



# **CITY OF BLOOMINGTON, ILLINOIS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended April 30, 2005**

**Prepared by:**  
Brian J. Barnes, Director of Finance

## Contents

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### Introductory Section

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Table of contents	i – iii
Letter of transmittal	iv – viii
GFOA Certificate of Achievement	ix
Organizational chart	x
Officers and officials	xi

---

### Financial Section

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Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 17
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	18 – 19
Statement of activities	20 – 21
Fund financial statements:	
Balance sheet - governmental funds	22 – 23
Reconciliation of total governmental fund balances to net assets of governmental activities	24
Statement of revenues, expenditures and changes in fund balances - governmental funds	25 – 26
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	27
Balance sheet - proprietary funds	28 – 29
Reconciliation of enterprise funds net assets to the statement of net assets	30
Statement of revenues, expenses and changes in fund net assets - proprietary funds	31 – 32
Reconciliation of the change in net assets of enterprise funds to the statement of activities	33
Statement of cash flows - proprietary funds	34 – 37
Statement of fiduciary net assets - pension trust funds	38
Statement of changes in fiduciary net assets - pension trust funds	39
Notes to basic financial statements	40 – 66
Required Supplementary Information:	
Illinois Municipal Retirement Plan	67
Police Pension Plan	68
Fire Pension Plan	69
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual - General Fund	70
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual - Library Fund	71
Note to required supplementary information	72

---

## Contents

---

### Financial Section (continued)

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#### Supplementary information:

##### Nonmajor governmental funds:

Combining balance sheet	73 – 77
Combining statement of revenues, expenditures and changes in fund balances (deficits)	78 – 82
Combining statement of revenues, expenditures and changes in fund balances (deficits) - nonmajor governmental funds - budgetary basis - budget to actual	83 – 90
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual - Debt Service Fund	91
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual – US Cellular Coliseum Capital Project Fund	92

##### Nonmajor enterprise funds:

Combining balance sheet	93
Combining statement of revenues, expenditures and changes in net assets	94
Combining statement of cash flows	95

##### Internal service funds:

Combining statement of net assets	96
Combining statement of revenues, expenses and changes in fund net assets (deficits)	97
Combining statement of cash flows	98

##### Pension trust funds:

Combining statement of fiduciary net assets	99
Combining statement of changes in fiduciary net assets	100

---

### Statistical Section (unaudited)

---

Contents	101
Net assets by components	102
Changes in net assets	103 – 104
Fund balances, governmental funds	105
Changes in fund balances, governmental funds	106
Assessed value and estimated actual value of taxable property	107 – 108
Direct and overlapping property tax rates	109 – 110
Principal property tax payers	111 – 112
Property tax levies and collections	113 – 114
Ratios of net general bonded debt outstanding by type	115 – 116
Direct and overlapping governmental activities debt	117
Demographic statistics	118
Principal employers	119 – 120
Full-time equivalent city government employees by functions/programs	121 – 122
Operating indicators by function/program	123 – 124
Capital asset statistics by function/program	125 – 126
Exhibit – supplemental disclosure requirements	127
Exhibit A – direct general obligation bonded debt (principal only)	128
Exhibit A-1 – debt service requirements	129
Comments relative to statistical section	130

---

## Contents

---

### Compliance Section

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Schedule of expenditures of federal awards	131
Notes to schedule of expenditures of federal awards	132
Summary schedule of prior audit findings	133
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	134 – 135
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	136 – 137
Schedule of findings and questioned costs	138 – 140
Corrective action plan	141

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September 10, 2004

To the Citizens of the  
City of Bloomington

The Comprehensive Annual Financial Report of the City of Bloomington, Illinois, for the fiscal year ended April 30, 2005 is hereby submitted. This report presents a comprehensive and detailed picture of our financial transactions during the 2004 - 2005 fiscal year and the financial condition of the various funds as of April 30, 2005.

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 a 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. In 2003, the City converted the presentation of its financial statements, including infrastructure reporting, to comply with GASB Statement No. 34, *Basic Financial Statements - and Management's 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, 2005, 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, 2005, 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 it. The City's MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Report is divided into three main sections:

**Introduction:** Provides an overview of the City's operations. This section also discusses fiscal trends and gives some basic financial information.

**Financial:** The financial statements of the City in accordance with requirements established by the Government Accounting Standards Board (GASB) for the year ended April 30, 2005.

**Statistical:** Ten-year trend information and other vital facts about the City.

**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). Interstates 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 also 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. In addition to the major manufacturers and industries, there are two universities, two community colleges, two hospitals, and sixteen banks and savings and loan associations located in Bloomington-Normal. The City of Bloomington is one of the fastest growing urban areas in Illinois with an estimated 12.3% increase in population between 1990 and 2000. 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 an 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, including police and fire protection, the construction and maintenance of streets and other infrastructure, parks and recreation, the operating of the water and sewer utilities, public parking and refuse pickup.

The annual budget serves as the foundation for the City's financial planning and control. 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. 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 nonmajor governmental funds subsection of this report.

## Major Initiatives

The City staff, following specific directives of the City Council and the City Manager, have 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 for 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 grant/loan programs, including City direct loans, reviewable loans, deferred loans or grants. Eligible households receiving assistance through Community Development must meet one of HUD's national objectives. These objectives are a benefit to low/moderate income households or the elimination of slum/blight.

**Tax Increment Financing:** In 1986, the City of Bloomington augmented its economic development programs by creating three Tax Increment Financing (TIF) districts; Market Square, Veterans Parkway and Downtown Bloomington. The purpose of the TIFs 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:**

- Complete building a \$35 million downtown sports and entertainment center named US Cellular Coliseum, including a public skating rink, named the Pepsi Ice Center, and parking deck, on the southwest edge of the downtown area.
- Adding four patrolmen to the Police Department.
- Began a new Stormwater Utility paid for via a stormwater fee. Issued \$ 29.4 million in General Obligation Bonds to pay for the US Cellular Coliseum.
- Moved several City Departments to new space in the Government Center Building.

Issued \$15.6 million in tax-exempt variable General Obligation Bonds to pay for the new parking deck, Pepsi Ice Center and Phase I of the Cultural District plus refinancing some older bonds.

**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 did experience continued improvement in local economic activities to recover from the slow down in the economy earlier in the decade. The City had a significantly lower unemployment rate as compared to the entire state, and the sales tax collections have been improving significantly in the last year. The region has a varied 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 \$51,299 in 2003 for Bloomington-Normal was 5.13% above the United States EBI of \$48,798; 19.19% above the Champaign/Urbana EBI of \$43,040; 12.79% above the Peoria EBI of \$45,480; and 6.17% above the Springfield EBI of \$48,319.

Bloomington is the headquarters for State Farm Insurance Company. State Farm Insurance Company is the City's largest employer. There are seven major employers in Bloomington-Normal who employ between 1,000 and 14,132 employees each. Another twenty-three employers provide jobs for between 157 and 974 employees, of which the City of Bloomington with 859 employees is included.

Commercial and residential growth has been strong and steady. Several years ago Eastland Mall expanded and brought Famous Barr to the Mall plus expanding the existing Kohl's store. It is conservatively estimated that this agreement will result in an increase of \$9 million to sales and property tax collections for the City. An exposition center was built on the west side of the City near the outlet mall, which is able to host events year-round. A new hotel has been built in this area and a new Super Wal-Mart has been opened for several years as well. A new Lowes store was opened on the east side several years ago and the City enjoys the presence of most major restaurants including Krispy Kremes. Major employers have remained stable and plans for occupying expanded space are underway. Mitsubishi Motors has started adding staff again after undertaking a large layoff last year. New projects and renovation abound in the downtown area and expanded lodging and restaurant facilities are under consideration. Veterans Parkway is being widened, which will also aid growth. A Cultural District has been authorized and plans are underway to rehabilitate an 80-year old facility. Also, please refer to the MD&A elsewhere in this document to see further information about the City's economic condition and bond rating status.

**Long-Term Financial Planning:** The extension of a new water main from Lake Bloomington, the completion of Tipton Park, the construction of a Downtown Sports and Entertainment Center, the creation of a new Stormwater Utility to deal with storm run off, the repair and improvement of various streets, remodeling the Public Library and the development of the downtown area including a Cultural District remain the main emphasis for the City Council at this time.

Over the next three to five years, the City will complete Tipton Park, continue work on the new water main from Lake Bloomington, complete developing the Cultural District and complete construction of the Downtown Sports and Entertainment Center. In addition, there will be several major road construction repair projects.

**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 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 two to three years (IMET). The average yield of these investments tracked closely with the return for Illinois Funds which for the fiscal year ended April 30, 2005 was 2.611%. The Police Pension and Fire Pension funds are managed by their respective boards. For the fiscal year from May 1, 2004 to April 30 2005, the rate of return for the Fire Pension Fund was 4.89% due mainly to having a slow year in the stock market. For the fiscal year from May 1, 2004 to April 30 2005, the rate of return for the Police Pension Fund was 6.07% 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.



**Budget System:** The City of Bloomington operates under a five-year budget program. The budget is also the City's appropriation ordinance. The budget process starts in June and includes staff hearings, City Manager's review and Council Public hearings. Each line item is justified by backup material, including capital improvements. The budget and appropriation ordinance is passed prior to the beginning of the fiscal year. The City's budget process has been successful to the point that we usually finish the year within 3% of the budget.

**Risk Management:** In October 1995, the City of Bloomington established the Central Illinois Risk Pooling Authority that 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.

**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, 2004 of funding 60.5% of the Police Pension and 61.5% of the Fire Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded over 31 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, 2004. This was the 28th 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, 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,  
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, 2004

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.



*Nancy L. Zjelke*

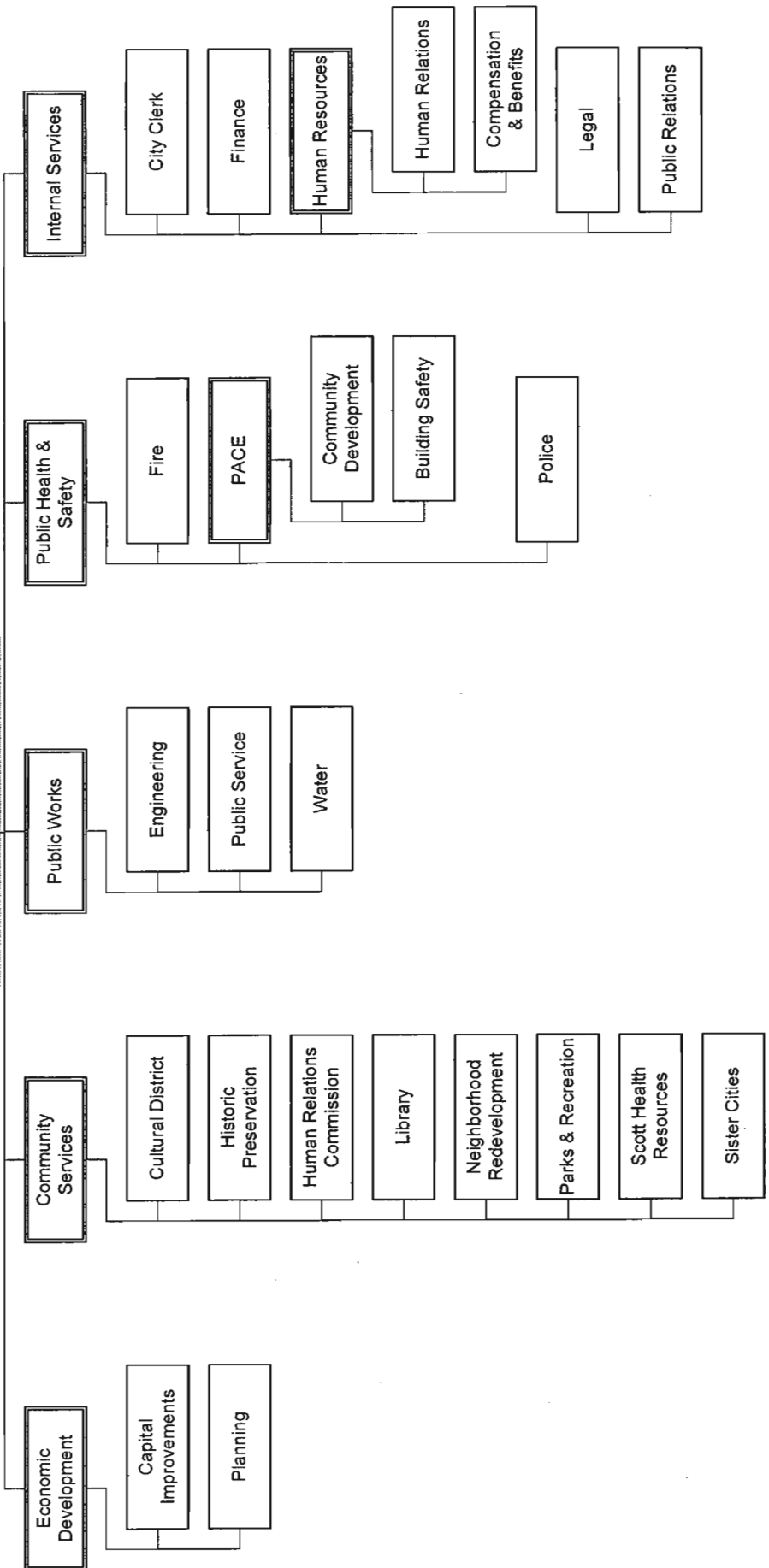
President

*Jeffrey R. Emer*

Executive Director

# Mayor and City Council

## City Manager



City of Bloomington, Illinois

Officers and Officials  
Year Ended April 30, 2005

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**Elected Officials**

**Mayor**

Judy Markowitz

**Aldermen**

Michael Matejka

Kevin Huetten

Karen Schmidt

Jim Finnegan

J.E. "Skip" Crawford

Rich Veitengruber

Thomas D. Whalen

Michael Sprague

**Administrative Officials**

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**City Manager**

Thomas Hamilton

**City Clerk**

Tracey Covert

**Director of Finance and City Treasurer**

Brian J. Barnes

**Corporate Counselor**

Todd Greenburg

**Fire Chief**

Keith Ranney

**Police Chief**

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**

Keith Rich

**Director of Planning & Code Enforcement**

Mark Huber

**Director of Bloomington Public Library**

Matthew Kubiak

**Director of J.M. Scott Health Resources Center**

Ruth Ann Sikora

**Executive Director of Bloomington Cultural District**

Bruce Marquis

# 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, 2005, 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 10% and 18%, respectively, of the assets and revenues of the aggregate remaining fund information and represents 2% of the governmental activities assets and none of the governmental activities revenues. We also did not audit the financial statements of Police Pension and Fire Pension, which represent all of the assets and revenues of the fiduciary funds of the City of Bloomington, Illinois. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Central Illinois Risk Pooling Authority, Police Pension and Fire Pension, is based on the reports of the 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. 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, and Fire Pension 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, 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2005 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 70 through 72 and the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 67 through 69 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, Audit 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*

June 28, 2005, except for the fiduciary funds  
as to which the date of the other auditor's is  
August 15, 2005 for the Police Pension and  
August 29, 2005 for the Fire Pension

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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The City of Bloomington (the "City") Management's Discussion and Analysis is designed to (1) assist the reader in focusing to significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (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 \$14.6 million (or 5.4%) during the fiscal year ending April 30, 2005 (FY05). The government net assets increased by \$10.3 million (or 6.6%) while the business-type activities increased \$4.3 million (or 3.5%) during the same time
- The governmental activities total revenues increased by \$0.7 million (or .008%). The governmental activities program expenses increased by \$4.0 million (or 5.7%).
- The business-type activities total revenues increased by \$1.8 million (or 11.1%). The business-type activities program expenses increased by \$1.1 million (or 8.7%).
- The total cost of City programs increased by \$5.1 million (or 6.2%).

#### 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.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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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 and parking operations. With FY 05, there is the addition of the stormwater management. 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 statement allows 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 - 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

Historically, a government's largest group of assets (infrastructure - roads, bridges, sidewalks, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. This new statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. 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.



City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005

Government-Wide Statement

Statement of Net Assets

The City's combined net assets increased by \$14.6 million or 5.4% from FY04, increasing from \$267.8 million to \$282.4 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 04. 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, 2005 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current assets and other	\$ 97.8	\$ 70.9	\$ 8.8	\$ 2.3	\$ 104.6	\$ 73.2
Noncurrent assets	155.4	134.4	129.8	124.2	285.2	258.6
<b>Total assets</b>	<b>253.2</b>	<b>205.3</b>	<b>136.6</b>	<b>126.5</b>	<b>389.8</b>	<b>331.8</b>
Current liabilities	30.1	28.7	1.7	1.1	31.8	29.8
Noncurrent liabilities	67.8	31.6	7.8	2.6	75.6	34.2
<b>Total liabilities</b>	<b>97.9</b>	<b>60.3</b>	<b>9.5</b>	<b>3.7</b>	<b>107.4</b>	<b>64.0</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	80.1	103.0	121.8	121.5	201.9	224.5
Restricted	5.4	5.4	-	-	5.4	5.4
Unrestricted	69.8	36.6	5.3	1.3	75.1	37.9
<b>Total net assets</b>	<b>\$ 155.3</b>	<b>\$ 145.0</b>	<b>\$ 127.1</b>	<b>\$ 122.8</b>	<b>\$ 282.4</b>	<b>\$ 267.8</b>

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.

Net results of activities: which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for capital: which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital: which 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"

Spending of nonborrowed current assets on new capital: which 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.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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Principal payment on debt: which 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: which 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 \$14.6 million to \$282.4 million from \$267.8 million as a result of the combination of many factors. First the business-type total assets increased \$10.1 million while total liabilities increased only \$5.8 million. At the same time, government activities total assets increased \$47.9 million while total liabilities increased only \$37.6 million. The increase of assets over liabilities significantly increased the City's cash position. Overall, the City's financial condition improved and strengthened from FY 04 to FY 05.

Net assets of the City's governmental funds increased from \$145 million in FY 04 to \$155.3 million in FY 05. The City's unrestricted net assets for governmental activities, the part that can be used to finance day-to day operations, were up \$33.2 million from \$36.6 million in FY 04 to \$69.8 million in FY 05. This increase in unrestricted net assets accounted for the majority of improvement in the City's financial condition. Several factors played a role in this improvement. First, the City issued \$29 million in G.O. Taxable Bonded debt in June 2005 to pay for the taxable portion of the new Coliseum. Second, the City issued \$15.6 million in G.O. Bonded debt in October 2004 to pay for the tax exempt portion of the new public skating rink, the related parking deck, the beginning of the Cultural District project, and refinancing a portion of an older issue to save the City money. In addition, the City's general revenues increased significantly as sales taxes and state income tax continued to grow. In addition, there was a \$12.9 increase in governmental activities net capital assets from \$134.4 in FY 04 to \$147.4 in FY 05. Looking at Note 3 on page 51 shows that the majority of this change involves construction-in process, infrastructure and construction, reflecting the work on the Coliseum, roads and parks in the City.

The net assets of business-type activities grew \$4.3 million, from \$122.8 million in FY 04 to \$127.1 million in FY 05. Current assets increased 195.6% from \$2.3 million in FY 04 to \$6.8 million in FY 05 as cash, investments and prepaid items improved. The U.S. Cellular Coliseum work began and the stormwater management utility started operations. In addition, the parking division completed construction of two new floors on the Lincoln Lot and 600 additional spots were added. The water department continues a multi-year project to build an additional water line 10 miles from Lake Bloomington to town. Business-type unrestricted net assets increased \$4.0 million, from \$1.3 million in FY 04 to \$5.3 million in FY 05. This was due to water, sewer and the stormwater management utility all building up their liquid assets to finance infrastructure improvements. The City can use the unrestricted net assets of \$5.3 million to finance the continuing operation of its water, sewer, parking, coliseum and stormwater operations. A rate study will be conducted in the near future to determine the appropriate rate structure for the water, sewer and stormwater utilities. The parking fee structure is reviewed periodically by management to ensure the financial stability of the service.

City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005

Changes In Net Assets

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

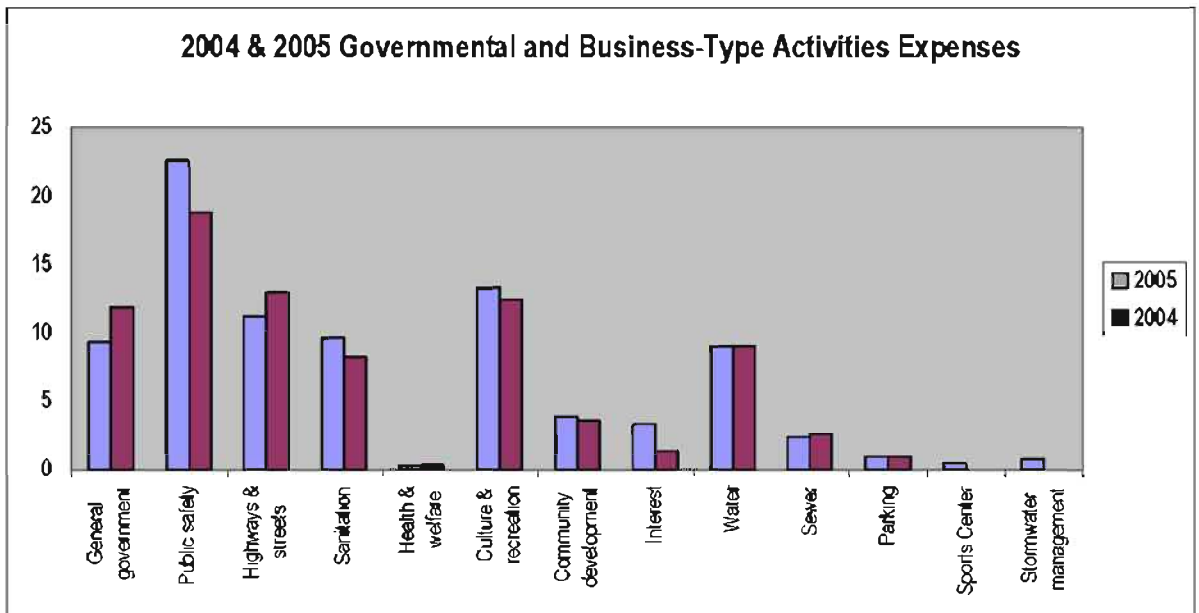
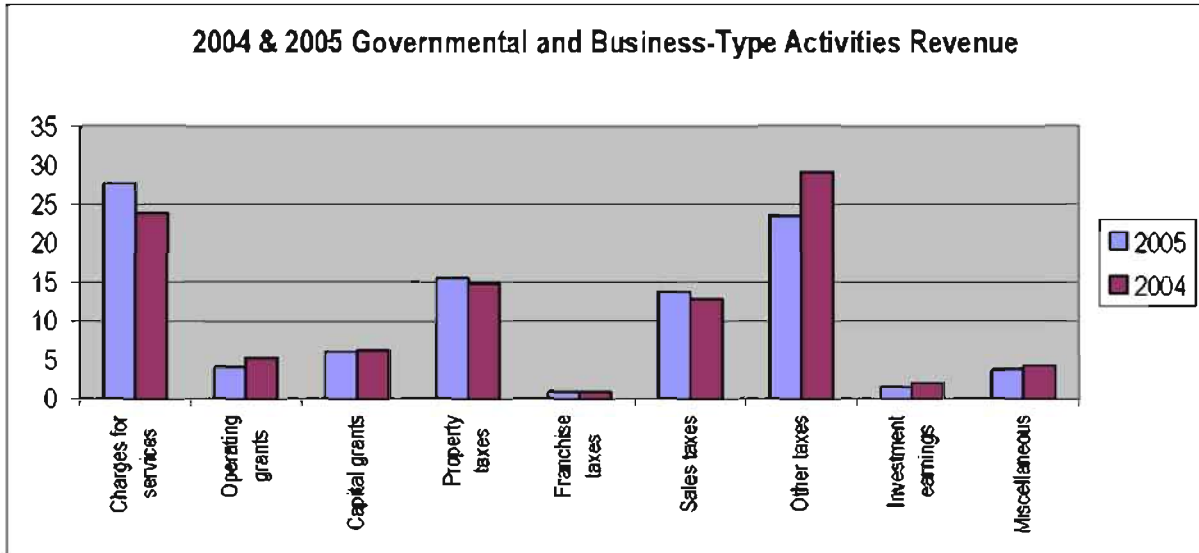
Table 2 - Changes in Net Assets For Fiscal Year Ended April 30, 2005 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 11.7	\$ 9.1	\$ 16.0	\$ 14.8	\$ 27.7	\$ 23.9
Operating grants	3.2	5.3	0.9	-	4.1	5.3
Capital grants	4.7	4.1	1.4	2.2	6.1	6.3
General revenues:						
Property taxes	15.5	14.8	-	-	15.5	14.8
Franchise taxes	0.9	0.9	-	-	0.9	0.9
Sales taxes	13.7	12.9	-	-	13.7	12.9
Other taxes	28.6	29.1	-	-	28.6	29.1
Investment earnings	1.5	2.0	-	-	1.5	2.0
Miscellaneous	3.7	3.5	0.1	0.7	3.8	4.2
Transfers	0.4	1.5	(0.4)	(1.5)	-	-
<b>Total revenue</b>	<b>\$ 83.9</b>	<b>\$ 83.2</b>	<b>\$ 18.0</b>	<b>\$ 16.2</b>	<b>\$ 101.9</b>	<b>\$ 99.4</b>
<b>Expenses:</b>						
Governmental activities:						
General government	\$ 9.3	\$ 11.9	\$ -	\$ -	\$ 9.3	\$ 11.9
Public safety	22.6	18.8	-	-	22.6	18.8
Highways & streets	11.2	12.9	-	-	11.2	12.9
Sanitation	9.6	8.2	-	-	9.6	8.2
Health & welfare	0.3	0.4	-	-	0.3	0.4
Culture & recreation	13.3	12.4	-	-	13.3	12.4
Community development	3.9	3.6	-	-	3.9	3.6
Interest	3.4	1.4	-	-	3.4	1.4
Business-type activities:						
Water	-	-	9.0	9.0	9.0	9.0
Sewer	-	-	2.4	2.6	2.4	2.6
Parking	-	-	1.0	1.0	1.0	1.0
Sports Center	-	-	0.5	-	0.5	-
Stormwater management	-	-	0.8	-	0.8	-
<b>Total expenses</b>	<b>\$ 73.6</b>	<b>\$ 69.6</b>	<b>\$ 13.7</b>	<b>\$ 12.6</b>	<b>\$ 87.3</b>	<b>\$ 82.2</b>
<b>Changes in net assets</b>	<b>\$ 10.3</b>	<b>\$ 13.6</b>	<b>\$ 4.3</b>	<b>\$ 3.6</b>	<b>\$ 14.6</b>	<b>\$ 17.2</b>

The City's combined change in net assets was a decrease of \$2.6 million from 2004 to 2005. The City's total revenues increased by \$2.5 million or 2.5%. The City's cost of all programs increased \$5.1 million or 6.2%. For more detailed information, see the Statement of Activities (pages 20 - 21).

City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005



## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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#### 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% 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.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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#### Current Year Impacts – Overall Results of Operations

##### Governmental Activities

Revenues: The City's governmental revenues increased by \$0.7 million. Most significant in the revenue changes were increases to the charges for services offsetting decreases in operating grants. The operating grant involved culture and recreation, as the City received several grants related to the parks and recreation department as well as the Library. In the summer of 2003, the City began charging \$5 a month for garbage collection services. Management estimates that this covers approximately 33% of the cost of providing this service.

Property taxes increased \$0.7 million or 4.7% due to general increases to absorb increasing costs of providing services. Investment earnings decreased by \$0.5 million as interest rates remained low. The City's net equalized assessed value increased in the 2003 levy year (which was collected in FY 04-05) by 5.89% to \$1,351,696,013. 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 \$4.1 million or 5.9%. The largest increase was due to public safety increasing \$3.0 million or 15.9% due to the increasing costs of police and fire protection. Other increases were primarily due to increased labor costs, plus an increase in interest on long-term debt (up \$2.0 million or 142.8%) as the costs of recent bond issues for capital expenditures begins to show up on the books. Additions to staff included single positions added in the City Clerk, Human Resources, Finance, and Computer Services, respectively, to handle growth. Two positions were added to the Building Safety Department and three to Parks and Recreation to deal with growth as well. The Police Department added six patrol officers and eliminated a civilian position. The Fire Department added five firefighters to help with growth and provide an additional ambulance crew. Nine positions were moved from various divisions and reassigned to the new stormwater maintenance utility to deal with this EPA unfunded mandate. The library also added four positions to provide for additional growth.

The Bloomington/Normal area has had very low unemployment numbers in recent years, well below the state average. Given this competition for good employees, the City must provide a competitive compensation package to attract and retain high quality employees. The FY 2005 expenses included funding for the City's pay for performance compensation package targeted to a 3% increase. In addition, many of the ten bargaining units have contracts that contain longevity increases that can amount to significantly more than 3% increases for the eligible staff.

##### Business-Type Activities

Revenues: The City's business-type revenues increased by \$1.8 million or 11.1%. This reflects an increase in collections for charges for service as activity grew while rates for services held flat. Water and sewer did increase, plus the stormwater utility started collecting revenue. Parking revenues were also up slightly as the Lincoln Lot facilities began operations again after closing down the previous year to add two floors and approximately 600 spots.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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Expenses: The City's business-type expenses increased by \$1.1 million or 8.7%. The increase was in parking the cost of operating the Lincoln Lot, including debt service, rose as the lot was expanded. Also, the City created a new business-type entity, the stormwater maintenance utility, to handle the EPA mandated requirements. In addition, the U.S. Cellular Coliseum is being built on the southwest edge of the downtown area to include professional hockey, football, other sports functions, concerts, etc. The project also includes a public ice rink in a connected structure, and a parking deck with approximately 270 parking spots. Construction is ahead of schedule as of this writing and the plans are to have the arena open for business in spring of 2006.

### Financial Analysis of the City's Funds

Governmental Funds: As of April 30, 2005, the governmental funds (as presented on the balance sheet on pages 22 and 23) reported a combined total fund balance of \$77.3 million, which is an increase of \$33.3 million or 75.6% over the FY 2003 total of \$44.0 million. Of the total fund balance of \$77.3 million, \$25.2 million is unreserved indicating availability for continuing City services. Reserved fund balances of \$52.1 million includes \$0.4 million in inventory, \$1.6 million in loans, 2.4 million in prepaid items, \$41.9 million in encumbrances from the prior year, \$5.4 million in trust corpus, and \$0.3 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 increased \$5.0 million or 34.7% from \$14.4 million in FY 04 to \$19.5 million in FY 05. Per the statement of revenues, expenditures and changes in fund balances on pages 25 and 26, General Fund total revenues increased by \$3.1 million or 5.2% and General Fund total expenditures increased by 1.5 million or 2.8%. Total revenues, less total expenses for FY 04, were \$7.8 million. A net other financing use of (\$2.8 million) reduced the net change in fund balance to \$5.0 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 fund balance for the Library Fund decreased \$0.055 million or 8.3% from \$0.662 million to \$0.607 million. Total revenues for the library increased \$0.2 million or 5.6% as the property tax levy continued at an elevated level to pay for some needed remodeling and expansion plans. Total expenses for the library increased \$0.4 million or 10.8% as operating costs increased (labor mainly) as well as the tail end of the HVAC replacement project occurred.

The fund balance for the Debt Service Fund increased \$1.108 million or 54.9% from \$2.019 million to \$3.127 million. Total revenues for debt service increased \$3.5 million or 114.7% as the City refinanced some older bonds to save interest costs. Total expenses for debt service increased \$1.1 million or 33.4% to reflect this activity. In addition, there was a \$4.042 issuance of long-term debt in the Debt Service Fund, which was the capitalized interest for the 2004 variable rate bond issue.

### Capital Project – U.S. Cellular Coliseum

The fund balance for the U.S. Cellular Coliseum increased \$17.716 million or approximately 900%. This is due to the issuance of long-term debt to pay for the bulk of this project. Total expenses for the U.S. Cellular Coliseum was \$8.498 million as work commenced building this structure. The construction phase of this project should be completed by spring of 2006.

**City of Bloomington, Illinois**

**Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005**

**Nonmajor Governmental Funds**

The fund balance for the nonmajor governmental funds increased \$6.963 million or 26.9% from \$25.807 million to \$32.770 million. Total revenues for the nonmajor governmental funds decreased \$3.228 million or 28.3% as the Intergovernmental line dropped \$3.422 million due to a drop in motor fuel tax allocations from the state and lower capital grant activity. Total expenses for the nonmajor governmental funds decreased \$4.430 million or 25.4% as capital projects dropped as the Cultural District planned for the major part of the rehabilitation and MFT projects decreased. There was a \$4.0 million transfer which is the restarting of the annual transfer from the General Fund to the Capital Fund to pay for major capital projects. Last there was a \$9.3 million issuance of long-term debt, which was the 2004 variable rate issue for the Pepsi Ice Center and the Cultural District projects.

**General Fund Budgetary Highlights**

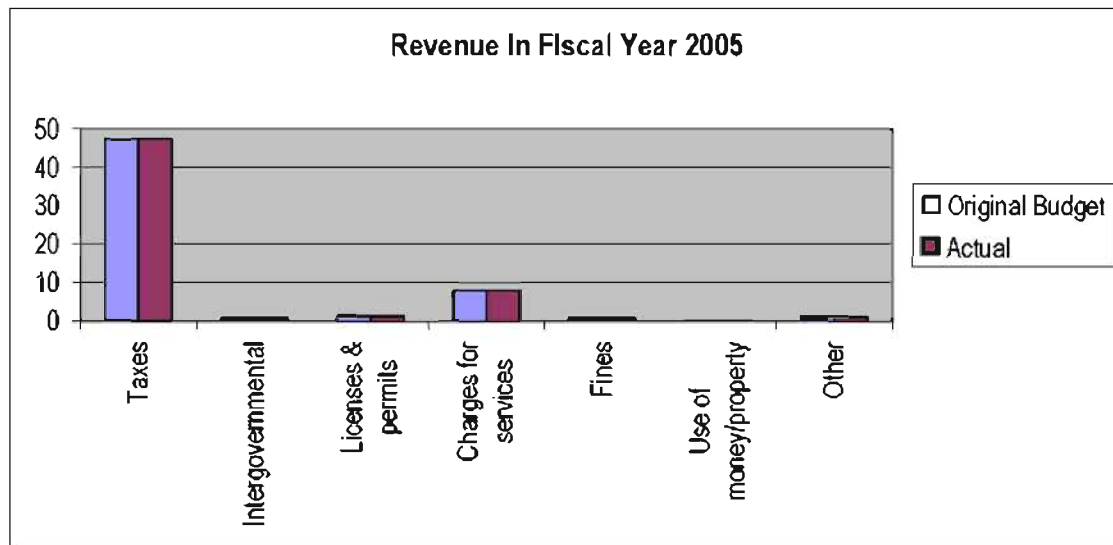
Over the course of the year, the City amended the budget once. It is the policy of the City to not continually amend the budget during the year as new projects are authorized, as some other projects may not happen due to uncontrollable events and so it could be confusing to keep amending the budget during 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 2005 (in millions)			
General Fund	Original Budget	Amended Budget	Actual
<b>Revenues:</b>			
Taxes	\$ 47.4	\$ 47.4	\$ 49.5
Intergovernmental	0.5	0.5	0.5
Licenses & permits	1.3	1.3	1.2
Charges for services	8.0	8.0	8.1
Fines	0.7	0.7	0.9
Use of money and property	0.1	0.1	0.3
Other	1.2	1.2	1.5
<b>Total</b>	<b>59.2</b>	<b>59.2</b>	<b>62.0</b>
<b>Expenditures and transfers:</b>			
Expenditures	58.7	58.8	56.6
Transfers	2.8	2.8	2.8
<b>Total</b>	<b>61.5</b>	<b>61.6</b>	<b>59.4</b>
<b>Change in fund balance</b>	<b>\$ (2.3)</b>	<b>\$ (2.4)</b>	<b>\$ 2.6</b>



City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005



The General Fund actual revenues were \$2.7 million more than the original budgeted amount. Food and beverage taxes were \$0.3 million over budget, income tax was \$0.7 million more than budget, utility taxes were \$0.5 million over budget, and personal property replacement taxes came in at \$0.6 million over budget. Townships forwarded \$0.3 million in back road & bridge taxes. Charges for services were over budget as the City collected \$0.2 million more than budgeted for garbage collection. Generally, the City budgets revenues very conservatively, rarely projecting any revenue item to increase by more than 3% in a given year.

The General Fund actual expenditures were \$2.1 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 \$2.3 million.

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

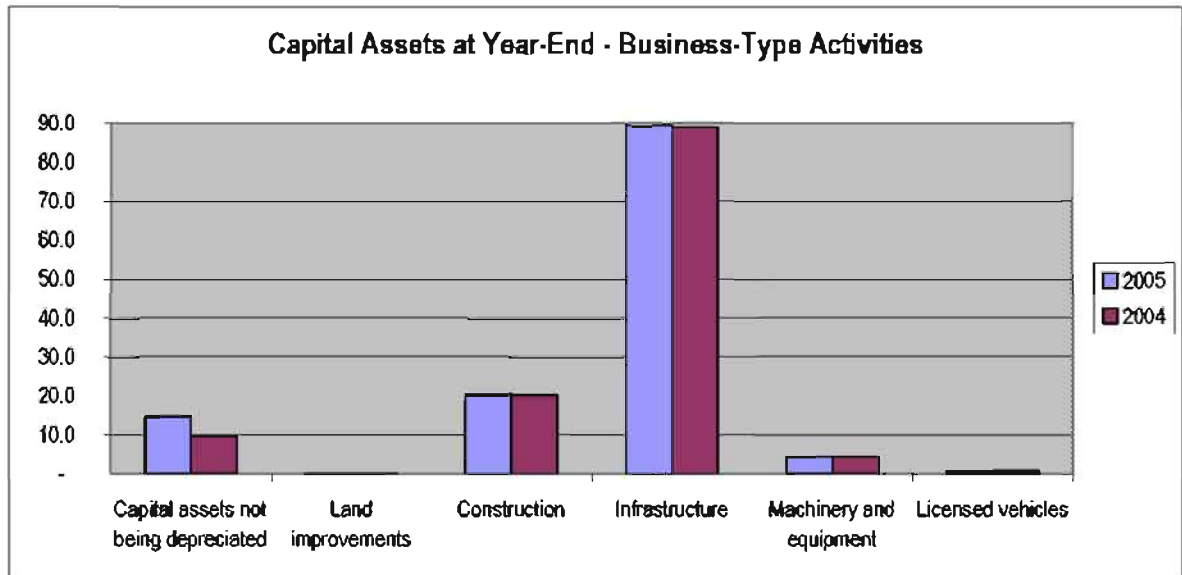
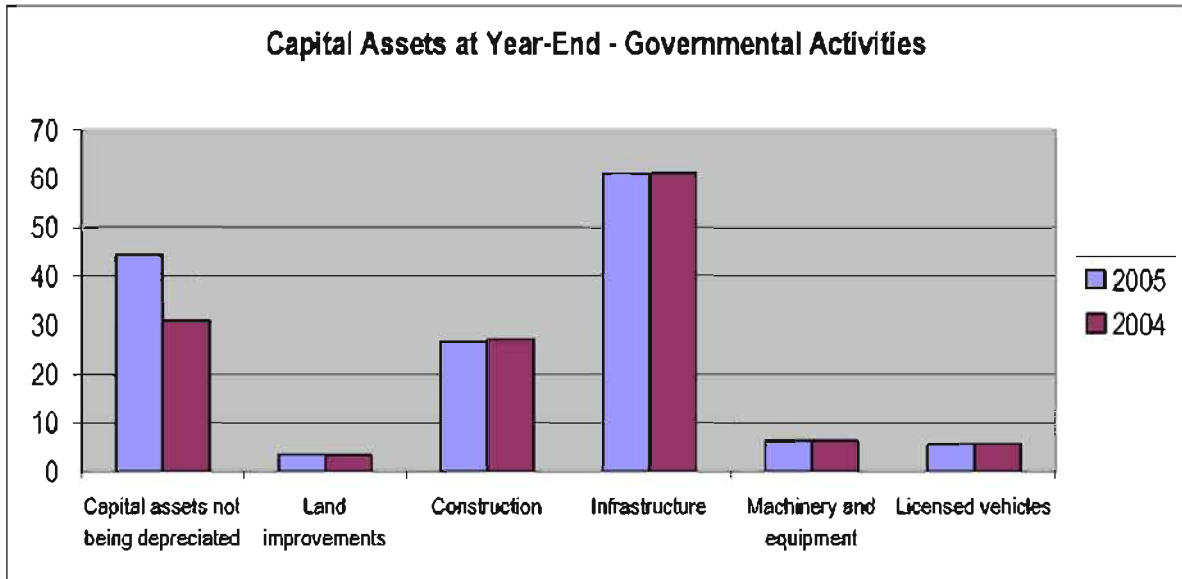
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Capital assets not being depreciated	\$ 44.4	\$ 31.2	\$ 14.6	\$ 9.8	\$ 59.0	\$ 41.0
Land improvements	3.4	3.2	0.2	0.2	3.6	3.4
Construction	26.7	27.1	20.4	20.1	47.1	47.2
Infrastructure	61.1	61.1	89.3	88.8	150.4	149.9
Machinery and equipment	6.3	6.3	4.5	4.5	10.8	10.8
Licensed vehicles	5.8	5.6	0.7	0.8	6.3	6.4
Total net capital assets	\$ 147.5	\$ 134.5	\$ 129.7	\$ 124.2	\$ 277.2	\$ 258.7

(Note: columns may not total due to rounding)

City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005

At the end of fiscal year 2005, the City had a combined total of capital assets, net of depreciation, of \$277.2 million. This is an increase of \$18.5 million or 7.2% over the FY 2004 total of \$258.7 million. Most of the increase occurred as a result of more construction-in-progress as the Coliseum and Cultural District projects move forward, as well as extensive street work taking place. For more details, see Note 3 capital assets on pages 51 – 53.



City of Bloomington, Illinois

Management's Discussion and Analysis  
For Fiscal Year Ended April 30, 2005

Table 4 - Change in Capital Assets (in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance	\$ 134.4	\$ 124.2	\$ 258.6
Additions:			
Nondepreciation	25.7	11.1	36.8
Depreciation	(9.7)	(2.7)	(12.4)
Retirements:			
Nondepreciation	(5.2)	(3.6)	(8.8)
Depreciation	2.1	0.8	2.9
Total	\$ 147.3	\$ 129.8	\$ 277.1

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

Governmental activities:

U.S. Cellular Coliseum	\$ 7.807
Pepsi Ice Center	1.455
Fell Avenue Bridge Design	0.112
McGraw Park Design & Construction	0.147
Bloomington Center for Performing Arts - Renovation	1.428
Library HVAC	0.506
Hershey Road Phase III	0.252
Stone Mountain Boulevard	0.197
Airport Road (Route 9 to Gill)	1.264
Tipton Park Phase II	0.788
Fort Jesse Road Improvement Phase I	0.101

Business-type activities:

West Side Parking Deck	0.113
Design 36" Watermain from Lake Bloomington to Ft. Jesse	0.130
New Water Dept. Building, 603 W. Division	0.167
East Side Water Main (Douglas to Mulberry)	0.217
16" Water Main in Ft. Jesse Road	0.147
Route 9 Water Main	0.206
Lake Bloomington Retaining Wall at Treatment Plant	0.638
Szarek Sewer Extension	0.173
Extreme Nissan Drainage Improvement	0.218
Pipeline Road Water Main Northtown to 2350 N.	3.129
Canterbury Court 42" Relief Storm	0.279

The governmental activities net capital assets increased from FY 04 to FY 05 by \$12.9 million or 9.5% because additions were larger than the amount of depreciation expensed this year. The business-type activities net capital assets increased from FY 04 to FY 05 by \$5.6 million or 4.5% because additions were also larger than the amount of depreciation expensed this year. The most significant additions to both categories are listed above.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

#### Debt Outstanding

The City of Bloomington had total long-term debt and loans payable of \$39.299 million as of April 30, 2004. 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, 2004	Net Additions/ Deletions	Ending Balance April 30, 2005
<b>Government activities:</b>			
General obligation debt	\$ 31.428	\$ 36.502	\$ 67.930
Agreements with developers	4.041	(0.730)	3.311
Compensated absences	1.169	0.173	1.342
Government activities total	36.638	35.945	72.583
<b>Business activities:</b>			
Loans payable	2.659	2.226	4.885
General obligation bonds	-	3.174	3.174
Total long-term debt	\$ 39.297	\$ 41.345	\$ 80.642

For more details, see Note 5, long-term debt on pages 54 – 56.

During the year, \$5,615,000 net of the general obligation debt was retired while \$42,117,765 of new debt was issued. In addition, \$1,503,993 of the Developers Agreements was retired while there was \$773,200 in new agreements. Compensated absences increased by \$173,180 in accrual. The loan payable (from the IEPA to pay for a new water main from Lake Bloomington) increased by \$2.226 million net. Last, \$3,174,728 was added on general obligation debt related to the parking deck for the Pepsi Ice Center. See Note 5 on page 54 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, 2005. 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 plans to issue \$9.9 million in tax-exempt general obligation debt in October 2005 to complete the Cultural District project. The debt service will be paid by using earmarked sales tax collections allocated to the project. Other than some potential refinancing of existing debt to save interest costs, no other debt issuance is contemplated in the foreseeable future as of this writing.

## City of Bloomington, Illinois

### Management's Discussion and Analysis For Fiscal Year Ended April 30, 2005

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#### Economic Factor's and Next Year's Budget

The City's assessed value grew by an average of 6.16% 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 24.1 % 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 above. 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 2004 to 2005 by \$.793 million or 6.1%. State income tax grew from 2004 to 2005 by \$.606 million or 15.5%. Utility taxes grew from 2004 to 2005 by \$.269 million or 5.2%. Property taxes, sales taxes and home rule sales taxes represent the largest components of the general revenues. Clearly, the City economy is growing in a healthy manner. Taxes comprise 75.2% of general revenues. There are multiple housing developments taking place around the community. The completion of Tipton Park on the east side of town will encourage more growth and development on that side of town. The completion of the Coliseum, the Pepsi Ice Center and the Cultural District will provide additional economic growth in terms of jobs, people visiting the downtown area, and related purchases. For additional details on the above see pages 118 through 120.

Unemployment for the City was 4.6% countywide (up from 2.7% last year), 6.0% for the state (up from 5.9% a year ago) and 5.0% for the United States (down from 5.4% last year) as of April 30, 2005. The City unemployment rate is less than both the national rate and the statewide rate. The increase in the local rate is due primarily to a large layoff at Mitsubishi Motors, but the overall economy is very strong and people are gradually being added back on the payroll at Mitsubishi. This shows that the employment environment in the Bloomington area is very strong.

The 2005-06 budget shows the General Fund revenues increasing 9.3% and expenses increasing 9.3%, 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, 2005

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 51,131,548	\$ 2,861,369	\$ 53,992,917
Investments	14,152,813	2,992,325	17,145,138
Receivables, net of allowances for uncollectibles of \$331,927:			
Taxes	15,015,335	-	15,015,335
Loans	1,559,140	-	1,559,140
Accounts	2,816,628	1,836,082	4,652,710
Accrued interest	12,967	-	12,967
Due from other governmental units	7,274,015	-	7,274,015
Internal balances	2,074,323	(2,074,323)	-
Inventory	438,068	85,754	523,822
Prepaid items and other assets	3,013,643	1,158,527	4,172,170
Properties held for resale	347,490	-	347,490
<b>Total current assets</b>	<b>97,835,970</b>	<b>6,859,734</b>	<b>104,695,704</b>
Noncurrent Assets:			
Land	18,123,410	4,608,469	22,731,879
Construction-in-progress	26,362,780	9,993,579	36,356,359
Other depreciable capital assets, net of accumulated depreciation	102,929,628	115,239,096	218,168,724
<b>Total capital assets, net of depreciation</b>	<b>147,415,818</b>	<b>129,841,144</b>	<b>277,256,962</b>
Pension assets	1,779,247	-	1,779,247
Bond issuance costs	374,896	14,890	389,786
Bond discounts	409,319	18,159	427,478
Restricted investments	5,402,151	-	5,402,151
<b>Total noncurrent assets</b>	<b>155,381,431</b>	<b>129,874,193</b>	<b>285,255,624</b>
<b>Total assets</b>	<b>\$ 253,217,401</b>	<b>\$ 136,733,927</b>	<b>\$ 389,951,328</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities and Net Assets</b>			
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 2,764,131	\$ 1,124,963	\$ 3,889,094
Claims payable	4,299,219	-	4,299,219
Compensated absences	1,342,621	142,085	1,484,706
Accrued interest payable	1,624,734	57,663	1,682,397
Unearned revenue	1,495,826	169,950	1,665,776
Deferred revenue, property taxes	15,015,335	-	15,015,335
Deposits	-	26,648	26,648
Current portion of developer agreements	1,400,000	-	1,400,000
Current portion of loan payable	-	169,131	169,131
Current portion of general obligation bonds payable	2,136,968	27,100	2,164,068
<b>Total current liabilities</b>	<b>30,078,834</b>	<b>1,717,540</b>	<b>31,796,374</b>
Noncurrent Liabilities:			
Bond premium	134,388	-	134,388
Developer agreements, noncurrent portion	1,911,170	-	1,911,170
Loan payable, noncurrent portion	-	4,715,436	4,715,436
General obligation bonds payable, noncurrent portion	65,794,516	3,147,628	68,942,144
<b>Total noncurrent liabilities</b>	<b>67,840,074</b>	<b>7,863,064</b>	<b>75,703,138</b>
<b>Total liabilities</b>	<b>97,918,908</b>	<b>9,580,604</b>	<b>107,499,512</b>
Net Assets:			
Invested in capital assets, net of related debt	80,134,161	121,814,898	201,949,059
Restricted, permanent	5,402,151	-	5,402,151
Unrestricted	69,762,181	5,338,425	75,100,606
<b>Total net assets</b>	<b>155,298,493</b>	<b>127,153,323</b>	<b>282,451,816</b>
<b>Total liabilities and net assets</b>	<b>\$ 253,217,401</b>	<b>\$ 136,733,927</b>	<b>\$ 389,951,328</b>

City of Bloomington, Illinois

Statement of Activities  
For the Year Ended April 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ (9,315,837)	\$ 6,360,215	\$ 1,643,091	\$ -
Public safety	(22,632,094)	1,240,643	115,913	-
Highways and streets	(11,228,589)	290,843	-	4,651,148
Sanitation	(9,603,786)	-	-	-
Health and welfare	(333,600)	-	-	-
Culture and recreation	(13,253,966)	3,828,057	121,005	-
Community development	(3,875,334)	-	1,281,005	-
Interest on long-term debt	(3,429,408)	-	-	-
<b>Total governmental activities</b>	<b>(73,672,614)</b>	<b>11,719,758</b>	<b>3,161,014</b>	<b>4,651,148</b>
Business-type activities:				
Water	(8,986,194)	11,762,235	590,681	702,910
Sewer	(2,423,695)	2,165,669	287,763	546,457
Parking	(1,080,682)	737,942	-	-
U.S. Cellular Coliseum	(462,974)	-	-	-
Stormwater management	(844,984)	1,391,849	31,991	158,186
<b>Total business-type activities</b>	<b>(13,798,529)</b>	<b>16,057,695</b>	<b>910,435</b>	<b>1,407,553</b>
<b>Total government</b>	<b>\$ (87,471,143)</b>	<b>\$ 27,777,453</b>	<b>\$ 4,071,449</b>	<b>\$ 6,058,701</b>

**General Revenues**

Taxes:

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

Investment earnings

Miscellaneous

Transfers

**Total general revenues and transfers**

Changes in net assets

Net assets, beginning of year

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
\$ (1,312,531)	\$ -	\$ (1,312,531)
(21,275,538)	-	(21,275,538)
(6,286,598)	-	(6,286,598)
(9,603,786)	-	(9,603,786)
(333,600)	-	(333,600)
(9,304,904)	-	(9,304,904)
(2,594,329)	-	(2,594,329)
(3,429,408)	-	(3,429,408)
(54,140,694)	-	(54,140,694)
-	4,069,632	4,069,632
-	576,194	576,194
-	(342,740)	(342,740)
-	(462,974)	(462,974)
-	737,042	737,042
-	4,577,154	4,577,154
(54,140,694)	4,577,154	(49,563,540)
15,523,328	-	15,523,328
908,809	-	908,809
13,714,717	-	13,714,717
11,212,571	-	11,212,571
5,478,337	-	5,478,337
4,515,877	-	4,515,877
3,184,108	-	3,184,108
4,214,587	-	4,214,587
1,490,494	43,062	1,533,556
3,790,779	68,299	3,859,078
425,898	(425,898)	-
64,459,505	(314,537)	64,144,968
10,318,811	4,262,617	14,581,428
144,979,682	122,890,706	267,870,388
\$ 155,298,493	\$ 127,153,323	\$ 282,451,816

City of Bloomington, Illinois

Balance Sheet  
 Governmental Funds  
 April 30, 2005

	General	Library	Debt Service
<b>Assets</b>			
Cash and cash equivalents	\$ 7,146,963	\$ 819,408	\$ 6,536,029
Investments	2,418,119	-	1,126,479
Receivables, net of allowance for uncollectibles:			
Taxes	9,388,902	3,850,530	1,775,903
Loans	391,978	-	-
Accounts	2,028,056	139	-
Due from other governmental units	6,807,072	-	157,256
Due from other funds	2,884,405	18,000	96,563
Inventory	438,068	-	-
Prepaid items	2,209,209	-	-
Properties held for resale	-	-	-
<b>Total assets</b>	<b>\$ 33,712,772</b>	<b>\$ 4,688,077</b>	<b>\$ 9,692,230</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued expenditures	\$ 2,224,194	\$ 189,147	\$ 23,396
Due to other funds	-	41,662	1,104,123
Unearned revenue	171,260	-	-
Deferred revenue	11,796,321	3,850,530	1,847,558
<b>Total liabilities</b>	<b>14,191,775</b>	<b>4,081,339</b>	<b>2,975,077</b>
Fund balances:			
Reserved for:			
Inventory	438,068	-	-
Loans	391,978	-	-
Prepaid items	2,209,209	-	-
Encumbrances	2,783,310	-	-
Trust corpus	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated reported in:			
General Fund	13,698,432	-	-
Special revenue funds	-	606,738	-
Debt Service Fund	-	-	6,717,153
Capital project funds	-	-	-
Permanent Fund	-	-	-
<b>Total fund balances</b>	<b>19,520,997</b>	<b>606,738</b>	<b>6,717,153</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,712,772</b>	<b>\$ 4,688,077</b>	<b>\$ 9,692,230</b>

See Notes to Basic Financial Statements.

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	U.S. Cellular Coliseum	Nonmajor Governmental Funds	Total
\$	17,687,044	\$ 18,423,332	\$ 50,612,776
	-	13,133,612	16,678,210
	-	-	15,015,335
	-	1,167,162	1,559,140
	-	82,485	2,110,680
	-	309,687	7,274,015
	-	1,368,450	4,367,418
	-	-	438,068
	48,576	151,521	2,409,306
	-	347,490	347,490
<b>\$</b>	<b>17,735,620</b>	<b>\$ 34,983,739</b>	<b>\$ 100,812,438</b>

\$	-	\$ 320,456	\$ 2,757,193
	-	1,727,861	2,873,646
	-	113,300	284,560
	-	51,412	17,545,821
	-	2,213,029	23,461,220

	-	-	438,068
	-	1,167,162	1,559,140
	48,576	151,521	2,409,306
	18,212,978	20,964,965	41,961,253
	-	5,402,151	5,402,151
	-	347,490	347,490
	-	-	13,698,432
	-	3,256,566	3,863,304
	-	-	6,717,153
	(525,934)	(689,208)	(1,215,142)
	-	2,170,063	2,170,063
	17,735,620	32,770,710	77,351,218
<b>\$</b>	<b>17,735,620</b>	<b>\$ 34,983,739</b>	<b>\$ 100,812,438</b>

City of Bloomington, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities  
 April 30, 2005

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Total governmental fund balances		\$ 77,351,218
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.		147,415,818
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,530,486
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	\$ 4,718,778	
Internal balances	37,573	
Current liabilities	<u>(5,517,423)</u>	(761,072)
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.		1,779,247
Internal service funds allocated to business-type activities.		542,978
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	(1,342,621)	
Bond premium	(134,388)	
Bond discount	409,319	
Bond issuance costs	374,896	
Accrued interest payable	(1,624,734)	
Developer agreements	(3,311,170)	
General obligation bonds payable	<u>(67,931,484)</u>	<u>(73,560,182)</u>
<b>Net assets of governmental activities</b>		<b>\$ 155,298,493</b>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended April 30, 2005

	General	Library	Debt Service
<b>Revenues:</b>			
Taxes	\$ 49,467,899	\$ 3,820,004	\$ 3,030,424
Intergovernmental	478,832	127,941	-
Licenses and permits	1,230,803	-	-
Charges for services	8,106,427	48,226	-
Fines and forfeitures	916,103	-	-
Use of money and property	290,107	24,588	23,565
Other	1,487,926	271,144	-
<b>Total revenues</b>	<b>61,978,097</b>	<b>4,291,903</b>	<b>3,053,989</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	6,842,200	-	-
Public safety	23,132,980	-	-
Highways and streets	3,363,293	-	-
Sanitation	9,269,284	-	-
Health and welfare	-	-	-
Culture and recreation	8,155,297	4,350,195	-
Community development	-	-	-
<b>Debt Service:</b>			
Principal	954,234	-	2,250,000
Interest and fiscal agent fees	-	-	2,459,702
Bond issuance costs	-	-	27,124
Capital outlay	2,366,476	-	-
<b>Total expenditures</b>	<b>54,083,764</b>	<b>4,350,195</b>	<b>4,736,826</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,894,333</b>	<b>(58,292)</b>	<b>(1,682,837)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	690,099	-	1,279,511
Issuance of long-term debt	-	-	4,042,303
Discount on issuance of debt	-	-	(15,265)
Issuance of refunding bonds	-	-	3,365,000
Payment to refunded bond escrow agent	-	-	(3,365,000)
Proceeds from sale of capital assets	127,235	3,346	-
Transfers out	(3,621,250)	-	(34,485)
<b>Total other financing sources (uses)</b>	<b>(2,803,916)</b>	<b>3,346</b>	<b>5,272,064</b>
<b>Net change in fund balances</b>	<b>5,090,417</b>	<b>(54,946)</b>	<b>3,589,227</b>
Fund balances, beginning of year	14,430,580	661,684	3,127,926
Fund balances, end of year	\$ 19,520,997	\$ 606,738	\$ 6,717,153

See Notes to Basic Financial Statements.

	U.S. Cellular Coliseum	Nonmajor Governmental Funds	Total
\$	-	\$ 2,423,826	\$ 58,742,153
	240,000	4,432,843	5,279,616
	-	-	1,230,803
	-	79,065	8,233,718
	-	45,687	961,790
	393,963	798,515	1,530,738
	-	363,817	2,122,887
	633,963	8,143,753	78,101,705
	-	1,499,334	8,341,534
	-	-	23,132,980
	-	2,015,839	5,379,132
	-	-	9,269,284
	-	333,432	333,432
	8,217,161	3,309,247	24,031,900
	-	4,033,837	4,033,837
	-	341,352	3,545,586
	-	-	2,459,702
	281,301	27,552	335,977
	-	1,404,136	3,770,612
	8,498,462	12,964,729	84,633,976
	(7,864,499)	(4,820,976)	(6,532,271)
	-	4,008,276	5,977,886
	25,939,198	9,306,971	39,288,472
	(357,897)	(51,420)	(424,582)
	-	-	3,365,000
	-	-	(3,365,000)
	-	237,308	367,889
	-	(1,717,390)	(5,373,125)
	25,581,301	11,783,745	39,836,540
	17,716,802	6,962,769	33,304,269
	18,818	25,807,941	44,046,949
\$	\$ 17,735,620	\$ 32,770,710	\$ 77,351,218

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, 2005**

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Net change in fund balances - governmental funds	\$ 33,304,269
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	18,563,556
Depreciation	(9,675,635)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:	
Loss on the sale of capital assets	(49,557)
Proceeds from sale of capital assets	(367,889)
Transfer of capital assets to business-type activities	(178,863)
Contributions of capital assets	4,651,148
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	(173,180)
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	6,910,586
Issuance of long-term debt	(41,880,272)
Forgiveness of debt - developer agreements	208,407
Bond discount	424,582
Issuance costs	335,977
Developer agreements	(773,200)
Amortization of issuance costs, bond premium and bond discount	(22,743)
Interest	(1,155,370)
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 governmental activities.	(117,596)
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.	77,390
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.	237,201
<b>Change in net assets of governmental activities</b>	<b>\$ 10,318,811</b>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Balance Sheet  
Proprietary Funds  
April 30, 2005

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,256,979	\$ 545,003	\$ 35,262
Investments	-	-	2,992,325
Accounts receivable	1,334,569	171,136	37,486
Accrued interest receivable	-	-	-
Due from other funds	663,000	175,031	-
Inventory	85,754	-	-
Prepaid items and other assets	519,646	95,672	27,825
<b>Total current assets</b>	<b>4,859,948</b>	<b>986,842</b>	<b>3,092,898</b>
Noncurrent assets:			
Capital assets, net	77,670,074	47,043,425	3,384,703
Bond issuance costs	-	-	14,890
Bond discounts	-	-	18,159
<b>Total noncurrent assets</b>	<b>77,670,074</b>	<b>47,043,425</b>	<b>3,417,752</b>
<b>Total assets</b>	<b>\$ 82,530,022</b>	<b>\$ 48,030,267</b>	<b>\$ 6,510,650</b>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 837,977	\$ 253,417	\$ 17,721
Claims payable	-	-	-
Compensated absences	99,552	25,643	11,655
Accrued interest payable	57,663	-	-
Due to other funds	1,106,051	135,672	539,575
Unearned revenue	-	-	-
Deposits	10,273	-	16,375
Current maturities of long-term debt	169,131	-	27,100
<b>Total current liabilities</b>	<b>2,280,647</b>	<b>414,732</b>	<b>612,426</b>
Noncurrent Liabilities:			
Loan payable, noncurrent portion	4,715,436	-	-
General obligation bonds payable, noncurrent portion	-	-	3,147,628
<b>Total noncurrent liabilities</b>	<b>4,715,436</b>	<b>-</b>	<b>3,147,628</b>
<b>Total liabilities</b>	<b>6,996,083</b>	<b>414,732</b>	<b>3,760,054</b>
Net assets:			
Invested in capital assets, net of related debt	72,785,507	47,043,425	243,024
Unrestricted	2,748,432	572,110	2,507,572
<b>Total net assets (deficit)</b>	<b>75,533,939</b>	<b>47,615,535</b>	<b>2,750,596</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 82,530,022</b>	<b>\$ 48,030,267</b>	<b>\$ 6,510,650</b>

See Notes to Basic Financial Statements.



				Governmental Activities
				Internal
Nonmajor Enterprise Funds	Total Enterprise Funds			Service Funds
\$ 24,125	\$ 2,861,369	\$	518,772	
-	2,992,325		2,876,754	
292,891	1,836,082		705,948	
-	-		12,967	
235,242	1,073,273		37,573	
-	85,754		-	
515,384	1,158,527		604,337	
1,067,642	10,007,330		4,756,351	
1,742,942	129,841,144		-	
-	14,890		-	
-	18,159		-	
1,742,942	129,874,193		-	
\$ 2,810,584	\$ 139,881,523	\$	4,756,351	
\$ 15,848	\$ 1,124,963	\$	6,938	
-	-		4,299,219	
5,235	142,085		-	
-	57,663		-	
823,320	2,604,618		-	
169,950	169,950		1,211,266	
-	26,648		-	
-	196,231		-	
1,014,353	4,322,158		5,517,423	
-	4,715,436		-	
-	3,147,628		-	
-	7,863,064		-	
1,014,353	12,185,222		5,517,423	
1,742,942	121,814,898		-	
53,289	5,881,403		(761,072)	
1,796,231	127,696,301		(761,072)	
\$ 2,810,584	\$ 139,881,523	\$	4,756,351	

City of Bloomington, Illinois

Reconciliation of Enterprise Funds Net Assets to the Statement of Net Assets  
April 30, 2005

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Total enterprise funds net assets	\$	127,696,301
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.		<u>(542,978)</u>
Net assets of business-type activities	\$	<u><u>127,153,323</u></u>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year Ended April 30, 2005

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Operating revenues, charges for services	\$ 11,762,235	\$ 2,165,669	\$ 737,942
Operating expenses:			
Personal services	3,513,183	862,328	377,778
Contractual services	2,072,861	332,118	429,206
Commodities	1,518,445	297,900	127,669
Depreciation	1,619,796	917,318	121,259
Other charges, primarily claims	119,410	-	-
<b>Total operating expenses</b>	<b>8,843,695</b>	<b>2,409,664</b>	<b>1,055,912</b>
<b>Operating income (loss)</b>	<b>2,918,540</b>	<b>(243,995)</b>	<b>(317,970)</b>
Nonoperating revenues (expenses):			
Investment earnings	6,259	-	36,711
Loss on disposal of capital assets	(48,579)	(1,465)	(20,211)
Loss on transfer of assets	(938,569)	(17,582)	-
Other income	850,025	275,381	-
Other expense	-	-	(1,739)
<b>Total nonoperating revenues (expenses)</b>	<b>(130,864)</b>	<b>256,334</b>	<b>14,761</b>
Capital contributions	702,910	546,862	-
<b>Income (loss) before transfers</b>	<b>3,490,586</b>	<b>559,201</b>	<b>(303,209)</b>
Transfers in	-	-	-
Transfers out	(511,712)	(546,852)	(62,114)
<b>Total transfers</b>	<b>(511,712)</b>	<b>(546,852)</b>	<b>(62,114)</b>
<b>Change in net assets</b>	<b>2,978,874</b>	<b>12,349</b>	<b>(365,323)</b>
Total net assets (deficit), beginning of year	72,555,065	47,603,186	3,115,919
Total net assets (deficit), end of year	\$ 75,533,939	\$ 47,615,535	\$ 2,750,596

See Notes to Basic Financial Statements.

		Governmental Activities	
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 1,391,849	\$ 16,057,695	\$ 9,575,220	
606,295	5,359,584	-	
580,328	3,414,513	2,194,356	
58,433	2,002,447	-	
63,680	2,722,053	-	
-	119,410	7,647,231	
1,308,736	13,618,007	9,841,587	
83,113	2,439,688	(266,367)	
92	43,062	40,243	
-	(70,255)	-	
-	(956,151)	-	
32,191	1,157,597	-	
-	(1,739)	-	
32,283	172,514	40,243	
1,113,932	2,363,704	-	
1,229,328	4,975,906	(226,124)	
541,066	541,066	-	
(25,149)	(1,145,827)	-	
515,917	(604,761)	-	
1,745,245	4,371,145	(226,124)	
50,986	123,325,156	(534,948)	
\$ 1,796,231	\$ 127,696,301	\$ (761,072)	

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, 2005

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Net change in net assets in enterprise funds	\$	4,371,145
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.		<u>(108,528)</u>
Change in net assets of business-type activities	\$	<u><u>4,262,617</u></u>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended April 30, 2005

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Cash flows from operating activities:			
Receipts from customers and users	\$ 11,633,364	\$ 2,176,427	\$ 748,438
Payments to suppliers	(3,995,442)	(478,736)	(597,591)
Payments to claimants	-	-	-
Payments to employees	(3,533,752)	(842,476)	(376,819)
<b>Net cash provided by (used in) operating activities</b>	<b>4,104,170</b>	<b>855,215</b>	<b>(225,972)</b>
Cash flows from noncapital financing activities:			
Payments from (to) interfund accounts	(280,661)	(586,211)	180,461
Other nonoperating income	850,025	275,381	-
Other nonoperating (expense)	-	-	(1,739)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>569,364</b>	<b>(310,830)</b>	<b>178,722</b>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(5,552,673)	(675,162)	(153,206)
Proceeds from sale of capital assets	2,500	26,725	1,500
Payments on loan	(53,881)	-	-
Proceeds from issuance of long-term debt	2,279,442	-	3,174,728
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(3,324,612)</b>	<b>(648,437)</b>	<b>3,023,022</b>
Cash flows from investing activities:			
Interest and dividends received	6,259	-	36,711
Purchase of investments	-	-	(2,992,325)
Proceeds from sale and maturity of investments	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>6,259</b>	<b>-</b>	<b>(2,955,614)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,355,181</b>	<b>(104,052)</b>	<b>20,158</b>
Cash and cash equivalents, beginning of year	901,798	649,055	15,104
Cash and cash equivalents, end of year	<u>\$ 2,256,979</u>	<u>\$ 545,003</u>	<u>\$ 35,262</u>

(Continued)

				Governmental Activities	
Nonmajor Enterprise Funds		Total Enterprise Funds		Internal Service Funds	
\$	1,098,958	\$	15,657,187	\$	10,591,531
	(980,106)		(6,051,875)		(4,004,071)
	-		-		(6,556,144)
	(601,060)		(5,354,107)		-
	(482,208)		4,251,205		31,316
	1,103,995		417,584		23,621
	32,191		1,157,597		-
	-		(1,739)		-
	1,136,186		1,573,442		23,621
	(692,690)		(7,073,731)		-
	-		30,725		-
	-		(53,881)		-
	-		5,454,170		-
	(692,690)		(1,642,717)		-
	92		43,062		123,488
	-		(2,992,325)		(1,763,261)
	5,645		5,645		2,043,321
	5,737		(2,943,618)		403,548
	(32,975)		1,238,312		458,485
	57,100		1,623,057		60,287
\$	24,125	\$	2,861,369	\$	518,772

City of Bloomington, Illinois

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended April 30, 2005

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 2,918,540	\$ (243,995)	\$ (317,970)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	1,619,796	917,318	121,259
Change in assets and liabilities:			
Receivables	(78,759)	10,758	9,611
Inventory	(19,660)	-	-
Prepaid items and other assets	(398,393)	(67,956)	(46,458)
Accounts payable and accrued expenses	133,327	219,238	5,742
Claims payable	-	-	-
Unearned revenue	-	-	-
Deposits	(50,112)	-	885
Compensated absences	(20,569)	19,852	959
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 4,104,170</b>	<b>\$ 855,215</b>	<b>\$ (225,972)</b>
Schedule of noncash items:			
Capital and related financing activities, contribution of capital assets	\$ 702,910	\$ 546,862	\$ -
Investing activities, net appreciation in fair value of investments	\$ -	\$ -	\$ -

See Notes to Basic Financial Statements.



				Governmental Activities
				Internal Service Funds
Nonmajor Enterprise Funds	Total Enterprise Funds			
\$ 83,113	\$ 2,439,688	\$ (266,367)		
63,680	2,722,053	-		
(292,891)	(351,281)	253,506		
-	(19,660)	-		
(515,384)	(1,028,191)	(51,807)		
9,589	367,896	(63,454)		
-	-	409,862		
164,450	164,450	(250,424)		
-	(49,227)	-		
5,235	5,477	-		
<u>\$ (482,208)</u>	<u>\$ 4,251,205</u>	<u>\$ 31,316</u>		
\$ 1,113,932	\$ 2,363,704	\$ -		
\$ -	\$ -	\$ 328,605		

City of Bloomington, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2005

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**Assets:**

Cash and cash equivalents	\$	3,988,483
Investments:		
U.S. government securities		15,241,596
U.S. government agencies and corporations		6,619,801
IPPFA real estate		741,714
Annuities - fixed		5,537,805
Annuities - variable		8,358,098
Mutual funds		15,049,374
Stocks		6,272,724
Deposits at financial institutions		473,312
Receivables:		
Employer		2,955,275
Employee		42,521
Accrued interest		254,887
<b>Total assets</b>		<u>65,535,590</u>

**Liabilities,**

accounts payable		<u>16,966</u>
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**Net assets,**

held in trust for pension benefits	\$	<u>65,518,624</u>
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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, 2005

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Additions:

Contributions:

Employer	\$ 3,149,056
Plan member deposits	1,178,704
<b>Total contributions</b>	<u>4,327,760</u>

Net investment:

Net appreciation in fair value of investments	1,790,497
Interest	747,809
Dividends	339,247
<b>Total investment income</b>	<u>2,877,553</u>
Less investment expense	40,052
<b>Net investment income</b>	<u>2,837,501</u>

<b>Total additions</b>	<u>7,165,261</u>
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Deductions:

Benefits	4,398,324
Refund of contributions	43,090
Administrative expenses	105,020
<b>Total deductions</b>	<u>4,546,434</u>

<b>Change in net assets</b>	2,618,827
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Net assets held in trust for benefits, beginning of year	<u>62,899,797</u>
Net assets held in trust for benefits, end of year	<u>\$ 65,518,624</u>

See Notes to Basic Financial Statements.

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### **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, 2004. 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:**

Government-wide and fund financial statements: 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.

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

**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.

Notes to Basic Financial Statements

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**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.

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

Detention Basin Fund: To account for resources used for flood detention required by annexation agreements.

**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 healthcare 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.

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

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

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

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 fire 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.

**Fire 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 2004 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 cash equivalents:** 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.

**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.

**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.

Notes to Basic Financial Statements

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

**Inventory:** consist 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, buildings, improvements, equipment assets 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
Streets, sanitary sewers, watermains and sidewalks	\$ 25,000
Street lighting	5,000
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 was \$119,374 and was capitalized in connection with the water plant construction.

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
Buildings and improvements	25 - 50 years
Machinery and equipment	3 - 20 years
Licensed vehicles	3 - 20 years
Zoo animals	10 - 60 years

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

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.

**Deferred revenues:** 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.

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

**Interfund transactions:** 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.

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.

Sick leave and 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.

Notes to Basic Financial Statements

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

**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. 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.

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

**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. Deposits and 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.

**City of Bloomington, Illinois**

**Notes to Basic Financial Statements**

**Note 2. Deposits and Investments (Continued)**

As of April 30, 2005, the carrying amount of the City's deposits totaled \$11,723,096 with the bank balances totaling \$14,209,562. The insured and collateral status of the bank balances, by category of risk, were as follows:

Insured or collateralized with securities held by the City or its agent in the City's name.	\$ 12,006,530
Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.	-
Collateralized with securities held by the pledging financial institution's trust department but not in the City's name or uncollateralized.	2,203,032
	<u>\$ 14,209,562</u>

The City's investments are categorized as follows to give an indication of the level of credit risk assumed by the City: (1) insured or registered, or the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name, and (3) uninsured and unregistered, with the securities held by the counterparty or its agent but not in the City's name.

As of April 30, 2005, the City's investments by category of risk were as follows:

	1	2	3	Fair Value
U.S. government securities	\$ 15,925,228	\$ -	\$ -	\$ 15,925,228
Corporate debt and equity	1,725,085			1,725,085
U.S. government agencies	7,771,469	-	-	7,771,469
	<u>\$ 25,421,782</u>	<u>\$ -</u>	<u>\$ -</u>	25,421,782
Investments not subject to categorization:				
Illinois State Funds Money Market Fund				44,071,872
Illinois Metropolitan Investment Fund				1,294,412
Money Market Mutual Funds				2,646,159
IPPPFA Real Estate				741,714
Insurance Contracts				13,895,904
Mutual funds				32,741,864
Stocks				6,272,724
<b>Total</b>				<u>\$ 127,086,431</u>

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, requires the City to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. The level of risk for the City's investments during the year did not vary substantially from those at year-end.

A reconciliation of cash, cash equivalents and investments, as shown in the financial statements, is as follows:

Cash on hand	\$ 13,586
Deposits with financial institutions	11,723,096
Investments	127,086,431
	<u>\$ 138,823,113</u>
Government-wide financial statement of net assets:	
Cash and cash equivalents	\$ 53,992,917
Investments, including restricted investments of \$5,402,141	22,547,289
	<u>\$ 76,540,206</u>
Statement of fiduciary net assets:	
Cash and cash equivalents	\$ 3,988,483
Investments	58,294,424
	<u>\$ 62,282,907</u>

The following investments represent 5% or more of Police Pension Plan net assets:

Protective Life Insurance Company	\$ 1,805,678
SPDR Trust Unit SR1 Stock	6,272,724

The following investments in one organization represent 5% or more of Fire Pension Plan net assets:

Protective Life Insurance Company	\$ 3,146,855
Fidelity Investments Institutional Services Company	1,909,320
Sun Life of Canada (U.S.)	8,358,099
Growth Fund of America	2,543,723
MFS Investment Management	2,123,161

City of Bloomington, Illinois

Notes to Basic Financial Statements

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended April 30, 2005:

	Balance April 30, 2004	Additions	Deletions	Balance April 30, 2005
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 17,496,744	\$ 854,372	\$ (227,706)	\$ 18,123,410
Construction-in-progress	13,749,386	15,126,520	(2,513,126)	26,362,780
<b>Total capital assets, not being depreciated</b>	<b>31,246,130</b>	<b>15,980,892</b>	<b>(2,740,832)</b>	<b>44,486,190</b>
Capital assets, being depreciated:				
Land improvements	5,052,300	430,686	-	5,482,986
Construction	34,732,429	355,876	(100,207)	34,988,098
Infrastructure	168,855,417	5,308,593	-	174,164,010
Machinery and equipment	15,619,751	2,540,174	(1,188,115)	16,971,810
Licensed vehicles	12,229,451	1,103,609	(1,190,697)	12,142,363
Zoo animals	7,200	8,000	-	15,200
<b>Total capital assets, being depreciated</b>	<b>236,496,548</b>	<b>9,746,938</b>	<b>(2,479,019)</b>	<b>243,764,467</b>
Less accumulated depreciation for:				
Land improvements	1,842,381	230,463	-	2,072,844
Construction	7,619,870	597,410	(301)	8,216,979
Infrastructure	107,792,626	6,416,579	-	114,209,205
Machinery and equipment	9,341,305	1,425,880	(1,145,064)	9,622,121
Licensed vehicles	6,672,325	1,004,683	(965,051)	6,711,957
Zoo animals	1,113	620	-	1,733
<b>Total accumulated depreciation</b>	<b>133,269,620</b>	<b>9,675,635</b>	<b>(2,110,416)</b>	<b>140,834,839</b>
<b>Total capital assets, being depreciated, net</b>	<b>103,226,928</b>	<b>71,303</b>	<b>(368,603)</b>	<b>102,929,628</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 134,473,058</b>	<b>\$ 16,052,195</b>	<b>\$ (3,109,435)</b>	<b>\$ 147,415,818</b>

City of Bloomington, Illinois

Notes to Basic Financial Statements

**Note 3. Capital Assets (Continued)**

	Balance April 30, 2004	Additions	Deletions	Balance April 30, 2005
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 4,418,938	\$ 189,531	\$ -	\$ 4,608,469
Construction-in-progress	5,430,514	6,271,218	(1,708,153)	9,993,579
<b>Total capital assets, not being depreciated</b>	<b>9,849,452</b>	<b>6,460,749</b>	<b>(1,708,153)</b>	<b>14,602,048</b>
Capital assets, being depreciated:				
Land improvements	373,317	-	-	373,317
Construction	27,499,499	867,824	-	28,367,323
Infrastructure	111,309,058	2,979,602	(1,229,107)	113,059,553
Machinery and equipment	10,584,820	650,114	(387,775)	10,847,159
Licensed vehicles	1,850,396	187,299	(296,632)	1,741,063
<b>Total capital assets, being depreciated</b>	<b>151,617,090</b>	<b>4,684,839</b>	<b>(1,913,514)</b>	<b>154,388,415</b>
Less accumulated depreciation for:				
Land improvements	139,852	16,174	-	156,026
Construction	7,432,145	477,736	-	7,909,881
Infrastructure	22,514,345	1,532,028	(292,480)	23,753,893
Machinery and equipment	6,113,560	528,963	(282,103)	6,360,420
Licensed vehicles	1,083,747	167,152	(281,800)	969,099
<b>Total accumulated depreciation</b>	<b>37,283,649</b>	<b>2,722,053</b>	<b>(856,383)</b>	<b>39,149,319</b>
<b>Total capital assets, being depreciated, net</b>	<b>114,333,441</b>	<b>1,962,786</b>	<b>(1,057,131)</b>	<b>115,239,096</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 124,182,893</b>	<b>\$ 8,423,535</b>	<b>\$ (2,765,284)</b>	<b>\$ 129,841,144</b>



**City of Bloomington, Illinois**

**Notes to Basic Financial Statements**

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**Note 3. Capital Assets (Continued)**

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

**Governmental Activities**

General government	\$ 498,864
Public safety	898,027
Highways and streets	6,571,505
Sanitation	450,035
Health	453
Culture and recreation	1,213,315
Community development	43,436
	<u>\$ 9,675,635</u>

**Business-Type Activities**

Water	\$ 1,619,796
Sewer	917,318
Parking	121,259
Stormwater management	63,680
	<u>\$ 2,722,053</u>

**Note 4. Individual Fund Disclosures**

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2005:

Fund	Deficit Fund Balance/ Net Assets
Nonmajor Governmental Funds:	
Capital Projects Funds:	
Market Square TIF Redevelopment	\$ 596,095
Library Expansion	18,000
Nonmajor Enterprise Fund, U.S. Cellular Coliseum	411,896
Internal Service Funds:	
Employee Group Health Care	472,572
Central Illinois Risk Pooling Authority	288,500

City of Bloomington, Illinois

Notes to Basic Financial Statements

**Note 4. Individual Fund Disclosures (Continued)**

The following is a summary of expenditures in excess of budget as of April 30, 2005:

	Amount in Excess
Nonmajor Funds:	
Special Revenue Fund, Park Dedication	\$ 130,236
Capital Project Fund, Central Bloomington TIF Redevelopment	531,826

**Note 5. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended April 30, 2005:

	Balance April 30, 2004	Additions	Retirements	Balance April 30, 2005	Due Within One Year	Range of Interest Rates
Governmental Activities:						
General Obligation Bonds:						
Series 1991	\$ 2,098,719	\$ 237,493	\$ 695,000	\$ 1,641,212	\$ 424,068	5.35% to 6.70%
Series 1993	1,130,000	-	360,000	770,000	385,000	4.10% to 6.10%
Series 1994	3,365,000	-	3,365,000	-	-	4.70% to 7.00%
Series 1995	4,675,000	-	825,000	3,850,000	875,000	5.20% to 5.70%
Series 1996	3,890,000	-	310,000	3,580,000	320,000	4.70% to 6.20%
Series 2001	6,270,000	-	60,000	6,210,000	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	-	12,425,272	72,900	variable
	31,428,719	42,117,765	5,615,000	67,931,484	2,136,968	
Other Liabilities:						
Agreements with developers	4,041,963	773,200	1,503,993	3,311,170	1,400,000	
Compensated absences	1,169,441	1,342,621	1,169,441	1,342,621	1,342,621	
<b>Governmental activities,     long-term liabilities</b>	<b>\$ 36,640,123</b>	<b>\$ 44,233,586</b>	<b>\$ 8,288,434</b>	<b>\$ 72,585,275</b>	<b>\$ 4,879,589</b>	
Business-Type Activities:						
Loan payable	\$ 2,659,006	\$ 2,279,442	\$ 53,881	\$ 4,884,567	\$ 169,131	2.50%
General obligation bonds, series 2004	-	3,174,728	-	3,174,728	27,100	variable
<b>Business-type activities,     long-term liabilities</b>	<b>\$ 2,659,006</b>	<b>\$ 5,454,170</b>	<b>\$ 53,881</b>	<b>\$ 8,059,295</b>	<b>\$ 196,231</b>	

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

**City of Bloomington, Illinois**

**Notes to Basic Financial Statements**

**Note 5. Long-Term Debt (Continued)**

The outstanding general obligation bonds mature as follows:

	Principal	Interest	Total
April 30, 2006	\$ 2,164,068	\$ 3,532,773	\$ 5,696,841
April 30, 2007	2,417,964	3,518,029	5,935,993
April 30, 2008	2,801,215	3,505,620	6,306,835
April 30, 2009	4,802,965	5,712,082	10,515,047
April 30, 2010	3,270,000	3,095,940	6,365,940
April 30, 2011 - 2015	10,170,000	13,259,374	23,429,374
April 30, 2016 - 2020	8,985,000	11,226,851	20,211,851
April 30, 2021 - 2025	13,790,000	8,670,559	22,460,559
April 30, 2026 - 2030	8,430,000	5,999,983	14,429,983
April 30, 2031 - 2035	14,275,000	2,454,860	16,729,860
	<u>\$ 71,106,212</u>	<u>\$ 60,976,071</u>	<u>\$ 132,082,283</u>

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, 2005 is \$372,133.
- The City will rebate to the redevelopers of Eastland Mall incremental sales tax revenue generated by businesses on the property annually. The maximum liability of the City is \$3,000,000. The outstanding liability as of April 30, 2005 is \$464,068.
- 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, 2005 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, 2005 is \$1,360,144.
- 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 \$1,781,929. The outstanding liability as of April 30, 2005 is \$808,985.

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.

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### 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 due April 1, 2025. The outstanding loan payable as of April 30, 2005 matures as follows:

	Principal	Interest	Total
April 30, 2006	\$ 169,131	\$ 155,681	\$ 324,812
April 30, 2007	205,266	119,546	324,812
April 30, 2008	210,511	114,301	324,812
April 30, 2009	215,888	108,925	324,813
April 30, 2010	221,404	103,410	324,814
April 30, 2011 - 2015	1,194,795	429,260	1,624,055
April 30, 2016 - 2020	1,258,946	268,645	1,527,591
April 30, 2021 - 2025	1,408,626	87,578	1,496,204
	<u>\$ 4,884,567</u>	<u>\$ 1,387,346</u>	<u>\$ 6,271,913</u>

On September 27, 2004, the City issued \$15,600,000 in General Obligation Demand Bonds Series 2004 with an average interest rate of 4 percent. A portion of this issue was used to advance refund \$3,365,000 of outstanding 1994 Series Bonds with an average interest rate of 5.8 percent. The net proceeds from the refunding portion, \$3,261,497 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Series bonds. As a result, the 1994 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The defeased debt became due and payable on December 1, 2004.

The advance refunding resulted in a \$103,503 difference between the reacquisition price and the net carrying amount of the old debt. The City completed the advance refunding on a variable rate basis to reduce its total expected debt service payments and to balance the City's fixed and variable rate debt portfolio. Based on a 3.20% interest rate (the ten-year tax-exempt variable rate average plus certain administrative fees), the refunding is expected to reduce debt service by \$169,539 over the next eight years and result is an economic gain (difference between the present value of the old and new debt service payment) of \$203,673.

#### 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, 2005, \$3,990,000 of bonds outstanding are considered defeased.

City of Bloomington, Illinois

Notes to Basic Financial Statements

**Note 6. Interfund Receivables and Payables**

The individual fund interfund receivable and payable balances as of April 30, 2005 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
General	\$ 2,884,405	\$ -
Library	18,000	41,662
Debt service	96,563	1,104,123
Nonmajor governmental funds	1,368,450	1,727,861
Internal service	37,573	-
<b>Total governmental activities</b>	<b>4,404,991</b>	<b>2,873,646</b>
Business-type activities:		
Water	663,000	1,106,051
Sewer	175,031	135,672
Parking	-	539,575
Nonmajor enterprise funds	235,242	823,320
<b>Total business-type activities</b>	<b>1,073,273</b>	<b>2,604,618</b>
<b>Total</b>	<b>\$ 5,478,264</b>	<b>\$ 5,478,264</b>

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.

**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	\$ 690,099	\$ 3,621,250
Debt service	1,279,511	34,485
Nonmajor governmental funds	4,008,276	1,717,390
<b>Total governmental activities</b>	<b>5,977,886</b>	<b>5,373,125</b>
Business-type activities:		
Water	-	511,712
Sewer	-	546,852
Parking	-	62,114
Nonmajor enterprise funds	541,066	25,149
<b>Total business-type activities</b>	<b>541,066</b>	<b>1,145,827</b>
<b>Total</b>	<b>\$ 6,518,952</b>	<b>\$ 6,518,952</b>

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Interfund Transfers (Continued)

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](http://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% 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 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3% 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% 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, 2004	\$ 1,769,297	100%	\$ -
December 31, 2003	1,486,797	100	-
December 31, 2002	1,487,030	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% of such monthly salary for each additional year of service over twenty years up to thirty years, to a maximum of 75% 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% of the original pension and 3% simple interest annually thereafter.

Covered employees are required to contribute 9.91% 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	\$ 1,524,268
Interest on net pension asset	(59,507)
Adjustments to annual required contribution	<u>37,234</u>
<b>Annual pension cost</b>	<b>1,501,995</b>
Annual contributions made	<u>1,621,029</u>
<b>Increase in net pension asset</b>	<b>119,034</b>
Net pension asset, beginning of year	<u>793,427</u>
Net pension asset, end of year	<u><u>\$ 912,461</u></u>

**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% investment rate of return and (b) projected salary increases of 5.0%. Both (a) and (b) included an inflation component of 3%. 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, 2002 actuarial valuation date was 30 years.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2004	\$ 1,501,995	107.92%	\$ 912,461
April 30, 2003	1,494,795	105.69	793,427
April 30, 2002	1,507,235	106.32	708,362

**Firefighters' Pension**

Fire sworn personnel are covered by the Firefighters' 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% of such monthly salary for each additional month over twenty years through thirty years, to a maximum of 75% 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% of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 8.455% 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.



City of Bloomington, Illinois

Notes to Basic Financial Statements

**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	\$ 1,398,442
Interest on net pension asset	(56,146)
Adjustments to annual required contribution	<u>35,131</u>
<b>Annual pension cost</b>	<b>1,377,427</b>
Annual contributions made	<u>1,495,594</u>
<b>Increase in net pension asset</b>	<b>118,167</b>
Net pension asset, beginning of year	<u>748,619</u>
Net pension asset, end of year	<u><u>\$ 866,786</u></u>

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% investment rate of return and (b) projected salary increases of 5.0%. Both (a) and (b) included an inflation component of 3%. 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, 2002 actuarial valuation date was 30 years.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2004	\$ 1,377,427	108.57%	\$ 866,786
April 30, 2003	1,313,451	106.76	748,619
April 30, 2002	1,299,164	107.29	659,769

**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.

City of Bloomington, Illinois

Notes to Basic Financial Statements

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**Note 9. Leases (Continued)**

A total of \$68,386 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2005. 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, 2005:

<u>Fiscal Year Ending April 30:</u>	<u>Operating</u>
2006	\$ 72,670
2007	64,310
2008	68,169
2009	72,259
2010	76,595
Later years	7,905,000
	<u>\$ 8,259,003</u>

The assets leased have a cost of \$4,933,302, accumulated depreciation of \$1,954,078 and net book value of \$2,979,224.

The City is a lessee for office space and a parking area. The lease requires the City to pay \$741,092 each October 1 until October 1, 2021. The future minimum lease obligation is as follows:

<u>Fiscal Year Ending April 30:</u>	
2006	\$ 741,092
2007	741,092
2008	741,092
2009	741,092
2010	741,092
2011-2015	3,705,460
2016-2020	3,705,460
2021-2022	1,482,184
	<u>\$ 12,598,564</u>

**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(g) 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.

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### 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 unaudited 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

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

## City of Bloomington, Illinois

### Notes to Basic Financial Statements

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#### Note 11. Joint Venture (Continued)

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

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Revenues:	
Charges for services	\$ 692,676
Operating grants and contributions	3,689,099
Capital grants and contributions	2,180,973
Nonoperating	87,724
<b>Total revenues</b>	<u>6,650,472</u>
Expenses	<u>4,871,310</u>
<b>Excess of revenues over expenses</b>	1,779,162
Net assets, beginning of year	7,624,483
Net assets, end of year	<u><u>\$ 9,403,645</u></u>

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.

Notes to Basic Financial Statements

**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, 2005 and 2004 are as follows:

	Employee Health Insurance		CIRPA	
	2005	2004	2005	2004
Claims payable, beginning of the year	\$ 709,608	\$ 774,734	\$ 3,640,829	\$ 2,196,969
Claims incurred and changes in accrual	3,449,340	3,900,120	3,055,586	4,151,214
Claim payments	(3,458,948)	(3,965,246)	(3,097,196)	(2,707,354)
Claims payable, end of the year	<u>\$ 700,000</u>	<u>\$ 709,608</u>	<u>\$ 3,599,219</u>	<u>\$ 3,640,829</u>

**Note 13. 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, 2005 is \$45,341,501.

**Note 14. New Pronouncements**

As of April 30, 2005, 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. 40, *Deposit and Investment Risk Disclosures*, issued March 2003, will be effective for the City beginning with its year ending April 30, 2006. This Statement establishes and modifies disclosure requirements related to investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. This Statement also establishes and modifies disclosure requirements for deposit risks.

**Note 14. New Pronouncements (Continued)**

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, issued November 2003, will be effective for the City beginning with its year ending April 30, 2006. This Statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries.

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.

The City adopted Statement No. 39, *Determining Whether Certain Organizations are Component Units*; however, it had no effect to the City's financial statements. The City also adopted Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This Statement revises the statistical section to include more government-wide financial information and to augment statistical schedules with notes regarding sources, methodologies, assumptions, and narrative explanations of unfamiliar concepts, atypical trends and anomalous data.

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]
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
1999	12/31/1998	29,860,516	34,543,831	4,683,315	86.44	14,083,189	33.25

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
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
12/31/1998	1,567,459	1,567,459	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, 2002 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. 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.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2004 were changed due to the 1999-2001 experience study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and 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 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]
2005	05/01/2004	\$ 32,352,495	\$ 53,449,052	\$ 21,096,557	60.5%	\$ 6,498,943	324.6%
2004	05/01/2003	28,557,244	49,554,943	20,997,699	57.6	5,993,055	350.4
2003	05/02/2002	28,841,069	46,529,753	17,688,684	62.0	6,037,774	293.0
2002	05/03/2002	29,004,064	42,383,076	13,379,012	68.4	5,444,299	245.7
2001	05/04/2002	30,033,994	39,924,283	9,890,289	75.2	5,118,223	193.2
2000	05/05/2002	26,599,910	35,258,742	8,658,832	75.4	4,791,255	180.7

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2004. 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%, 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, 2002 actuarial valuation date was 30 years.



City of Bloomington, Illinois

Required Supplementary Information  
Fire Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial 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]
2005	05/01/2004	\$ 30,547,302	\$ 49,675,449	\$ 19,128,147	61.5%	\$ 4,889,807	391.2%
2004	05/01/2003	28,280,545	44,545,200	16,264,655	63.5	4,733,615	343.6
2003	05/01/2002	28,367,668	42,134,932	13,767,264	67.3	4,514,155	305.0
2002	05/01/2001	29,351,692	39,154,645	9,802,953	75.0	4,301,614	227.9
2001	05/01/2000	30,734,110	37,029,757	6,295,647	83.0	4,207,590	149.6
2000	05/01/1999	26,792,736	33,675,324	6,882,588	79.6	4,041,889	170.3

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2004. 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%, 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, 2002 actuarial valuation date was 30 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, 2005

	Budget		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 47,425,819	\$ 47,425,819	\$ 49,467,899	\$ 2,042,080
Intergovernmental	522,875	522,875	478,832	(44,043)
Licenses and permits	1,305,740	1,305,740	1,230,803	(74,937)
Charges for services	7,945,242	7,945,242	8,106,427	161,185
Fine and forfeitures	726,215	726,215	916,103	189,888
Use of money and property	140,050	140,050	290,107	150,057
Other	1,205,101	1,205,101	1,487,926	282,825
<b>Total revenues</b>	<b>59,271,042</b>	<b>59,271,042</b>	<b>61,978,097</b>	<b>2,707,055</b>
<b>Expenditures:</b>				
Current:				
General government	8,641,081	8,755,081	9,403,238	(648,157)
Public safety	23,373,567	23,373,567	23,132,980	240,587
Highways and streets	3,383,302	3,383,302	3,363,293	20,009
Sanitation	9,013,163	9,013,163	9,269,284	(256,121)
Culture and recreation	8,047,015	8,047,015	8,155,297	(108,282)
Debt service, principal	1,350,000	1,350,000	954,234	395,766
Capital outlay	4,932,670	4,932,670	2,366,476	2,566,194
<b>Total expenditures</b>	<b>58,740,798</b>	<b>58,854,798</b>	<b>56,644,802</b>	<b>2,209,996</b>
<b>Excess of revenues over expenditures</b>	<b>530,244</b>	<b>416,244</b>	<b>5,333,295</b>	<b>4,917,051</b>
<b>Other financing sources (uses):</b>				
Transfers in	664,877	664,877	690,099	25,222
Proceeds from sale of capital assets	41,150	41,150	127,235	86,085
Transfers out	(3,471,176)	(3,471,176)	(3,621,250)	(150,074)
<b>Total other financing sources and (uses)</b>	<b>(2,765,149)</b>	<b>(2,765,149)</b>	<b>(2,803,916)</b>	<b>(38,767)</b>
<b>Net change in fund balance</b>	<b>\$ (2,234,905)</b>	<b>\$ (2,348,905)</b>	<b>2,529,379</b>	<b>\$ 4,878,284</b>
Fund balance, beginning of year			14,430,580	
Fund balance, end of year, budgetary basis			16,959,959	
Change in encumbrances			2,561,038	
Fund balance, end of year			<b>\$ 19,520,997</b>	

See Note to Required Supplementary Information.

City of Bloomington, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual

Library Fund

For the Year Ended April 30, 2005

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 3,828,180	\$ 3,828,180	\$ 3,820,004	\$ (8,176)
Intergovernmental	100,000	100,000	127,941	27,941
Charges for services	39,000	39,000	48,226	9,226
Use of money and property	25,000	25,000	24,588	(412)
Other	279,102	279,102	271,144	(7,958)
<b>Total revenues</b>	<b>4,271,282</b>	<b>4,271,282</b>	<b>4,291,903</b>	<b>20,621</b>
Expenditures, culture and recreation	4,553,280	4,553,280	4,350,195	203,085
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>(281,998)</b>	<b>(281,998)</b>	<b>(58,292)</b>	<b>223,706</b>
Other financing sources, proceeds from sale of capital assets	102	102	3,346	3,244
<b>Net change in fund balance</b>	<b>\$ (281,896)</b>	<b>\$ (281,896)</b>	<b>(54,946)</b>	<b>\$ 226,950</b>
Fund balance, beginning of year			661,684	
Fund balance, end of year, budgetary basis			606,738	
Change in encumbrances			-	
Fund balance, end of year			<u>\$ 606,738</u>	

See Note to Required Supplementary Information.

**Required Supplementary Information**  
**Note to Required Supplementary Information**

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**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 1988 Bond Redemption Account of the Debt Service Fund and the Market Square TIF Redevelopment 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 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. Individual amendments were not material in relation to the original appropriations which were amended.
- All appropriations lapse at year-end.

City of Bloomington, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2005

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
<b>Assets</b>			
Cash and cash equivalents	\$ 4,545,778	\$ 20,172	\$ 193,514
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	-	-	-
Due from other governmental units	309,687	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
<b>Total assets</b>	<b>\$ 4,855,465</b>	<b>\$ 20,172</b>	<b>\$ 193,514</b>
<b>Liabilities and Fund Balances (Deficits)</b>			
Liabilities:			
Accounts payable and accrued expenditures	\$ -	\$ 9,782	\$ 8,417
Due to other funds	-	-	-
Unearned revenue	-	-	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>9,782</b>	<b>8,417</b>
Fund balances (deficits):			
Reserved for:			
Encumbrances	3,601,553	-	-
Trust corpus	-	-	-
Loans	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	1,253,912	10,390	185,097
<b>Total fund balances (deficits)</b>	<b>4,855,465</b>	<b>10,390</b>	<b>185,097</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 4,855,465</b>	<b>\$ 20,172</b>	<b>\$ 193,514</b>

(Continued)

Special Revenue						
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant	
\$ 31,724	\$ 1,434,165	\$ 125,499	\$ 6,258	\$ 4,311	\$ 561	
-	-	-	-	-	-	-
-	-	-	1,167,162	-	-	-
-	1,076	-	-	53,332	-	-
-	-	-	-	-	-	-
-	-	-	-	630,643	-	-
-	87,500	-	-	55,095	-	-
-	-	-	-	347,490	-	-
<u>\$ 31,724</u>	<u>\$ 1,522,741</u>	<u>\$ 125,499</u>	<u>\$ 1,173,420</u>	<u>\$ 1,090,871</u>	<u>\$ 561</u>	
\$ -	\$ 34,430	\$ 5,310	\$ -	\$ 50,065	\$ -	
-	4,324	-	630,991	63,230	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	38,754	5,310	630,991	113,295	-	-
-	-	-	-	211,811	-	-
-	-	-	-	-	-	-
-	-	-	1,167,162	-	-	-
-	87,500	-	-	55,095	-	-
-	-	-	-	347,490	-	-
31,724	1,396,487	120,189	(624,733)	363,180	561	
31,724	1,483,987	120,189	542,429	977,576	561	
<u>\$ 31,724</u>	<u>\$ 1,522,741</u>	<u>\$ 125,499</u>	<u>\$ 1,173,420</u>	<u>\$ 1,090,871</u>	<u>\$ 561</u>	

City of Bloomington, Illinois

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 April 30, 2005

	Special Revenue	Capital Projects	
	Park Dedication	Market Square TIF Redevelopment	Central Bloomington TIF Redevelopment
<b>Assets</b>			
Cash and cash equivalents	\$ 553,074	\$ -	\$ 498,606
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	-	-	23,286
Due from other governmental units	-	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
<b>Total assets</b>	<b>\$ 553,074</b>	<b>\$ -</b>	<b>\$ 521,892</b>
<b>Liabilities and Fund Balances (Deficits)</b>			
Liabilities:			
Accounts payable and accrued expenditures	\$ 4,841	\$ -	\$ 66,034
Due to other funds	-	596,095	-
Unearned revenue	-	-	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>4,841</b>	<b>596,095</b>	<b>66,034</b>
Fund balances (deficits):			
Reserved for:			
Encumbrances	28,474	-	113,073
Trust corpus	-	-	-
Loans	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	519,759	(596,095)	342,785
<b>Total fund balances (deficits)</b>	<b>548,233</b>	<b>(596,095)</b>	<b>455,858</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 553,074</b>	<b>\$ -</b>	<b>\$ 521,892</b>

(Continued)

Capital Projects						
1991 Southeast Improvement Bond	1995 Southwest Development	2003 Bond Projects	Pepsi Ice Center	Cultural District	Capital Improvements	
\$ 850,744	\$ 73,399	\$ 7,820,449	\$ 134,084	\$ 15,548	\$ 2,070,251	
-	-	-	3,810,317	1,704,582	-	
-	-	-	-	-	-	-
-	-	-	-	-	4,791	-
-	-	-	-	-	-	-
-	-	-	-	-	737,807	-
-	-	-	8,926	-	-	-
-	-	-	-	-	-	-
<u>\$ 850,744</u>	<u>\$ 73,399</u>	<u>\$ 7,820,449</u>	<u>\$ 3,953,327</u>	<u>\$ 1,720,130</u>	<u>\$ 2,812,849</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,499	
23,171	73,392	317,258	-	-	-	
-	-	-	-	-	113,300	
-	-	-	-	-	51,412	
<u>23,171</u>	<u>73,392</u>	<u>317,258</u>	<u>-</u>	<u>-</u>	<u>216,211</u>	
816,826	-	507,361	3,133,622	11,577,889	974,140	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	8,926	-	-	
-	-	-	-	-	-	
10,747	7	6,995,830	810,779	(9,857,759)	1,622,498	
<u>827,573</u>	<u>7</u>	<u>7,503,191</u>	<u>3,953,327</u>	<u>1,720,130</u>	<u>2,596,638</u>	
<u>\$ 850,744</u>	<u>\$ 73,399</u>	<u>\$ 7,820,449</u>	<u>\$ 3,953,327</u>	<u>\$ 1,720,130</u>	<u>\$ 2,812,849</u>	



City of Bloomington, Illinois

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 April 30, 2005

	Capital Projects Library Expansion	Permanent J.M. Scott	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 45,195	\$ 18,423,332
Investments	-	7,618,713	13,133,612
Receivables, net of allowance for uncollectibles:			
Loans	-	-	1,167,162
Accounts	-	-	82,485
Due from other governmental units	-	-	309,687
Due from other funds	-	-	1,368,450
Prepaid items	-	-	151,521
Properties held for resale	-	-	347,490
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 7,663,908</b>	<b>\$ 34,983,739</b>
<b>Liabilities and Fund Balances (Deficits)</b>			
Liabilities:			
Accounts payable and accrued expenditures	\$ -	\$ 90,078	\$ 320,456
Due to other funds	18,000	1,400	1,727,861
Unearned revenue	-	-	113,300
Deferred revenue	-	-	51,412
<b>Total liabilities</b>	<b>18,000</b>	<b>91,478</b>	<b>2,213,029</b>
Fund balances (deficits):			
Reserved for:			
Encumbrances	-	216	20,964,965
Trust corpus	-	5,402,151	5,402,151
Loans	-	-	1,167,162
Prepaid items	-	-	151,521
Property held for resale	-	-	347,490
Unreserved, undesignated	(18,000)	2,170,063	4,737,421
<b>Total fund balances (deficits)</b>	<b>(18,000)</b>	<b>7,572,430</b>	<b>32,770,710</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 7,663,908</b>	<b>\$ 34,983,739</b>

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the Year Ended April 30, 2005**

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,918,991	104,493	378,173
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	64,527	-	-
Other, primarily contributions	-	30,065	-
<b>Total revenues</b>	<b>1,983,518</b>	<b>134,558</b>	<b>378,173</b>
Expenditures:			
Current:			
General government	-	-	357,390
Highways and streets	2,015,839	-	-
Health and welfare	-	-	-
Culture and recreation	-	275,593	-
Community development	-	-	-
Debt service:			
Principal retirement	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>2,015,839</b>	<b>275,593</b>	<b>357,390</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(32,321)</b>	<b>(141,035)</b>	<b>20,783</b>
Other financing sources (uses):			
Transfers in	-	156,740	-
Issuance of long-term debt	-	-	-
Discount on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	-	(74)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>156,666</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(32,321)</b>	<b>15,631</b>	<b>20,783</b>
Fund balances (deficit), beginning of year	4,887,786	(5,241)	164,314
Fund balances (deficit), end of year	<b>\$ 4,855,465</b>	<b>\$ 10,390</b>	<b>\$ 185,097</b>

(Continued)

Special Revenue						
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant	
\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
9,558	-	36,680	-	1,291,005	-	-
-	52,346	22,469	-	4,250	-	-
-	-	39,776	-	5,911	-	-
-	19,234	-	4,119	-	-	-
21,121	208	3,840	-	19,888	-	-
30,679	1,571,788	102,765	4,119	1,321,054	-	-
36,346	993,331	112,267	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,561,339	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
36,346	993,331	112,267	-	1,561,339	-	-
(5,667)	578,457	(9,502)	4,119	(240,285)	-	-
9,250	-	-	-	119,855	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	95,575	-	-
-	-	-	(119,855)	-	-	-
9,250	-	-	(119,855)	215,430	-	-
3,583	578,457	(9,502)	(115,736)	(24,855)	-	-
28,141	905,530	129,691	658,165	1,002,431	561	561
\$ 31,724	\$ 1,483,987	\$ 120,189	\$ 542,429	\$ 977,576	\$ 561	\$ 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, 2005

	Special Revenue		Capital Projects
	Park Dedication	Detention Basin	Market Square TIF Redevelopment
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	-	-	-
Other, primarily contributions	99,254	-	-
<b>Total revenues</b>	<b>99,254</b>	<b>-</b>	<b>-</b>
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Culture and recreation	151,762	-	-
Community development	-	-	-
Debt service:			
Principal retirement	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>151,762</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(52,508)</b>	<b>-</b>	<b>-</b>
Other financing sources (uses):			
Transfers in	-	-	-
Issuance of long-term debt	-	-	-
Discount on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	(937,946)	(541,066)	-
<b>Total other financing sources (uses)</b>	<b>(937,946)</b>	<b>(541,066)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(990,454)</b>	<b>(541,066)</b>	<b>-</b>
Fund balances (deficit), beginning of year	1,538,687	541,066	(596,095)
Fund balances (deficit), end of year	\$ 548,233	\$ -	\$ (596,095)

(Continued)

Capital Projects						
Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	2003 Bond Projects	Pepsi Ice Center	Cultural District	
\$ 923,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	131,555	57,338	-	25,212
39,286	12,904	-	-	-	-	-
963,112	12,904	-	131,555	57,338	-	25,212
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
933,902	891,378	193,800	453,418	1,544,476	-	1,319,416
341,352	-	-	-	-	-	-
-	-	-	-	12,515	-	15,037
-	-	-	-	-	-	-
1,275,254	891,378	193,800	453,418	1,556,991	-	1,334,453
(312,142)	(878,474)	(193,800)	(321,863)	(1,499,653)	-	(1,309,241)
34,485	-	-	-	-	-	-
773,200	-	-	-	5,486,061	-	3,047,710
-	-	-	-	(33,081)	-	(18,339)
-	-	-	-	-	-	-
(118,449)	-	-	-	-	-	-
689,236	-	-	-	5,452,980	-	3,029,371
377,094	(878,474)	(193,800)	(321,863)	3,953,327	-	1,720,130
78,764	1,706,047	193,807	7,825,054	-	-	-
\$ 455,858	\$ 827,573	\$ 7	\$ 7,503,191	\$ 3,953,327	\$ -	\$ 1,720,130

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, 2005**

	Capital Projects		Permanent	Total
	Capital Improvements	Library Expansion	J.M. Scott	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,423,826
Intergovernmental	693,943	-	-	4,432,843
Charges for services	-	-	-	79,065
Fines and forfeitures	-	-	-	45,687
Use of money and property	4,266	-	492,264	798,515
Other, primarily contributions	130,521	-	6,730	363,817
<b>Total revenues</b>	<b>828,730</b>	<b>-</b>	<b>498,994</b>	<b>8,143,753</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	1,499,334
Highways and streets	-	-	-	2,015,839
Health and welfare	-	-	333,432	333,432
Culture and recreation	-	18,000	-	3,309,247
Community development	-	-	-	4,033,837
<b>Debt service:</b>				
Principal retirement	-	-	-	341,352
Bond issuance costs	-	-	-	27,552
Capital outlay	1,404,136	-	-	1,404,136
<b>Total expenditures</b>	<b>1,404,136</b>	<b>18,000</b>	<b>333,432</b>	<b>12,964,729</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(575,406)</b>	<b>(18,000)</b>	<b>165,562</b>	<b>(4,820,976)</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,687,946	-	-	4,008,276
Issuance of long-term debt	-	-	-	9,306,971
Discount on debt issuance	-	-	-	(51,420)
Proceeds from sale of capital assets	141,733	-	-	237,308
Transfers out	-	-	-	(1,717,390)
<b>Total other financing sources (uses)</b>	<b>3,829,679</b>	<b>-</b>	<b>-</b>	<b>11,783,745</b>
<b>Net change in fund balances</b>	<b>3,254,273</b>	<b>(18,000)</b>	<b>165,562</b>	<b>6,962,769</b>
Fund balances (deficit), beginning of year	(657,635)	-	7,406,868	25,807,941
Fund balances (deficit), end of year	\$ 2,596,638	\$ (18,000)	\$ 7,572,430	\$ 32,770,710

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
 Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual  
 For the Year Ended April 30, 2005

	Special Revenue			
	Motor Fuel Tax		Special Olympics and Recreation	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,420,000	1,918,991	104,493	104,493
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	50,000	64,527	-	-
Other, primarily contributions	304,000	-	37,073	30,065
<b>Total revenues</b>	<b>2,774,000</b>	<b>1,983,518</b>	<b>141,566</b>	<b>134,558</b>
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	4,718,000	3,601,553	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	296,628	275,593
Community development	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>4,718,000</b>	<b>3,601,553</b>	<b>296,628</b>	<b>275,593</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,944,000)</b>	<b>(1,618,035)</b>	<b>(155,062)</b>	<b>(141,035)</b>
Other financing sources (uses):				
Transfers in	-	-	156,740	156,740
Issuance of long-term debt	-	-	-	-
Discount on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	(74)	(74)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>156,666</b>	<b>156,666</b>
<b>Net change in fund balances</b>	<b>\$ (1,944,000)</b>	<b>(1,618,035)</b>	<b>\$ 1,604</b>	<b>15,631</b>
Fund balances (deficit), beginning of year		4,887,786		(5,241)
Fund balances (deficit), end of year, budgetary basis		3,269,751		10,390
Change in encumbrances		1,585,714		-
Fund balances (deficit), end of year		<b>\$ 4,855,465</b>		<b>\$ 10,390</b>

(Continued)

Special Revenue

Board of Elections		Sister City Program		Cultural District	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
337,544	378,173	9,250	9,558	-	-
-	-	-	-	1,340,000	52,346
-	-	-	-	-	-
-	-	-	-	20,000	19,234
500	-	27,145	21,121	-	208
<u>338,044</u>	<u>378,173</u>	<u>36,395</u>	<u>30,679</u>	<u>2,860,000</u>	<u>1,571,788</u>
358,355	357,390	45,645	36,346	1,115,131	957,148
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>358,355</u>	<u>357,390</u>	<u>45,645</u>	<u>36,346</u>	<u>1,115,131</u>	<u>957,148</u>
(20,311)	20,783	(9,250)	(5,667)	1,744,869	614,640
-	-	9,250	9,250	2,060	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(5,000)	-
-	-	9,250	9,250	(2,940)	-
<u>\$ (20,311)</u>	<u>20,783</u>	<u>\$ -</u>	<u>3,583</u>	<u>\$ 1,741,929</u>	<u>614,640</u>
	<u>164,314</u>		<u>28,141</u>		<u>905,530</u>
	<u>185,097</u>		<u>31,724</u>		<u>1,520,170</u>
	-		-		(36,183)
	<u>\$ 185,097</u>		<u>\$ 31,724</u>		<u>\$ 1,483,987</u>



City of Bloomington, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)  
For the Year Ended April 30, 2005**

	Special Revenue			
	Drug Enforcement		Residential/Rehabilitation Escrow	
	Final Budget	Actual	Final Budget	Actual
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	36,680	-	-
Charges for services	14,500	22,469	-	-
Fines and forfeitures	47,300	39,776	-	-
Use of money and property	-	-	1,500	4,119
Other, primarily contributions	-	3,840	60,000	-
<b>Total revenues</b>	<b>61,800</b>	<b>102,765</b>	<b>61,500</b>	<b>4,119</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	149,500	112,267	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>149,500</b>	<b>112,267</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(87,700)</b>	<b>(9,502)</b>	<b>61,500</b>	<b>4,119</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Issuance of long-term debt	-	-	-	-
Discount on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	(141,000)	(119,855)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(141,000)</b>	<b>(119,855)</b>
<b>Net change in fund balances</b>	<b>\$ (87,700)</b>	<b>(9,502)</b>	<b>\$ (79,500)</b>	<b>(115,736)</b>
Fund balances (deficit), beginning of year		129,691		658,165
Fund balances (deficit), end of year, budgetary basis		120,189		542,429
Change in encumbrances		-		-
Fund balances (deficit), end of year		<u>\$ 120,189</u>		<u>\$ 542,429</u>

(Continued)

Special Revenue					
Community Development		IHDA Grant		Park Dedication	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,207,354	1,291,005	-	-	-	-
36,500	4,250	-	-	-	-
-	5,911	-	-	-	-
-	-	-	-	-	-
1,600	19,888	-	-	-	99,254
1,245,454	1,321,054	-	-	-	99,254
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	50,000	180,236
1,952,921	1,773,150	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,952,921	1,773,150	-	-	50,000	180,236
(707,467)	(452,096)	-	-	(50,000)	(80,982)
61,500	119,855	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,000	95,575	-	-	-	-
-	-	-	-	(1,066,000)	(937,946)
151,500	215,430	-	-	(1,066,000)	(937,946)
<u>\$ (555,967)</u>	<u>(236,666)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (1,116,000)</u>	<u>(1,018,928)</u>
	1,002,431		561		1,538,687
	765,765		561		519,759
	211,811		-		28,474
	<u>\$ 977,576</u>		<u>\$ 561</u>		<u>\$ 548,233</u>

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)  
For the Year Ended April 30, 2005**

	Special Revenue		Capital Projects	
	Detention Basin		Central Bloomington TIF Redevelopment	
	Final Budget	Actual	Final Budget	Actual
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 735,000	\$ 923,826
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Other, primarily contributions	-	-	25,000	39,286
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>760,000</b>	<b>963,112</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	189,727	837,201
<b>Debt service:</b>				
Principal retirement	-	-	457,000	341,352
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>646,727</b>	<b>1,178,553</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>113,273</b>	<b>(215,441)</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	34,485
Issuance of long-term debt	-	-	-	773,200
Discount on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	(542,000)	(541,066)	(60,000)	(118,449)
<b>Total other financing sources (uses)</b>	<b>(542,000)</b>	<b>(541,066)</b>	<b>(60,000)</b>	<b>689,236</b>
<b>Net change in fund balances</b>	<b>\$ (542,000)</b>	<b>(541,066)</b>	<b>\$ 53,273</b>	<b>473,795</b>
Fund balances (deficit), beginning of year		541,066		78,764
Fund balances (deficit), end of year, budgetary basis		-		552,559
Change in encumbrances		-		(96,701)
Fund balances (deficit), end of year		\$ -		\$ 455,858

(Continued)

Capital Projects					
1991 Southeast Improvement Bond		1995 Southwest Development		2003 Bond Projects	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	131,555
20,000	12,904	-	-	-	-
20,000	12,904	-	-	-	131,555
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,750,000	1,708,204	214,000	193,800	7,152,000	960,779
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,750,000	1,708,204	214,000	193,800	7,152,000	960,779
(1,730,000)	(1,695,300)	(214,000)	(193,800)	(7,152,000)	(829,224)
-	-	-	-	-	-
-	-	-	-	272,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	272,000	-
<u>\$ (1,730,000)</u>	<u>(1,695,300)</u>	<u>\$ (214,000)</u>	<u>(193,800)</u>	<u>\$ (6,880,000)</u>	<u>(829,224)</u>
	1,706,047		193,807		7,825,054
	10,747		7		6,995,830
	816,826		-		507,361
<u>\$</u>	<u>827,573</u>	<u>\$</u>	<u>7</u>	<u>\$</u>	<u>7,503,191</u>

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
 Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)  
 For the Year Ended April 30, 2005**

	Capital Projects			
	Pepsi Ice Center		Cultural District	
	Final Budget	Actual	Final Budget	Actual
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	57,338	-	25,212
Other, primarily contributions	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>57,338</b>	<b>-</b>	<b>25,212</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	4,690,613	4,678,098	13,300,000	12,897,305
Community development	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Bond issuance costs	-	12,515	-	15,037
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>4,690,613</b>	<b>4,690,613</b>	<b>13,300,000</b>	<b>12,912,342</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,690,613)</b>	<b>(4,633,275)</b>	<b>(13,300,000)</b>	<b>(12,887,130)</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Issuance of long-term debt	3,700,000	5,486,061	3,000,000	3,047,710
Discount on debt issuance	-	(33,081)	-	(18,339)
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,700,000</b>	<b>5,452,980</b>	<b>3,000,000</b>	<b>3,029,371</b>
<b>Net change in fund balances</b>	<b>\$ (990,613)</b>	<b>819,705</b>	<b>\$ (10,300,000)</b>	<b>(9,857,759)</b>
Fund balances (deficit), beginning of year		-		-
Fund balances (deficit), end of year, budgetary basis		819,705		(9,857,759)
Change in encumbrances		3,133,622		11,577,889
Fund balances (deficit), end of year		<u>\$ 3,953,327</u>		<u>\$ 1,720,130</u>

Capital Projects				Permanent	
Capital Improvements		Library Expansion		J.M. Scott Health Care Trust	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	693,943	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,266	-	-	50,000	492,264
130,000	130,521	-	-	350,000	6,730
130,000	828,730	-	-	400,000	498,994
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	400,000	333,648
-	-	212,000	18,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,175,000	265,643	-	-	-	-
2,175,000	265,643	212,000	18,000	400,000	333,648
(2,045,000)	563,087	(212,000)	(18,000)	-	165,346
2,750,000	3,687,946	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	141,733	-	-	-	-
-	-	-	-	-	-
2,750,000	3,829,679	-	-	-	-
<u>\$ 705,000</u>	4,392,766	<u>\$ (212,000)</u>	(18,000)	<u>\$ -</u>	165,346
	(657,635)		-		7,406,868
	3,735,131		(18,000)		7,572,214
	(1,138,493)		-		216
	<u>\$ 2,596,638</u>		<u>\$ (18,000)</u>		<u>\$ 7,572,430</u>

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, 2005

	Final Budget	Actual
Revenues:		
Taxes	\$ 2,708,504	\$ 3,030,424
Use of money and property	10,000	23,565
<b>Total revenues</b>	<u>2,718,504</u>	<u>3,053,989</u>
Expenditures:		
Debt Service:		
Principal	2,250,000	2,250,000
Interest and fiscal agent fees	2,567,139	2,459,702
Bond issuance costs	-	27,124
<b>Total expenditures</b>	<u>4,817,139</u>	<u>4,736,826</u>
<b>(Deficiency) of revenues over expenditures</b>	<u>(2,098,635)</u>	<u>(1,682,837)</u>
Other financing sources (uses):		
Transfers in	971,062	1,279,511
Issuance of long-term debt	-	4,042,303
Discount on issuance of debt	-	(15,265)
Proceeds of refunding bonds	-	3,365,000
Payment to refunded bond escrow agent	(3,500,000)	(3,365,000)
Transfers out	(34,485)	(34,485)
<b>Total other financing sources (uses)</b>	<u>(2,563,423)</u>	<u>5,272,064</u>
<b>Net change in fund balance</b>	<u><u>\$ (4,662,058)</u></u>	<u>3,589,227</u>
Fund balance, beginning of year		<u>3,127,926</u>
Fund balance, end of year, budgetary basis		6,717,153
Change in encumbrances		-
Fund balance, end of year		<u><u>\$ 6,717,153</u></u>

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, 2005

	Final Budget	Actual
Revenues:		
Intergovernmental	\$ -	\$ 240,000
Use of money and property	-	393,963
<b>Total revenues</b>	<u>-</u>	<u>633,963</u>
Expenditures:		
Culture and recreation	27,049,787	26,430,139
Debt service, bond issuance costs	-	281,301
<b>Total expenditures</b>	<u>27,049,787</u>	<u>26,711,440</u>
<b>(Deficiency) of revenues         over expenditures</b>	<u>(27,049,787)</u>	<u>(26,077,477)</u>
Other financing sources (uses):		
Issuance of long-term debt	24,820,000	25,939,198
Discount on issuance of debt	-	(357,897)
<b>Total other financing sources and uses</b>	<u>24,820,000</u>	<u>25,581,301</u>
<b>Net change in fund balance</b>	<u>\$ (2,229,787)</u>	(496,176)
Fund balance, beginning of year		<u>18,818</u>
Fund balance, end of year, budgetary basis		(477,358)
Change in encumbrances		<u>18,212,978</u>
Fund balance, end of year		<u>\$ 17,735,620</u>



City of Bloomington, Illinois

Combining Balance Sheet  
 Nonmajor Enterprise Funds  
 April 30, 2005

Assets	U.S. Cellular Coliseum	Stormwater Management	Total Nonmajor Enterprise Funds
Current assets:			
Cash and cash equivalents	\$ 15,804	\$ 8,321	\$ 24,125
Accounts receivable	-	292,891	292,891
Due from other funds	-	235,242	235,242
Prepaid items and other assets	413,064	102,320	515,384
<b>Total current assets</b>	<u>428,868</u>	<u>638,774</u>	<u>1,067,642</u>
Noncurrent assets, capital assets, net	-	1,742,942	1,742,942
<b>Total assets</b>	<u>\$ 428,868</u>	<u>\$ 2,381,716</u>	<u>\$ 2,810,584</u>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 814	\$ 15,034	\$ 15,848
Compensated absences	-	5,235	5,235
Due to other funds	670,000	153,320	823,320
Unearned revenue	169,950	-	169,950
<b>Total current liabilities</b>	<u>840,764</u>	<u>173,589</u>	<u>1,014,353</u>
Net assets (deficits):			
Invested in capital assets, net of related debt	-	1,742,942	1,742,942
Unrestricted	(411,896)	465,185	53,289
<b>Total net assets (deficits)</b>	<u>(411,896)</u>	<u>2,208,127</u>	<u>1,796,231</u>
<b>Total liabilities and net assets (deficits)</b>	<u>\$ 428,868</u>	<u>\$ 2,381,716</u>	<u>\$ 2,810,584</u>

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)**  
**Nonmajor Enterprise Funds**  
**For the Year Ended April 30, 2005**

	U.S. Cellular Coliseum	Stormwater Management	Total Nonmajor Enterprise Funds
Operating revenues, charges for services	\$ -	\$ 1,391,849	\$ 1,391,849
Operating expenses:			
Personal services	-	606,295	606,295
Contractual services	460,350	119,978	580,328
Commodities	2,624	55,809	58,433
Depreciation	-	63,680	63,680
<b>Total operating expenses</b>	<b>462,974</b>	<b>845,762</b>	<b>1,308,736</b>
<b>Operating income (loss)</b>	<b>(462,974)</b>	<b>546,087</b>	<b>83,113</b>
Nonoperating revenues (expenses):			
Investment earnings	92	-	92
Other income	-	32,191	32,191
<b>Total nonoperating revenues (expenses)</b>	<b>92</b>	<b>32,191</b>	<b>32,283</b>
Capital contributions	-	1,113,932	1,113,932
<b>Income (loss) before transfers</b>	<b>(462,882)</b>	<b>1,692,210</b>	<b>1,229,328</b>
Transfers in	-	541,066	541,066
Transfers out	-	(25,149)	(25,149)
<b>Total transfers</b>	<b>-</b>	<b>515,917</b>	<b>515,917</b>
<b>Change in net assets</b>	<b>(462,882)</b>	<b>2,208,127</b>	<b>1,745,245</b>
Total net assets, beginning of year	50,986	-	50,986
Total net assets (deficits), end of year	<b>\$ (411,896)</b>	<b>\$ 2,208,127</b>	<b>\$ 1,796,231</b>

City of Bloomington, Illinois

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended April 30, 2005**

	U.S. Cellular Coliseum	Stormwater Management	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ 1,098,958	\$ 1,098,958
Payments to suppliers	(717,033)	(263,073)	(980,106)
Payments to employees	-	(601,060)	(601,060)
<b>Net cash provided by (used in) operating activities</b>	<b>(717,033)</b>	<b>234,825</b>	<b>(482,208)</b>
Cash flows from noncapital financing activities:			
Payments from interfund accounts	670,000	433,995	1,103,995
Other nonoperating income	-	32,191	32,191
<b>Net cash provided by noncapital financing activities</b>	<b>670,000</b>	<b>466,186</b>	<b>1,136,186</b>
Cash flows from capital and related financing activities, purchase of capital assets	-	(692,690)	(692,690)
Cash flows from investing activities:			
Interest and dividends received	92	-	92
Proceeds from sale and maturity of investments	5,645	-	5,645
<b>Net cash provided by investing activities</b>	<b>5,737</b>	<b>-</b>	<b>5,737</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(41,296)</b>	<b>8,321</b>	<b>(32,975)</b>
Cash and cash equivalents, beginning of year	57,100	-	57,100
Cash and cash equivalents, end of year	<b>\$ 15,804</b>	<b>\$ 8,321</b>	<b>\$ 24,125</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (462,974)	\$ 546,087	\$ 83,113
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	-	63,680	63,680
Change in assets and liabilities:			
Receivables	-	(292,891)	(292,891)
Prepaid items and other assets	(413,064)	(102,320)	(515,384)
Accounts payable and accrued expenses	(5,445)	15,034	9,589
Unearned revenue	164,450	-	164,450
Compensated absences	-	5,235	5,235
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (717,033)</b>	<b>\$ 234,825</b>	<b>\$ (482,208)</b>
Schedule of noncash items, capital and related financing activities, contribution of capital assets	\$ -	\$ 1,113,932	\$ 1,113,932

City of Bloomington, Illinois

Combining Statement of Net Assets  
Internal Service Funds  
April 30, 2005

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 342,642	\$ 176,130	\$ 518,772
Investments	-	2,876,754	2,876,754
Accounts receivable, net of allowance for uncollectibles	-	705,948	705,948
Accrued interest	-	12,967	12,967
Due from other funds	37,573	-	37,573
Prepaid items and other assets	-	604,337	604,337
<b>Total current assets</b>	<b>\$ 380,215</b>	<b>\$ 4,376,136</b>	<b>\$ 4,756,351</b>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 6,938	\$ -	\$ 6,938
Claims payable	700,000	3,599,219	4,299,219
Unearned revenue	145,849	1,065,417	1,211,266
<b>Total current liabilities</b>	<b>852,787</b>	<b>4,664,636</b>	<b>5,517,423</b>
Net assets (deficit), unrestricted	(472,572)	(288,500)	(761,072)
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 380,215</b>	<b>\$ 4,376,136</b>	<b>\$ 4,756,351</b>

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, 2005**

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Operating revenues, charges for services	\$ 6,052,303	\$ 3,522,917	\$ 9,575,220
Operating expenses:			
Contractual services	2,194,356	-	2,194,356
Other charges, claims	3,449,340	4,197,891	7,647,231
<b>Total operating expenses</b>	<u>5,643,696</u>	<u>4,197,891</u>	<u>9,841,587</u>
<b>Operating income (loss)</b>	408,607	(674,974)	(266,367)
Nonoperating income, investment earnings	-	40,243	40,243
<b>Change in net assets</b>	408,607	(634,731)	(226,124)
Net assets (deficit), beginning	(881,179)	346,231	(534,948)
Net assets (deficit), ending	<u>\$ (472,572)</u>	<u>\$ (288,500)</u>	<u>\$ (761,072)</u>

City of Bloomington, Illinois

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended April 30, 2005**

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 6,030,875	\$ 4,560,656	\$ 10,591,531
Payments to claimants	(3,458,948)	(3,097,196)	(6,556,144)
Payments for contractual services	(2,257,810)	(1,746,261)	(4,004,071)
<b>Net cash provided by (used in) operating activities</b>	<b>314,117</b>	<b>(282,801)</b>	<b>31,316</b>
Cash flows from noncapital financing activities, payments from interfund accounts	23,621	-	23,621
Cash flows from investing activities:			
Interest and dividends received	-	123,488	123,488
Purchase of investments	-	(1,763,261)	(1,763,261)
Sale of investments	-	2,043,321	2,043,321
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>403,548</b>	<b>403,548</b>
<b>Increase in cash and cash equivalents</b>	<b>337,738</b>	<b>120,747</b>	<b>458,485</b>
Cash and cash equivalents, beginning of year	4,904	55,383	60,287
Cash and cash equivalents, end of year	<u>\$ 342,642</u>	<u>\$ 176,130</u>	<u>\$ 518,772</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 408,607	\$ (674,974)	\$ (266,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables	-	253,506	253,506
Prepaid items and other assets	-	(51,807)	(51,807)
Accounts payable and accrued expenses	(63,454)	-	(63,454)
Claims payable	(9,608)	419,470	409,862
Unearned revenue	(21,428)	(228,996)	(250,424)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 314,117</b>	<b>\$ (282,801)</b>	<b>\$ 31,316</b>
Schedule of noncash items, investing activities, net appreciation in fair value of investments	\$ -	\$ 328,605	\$ 328,605

City of Bloomington, Illinois

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2005

	Police Pension	Fire Pension	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,336,940	\$ 2,651,543	\$ 3,988,483
Investments:			
U.S. government securities	10,507,746	4,733,850	15,241,596
U.S. government agencies and corporations	3,163,284	3,456,517	6,619,801
IPPPA real estate	741,714	-	741,714
Annuities - fixed	1,805,678	3,732,127	5,537,805
Annuities - variable	-	8,358,098	8,358,098
Mutual funds	8,403,492	6,645,882	15,049,374
Stocks	6,272,724	-	6,272,724
Deposits at financial institutions	-	473,312	473,312
Receivables:			
Employer	1,518,851	1,436,424	2,955,275
Employee	-	42,521	42,521
Accrued interest	202,383	52,504	254,887
<b>Total assets</b>	<b>33,952,812</b>	<b>31,582,778</b>	<b>65,535,590</b>
<b>Liabilities,</b>			
accounts payable	13,189	3,777	16,966
<b>Net assets,</b>			
held in trust for pension benefits	\$ 33,939,623	\$ 31,579,001	\$ 65,518,624

City of Bloomington, Illinois

**Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
For the Fiscal Year Ended April 30, 2005**

	Police Pension	Fire Pension	Total
Additions:			
Contributions:			
Employer	\$ 1,615,608	\$ 1,533,448	\$ 3,149,056
Plan member deposits	713,313	465,391	1,178,704
<b>Total contributions</b>	<b>2,328,921</b>	<b>1,998,839</b>	<b>4,327,760</b>
Net investment income:			
Net appreciation in fair value of investments	777,173	1,013,324	1,790,497
Interest	509,335	238,474	747,809
Dividends	285,411	53,836	339,247
<b>Total investment income</b>	<b>1,571,919</b>	<b>1,305,634</b>	<b>2,877,553</b>
Less investment expense	40,052	-	40,052
<b>Net investment income</b>	<b>1,531,867</b>	<b>1,305,634</b>	<b>2,837,501</b>
<b>Total additions</b>	<b>3,860,788</b>	<b>3,304,473</b>	<b>7,165,261</b>
Deductions:			
Benefits	2,167,398	2,230,926	4,398,324
Refund of contributions	43,090	-	43,090
Administrative expenses	63,172	41,848	105,020
<b>Total deductions</b>	<b>2,273,660</b>	<b>2,272,774</b>	<b>4,546,434</b>
<b>Change in net assets</b>	<b>1,587,128</b>	<b>1,031,699</b>	<b>2,618,827</b>
Net assets held in trust for benefits, beginning of year	32,352,495	30,547,302	62,899,797
Net assets held in trust for benefits, end of year	<b>\$ 33,939,623</b>	<b>\$ 31,579,001</b>	<b>\$ 65,518,624</b>



## City of Bloomington, Illinois

### Statistical Section Contents

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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.

Contents	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	102 - 106
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax.	107 - 114
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	115 - 117
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	118 - 120
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	121 - 126
<b>Exhibits</b>	127 - 129

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.

City of Bloomington, Illinois

**Net Assets By Components  
Last Three Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 101,340,822	\$ 102,956,350	\$ 80,134,161
Restricted	5,402,151	5,402,151	5,402,151
Unrestricted	24,573,968	36,621,181	69,762,181
<b>Total governmental activities net assets</b>	<b>\$ 131,316,941</b>	<b>\$ 144,979,682</b>	<b>\$ 155,298,493</b>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 115,691,264	\$ 121,523,887	\$ 121,814,898
Unrestricted	3,596,404	1,366,819	5,338,425
<b>Total business-type activities net assets</b>	<b>\$ 119,287,668</b>	<b>\$ 122,890,706</b>	<b>\$ 127,153,323</b>
Primary government:			
Invested in capital assets, net of related debt	\$ 217,032,086	\$ 224,480,237	\$ 201,949,059
Restricted	5,402,151	5,402,151	5,402,151
Unrestricted	28,170,372	37,988,000	75,100,606
<b>Total primary government net assets</b>	<b>\$ 250,604,609</b>	<b>\$ 267,870,388</b>	<b>\$ 282,451,816</b>

GASB Statement No. 34 Implemented in Fiscal Year 2003

City of Bloomington, Illinois

**Changes In Net Assets  
Last Three Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
General government	\$ 11,492,732	\$ 11,863,297	\$ 9,315,837
Public safety	18,411,111	18,816,277	22,632,094
Highway and streets	11,789,502	12,881,016	11,228,589
Sanitation	8,098,356	8,221,203	9,603,786
Health and welfare	344,003	372,700	333,600
Culture and recreation	12,020,505	12,391,433	13,253,966
Community development	2,097,137	3,601,348	3,875,334
Interest on long-term debt	1,322,768	1,371,371	3,429,408
<b>Total governmental activities expenses</b>	<b>65,576,114</b>	<b>69,518,645</b>	<b>73,672,614</b>
Business-type activities:			
Water	9,193,747	8,971,757	8,986,194
Sewer	2,238,765	2,581,981	2,423,695
Parking	618,427	1,028,987	1,080,682
U.S Cellular Coliseum	-	49,159	462,974
Stormwater	-	-	844,984
<b>Total business-type activities expenses</b>	<b>12,050,939</b>	<b>12,631,884</b>	<b>13,798,529</b>
<b>Total primary government expenses</b>	<b>77,627,053</b>	<b>82,150,529</b>	<b>87,471,143</b>
Program Revenue:			
Governmental activities:			
Charges for services:			
General government	4,041,612	4,573,663	6,360,215
Public safety	1,320,738	1,195,762	1,240,643
Highway and streets	43,635	44,479	290,843
Culture and recreation	3,231,038	3,295,253	3,828,057
Operating grants and contributions:			
General government	1,117,843	2,022,589	1,643,091
Public safety	373,198	238,157	115,913
Culture and recreation	121,005	2,016,740	121,005
Community development	1,303,161	1,047,303	1,281,005
Capital grants and contributions, highways and streets	1,316,953	4,125,266	4,651,148
<b>Total governmental activities program revenue</b>	<b>12,869,183</b>	<b>18,559,212</b>	<b>19,531,920</b>
Business-type activities:			
Charges for services:			
Water	11,457,577	11,929,664	11,762,235
Sewer	2,212,244	2,186,887	2,165,669
Parking	781,186	656,059	737,942
Stormwater management	-	-	1,391,849
Operating grants and contributions:			
Water	-	-	590,681
Sewer	-	-	287,763
Stormwater management	-	-	31,991
Capital grants and contributions:			
Water	-	1,129,220	702,910
Sewer	-	1,107,822	546,457
Stormwater management	-	-	158,186
<b>Total business-type activities program revenues</b>	<b>14,451,007</b>	<b>17,009,652</b>	<b>18,375,683</b>
<b>Total primary government program revenues</b>	<b>27,320,190</b>	<b>35,568,864</b>	<b>37,907,603</b>
Net (Expense) Revenue:			
Governmental activities	(52,706,931)	(50,959,433)	(54,140,694)
Business-type activities	2,400,068	4,377,768	4,577,154
<b>Total primary government net expense</b>	<b>(50,306,863)</b>	<b>(46,581,665)</b>	<b>(49,563,540)</b>

(Continued)

City of Bloomington, Illinois

**Changes In Net Assets (Continued)**  
**Last Three Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year		
	2003	2004	2005
General Revenues and Other Changes in Net Assets:			
Governmental activities:			
Taxes:			
Property taxes	13,392,139	14,781,434	15,523,328
Franchise taxes	871,301	880,155	908,809
Sales taxes	15,876,621	12,921,369	13,714,717
Home rule sales tax	-	-	11,212,571
Utility taxes	-	5,209,817	5,478,337
Income taxes	-	3,909,506	4,515,877
Food and beverage	-	-	3,184,108
Other taxes	30,206,186	19,954,451	4,214,587
Investment earnings	(365,542)	1,983,582	1,490,494
Miscellaneous	1,982,066	3,496,999	3,790,779
Transfers	1,539,067	1,484,861	425,898
Capital contributions	4,628,564	-	-
<b>Total governmental activities</b>	<b>68,130,402</b>	<b>64,622,174</b>	<b>64,459,505</b>
Business-type activities:			
Investment earnings	8,346	7,973	43,062
Miscellaneous	682,980	702,158	68,299
Transfers	(1,539,067)	(1,484,861)	(425,898)
Capital contributions	2,286,186	-	-
<b>Total business-type activities</b>	<b>1,438,445</b>	<b>(774,730)</b>	<b>(314,537)</b>
<b>Total primary government</b>	<b>69,568,847</b>	<b>63,847,444</b>	<b>64,144,968</b>
Changes in Net Assets:			
Governmental activities	15,423,471	13,662,741	10,318,811
Business-type activities	3,838,513	3,603,038	4,262,617
<b>Total primary government</b>	<b>\$ 19,261,984</b>	<b>\$ 17,265,779</b>	<b>\$ 14,581,428</b>

City of Bloomington, Illinois

**Fund Balances, Governmental Funds  
Last Three Fiscal Years**

	Fiscal Year		
	2003	2004	2005
General Fund:			
Reserved	\$ 965,733	\$ 1,511,498	\$ 5,822,565
Unreserved	6,994,367	12,919,082	13,698,432
<b>Total General Fund</b>	<b>\$ 7,960,100</b>	<b>\$ 14,430,580</b>	<b>\$ 19,520,997</b>
All Other Governmental Funds:			
Reserved	\$ 14,556,265	\$ 11,124,746	\$ 46,294,843
Unreserved, reported in:			
Special revenue funds	8,634,687	7,112,627	3,863,304
Debt service funds	2,019,564	3,127,926	6,717,153
Capital projects funds	(1,766,307)	6,246,353	(1,215,142)
Permanent fund	1,281,183	2,004,717	2,170,063
<b>Total all other government funds</b>	<b>\$ 24,725,392</b>	<b>\$ 29,616,369</b>	<b>\$ 57,830,221</b>

City of Bloomington, Illinois

Changes In Fund Balances, Governmental Funds  
Last Three Fiscal Years

	Fiscal Year		
	2003	2004	2005
Revenues:			
Taxes	\$ 51,351,777	\$ 51,692,304	\$ 58,742,153
Intergovernmental	10,819,977	11,242,773	5,279,616
Licenses and permits	1,261,416	1,220,639	1,230,803
Charges for services	6,154,225	7,052,141	8,233,718
Fines and forfeitures	790,549	836,377	961,790
Use of money and property	92,462	1,404,675	1,530,738
Other	2,112,820	3,450,556	2,122,887
<b>Total revenues</b>	<b>72,583,226</b>	<b>76,899,465</b>	<b>78,101,705</b>
Expenditures:			
General government	10,858,251	9,717,458	8,341,534
Public safety	17,764,701	21,208,982	23,132,980
Highways and streets	4,715,143	7,848,841	5,379,132
Sanitation	7,691,902	9,306,027	9,269,284
Health and welfare	341,489	372,180	333,432
Culture and recreation	10,936,750	12,757,737	24,031,900
Community development	2,059,672	3,817,235	4,033,837
Capital outlay	14,213,928	6,803,445	3,770,612
Debt service:			
Principal	4,137,793	4,522,146	3,545,586
Bond issuance costs	-	-	335,977
Interest	1,200,066	1,053,574	2,459,702
<b>Total expenditures</b>	<b>73,919,695</b>	<b>77,407,625</b>	<b>84,633,976</b>
<b>Excess of revenues (under) expenditures</b>	<b>(1,336,469)</b>	<b>(508,160)</b>	<b>(6,532,271)</b>
Other Financing Sources (Uses):			
Transfers in	12,613,592	3,018,578	5,977,886
Transfers out	(11,074,525)	(1,533,717)	(5,373,125)
Issuance of long-term debt	-	10,000,000	39,288,472
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)
Capital contributions	4,628,564	-	-
Proceeds from sale of property	213,150	235,436	367,889
<b>Total other financing sources (uses)</b>	<b>6,380,781</b>	<b>11,869,617</b>	<b>39,836,540</b>
<b>Net changes in fund balance</b>	<b>\$ 5,044,312</b>	<b>\$ 11,361,457</b>	<b>\$ 33,304,269</b>
Debt service as a percentage of noncapital expenditures	9.1%	9.0%	9.6%

City of Bloomington, Illinois

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

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Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property
1995	\$ 432,936,964	\$ 306,123,581	\$ 10,228,203	\$ 591,316
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
<b>2004</b>	<b>861,824,156</b>	<b>543,262,723</b>	<b>9,692,733</b>	<b>509,803</b>

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.

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Railway Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
\$ 143,853	\$ 750,023,917	10.78%	\$ 1.5323	\$ 2,250,071,751	33.33%
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
<b>381,264</b>	<b>1,415,670,679</b>	<b>4.73</b>	<b>1.2807</b>	<b>4,247,012,037</b>	<b>33.33</b>



City of Bloomington, Illinois

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

Tax Year Levied	City Direct Rates							
	General Fund	Fire Pension Fund	Police Pension Fund	Illinois Municipal Retirement Fund	Judgment Fund	Bond and Interest Fund	Public Benefit Fund	Public Library Fund
1995	\$ 0.53990	\$ 0.12790	\$ 0.13060	\$ 0.20940	\$ 0.09340	\$ 0.18140	\$ 0.02070	\$ 0.22550
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
<b>2004</b>	<b>0.52874</b>	<b>0.10147</b>	<b>0.10729</b>	<b>0.08406</b>	<b>0.04945</b>	<b>0.12003</b>	<b>0.01095</b>	<b>0.27359</b>

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
\$ 0.00400	\$ 1.53280	\$ 4.44520	\$ 1.00250	\$ 0.10220	\$ 0.10060	\$ 0.12350	\$ 0.02740	\$ 0.24980
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
<b>0.00511</b>	<b>1.28069</b>	<b>4.47014</b>	<b>0.93874</b>	<b>0.18862</b>	<b>0.15014</b>	<b>0.10680</b>	-	<b>0.38752</b>

City of Bloomington, Illinois

Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2004		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank	
State Farm Insurance Co.	\$ 160,152,834	1	11.31%
Country Life Insurance Co.	13,384,871	2	0.95
BMJ Development	10,755,551	3	0.76
Illinois Agricultural Assn.	9,102,909	4	0.64
Wal-Mart	5,688,476	5	0.40
Westminister Village	5,184,403	6	0.37
Turnberry	5,078,453	7	0.36
M & J/LJP Parkway LP	5,000,000	8	0.35
Land Tr BY-1	4,703,070	9	0.33
Verizon North, Inc.	4,535,824	10	0.32
First of America	-		-
Great Lakes Property	-		-
OSF Healthcare	-		-
Jumers	-		-
<b>Total</b>	<b>\$ 223,586,391</b>		<b>15.79%</b>

Source: City of Bloomington Township

Note:

Total 1995 Assessed Valuation \$750,023,917

Total 2004 Assessed Valuation \$1,415,670,679

---

1996		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
\$ 87,553,037	1	11.67%
8,942,042	2	1.19
6,886,606	4	0.09
8,578,842	3	1.14
-		-
3,142,008	10	0.42
-		-
-		-
-		-
5,799,301	5	0.77
5,394,121	6	0.72
3,902,707	7	0.52
3,547,453	8	0.47
3,240,540	9	0.43
<u>\$ 136,986,657</u>		<u>17.42%</u>

City of Bloomington, Illinois

Property Tax Levies And Collections  
Last Ten Fiscal Years

Fiscal Year Ended April 30:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1996	1995	\$ 11,482,600	\$ 11,388,945	99.18%
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	10,788,526	59.51

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

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 68,834	\$ 11,457,779	99.78%
69,332	11,923,955	98.89
81,104	12,642,357	99.86
17,855	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
135,270	16,470,059	99.76
80,435	17,307,216	99.73
-	10,788,526	59.51

City of Bloomington, Illinois

**Ratios of Net General Bonded Debt Outstanding by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
1996	\$ 34,022,219	\$ 14,622	\$ 34,007,597	4.04%	589.31
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
<b>2005</b>	<b>67,931,484</b>	<b>6,717,153</b>	<b>61,214,331</b>	<b>5.02</b>	<b>893.55</b>

**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.

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Business-Type Activities			Total Primary Government	Percentage of Per Capita Income	Per Capita
Loan Payable	General Obligation Bonds	Revenue Bonds			
\$ -	\$ -	\$ 6,129,500	\$ 40,151,719	0.059%	695.79
-	-	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	0.116	379.44
2,659,006	-	-	34,087,725	0.086	511.48
<b>4,884,567</b>	<b>3,174,728</b>	-	<b>75,990,779</b>	<b>0.039</b>	<b>1,109.24</b>



City of Bloomington, Illinois

Direct and Overlapping Governmental Activities Debt  
For the Year Ended April 30, 2005

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Bloomington Normal Airport Authority	\$ 22,810,000	69.26%	\$ 15,797,750
Bloomington Schools District #87	21,985,000	99.63	21,902,996
Heartland Community College #540	20,745,000	41.90	8,692,155
County of McLean	20,980,000	49.47	10,378,806
Normal Schools District #5	147,844,969	42.70	63,129,802
<b>Subtotal, overlapping debt</b>			119,901,509
City Direct Debt	71,106,212		71,106,212
<b>Total direct and overlapping debt</b>			<b>\$ 191,007,721</b>

Sources: Debt outstanding provided by each governmental unit.

City of Bloomington, Illinois

**Demographic Statistics  
Last Ten Fiscal Years**

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Fiscal Year Ended April 30	Population (3)	Per Capita Income (3)	Illinois Annual Average Individual Pay (3)	Median Age (3)	School Enrollment	Home Sales (3)	Unemployment Rate
1996	57,707	23,592	*	31	7,201 (1)	\$ 113,439	4.0% (2)
1997	57,707	24,152	*	31	7,118 (1)	116,744	3.0 (2)
1998	57,707	25,959	*	31	7,555 (1)	120,645	2.5 (2)
1999	57,707	26,843	*	31	7,787 (1)	126,927	2.8 (2)
2000	57,707	27,840	\$ 30,587	30	7,829 (3)	131,768	2.1 (3)
2001	57,707	28,801	32,888	30	7,651 (3)	134,351	1.9 (3)
2002	64,808	28,926	34,226	30	7,520 (3)	139,322	1.9 (3)
2003	66,645	29,313	35,106	30	7,557 (3)	144,641	2.4 (3)
2004	66,645	29,451	36,116	31	7,544 (3)	153,422	2.7 (3)
<b>2005</b>	<b>68,507</b>	<b>29,769</b>	<b>34,910</b>	<b>31</b>	<b>7,777 (3)</b>	<b>161,135</b>	<b>4.6 (3)</b>

**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

Employer	2005		Percentage of Total City Employment
	Employees	Rank	
State Farm Insurance Company	14,132	1	20.63%
Country Insurance & Financial Services	2,289	2	3.34
Mitsubishi Motor Manufacturing	1,979	3	2.89
Anderson Financial Network, Inc.	1,047	4	1.53
OSF - St Joseph Medical Center	974	5	1.42
McLean County Government	892	6	1.30
District #87	879	7	1.28
City of Bloomington	863	8	1.26
Wal-Mart, Inc.	789	9	1.15
Verizon Communications	700	10	1.02
Kathryn Beich, Inc.	-	-	-
First America Savings and Loans	-	-	-

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

Note: The estimated population in 2005 is 68,507  
The estimated population in 1996 is 57,707

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1996		
Employees	Rank	Percentage of Total City Employment
7,957	1	13.79%
1,712	3	2.97
3,900	2	6.76
-	-	-
940	4	1.63
669	8	1.16
643	9	1.11
430	10	0.75
-	-	-
750	6	1.30
750	5	1.30
671	7	1.16

City of Bloomington, Illinois

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

Functions/Program	Full-Time Equivalent Employees as of April 30			
	2005	2004	2003	2002
General Government:				
Legislative	9	9	9	9
City Manager	4	4	4	4
City Clerk	4	3	4	3
Personnel	10	9	10	12
Finance	15	14	14	14
Computer Services	10	9	10	9
Legal	5	5	5	5
Building Safety	21	19	18	18
Planning	3	3	3	3
Facility Mgmt	2	2	2	2
Community Development	7	7	8	8
Parks and Recreation:				
General & Administrative	34	32	35	33
SOAR	6	6	5	5
Recreation	24	23	24	24
Pool(s)	8	9	10	10
Zoo	16	15	16	15
Forestry	4	4	4	4
Golf Course(s)	40	40	39	38
Police:				
Officers	120	114	108	109
Civilians (a)	26	27	25	18
Fire:				
Firefighters and Officers	93	88	89	89
Civilians	9	9	8	8
Public Works:				
Administration	4	4	4	4
Street Maintenance	16	16	16	16
Street Sweeping	1	4	3	3
Snow and Ice Control	4	4	4	4
Refuse Collection	50	47	47	47
Weed Control	2	3	3	3
Central Garage	9	7	7	7
Street Lighting	1	1	1	1
Traffic Control	11	10	10	11
Water:				
Administration	6	6	6	6
Transmission	21	21	21	20
Purification	19	19	19	19
Lake Bloomington Park	6	6	6	6
Sewer Maintenance	15	16	16	16
Stormwater	9	-	-	-
Other Programs/Functions:				
Engineering	19	23	22	22
Library	64	60	62	55
Parking	8	8	8	8
JM Scott	3	3	3	3
Cultural District	6	5	5	5
<b>Total</b>	<b>744</b>	<b>714</b>	<b>713</b>	<b>696</b>

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

2001	2000	1999	1998	1997	1996
9	9	9	9	9	9
4	3	3	3	3	3
3	3	3	3	3	2
11	11	8	8	8	8
13	13	13	11	11	10
8	8	6	6	5	6
5	4	4	4	4	4
16	14	14	14	13	13
3	2	2	2	2	1
2	2	1	1	1	1
8	8	8	9	9	9
32	31	30	30	30	30
5	5	5	5	6	6
24	24	24	24	26	24
10	10	12	12	12	12
15	15	13	13	13	12
4	4	4	4	4	4
37	37	36	36	32	23
103	99	99	94	95	92
24	21	21	21	17	29
89	88	88	89	88	89
7	7	7	6	7	6
4	4	4	4	4	4
14	11	11	11	11	11
3	3	3	3	3	3
4	4	4	4	4	4
47	47	47	48	48	45
3	3	3	3	3	3
7	6	6	6	7	7
1	1	1	1	1	1
11	11	11	11	11	10
6	4	4	4	4	4
22	20	20	20	20	20
18	15	15	15	15	15
6	6	6	6	6	6
16	14	14	14	14	14
-	-	-	-	-	-
21	20	20	20	20	20
51	49	47	44	47	49
8	8	8	8	8	8
3	3	3	3	3	3
-	-	-	-	-	-
677	647	637	629	627	620

City of Bloomington, Illinois

Operating Indicators By Function/Program  
Last Ten Calendar Years

Function/Program	Calendar Year			
	1995	1996	1997	1998
<b>Police:</b>				
Calls for service	39,274	39,275	37,784	42,198
Adult arrest	1,757	1,830	1,709	2,001
Juvenile arrest	323	523	373	306
Speeding citations only	1,335	1,238	2,245	2,188
Traffic citations	6,749	8,044	8,517	10,243
<b>Fire:</b>				
Total fire runs	1,318	1,310	1,359	1,338
Total rescue runs	3,811	3,891	3,784	4,093
Property loss	\$ 397,505	\$ 816,985	\$ 639,705	\$ 549,139
<b>Building safety:</b>				
Total building permits	2,382	2,251	2,683	2,554
Total value all permits	\$ 99,563,127	\$ 96,325,820	\$ 116,330,850	\$ 134,057,741
Library, volumes in collection	171,457	172,828	179,217	183,067
<b>Public service:</b>				
Garbage collected (ton)	**	15,487	16,322	17,149
Recycle collected (ton)	817	1,351	1,726	2,363
<b>Parks and Recreation:</b>				
Recreation program attendance	129,338	150,588	161,032	171,770
Aquatics program attendance	92,310	85,132	75,325	72,750
Golf rounds played	84,799	80,030	94,293	94,651
Miller Park Zoo attendance	102,052	101,598	111,881	105,090
Street trees maintained	N/A	N/A	N/A	12,866

Source: Various City departments

Note: \*\* Indicator not available

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Calendar Year					
1999	2000	2001	2002	2003	2004
44,201	47,988	51,185	54,507	54,916	51,775
2,144	2,048	1,783	1,895	2,083	1,984
298	246	214	257	221	252
3,688	7,706	8,514	6,205	3,699	2,720
13,245	17,426	16,582	14,512	13,783	10,907
1,354	1,508	1,630	1,794	2,106	2,492
4,260	4,606	5,269	5,620	5,427	5,235
\$ 727,875	\$ 738,140	\$ 832,481	\$ 1,219,642	\$ 1,749,600	\$ 1,114,600
2,277	2,709	2,458	2,579	3,001	3,017
\$ 264,287,318	\$ 155,369,125	\$ 189,573,800	\$ 154,261,448	\$ 185,562,460	\$ 156,392,339
225,623	251,980	254,470	250,240	248,280	241,240
18,027	17,776	17,729	17,865	18,601	18,537
2,083	2,143	2,243	2,010	2,338	2,420
198,394	202,931	190,723	199,257	218,243	227,437
73,479	70,361	72,798	68,361	55,058	53,296
94,454	98,698	95,788	87,528	89,844	92,303
111,803	99,001	107,055	98,262	90,389	113,641
13,466	13,830	14,003	14,212	14,385	14,494



City of Bloomington, Illinois

Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years

Function/Program	1996	1997	1998	1999
Police:				
Stations	1	1	1	1
Zone Offices	-	-	-	-
Fire, Fire Stations	4	4	4	4
Refuse Collection:				
Collection Trucks	8	8	8	9
Other Public Works	31	32	33	35
Streets (Miles)	242	248	253	258
Traffic Signals	68	83	102	105
Parks & Recreation:				
Acreage	446	446	407	409
Parks	36	36	40	41
Golf Course	2	2	3	3
Baseball/Softball Diamonds	17	17	17	17
In-line Hockey Rinks	-	-	-	-
Soccer/Football Fields	12	12	13	13
Basketball Courts	8	8	9	9
Tennis Courts	20	20	20	20
Swimming pools	2	2	2	2
Parks with Playground Equipment	19	19	20	20
Picnic Shelters	19	19	20	20
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	171,457	172,828	179,217	183,067
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	15
Wastewater:				
Sanitary Sewers (miles)	235	235	235	238
Storm Sewers (miles)	170	173	173	176
Combination Sanitary and Storm (miles)	100	100	100	100

Source: Various City Departments

Note: MGPD - Millions Gallons per Day

2000	2001	2002	2003	2004	2005
1	1	1	1	1	1
-	-	-	-	-	1
4	4	4	4	4	4
9	10	10	11	11	11
36	35	36	36	37	37
263	271	272	274	276	276
111	112	114	115	121	127
418	589	589	589	595	602
38	39	43	44	44	52
3	3	3	3	3	3
17	17	17	17	17	24
1	1	1	1	1	1
13	13	13	13	13	14
9	9	9	9	10	13
20	20	20	20	20	20
2	2	2	2	2	2
21	21	21	21	21	31
20	20	20	20	20	28
1	1	1	1	1	1
1	1	1	1	1	1
225,623	251,980	254,470	250,240	248,280	241,240
2	2	2	2	2	2
18	18	18	18	18	18
11	11	11	11	11	11
17	17	17	17	20	20
238	243	245	248	250	250
185	189	192	194	197	200
100	100	100	100	100	100

City of Bloomington, Illinois

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

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Exhibit	Page
<b>Exhibit A</b>	
Direct general obligation bonded debt (principal only)	128
<b>Exhibit A-1</b>	
Debt service requirements	129
<b>Exhibit B</b>	
Overlapping general obligation bonded debt	117
<b>Exhibit C</b>	
Composition of equalized assessed value	107 - 108
<b>Exhibit D</b>	
City tax rates by purpose-direct and overlapping property tax rates	109 - 110
<b>Exhibit E</b>	
Representative total tax rates	109 - 110
<b>Exhibit F</b>	
Top ten largest taxpayers	111 - 112
<b>Exhibit G</b>	
Combined statement of revenue, expenditures and changes in general fund balances	106

**Note:** Exhibit labels match exhibits required in the bond covenant

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
2005	\$ 2,021,913	\$ 1,017,000	\$ 1,004,913
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	-
	<u>\$ 70,546,869</u>	<u>\$ 63,404,000</u>	<u>\$ 7,142,869</u>

(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
2004	\$ 3,777,011	\$ 2,077,826	\$ 1,699,185
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

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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% of Assessed Valuation. Some types of General Obligation Bonds may be issued up to 5% of Assessed Valuation.

City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards  
Year Ended April 30, 2005

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
<b>Direct Programs:</b>			
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B-03-MC-17-0004	\$ 560,447
	14.218	B-04-MC-17-0004	280,404
Supportive Housing Program	14.235	IL-01B31-2005	51,960
	14.235	IL-01B21-2003	26,956
	14.235	IL-01B21-2004	5,199
	14.235	IL-01B21-2008	14,627
	14.235	IL-01B31-2004	17,388
	14.235	IL-01B21-2007	5,796
	14.235	IL-01B31-2008	6,898
	14.235	IL-01B31-2003	148,241
	14.235	IL-01B31-2002	149,813
Shelter Plus Care	14.238	IL-01C91-2002	13,277
			<u>1,281,006</u>
U.S. Department of Justice:			
Bulletproof Vest Program	16.607	99003795	13,118
Law Enforcement Block Grant	16.592	2003-LB-BX-2330	8,988
	16.592	2004-LB-BX-1233	10,264
			<u>32,370</u>
Federal Emergency Management Agency, Assistance to Firefighters			
	97.044	EMW-2003-FG-06982	<u>44,801</u>
U.S. Department of Justice: (Passed through Illinois Criminal Justice Information Authority)			
Edward Byrne Local Law Enforcement:			
Assistance Formula Grant	16.579	402020	2,748
	16.579	401214	26,892
Domestic Violence Multi-Disciplinary Team Program	16.710	601173	15,000
			<u>44,640</u>
Environmental Protection Agency: (Passed through Illinois Environmental Protection Agency)			
Drinking Water State Revolving Fund	66.468	L17225200	<u>1,091,237</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 2,494,054</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

City of Bloomington, Illinois

Notes to Schedule of Expenditures of Federal Awards  
Year Ended April 30, 2005

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**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, 2005. 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
Supportive Housing Program	14.235	\$ 422,153

**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, 2005, the loans outstanding under these programs total \$1,676,640 net of \$117,500 of allowance for uncollectible accounts.



City of Bloomington, Illinois

Summary Schedule of Prior Audit Findings  
Year Ended April 30, 2005

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	Comment	Status	Corrective Action or Other Explanation
	<b>Reportable Conditions:</b>		
04-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf course locations.	Not corrected. Similar finding at 05-II-A.	

# McGladrey & Pullen

Certified Public Accountants

## **Independent Auditor's Report and 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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2005. We did not audit the financial statements of Central Illinois Risk Pooling Authority which represents 10% and 18%, respectively, of the assets and revenues of the aggregate remaining fund information and 2% and none, respectively, of the governmental activities assets and revenues. We did not audit the Police Pension and Fire Pension which represents all of the assets and revenues of the fiduciary funds of the City of Bloomington, Illinois. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Central Illinois Risk Pooling Authority, Police Pension and Fire Pension, is based on the reports of the 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. However, the financial statements of the Central Illinois Risk Pooling Authority, Police Pension, and Fire Pension were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not extend to those funds.

### **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 a certain matter involving the internal control over financial reporting 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 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 condition is described in the accompanying schedule of findings and questioned costs as item 05-II-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 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. However, we believe the reportable condition described above is not a material weakness. 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, 2005.

### **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 is 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, 2005

# 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, the Police Pension and the Fire Pension, which were audited by other auditors. The financial statements of the Central Illinois Risk Pooling Authority, the Police Pension and Fire Pension 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 program for the year ended April 30, 2005. The City's major federal program is 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 program is 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, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 05-III-A.

### **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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, 2005

**Schedule of Findings and Questioned Costs  
Year Ended April 30, 2005**

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**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
14.218	Community Development Block Grant

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended April 30, 2005

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**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:

**05-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 was 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.

(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended April 30, 2005

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III. Findings and Questioned Costs for Federal Awards

A. Reportable conditions in internal control

None

B. Instances of noncompliance

**05-III-A**

**U.S. Department of Housing and Urban Development**

**Community Development Block Grant (CFDA 14.218)**

Finding: The City included a disallowed cost in the reimbursement request.

Condition: The City made a payment to an association and did not properly identify a portion of the payment contributed to political action committees as a disallowed cost.

Questioned Costs: \$32.

Criteria: In accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, contributing to or paying the expenses of a political action committee are not allowable.

Recommendation: The agency should discontinue use of grant funds for lobbying purposes in accordance with regulations.

Response and Corrective Action Plan: The City will discontinue such payments in the future.



City of Bloomington, Illinois

Corrective Action Plan  
Year Ended April 30, 2005

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Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Reportable Conditions in Internal Control</b>				
05-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 05-II-A.	N/A	Judy Whikehart
<b>Findings and Questioned Costs for Federal Awards</b>				
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.	See response and corrective action plan at 05-III-A.	July 2005	Judy Whikehart