765,039
Business-type activities:				
Charges for services:				
Water	11,457,577	11,929,664	11,762,235	12,864,096
Sewer	2,212,244	2,186,887	2,165,669	2,317,337
Parking	781,186	656,059	737,942	881,386
U.S. Cellular Coliseum	-	-	-	484,031
Stormwater management	-	-	1,391,849	2,661,831
Operating grants and contributions:				
Water	-	-	590,681	-
Sewer			287,763	-
Stormwater management	-	-	31,991	-
Capital grants and contributions:				
Water	-	1,129,220	702,910	775,909
Sewer	-	1,107,822	546,457	1,036,379
Stormwater management	-	-	158,186	200,451
Total business-type activities program revenues	14,451,007	17,009,652	18,375,683	21,221,420
Total primary government program revenues	27,320,190	35,568,864	37,907,603	44,986,459

(Continued)

City of Bloomington, Illinois

Changes In Net Assets (Continued)
Last Four Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Net (expense) revenue:				
Governmental activities	$ (52,706,931)	$ (50,959,433)	$ (54,140,694)	$ (59,034,212)
Business-type activities	2,400,068	4,377,768	4,577,154	2,233,952
Total primary government net expense	(50,306,863)	(46,581,665)	(49,563,540)	(56,800,260)
General revenues and other changes in net assets				
Governmental activities:				
Taxes:				
Property taxes	13,392,139	14,781,434	15,523,328	16,628,517
Franchise taxes	871,301	880,155	908,809	984,688
Sales taxes	15,876,621	12,921,369	13,714,717	15,296,099
Home rule sales tax	-	-	11,212,571	11,859,024
Utility taxes	-	5,209,817	5,478,337	5,492,035
Income taxes	-	3,909,506	4,515,877	5,012,999
Food and beverage	-	-	3,184,108	3,330,564
Other taxes	30,206,186	19,954,451	4,214,587	5,734,824
Investment earnings	(365,542)	1,983,582	1,490,494	2,625,417
Miscellaneous	1,982,066	3,496,999	3,790,779	67,909
Transfers	1,539,067	1,484,861	425,898	2,673,437
Capital contributions	4,628,564	-	-	2,719,148
Total governmental activities	68,130,402	64,622,174	64,459,505	72,424,661
Business-type activities:				
Investment earnings	8,346	7,973	43,062	59,570
Miscellaneous	682,980	702,158	68,299	724,634
Transfers	(1,539,067)	(1,484,861)	(425,898)	(2,719,148)
Capital contributions	2,286,186	-	-	-
Total business-type activities	1,438,445	(774,730)	(314,537)	(1,934,944)
Total primary government	69,568,847	63,847,444	64,144,968	70,489,717
Changes in net assets:				
Governmental activities	15,423,471	13,662,741	10,318,811	13,390,449
Business-type activities	3,838,513	3,603,038	4,262,617	299,008
Total primary government	$ 19,261,984	$ 17,265,779	$ 14,581,428	$ 13,689,457

City of Bloomington, Illinois

Changes In Fund Balances, Governmental Funds
Last Four Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2003	2004	2005	2006
Revenues:				
Taxes	$ 51,351,777	$ 51,692,304	$ 58,742,153	$ 63,076,831
Intergovernmental	10,819,977	11,242,773	5,279,616	5,618,529
Licenses and permits	1,261,416	1,220,639	1,230,803	1,226,067
Charges for services	6,154,225	7,052,141	8,233,718	10,189,033
Fines and forfeitures	790,549	836,377	961,790	1,035,756
Use of money and property	92,462	1,404,675	1,530,738	2,464,821
Other	2,112,820	3,450,556	2,122,887	2,673,437
Total revenues	72,583,226	76,899,465	78,101,705	86,284,474
Expenditures:				
General government	10,858,251	9,717,458	8,341,534	9,066,044
Public safety	17,764,701	21,208,982	23,132,980	26,886,389
Highways and streets	4,715,143	7,848,841	5,379,132	8,693,929
Sanitation	7,691,902	9,306,027	9,269,284	10,279,429
Health and welfare	341,489	372,180	333,432	324,525
Culture and recreation	10,936,750	12,757,737	24,031,900	46,786,617
Community development	2,059,672	3,817,235	4,033,837	7,099,653
Capital outlay	14,213,928	6,803,445	3,770,612	9,226,688
Debt service:				
Principal	4,137,793	4,522,146	3,545,586	4,369,554
Bond issuance costs	-	-	335,977	127,674
Interest	1,200,066	1,053,574	2,459,702	3,278,319
Total expenditures	73,919,695	77,407,625	84,633,976	126,138,821
Excess of revenues (under) expenditures	(1,336,469)	(508,160)	(6,532,271)	(39,854,347)
Other financing sources (uses):				
Transfers in	12,613,592	3,018,578	5,977,886	9,139,667
Transfers out	(11,074,525)	(1,533,717)	(5,373,125)	(9,212,666)
Issuance of long-term debt	-	10,000,000	39,288,472	12,128,000
Proceeds of refunding bonds	-	-	3,365,000	-
Payment to refunded bond escrow agent	-	-	(3,365,000)	-
Premium (discount) on long-term debt	-	149,320	(424,582)	93,628
Capital contributions	4,628,564	-	-	-
Proceeds from sale of property	213,150	235,436	367,889	498,732
Total other financing sources (uses)	6,380,781	11,869,617	39,836,540	12,647,361
Net changes in fund balance	$ 5,044,312	$ 11,361,457	$ 33,304,269	$ (27,206,986)
Debt service as a percentage of noncapital expenditures	9.1%	9.0%	9.6%	10.1%

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City of Bloomington, Illinois

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property
1996	$ 480,857,413	$ 348,799,356	$ 10,816,856	$ 517,585
1997	525,861,741	371,968,219	10,535,988	484,983
1998	557,628,895	381,687,795	10,268,125	527,701
1999	592,165,145	397,767,921	11,671,392	689,064
2000	644,500,805	425,046,288	11,676,370	803,163
2001	705,893,866	467,457,141	12,281,963	692,227
2002	761,108,215	504,737,694	9,639,734	703,867
2003	822,313,319	519,140,108	9,420,399	487,499
2004	861,824,156	543,262,723	9,692,733	509,803
2005	922,457,891	556,329,628	9,728,391	425,377

Source: County of McLean Tax Extension Office

Note: There is no personal property tax (on cars or jewelry); only real property is taxed. The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. The farmland value is based upon productivity instead of actual market value.

Railway Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
$ 156,999	$ 841,148,209	12.15%	$ 1.4350	$ 2,523,444,627	33.33%
321,845	909,172,776	8.09	1.3952	2,727,518,328	33.33
312,279	950,424,795	4.54	1.4008	2,851,274,385	33.33
316,489	1,002,610,011	5.49	1.3850	3,007,830,033	33.33
269,430	1,082,296,056	7.95	1.3380	3,246,888,168	33.33
273,554	1,186,598,751	9.64	1.2744	3,559,796,253	33.33
311,403	1,276,500,913	7.58	1.2935	3,829,502,739	33.33
334,688	1,351,696,013	5.89	1.2839	4,055,088,039	33.33
381,264	1,415,670,679	4.73	1.2807	4,247,012,037	33.33
380,315	1,489,321,602	5.20	1.2719	4,467,964,806	33.33

City of Bloomington, Illinois

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	City Direct Rates							
Tax Year Levied	General Fund	Fire Pension Fund	Police Pension Fund	Illinois Municipal Retirement Fund	Judgment Fund	Bond and Interest Fund	Public Benefit Fund	Public Library Fund
1996	$ 0.49690	$ 0.12860	$ 0.13610	$ 0.19420	$ 0.08330	$ 0.15990	$ 0.01840	$ 0.21400
1997	0.46180	0.12990	0.13930	0.18700	0.07710	0.14670	0.01710	0.23260
1998	0.44660	0.13280	0.13740	0.18600	0.07380	0.17070	0.01630	0.23360
1999	0.53574	0.12713	0.13406	0.10209	0.06981	0.16058	0.01545	0.23650
2000	0.52079	0.12285	0.12705	0.10538	0.06467	0.14723	0.01432	0.23223
2001	0.50007	0.11092	0.12858	0.09996	0.05899	0.13403	0.01306	0.22462
2002	0.50007	0.10440	0.11872	0.09664	0.05483	0.12563	0.01214	0.27621
2003	0.50788	0.10346	0.11276	0.09240	0.05178	0.12605	0.01146	0.27325
2004	0.52874	0.10147	0.10729	0.08406	0.04945	0.12003	0.01095	0.27359
2005	0.50133	0.11590	0.12266	0.08310	0.02241	0.13810	0.01041	0.27284

Source: County of McLean Tax Extension Office

Notes: As a home rule unit of local government, the City of Bloomington, Illinois has no statutory tax limit.

In 2004, the cemetery tax rate was combined with the township tax rate.

Overlapping rates are those of local and county governments that apply to property owners within the City.
Not all overlapping rates apply to all City property owners, although the County property tax rates
apply to all City property owners; the Airport Authority rates apply to the property owners within that Authority's geographic boundaries.

		Overlapping Rates						
Audit Fund	Total Direct	School District	McLean County	Township	Water Reclamation District	Airport Authority	Cemetery	Heartland Community College
$ 0.00370	$ 1.43510	$ 4.47070	$ 0.96120	$ 0.17620	$ 0.09470	$ 0.11660	$ 0.02560	$ 0.26200
0.00360	1.39510	4.47790	0.97070	0.17150	0.09200	0.11700	0.02490	0.29120
0.00360	1.40080	4.48080	0.98200	0.23680	0.09260	0.11270	0.02510	0.28390
0.00361	1.38497	4.43060	0.92510	0.22000	0.12870	0.10590	0.02500	0.27960
0.00351	1.33803	4.42150	0.91520	0.22060	0.12180	0.09900	0.02430	0.28410
0.00421	1.27444	4.40540	0.93720	0.14470	0.11240	0.09190	0.02330	0.30960
0.00489	1.29353	4.43750	0.93060	0.13440	0.10770	0.08320	0.02270	0.33850
0.00485	1.28389	4.43450	0.93690	0.15620	0.14310	0.10920	0.02190	0.35260
0.00511	1.28069	4.47014	0.93874	0.18862	0.15014	0.10680	-	0.38752
0.00510	1.27185	4.48075	0.93885	0.23686	0.14835	0.05202	-	0.39291

City of Bloomington, Illinois

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

	2006			1997		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
State Farm Insurance Company	$ 159,301,595	1	10.70%	$ 93,261,495	1	11.09%
Country Life Insurance Company	13,441,141	2	0.90	9,402,883	3	1.12
BMJ Development	11,078,218	3	0.74	7,335,613	4	0.87
Illinois Agricultural Association	9,375,996	4	0.63	9,525,063	2	1.13
Turnberry	6,653,322	5	0.45	-		-
Wal-Mart	5,858,779	6	0.39	-		-
Capital #16762/3	5,352,201	7	0.36	-		-
Westminister Village	5,339,936	8	0.36	3,371,722	10	0.40
Verizon North, Inc.	4,688,861	9	0.31	6,177,415	5	0.73
Land Tr BY-1	4,389,738	10	0.29	-		-
First of America	-		-	5,745,818	6	0.68
Great Lakes Property	-		-	4,157,163	7	0.49
OSF Healthcare	-		-	3,778,747	8	0.45
Jumers	-		-	3,451,823	9	0.41
Total	$ 225,479,787		15.13%	$ 146,207,742		17.37%

Source: City of Bloomington Township

Note: Total 1997 Assessed Valuation $841,148,209
Total 2005 Assessed Valuation $1,489,321,602

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City of Bloomington, Illinois

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

			Collected Within the Fiscal Year of the Levy	
Fiscal Year Ended April 30:	Tax Year	Taxes Levied for the Tax Year	Amount	Percentage of Levy
1997	1996	$ 12,057,730	$ 11,854,623	98.32%
1998	1997	12,659,567	12,561,253	99.22
1999	1998	13,313,650	13,216,952	99.27
2000	1999	13,886,258	13,795,251	99.34
2001	2000	14,481,723	14,126,852	97.55
2002	2001	15,120,405	14,985,365	99.11
2003	2002	16,510,246	16,334,789	98.94
2004	2003	17,354,447	17,226,781	99.26
2005	2004	18,129,927	18,018,303	99.38
2006 **	2005	18,942,004	18,364,818	96.95

Source: County of McLean Tax Extension Office

Note:

There is no personal property tax (on cars or jewelry); only real property is taxed.
The above information presents the information for each period for which it is levied.
A tax levy provides taxes remitted in the following year.
The farmland value is based upon productivity instead of actual market value.
** 2005 - collections as of August 23, 2005 - second installment due on September 6, 2005

	Total Collections to Date	
Collections in Subsequent Years	Amount	Percentage of Levy
$ 69,332	$ 11,923,955	98.89%
81,104	12,642,357	99.86
17,886	13,234,807	99.41
74,809	13,870,060	99.88
87,517	14,214,369	98.15
98,420	15,083,785	99.76
136,136	16,470,059	99.76
82,436	17,309,216	99.74
16,520	18,034,823	99.48
-	18,364,818	96.95

City of Bloomington, Illinois

Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Less Amount Available in Debt Service	Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita
1997	$ 38,894,876	$ (275,092)	$ 39,169,968	4.40%	$ 678.77
1998	36,370,511	(495,005)	36,865,516	4.01	638.84
1999	32,489,864	(446,150)	32,936,014	3.47	570.75
2000	30,015,916	(62,594)	30,078,510	0.30	521.23
2001	27,622,239	157,916	27,464,323	2.54	423.78
2002	25,972,946	837,992	25,134,954	2.12	387.84
2003	23,718,860	2,019,564	21,699,296	1.70	325.60
2004	31,428,719	3,127,926	28,300,793	2.09	424.65
2005	67,931,484	6,717,153	61,214,331	5.02	893.55
2006	46,232,767	7,426,166	38,806,601	2.61	566.46

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.
As a Home Rule entity, under the State of Illinois Constitution, the City has no statutory debt limit.

Business-Type Activities					
Loan Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capita Income	Per Capita
$ -	$ -	$ 4,937,548	$ 43,832,424	0.055%	$ 759.57
-	-	3,692,788	40,063,299	0.065	694.25
-	-	2,376,360	34,866,224	0.077	604.19
-	-	992,036	31,007,952	0.090	537.33
-	-	-	27,622,239	0.104	426.22
-	-	-	25,972,946	0.111	400.77
1,568,767	-	-	25,287,627	0.124	355.90
2,659,006	-	-	34,087,725	0.094	471.58
4,884,567	3,174,728	-	75,990,779	0.039	1,109.24
6,764,108	32,609,377	-	85,606,252	0.035	1,249.60

City of Bloomington, Illinois

Direct and Overlapping Governmental Activities Debt
For the Year Ended April 30, 2006
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Bloomington Normal Airport Authority	$ 21,965,000	69.26%	$ 15,212,520
Bloomington Schools District #87	29,670,000	99.63	29,559,331
Heartland Community College #540	22,165,000	41.90	9,287,135
County of McLean	17,500,000	49.47	8,657,250
Normal Schools District #5	125,665,000	42.70	53,658,955
Subtotal, overlapping debt			116,375,191
City Direct Debt	85,606,252	100.00	85,606,252
Total direct and overlapping debt			$ 201,981,443

Sources: Debt outstanding provided by each governmental unit.

City of Bloomington, Illinois

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended April 30	Population (3)	Personal Income	Per Capita Income (3)	Median Age (3)	School Enrollment	Unemployment Rate
1997	57,707	24,152	*	31	7,118 (1)	$ 116,744
1998	57,707	25,959	*	31	7,555 (1)	120,645
1999	57,707	26,843	*	31	7,787 (1)	126,927
2000	57,707	27,840	$ 30,587	30	7,829 (3)	131,768
2001	57,707	28,801	32,888	30	7,651 (3)	134,351
2002	64,808	28,926	34,226	30	7,520 (3)	139,322
2003	66,645	29,313	35,106	30	7,557 (3)	144,641
2004	66,645	29,451	36,116	31	7,544 (3)	153,422
2005	68,507	29,769	34,910	31	7,777 (3)	161,135
2006	68,507	29,769	36,798	30	7,139 (3)	166,274

Sources:

(1) Regional Office of Education for the McLean County-Dewitt County Education Service Region.

(2) State of Illinois Department of Employment Security as of May of the current year.

(3) Bloomington Normal Economic Development Council Demographic Profile.

Note: The demographic statistic is being added to the report.

City of Bloomington, Illinois

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2006			1997		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State Farm Insurance Company	14,315	1	20.90%	7,957	1	13.79%
Country Insurance & Financial Services	2,200	2	3.21	1,712	3	2.97
Mitsubishi Motor Manufacturing	1,898	3	2.77	3,900	2	6.76
Anderson Financial Network, Inc.	1,217	4	1.78	-		
OSF - St Joseph Medical Center	951	5	1.39	940	4	1.63
McLean County Government	859	6	1.25	669	8	1.16
City of Bloomington	830	7	1.21	430	10	0.75
Wal-Mart, Inc.	780	8	1.14	-		
District #87	750	9	1.09	643	9	1.11
Verizon Communications	700	10	1.02	750	5	1.30
Kathryn Beich, Inc.	-			750	6	1.30
First America Savings and Loans	-			671	7	1.16

Source: Human Resource Departments reporting to the Economic Council of Bloomington/Normal Area

Note: The estimated population in 2006 is 68,507.
The estimated population in 1997 is 57,707.

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City of Bloomington, Illinois

Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of April 30			
Functions/Program	2006	2005	2004	2003
General Government:				
Legislative	-	9	9	9
City Manager	13	4	4	4
City Clerk	4	4	3	4
Personnel	10	10	9	10
Finance	17	15	14	14
Computer Services	14	10	9	10
Legal	6	5	5	5
Building Safety	16	21	19	18
Planning	3	3	3	3
Facility Mgmt	3	2	2	2
Community Development	3	7	7	8
Code Enforcement	11	-	-	-
Parks and Recreation:				
General & Administrative	38	34	32	35
SOAR	7	6	6	5
Recreation	25	24	23	24
Pool(s)	4	8	9	10
Zoo	17	16	15	16
Forestry	6	4	4	4
Golf Course(s)	40	40	40	39
Public Ice Rink	8	-	-	-
Police:				
Officers	126	120	114	108
Civilians (a)	44	26	27	25
Fire:				
Firefighters and Officers	94	93	88	89
Civilians	4	9	9	8
Public Works:				
Administration	4	4	4	4
Street Maintenance	16	16	16	16
Street Sweeping	1	1	4	3
Snow and Ice Control	4	4	4	4
Refuse Collection	50	50	47	47
Weed Control	2	2	3	3
Central Garage	10	9	7	7
Street Lighting	2	1	1	1
Traffic Control	11	11	10	10
Water:				
Administration	9	6	6	6
Transmission	27	21	21	21
Purification	20	19	19	19
Lake Bloomington Park	6	6	6	6
Sewer Maintenance	17	15	16	16
Stormwater	11	9	-	-
Other Programs/Functions:				
Engineering	20	19	23	22
Library	61	64	60	62
Parking	9	8	8	8
JM Scott	3	3	3	3
Cultural District	53	6	5	5
Total	849	744	714	713

Source: City of Bloomington Human Resource Department

Note: The City created a Stormwater Fund in 2005 to maintain and manage the stormwater system.

Full-Time Equivalent Employees as of April 30

2002	2001	2000	1999	1998	1997
9	9	9	9	9	9
4	4	3	3	3	3
3	3	3	3	3	3
12	11	11	8	8	8
14	13	13	13	11	11
9	8	8	6	6	5
5	5	4	4	4	4
18	16	14	14	14	13
3	3	2	2	2	2
2	2	2	1	1	1
8	8	8	8	9	9
-	-	-	-	-	-
33	32	31	30	30	30
5	5	5	5	5	6
24	24	24	24	24	26
10	10	10	12	12	12
15	15	15	13	13	13
4	4	4	4	4	4
38	37	37	36	36	32
-	-	-	-	-	-
109	103	99	99	94	95
18	24	21	21	21	17
89	89	88	88	89	88
8	7	7	7	6	7
4	4	4	4	4	4
16	14	11	11	11	11
3	3	3	3	3	3
4	4	4	4	4	4
47	47	47	47	48	48
3	3	3	3	3	3
7	7	6	6	6	7
1	1	1	1	1	1
11	11	11	11	11	11
6	6	4	4	4	4
20	22	20	20	20	20
19	18	15	15	15	15
6	6	6	6	6	6
16	16	14	14	14	14
-	-	-	-	-	-
22	21	20	20	20	20
55	51	49	47	44	47
8	8	8	8	8	8
3	3	3	3	3	3
5	-	-	-	-	-
696	677	647	637	629	627

City of Bloomington, Illinois

Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Calendar Year 1996	1997	1998	1999
Police:				
Calls for service	39,275	37,784	42,198	44,201
Adult arrest	1,830	1,709	2,001	2,144
Juvenile arrest	523	373	306	298
Speeding citations only	1,238	2,245	2,188	3,688
Traffic citations	8,044	8,517	10,243	13,245
Fire:				
Total fire runs	1,310	1,359	1,338	1,354
Total rescue runs	3,891	3,784	4,093	4,260
Property loss	$ 816,985	$ 639,705	$ 549,139	$ 727,875
Building safety:				
Total building permits	2,251	2,683	2,554	2,277
Total value all permits	$ 96,325,820	$ 116,330,850	$ 134,057,741	$ 264,287,318
Library, volumes in collection	172,828	179,217	183,067	225,623
Public service:				
Garbage collected (ton)	15,487	16,322	17,149	18,027
Recycle collected (ton)	1,351	1,726	2,363	2,083
Bulk Waste (ton)	N/A	N/A	N/A	N/A
Brush (cublic yard)	N/A	N/A	N/A	N/A
Parks and Recreation:				
Recreation program attendance	150,588	161,032	171,770	198,394
Aquatics program attendance	85,132	75,325	72,750	73,479
Golf rounds played	80,030	94,293	94,651	94,454
Miller Park Zoo attendance	101,598	111,881	105,090	111,803
Street trees maintained	N/A	N/A	12,866	13,466

Source: Various City departments

Note: ** Indicator not available

Calendar Year					
2000	2001	2002	2003	2004	2005
47,988	51,185	54,507	54,916	51,775	53,375
2,048	1,783	1,895	2,083	1,984	2,410
246	214	257	221	252	294
7,706	8,514	6,205	3,699	2,720	4,060
17,426	16,582	14,512	13,783	10,907	12,370
1,508	1,630	1,794	2,106	2,492	1,587
4,606	5,269	5,620	5,427	5,235	2,894
$ 738,140	$ 832,481	$ 1,219,642	$ 1,749,600	$ 1,114,600	$ 281,325
2,709	2,458	2,579	3,001	3,017	2,685
$ 155,369,125	$ 189,573,800	$ 154,261,448	$ 185,562,460	$ 156,392,339	$ 206,139,496
251,980	254,470	250,240	248,280	241,240	239,651
17,776	17,729	17,865	18,601	18,537	20,263
2,143	2,243	2,010	2,338	2,420	2,341
N/A	N/A	N/A	N/A	N/A	10,752
N/A	N/A	N/A	N/A	N/A	25,005
202,931	190,723	199,257	218,243	227,437	234,791
70,361	72,798	68,361	55,058	53,296	54,894
98,698	95,788	87,528	89,844	92,303	90,850
99,001	107,055	98,262	90,389	113,641	99,321
13,830	14,003	14,212	14,385	14,494	14,688

City of Bloomington, Illinois

Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	1997	1998	1999	2000
Police:				
Stations	1	1	1	1
Zone Offices	-	-	-	-
Fire, Fire Stations	4	4	4	4
Refuse Collection:				
Collection Trucks	8	8	9	9
Other Public Works	32	33	35	36
Streets (Miles)	248	253	258	263
Traffic Signals	83	102	105	111
Parks & Recreation:				
Acreage	446	407	409	418
Parks	36	40	41	38
Golf Course	2	3	3	3
Baseball/Softball Diamonds	17	17	17	17
In-line Hockey Rinks	-	-	-	1
Soccer/Football Fields	12	13	13	13
Basketball Courts	8	9	9	9
Tennis Courts	20	20	20	20
Swimming pools	2	2	2	2
Parks with Playground Equipment	19	20	20	21
Picnic Shelters	19	20	20	20
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	172,828	179,217	183,067	225,623
Water:				
Lakes	2	2	2	2
Storage Capacity (MGPD)	18	18	18	18
Average Daily Consumption (MGPD)	11	11	11	11
Peak Consumption (MGPD)	15	15	15	17
Wastewater:				
Sanitary Sewers (miles)	235	235	238	238
Storm Sewers (miles)	173	173	176	185
Combination Sanitary and Storm (miles)	100	100	100	100

Source: Various City Departments
Note: MGPD - Millions Gallons per Day

2001	2002	2003	2004	2005	2006
1	1	1	1	1	1
-	-	-	-	1	1
4	4	4	4	4	4
10	10	11	11	11	11
35	36	36	37	37	37
271	272	274	276	276	276
112	114	115	121	127	127
589	589	589	595	602	602
39	43	44	44	52	52
3	3	3	3	3	3
17	17	17	17	24	24
1	1	1	1	1	1
13	13	13	13	14	14
9	9	9	10	13	13
20	20	20	20	20	20
2	2	2	2	2	2
21	21	21	21	31	31
20	20	20	20	28	28
1	1	1	1	1	1
1	1	1	1	1	1
251,980	254,470	250,240	248,280	241,240	239,651
2	2	2	2	2	2
18	18	18	18	18	18
11	11	11	11	11	11
17	17	17	20	20	20
243	245	248	250	250	250
189	192	194	197	200	200
100	100	100	100	100	100

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City of Bloomington, Illinois

Supplemental Disclosure Requirements Set Forth in $10,000,000 2003 Bond Issue

Note: Exhibit labels match exhibits required in the bond covenant

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City of Bloomington, Illinois

Exhibit A - Direct General Obligation Bonded Debt (Principal Only) (1)

Year Ending December 31:	Total Existing Debt	Less Abated Amount (2)	Net Tax Levied Amount
2006	$ 2,282,404	$ 1,267,000	$ 1,015,404
2007	2,674,008	1,643,000	1,031,008
2008	4,648,544	3,718,000	930,544
2009	3,270,000	1,724,000	1,546,000
2010	3,495,000	1,880,000	1,615,000
2011	875,000	875,000	-
2012	1,890,000	1,890,000	-
2013	1,955,000	1,955,000	-
2014	1,955,000	1,955,000	-
2015	1,975,000	1,975,000	-
2016	2,050,000	2,050,000	-
2017	2,225,000	2,225,000	-
2018	2,320,000	2,320,000	-
2019	2,165,000	2,165,000	-
2020	2,375,000	2,375,000	-
2021	2,490,000	2,490,000	-
2022	2,345,000	2,345,000	-
2023	2,480,000	2,480,000	-
2024	2,350,000	2,350,000	-
2025	1,310,000	1,310,000	-
2026	1,485,000	1,485,000	-
2027	1,675,000	1,675,000	-
2028	1,880,000	1,880,000	-
2029	2,080,000	2,080,000	-
2030	2,310,000	2,310,000	-
2031	2,565,000	2,565,000	-
2032	2,835,000	2,835,000	-
2033	3,125,000	3,125,000	-
2034	3,440,000	3,440,000	-
	$ 68,524,956	$ 62,387,000	$ 6,137,956

(1) Does not include revenue bonds.

(2) Includes General Obligation Corporate Purpose Bonds, Series 1994; General Obligation Corporate Purpose Bonds, Series 1995 a portion of General Obligation Refunding Bonds, Series 2001; General Obligation Bonds, Series 2003; Taxable General Obligation Bonds, Series 2004 and General Obligation Demand Bonds, Series 2004 that the City has historically and plans to continue to pay from other revenue sources and abate property tax levies for.

City of Bloomington, Illinois

Exhibit A-1 - Debt Service Requirements

Tax Year	Total Debt Service (1)	Less Annually Abated Debt Service (2)	Total Tax Levied Debt Service
2005	$ 6,401,537	$ 4,711,084	$ 1,690,453
2006	6,393,996	4,710,108	1,683,888
2007	8,361,117	6,674,572	1,686,545
2008	6,301,264	4,648,999	1,652,265
2009	6,453,220	4,805,920	1,647,300
2010	4,580,574	4,580,574	-
2011	4,560,415	4,560,415	-
2012	4,476,719	4,476,719	-
2013	4,425,194	4,425,194	-
2014	4,427,722	4,427,722	-
2015	4,522,725	4,522,725	-
2016	4,528,007	4,528,007	-
2017	4,275,757	4,275,757	-
2018	4,390,965	4,390,965	-
2019	4,398,434	4,398,434	-
2020	4,139,007	4,139,007	-
2021	4,161,007	4,161,007	-
2022	3,909,469	3,909,469	-
2023	2,749,506	2,749,506	-
2024	2,842,631	2,842,631	-
2025	2,939,819	2,939,819	-
2026	3,040,131	3,040,131	-
2027	3,122,631	3,122,631	-
2028	3,220,031	3,220,031	-
2029	3,327,769	3,327,769	-
2030	3,434,250	3,434,250	-
2031	3,543,519	3,543,519	-
2032	3,659,300	3,659,300	-

(1) Interest on General Obligation Demand Bonds, Series 2004 calculated at 4.00%.

(2) Includes General Obligation Corporate Purpose Bonds, Series 1994; General Obligation Corporate Purpose Bonds, Series 1995 a portion of General Obligation Refunding Bonds, Series 2001; General Obligation Bonds, Series 2003; Taxable General Obligation Bonds, Series 2004 and General Obligation Demand Bonds, Series 2004 that the City has historically and plans to continue to pay from other revenue sources and abate property tax levies for.

City of Bloomington, Illinois

Statistical Section
Comments Relative to Statistical Section

The following statistical table recommended by the National Council on Governmental Accounting is not included for the reason stated below:

The table showing legal debt margin is omitted because as a “Home Rule” unit established by the 1970 Illinois Constitution, the City of Bloomington, Illinois has no statutory debt limit. Nonhome Rule units in Illinois may issue bonds up to 8.625 percent of Assessed Valuation. Some types of General Obligation Bonds may be issued up to 5 percent of Assessed Valuation.

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City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards
Year Ended April 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant (Direct)	14.218	B-04-MC-17-0004	$ 449,597
	14.218	B-05-MC-17-0004	260,489
Supportive Housing Program (Direct)	14.235	IL-01B21-2004	5,729
	14.235	IL-01B31-2005	11,905
	14.235	IL-01B21-2003	30,573
	14.235	IL-01B31-2008	8,688
	14.235	IL-01B31-2004	5,796
	14.235	IL-01B21-2008	7,403
	14.235	IL-01B31-2002	21,499
	14.235	IL-01B41-2005	148,239
	14.235	IL-01B41-2004	137,660
	14.235	IL-01B41-2009	6,400
	14.235	IL-01B41-2006	43,238
	14.235	IL-01B41-2007	17,388
	14.235	IL-01B41-2008	16,423
Shelter Plus Care (Direct)	14.238	IL-01C91-2002	12,153
			1,183,180
U.S. Department of Justice:			
Law Enforcement Block Grant (Direct)	16.592	2003-LB-BX-2330	109
COPS Universal Hiring Program Grant (Direct)	16.710	2004-UM-WX-0126	76,989
			77,098
(Passed through Illinois Criminal Justice Information Authority)			
Domestic Violence Multi-Disciplinary Team Program	16.710	601173	39,973
(Passed through State of Illinois, McClean County)			
Edward Byrne Memorial Justice Assistance Grant	16.738	2005-F5121-IL-DJ	11,345
Federal Emergency Management Agency:			
(Passed through the Illinois Emergency Management Agency)			
Emergency Management Preparedness Grant	97.042	N/A	20,130
U.S. Department of Homeland Security:			
(Passed through the Illinois Law Enforcement Alarm System)			
Public Safety Target Hardening	97.067	N/A	50,000
(Passed through the Illinois Emergency Management Agency)			
2004 ODP Homeland Security Grant Program	97.067	N/A	12,058
(Passed through the Illinois Terrorism Task Force)			
2004 State Homeland Security Grant Program	97.004	N/A	79,910
2003 Stateland Security Grant Program	97.004	N/A	125,185
			205,095
Environmental Protection Agency:			
(Passed through Illinois Environmental Protection Agency)			
Drinking Water State Revolving Fund	66.468	L17127000	447,072
Drinking Water State Revolving Fund	66.468	L17225200	518,542
			965,614
Total expenditures of federal awards			$ 2,564,493

See Notes to Schedule of Expenditures of Federal Awards.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bloomington, Illinois for the year ended April 30, 2006. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the City of Bloomington, Illinois provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	$ 35,031
Supportive Housing Program	14.235	434,742

Note 4. Federal Loan Program

Under the Community Development Block Grant program, the City administers loan programs which are accounted for in the Residential/Rehabilitation Escrow Fund, a special revenue fund. As of April 30, 2006, the loans outstanding under these programs total $1,768,187 net of $117,500 of allowance for uncollectible accounts.

Note 5. Noncash Awards

As reported on the Schedule of Expenditures of Federal Awards, the City of Bloomington, Illinois, received noncash awards in the form of equipment and supplies related to anti-terrorism efforts totaling $205,095. The equipment and supplies were included in the determination of federal awards expended for the year.

Summary Schedule of Prior Audit Findings
Year Ended April 30, 2006

	Comment	Status	Corrective Action or Other Explanation
Reportable Conditions:			
05-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf course locations, pool and zoo.	Not corrected.	Similar finding at 06-II-A.
Reportable Conditions in Administering Federal Awards:			
05-III-A	The City made a payment to an association and did not identify a portion of the payment contributed to political action committees as a disallowed cost.	Corrected.	

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McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council
City of Bloomington, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2006. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the Central Illinois Risk Pooling Authority, as described in our report on the City's financial statements. The financial statements of the Central Illinois Risk Pooling Authority, Police Pension Fund and Firemen's Pension Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-II-A through 06-II-J.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by fraud or error in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe items 06-II-B through 06-II-I represent material weaknesses. We also noted other matters involving internal control over financial reporting which we have reported to management of the City in a separate letter dated June 28, 2006.

Compliance and Other Matters

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

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
June 28, 2006

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on Compliance With Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Honorable Mayor and
Members of the City Council
City of Bloomington, Illinois

Scope of this Report

The City of Bloomington, Illinois' basic financial statements include the financial statements of the Central Illinois Risk Pooling Authority which was audited by other auditors. The financial statements of the Central Illinois Risk Pooling Authority were not audited in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States or the OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Accordingly, our audit, described below, does not extend to those funds.

Compliance

We have audited the compliance of the City of Bloomington, Illinois with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended April 30, 2006. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 06-III-B.

Internal Control Over Compliance

The management of the City of Bloomington, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Bloomington, Illinois' ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 06-III-A

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
June 28, 2006

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2006

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☑ Yes ☐ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☑ Yes ☐ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☑ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☑ Yes ☐ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☑ Yes ☐ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.235	Supportive Housing Program
66.468	Drinking Water State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs: $300,000.

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

(Continued)

II. Findings Relating to the Basic Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Reportable conditions in internal control over financial reporting:

06-II-A

Finding: A good system of internal control policies and procedures contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. In gaining an understanding of the City of Bloomington, Illinois' internal control, the following improper segregation of duties were identified.

Condition: The City has an inadequate segregation of duties over the receipts transaction cycle at the City golf courses, pool and zoo. The same employee who collects receipts may also reconcile and edit the receipts ledger.

Effect: Misappropriation of cash could occur and not be detected on a timely basis.

Recommendation: We recommend an employee, separate from the cash collection function, reconcile the fees collected by these locations to a separate ledger or tracking system.

Response and Corrective Action Plan: The City of Bloomington has researched the possibility of segregation of duties and implementation of a separate tracking system for recording admission at these locations. The benefit of segregating duties and implementing a separate tracking system has been determined by management to not outweigh the costs.

06-II-B

Finding: There is an inadequate segregation of duties over the cash receipts transaction cycle at the U.S. Cellular Coliseum. A good system of internal control policies and procedures contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: In gaining an understanding of the U.S. Cellular Coliseum's internal control, we noted the Central Illinois Arena Management employee who enters box office deposits and miscellaneous deposits into the general ledger system also performs the bank reconciliations, posts accounts receivable, signs checks and has the ability to make nonstandard journal entries for which there is no management review.

Effect: Potential misappropriation of assets.

Recommendation: We recommend the receipting, billing and bank reconciliation functions be segregated and performed by different employees. We further recommend a supervisor review the monthly bank reconciliation. That review should include documentation that the review has taken place.

(Continued)

Response and Corrective Action Plan: At the time of the internal control questionnaire, the Finance Department ("Finance") consisted of one employee, the Finance Director. Finance now consists of three employees. Currently, the Finance Director performs the billing and receipting functions and the Finance Manager performs the bank reconciliations. The AP Clerk will be trained to perform the billing function and the Finance Director will review the bank reconciliations.

06-II-C

Finding: There is an inadequate segregation of duties over the cash disbursement transaction cycle at the U.S. Cellular Coliseum. A good system of internal control policies and procedures contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition: In gaining an understanding of the U.S. Cellular Coliseum's internal control, we noted that departments complete their own purchasing, receiving and approval of the payment of the bills. In addition, finance staff can create new vendors, enter invoices and print checks. CIAM's Finance Director can perform all of these functions, performs the bank reconciliations, makes non-standard journal entries and is an authorized signer on the bank accounts.

Effect: Potential misappropriation of assets.

Recommendation: We recommend the Coliseum adopt the City's purchasing policy which would include implementing a master vendor list. We further recommend segregating the entering of invoices, the printing of checks and the bank reconciliation process. We recommend someone other than the Finance Director sign the checks until rights can be segregated in the software system.

Response and Corrective Action Plan: Department heads/managers purchase and receive goods and then submit Bill Payment Forms to Central Illinois Arena Management, Inc.'s (CIAM) management (i.e., general manager or owners) for approval. Currently, the AP Clerk enters invoices and prints checks, the Finance Manager reconciles the bank statements and the Finance Director signs the checks. Our current version of Quickbooks does not segregate rights within the Accounts Payable function. Finance will research other options to allow for master vendor list.

06-II-D

Finding: There is no formal review of U.S. Cellular Coliseum nonstandard journal entries.

Condition: The CIAM's employee entering nonstandard journal entries into the system also initiates the journal entries. In addition, there is no formal review of the entry before it is posted to the general ledger system.

Effect: Potential misappropriation of assets and/or a material misstatement in the financial statements could occur.

(Continued)

Recommendation: We recommend the Coliseum implement a system that would include a supervisory review of all nonstandard journal entries.

Response and Corrective Action Plan: CIAM's management reviews a Detail Transaction List which includes general journal entries on a monthly basis. The Finance Director will review a General Journal List on a monthly basis.

06-II-E

Finding: There is an inadequate segregation of duties over the payroll transaction cycle at the U.S. Cellular Coliseum.

Condition: CIAM's finance department employees have the ability to adjust their time in the ABI system and/or the ADP interface file and the ability to make changes to pay rates. Department heads have the ability to adjust time and pay rates in the ABI system. The review of time reports, changes to employee master files, and bank reconciliations are performed by the same employees.

Effect: Potential misappropriation of assets could occur.

Recommendation: We recommend that CIAM limit rights to the ABI system to segregate time entry from the ability to edit employee master files. Changes to the employee master files should be reviewed and documented by appropriate supervisory personnel. The department head review of time sheets should be documented.

Response and Corrective Action Plan: The existing Payroll Procedures require the department heads/managers to review the time reports of hourly employees in ABI and make any time/position changes necessary prior to Finance exporting the payroll file to ADP. The pay rates of salaried employees are only in ADP and only the Finance Director and Finance Manager have access to ADP. The existing Payroll Procedures require Finance to make any changes to the employee master file in ABI.

Finance will review the current user accesses in ABI to ensure that only Finance can add/change/delete employees and pay rates in ABI.

06-II-F

Finding: Approvals of U.S. Cellular Coliseum expenditures are not properly documented as required by the purchasing policy.

Condition: The U.S. Cellular Coliseum's policy requires the department head that approves the purchases of goods or services to complete a bill payment form. This form requires them to code the expense to the correct general ledger account and to approve the bill for payment. Once this step is completed, the form is routed to either Mike Nelson, owner of CIAM, John Butler, owner of CIAM, or Jerry McBurney, General Manager, for approval. We noted none of the forms selected for testing had account coding or documented management level review.

(Continued)

Effect: Potential misappropriation of assets and/or a material misstatement in the financial statements could occur.

Recommendation: We recommend the policy as described above be followed.

Response and Corrective Action Plan: Finance will ensure the existing Bill Payment Form and Expense Report procedures are followed.

06-II-G

Finding: There is not a system in place to identify trade/in-kind agreement activity for the U.S. Cellular Coliseum and to communicate this activity to the CIAM Finance Department for proper inclusion in the financial statements.

Condition: During our audit, we noted the CIAM Finance Department had not been provided information related to existing trade agreements. In addition, once identified, management had difficulty providing copies of the final signed agreements for purposes of evaluating the impact on the financial statements.

Effect: Potential material misstatement of the financial statements.

Recommendation: A system should be established to track all trade/in-kind activity. This system should provide the information necessary to evaluate or record the transaction in the accounting system and should provide information as the trade is used.

Response and Corrective Action Plan: Signed trade agreements with trade values assigned will be submitted to Finance. Invoices or statements from the trade vendors detailing the values of trades as they are used will be submitted to Finance in a timely manner.

06-II-H

Finding: There is an inadequate system over hiring U.S. Cellular Coliseum employees and setting payroll rates.

Condition: Department heads are permitted to hire hourly employees as needed without approvals by human resources, the general manager or the owners. They are also permitted to establish pay rates and to add the employees to the ABI time keeping system.

Effect: Potential misappropriation of assets could occur.

Recommendation: We recommend the Coliseum establish an internal control system over the hiring of employees which would include human resources involvement, establishing pay rates, performing annual reviews and establishing merit increases. This system should include limiting access to ABI to human resource personnel.

(Continued)

Response and Corrective Action Plan: The hiring of new employees is based on the staffing levels required for future scheduled events. The staffing levels required are determined by the department head/supervisor based on their past experience with similar events. Hourly rates are established for positions rather than by employee in ABI and the department head/supervisor schedules employees for specific positions. Labor reports are reviewed on a regular basis by CIAM's management.

The existing Payroll Procedures require new employees to be entered into ABI by Finance since the employee ID is based on the ADP employee ID and only Finance can enter new employees into ADP. An employee entered into ABI by someone other than Finance will not have a legitimate employee ID and cannot be paid by ADP.

Finance will review the current user accesses in ABI to ensure only Finance can add/change/delete employees and pay rates in ABI. All pay rate changes will be approved by CIAM's management.

A policy for performing annual reviews and establishing merit increases will be incorporated into the Employee Manual being created.

06-II-I

Finding: There is an inadequate system over U.S. Cellular Coliseum employee terminations.

Condition: There are no formal procedures for communicating terminated employees to the CIAM Finance Department, collecting badges and terminating the employee in the ABI time keeping system.

Effect: Potential misappropriation of assets could occur.

Recommendation: The Coliseum should establish a system to communicate terminated employees to the individuals responsible for removing them from the ABI and ADP systems. This system should also include obtaining badges from the employee to prevent unauthorized access to the Coliseum.

Response and Corrective Action Plan: The existing Payroll Procedures require an Employee Termination Form to be completed by the department head/supervisor of a terminated employee and submitted to Finance. Once this form is received, Finance terminates the employee in ADP and ABI. The department head/supervisor is responsible for collecting and shredding the badge of a terminated employee.

06-II-J

Finding: U.S. Cellular Coliseum information technology internal/security controls such as password management, documentation of operational procedures and incident management and resolution procedures are not formalized.

(Continued)

Condition: During our review of the information technology system we noted controls such as password management, documentation of operational procedures and incident management and resolution procedures were not formalized.

Effect: Increased risk for unauthorized access to the Coliseum's system.

Recommendation: We recommend the Coliseum implement the information technology controls outlined above.

Response and Corrective Action Plan: The U.S. Cellular Coliseum was a major project for the City of Bloomington with an opening date of April 1, 2006. As a result, information technology control issues arose. It is the City's plan to employ an information technology staff person to work directly at the Coliseum to implement password management, documentation of operational procedures and incident management and resolution procedures that follow the procedures currently in effect for the City of Bloomington. The employee should be hired by calendar year-end.

III. Findings and Questioned Costs for Federal Awards

A. Reportable conditions in internal control

06-III-A

U.S. Department of Housing and Urban Development
Supportive Housing Program (CFDA 14.235)
Federal Award Year: 2005-2006

Finding: The City does not have an adequate system in place to obtain audit reports from its subrecipients when required.

Condition: While the fiscal officer in the Community Development Division requested the single audit reports when she assisted on subrecipient monitoring visits; other individuals performing the monitoring visits did not.

Effect: The City is unable to fully perform its monitoring activities without the single audit reports.

Prevalence: The City has eleven subrecipients under this award program. Three of the eleven were selected for testing; of the three tested, none of them had been asked to provide an audit report.

Criteria: As stated in OMB Circular No. A-133, the City, as a pass-through entity, is responsible for ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.

(Continued)

Recommendation: The City should obtain audit reports from all subrecipients.

Response and Corrective Action Plan: Community Development Division staff worked with Jennifer Wait of PATH to improve the clarification of our monitoring system requirements. On August 2, 2006, the COC Program Objectives for Program Monitoring checklists were revised to include the requirement of an annual copy of the subrecipient's most recent audit. In addition, the annual audit requirement was added to the verbiage in the Subrecipient Agreements that are signed by all agencies. Monitoring staff will ensure an audit copy is collected from each agency annually.

B. Instances of noncompliance

06-III-B

U.S. Department of Housing and Urban Development
Supportive Housing Program (CFDA 14.235)
Federal Award Year: 2006-2006

Finding: The City did not request single audit reports from all of its subrecipients.

Condition: The fiscal officer in the Community Development Division requested audit reports when she assisted on subrecipient monitoring visits. However, they were not obtained on visits she was not involved with. Because the City did not receive audit reports from all of its subrecipients, they have not complied with monitoring requirements.

Questioned Costs: None

Criteria: As stated in OMB Circular No. A-133, the City, as a pass-through entity, is responsible for ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year. In addition, the pass-through entity must issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure the subrecipient takes appropriate and timely corrective action.

Recommendation: The City should obtain audit reports from all subrecipients and issue a management decision on findings, if applicable.

Response and Corrective Action Plan: On August 4, 2006, Community Development Division sent out a letter to all Continuum of Care Subrecipients. We requested a copy of their most recent Audit for the Continuum of Care file records. In addition, we advised the Subrecipients that this would be required in all future monitoring visits.

Corrective Action Plan
Year Ended April 30, 2006

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Reportable Conditions in Internal Control Over Financial Reporting				
06-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf courses, pool and zoo locations.	See response and corrective action plan at 06-II-A.	N/A	Judy Whikehart
06-II-B	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash receipts transaction cycle.	See response and corrective action plan at 06-II-B.	2007	Linda Short, CIAM
06-II-C	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash disbursement transaction cycle.	See response and corrective action plan at 06-II-C.	2007	Linda Short, CIAM
06-II-D	There is no formal review of nonstandard journal entries at the U.S. Cellular Coliseum.	See response and corrective action plan at 06-II-D.	2007	Linda Short, CIAM
06-II-E	The U.S. Cellular Coliseum has an inadequate segregation of duties over the payroll transaction cycle.	See response and corrective action plan at 06-II-E.	2007	Linda Short, CIAM
06-II-F	Approvals of U.S. Cellular Coliseum expenditures are not properly documented.	See response and corrective action plan at 06-II-F.	2007	Linda Short, CIAM
06-II-G	There is an inadequate system to identify trade/in-kind agreement activity for the U.S. Cellular Coliseum.	See response and corrective action plan at 06-II-G.	2007	Linda Short, CIAM
06-II-H	There is an inadequate system over hiring U.S. Cellular Coliseum employees and setting payroll rates.	See response and corrective action plan at 06-II-H.	2007	Linda Short, CIAM
06-II-I	There is an inadequate system over U.S. Cellular Coliseum employee terminations.	See response and corrective action plan at 06-II-I.	2007	Linda Short, CIAM
06-II-J	U.S. Cellular Coliseum information technology internal/security controls are not formalized.	See response and corrective action plan at 06-II-J.	2007	Linda Short, CIAM

(Continued)

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Reportable Conditions in Internal Control Over Federal Awards				
06-III-A	The City does not have an adequate system in place to obtain audit reports from its subrecipients when required.	See response and corrective action plan at 06-III-A.	July 2006	Sharon Walker
Findings and Questioned Costs for Federal Awards				
06-III-B	The City did not obtain audit reports from subrecipients to ensure they were meeting their monitoring responsibilities required under OMB Circular No. A-133.	See response and corrective action plan at 06-III-B.	July 2006	Sharon Walker