

CITY OF BLOOMINGTON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended April 30, 2004

Prepared by:
Brian J. Barnes, Director of Finance

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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, 2004 is hereby submitted. This report presents a comprehensive and detailed picture of our financial transactions during the 2003 - 2004 fiscal year and the financial condition of the various funds as of April 30, 2004.

Responsibility for both the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with the City management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the City's financial position and results of operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial condition have been included. The organization and content of this report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board. To provide as reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Bloomington's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Last year 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, 2004, 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 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, 2004, 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, 2004.

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 association 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 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 non-major governmental fund 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 Financial (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:

- Begin building a \$35 million Downtown Sports and Entertainment Center, including a public skating rink and parking deck, on the southwest edge of the downtown area.
- Adding three patrolmen to the Police Department.
- Adding an Inspector to the Building Safety Department and beginning an apartment inspection program.
- Issued \$10 million in General Obligation Bonds to pay for needed road improvements around the community and complete construction of Tipton Park.
- Worked with the County to add two floors to the county owned, City operated Lincoln Parking Lot. This added approximately 300 parking spots to the lot.
- Worked with the County to rehabilitate the former Champion Federal building to house joint County/City operations.

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 an 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 is 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 15,846 employees each. Another twenty-three employers provide jobs for between 157 and 959 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 open for several years as well. Major employers have remained stable and plans for occupying expanded space are underway. Mitsubishi Motors announced that they will be reducing staffing by approximately 1,200 which will be a reduction of approximately 35%. While this is not positive news, this reduction will likely be phased in and not all of the workers live in the City of Bloomington.

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 Storm Water 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 2 to 3 years (IMET). The average yield of these investments tracked closely with the return for Illinois Funds which for the fiscal year ended April 30, 2004 was 0.929%. The Police Pension and Fire Pension funds are managed by their respective boards. For the fiscal year from May 1, 2002 to April 30 2003, the rate of return for the Fire Pension Fund was 0.93% due mainly to having most of their money out of the stock market for a large part of the year and in money market investments. For the fiscal year from May 1, 2002 to April 30 2003, the rate of return for the Police Pension Fund was 2.10% as their investments tracked the stock market returns more closely. 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, 2003 of funding 58% of the Police Pension and 63% of the Fire Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded over 32 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, 2003. This was the 27th 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 Whitehart, 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 unflinching 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, 2003

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.

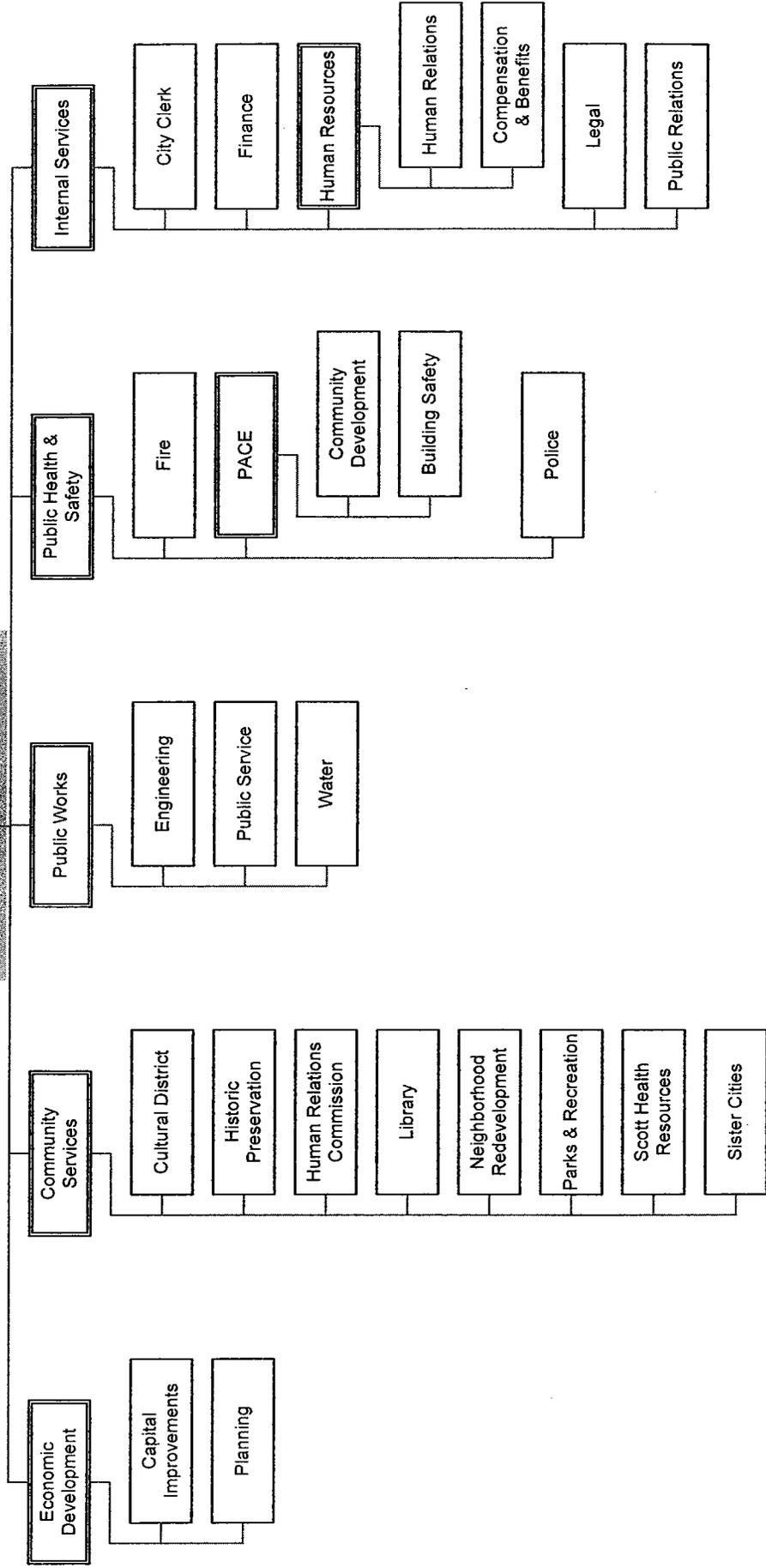


President

Executive Director

Mayor and City Council

City Manager



City of Bloomington, Illinois

Officers and Officials
Year Ended April 30, 2004

Elected Officials

Mayor

Judy Markowitz

Aldermen

Michael Matejka

Kevin Huette

Karen Schmidt

Jim Finnegan

J.E. "Skip" Crawford

Rich Veitengruber

Thomas D. Whalen

Michael Sprague

Administrative Officials

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

Richard Paulson

Director of Engineering

George Drye

Director of Human Resources

Emily Bell

Director of Parks & Recreation

Keith Rich

Director of Planning & Code Enforcement

James Hepperly

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, 2004, 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 13% 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 and the reports of the other auditors provide 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, 2004, 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 July 2, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 17, budgetary comparison information on pages 69 through 71 and the Pension Plans Schedules of Funding Progress and Schedules of Employer Contributions on pages 66 through 68 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 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 introductory and statistical sections and 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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Nonprofit Organizations and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion and the opinion of the other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Davenport, Iowa
July 2, 2004, except for the fiduciary funds
as to which the date of other auditors is
September 20, 2004

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2004

The City of Bloomington's (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 \$17.2 million (or 6.9%) during the fiscal year ending April 30, 2004 (FY04). The government net assets increased by \$13.7 million (or 10.4%) while the business-type activities increased \$3.6 million (or 3.0%) during the same time.
- The governmental activities program revenues increased by \$5.7 million (or 44.2%). The governmental activities program expenses increased by \$3.9 million (or 6.0%).
- The business-type activities program revenues increased by \$2.6 million (or 17.7%). The business-type activities program expenses increased by \$0.6 million (or 4.8%).
- The total cost of City programs increased by \$4.5 million (or 5.8%).

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, 2004

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 04 there is the addition of the Downtown Sports and Entertainment Center. 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 - 27) 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 Firefighter'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 Statement except for the internal service fund allocation, the Governmental 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, 2004**

Government-Wide Statement

Statement of Net Assets

The City's combined net assets increased by \$17.2 million or 6.9% from FY03, increasing from \$250.6 million to \$267.8 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 03. 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, 2004 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Current assets and other	\$ 70.9	\$ 59.7	\$ 2.3	\$ 4.5	\$ 73.2	\$ 64.2
Capital assets	134.4	125.0	124.2	117.2	258.6	242.3
Total assets	205.3	184.7	126.5	121.7	331.8	306.5
Current liabilities	28.7	27.8	1.1	0.9	29.8	28.7
Noncurrent liabilities	31.6	25.6	2.6	1.6	34.2	27.2
Total liabilities	60.3	53.4	3.7	2.5	64.0	55.9
Net assets:						
Invested in capital assets, net of related debt	103.0	101.3	121.5	115.7	224.5	217.0
Restricted	5.4	5.4	-	-	5.4	5.4
Unrestricted	36.6	24.6	1.3	3.6	37.9	28.2
Total net assets	\$ 145.0	\$ 131.3	\$ 122.8	\$ 119.3	\$ 267.8	\$ 250.6

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, 2004

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 \$17.2 million to \$267.8 million from \$250.6 million as a result of the combination of many factors. First the Business-type total assets increased \$4.8 million while total liabilities increased only \$1.2 million. At the same time, Government activities total assets increased \$20.6 million while total liabilities increased only \$6.9 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 03 to FY 04.

Net assets of the City's governmental funds increased from \$131.3 million in FY 03 to \$145.0 million in FY 04. The City's unrestricted net assets for governmental activities, the part that can be used to finance day-to day operations, were up \$12.0 million from \$24.5 million in FY 03 to \$36.6 million in FY 04. 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 \$10 million in G.O. Bonded Debt in June 2003 to help pay for some needed road improvements and complete the construction of Tipton Park. This bond issue relieved the City of the need to transfer approximately \$4.5 million from the General Fund to the Capital Improvements Fund to pay for the work, so capital contributions dropped accordingly. In addition, the City's General Revenues increased significantly as Sales Taxes and State Income Tax rebounded. In addition, there was a \$9.4 increase in governmental activities net capital assets from \$125.0 in FY 03 to \$134.4 in FY 04. Looking at Note 3 on page 50 shows that the majority of this change involves infrastructure and construction, reflecting the work on roads and parks in the City.

The net assets of Business-Type activities grew \$3.5 million, from \$119.3 million in FY 03 to \$122.8 million in FY 04. Current Assets dropped significantly nearly 50% from \$4.5 million in FY 03 to \$2.3 million in FY 04 and the internal balances were spent down. The Water Department built a new building without issuing debt. In addition, the Parking Division shut down the Lincoln Lot for the summer of 2003 as two new floors and 600 additional spots were added. This cut down on parking revenue plus the City built a temporary surface lot on the western edge of the downtown area to accommodate the displaced customers. This temporary lot was built using funds on hand. Noncurrent liabilities increased \$1.0 million, from \$1.6 million in FY 03 to \$2.6 million in FY 04. This is due entirely to an IEPA Loan to the Water Department as the City continues a multi-year project to build an additional water line 10 miles from Lake Bloomington to town. Business-type unrestricted net assets dropped \$2.3 million, from \$3.6 million in FY 03 to \$1.3 million in FY 04. This was due to Water, Sewer and Parking all spending down their liquid assets to finance infrastructure improvements. The City can use the unrestricted net assets of \$1.3 million to finance the continuing operation of its water, sewer and parking operations. A rate study will be conducted in the near future to determine the appropriate rate structure for the Water and Sewer 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, 2004

Changes in Net Assets

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

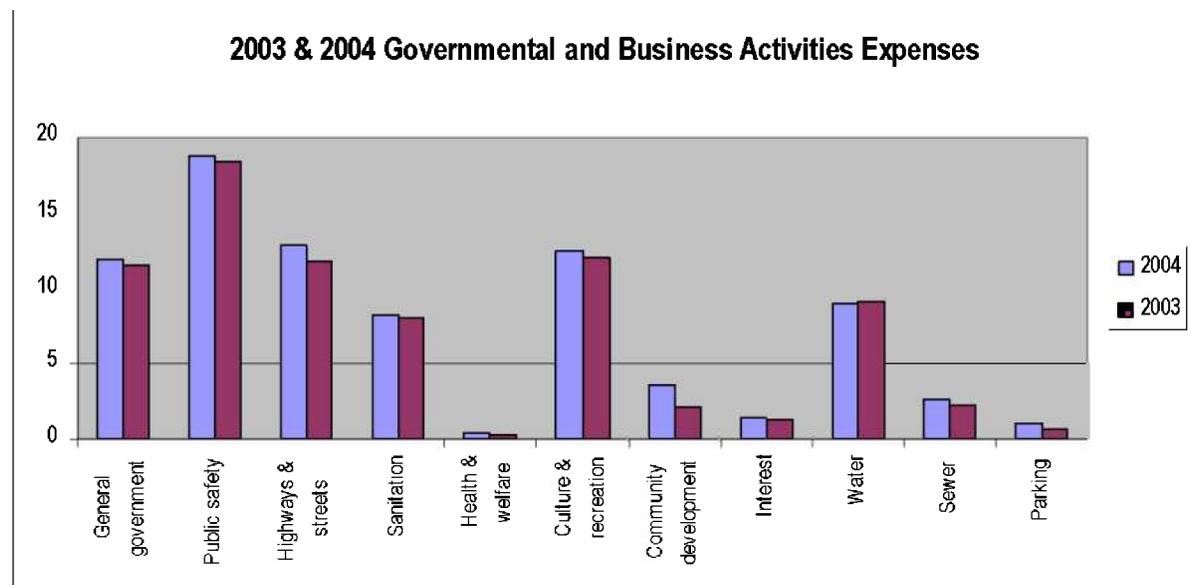
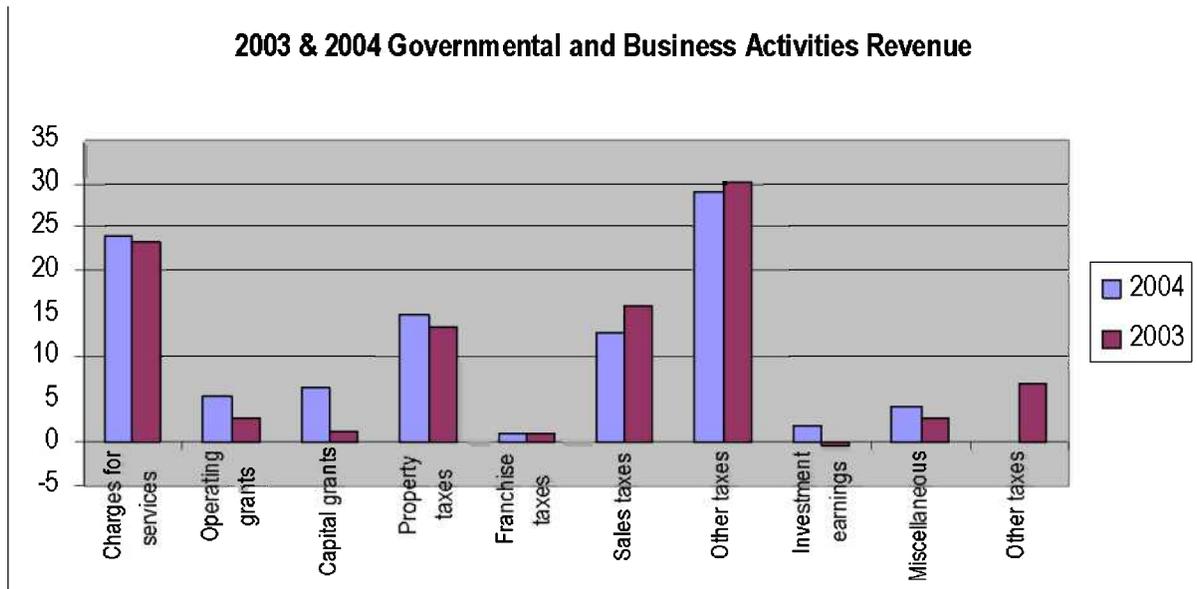
Table 2 - Changes in Net Assets For Fiscal Year Ended April 30, 2004 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 9.1	\$ 8.6	\$ 14.8	\$ 14.5	\$ 23.9	\$ 23.1
Operating grants	5.3	2.9	-	-	5.3	2.9
Capital grants	4.1	1.3	2.2	-	6.3	1.3
General revenue:						
Property taxes	14.8	13.4	-	-	14.8	13.4
Franchise taxes	0.9	0.9	-	-	0.9	0.9
Sales taxes	12.9	15.9	-	-	12.9	15.9
Other taxes	29.1	30.2	-	-	29.1	30.2
Investment earnings	2.0	(0.4)	-	-	2.0	(0.4)
Miscellaneous	3.5	2.1	0.7	0.7	4.2	2.8
Transfers	1.5	1.5	(1.5)	(1.5)	-	-
Other taxes	-	4.5	-	2.3	-	6.8
Total revenue	\$ 83.2	\$ 80.9	\$ 16.2	\$ 16.0	\$ 99.4	\$ 96.9
Expenses:						
Governmental activities:						
General government	\$ 11.9	\$ 11.5	\$ -	\$ -	\$ 11.9	\$ 11.5
Public safety	18.8	18.4	-	-	18.8	18.4
Highways & streets	12.9	11.8	-	-	12.9	11.8
Sanitation	8.2	8.1	-	-	8.2	8.1
Health & welfare	0.4	0.3	-	-	0.4	0.3
Culture & recreation	12.4	12.0	-	-	12.4	12.0
Community development	3.6	2.1	-	-	3.6	2.1
Interest	1.4	1.3	-	-	1.4	1.3
Business-type activities:						
Water	-	-	9.0	9.2	9.0	9.2
Sewer	-	-	2.6	2.2	2.6	2.2
Parking	-	-	1.0	0.6	1.0	0.6
Sports center	-	-	-	-	-	-
Total expenses	\$ 69.6	\$ 65.5	\$ 12.6	\$ 12.0	\$ 82.2	\$ 77.5
Changes in net assets	\$ 13.6	\$ 15.4	\$ 3.6	\$ 4.0	\$ 17.2	\$ 19.4

The City's combined change in net assets was a decrease of \$2.0 million from 2003 to 2004. The City's total revenues increased by \$2.6 million or 2.6%. The City's cost of all programs increased \$4.6 million or 5.9%. For more detailed information, see the Statement of Activities (pages 20 - 21).

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For Fiscal Year Ended April 30, 2004



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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 64% 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 10 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, 2004

Current Year Impacts - Overall Results of Operations

Governmental Activities:

Revenues: The City's Governmental revenues increased by \$2.3 million or 2.7%. Most significant in the revenue changes were increases to the Operating Grants and the Capital Grants and Contributions line. 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. The Capital Grant involved Highways and Streets, as the City received several grants from IDOT to assist with road projects in the community. Last year some of this activity was shown in the "Other" line and was changed this year to comply with a comment from the GFOA auditors. 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 \$1.4 million or 10% due to increases to the Library levy for some needed building repairs and an increase to the general corporate levy to absorb increasing costs of providing services. Investment earnings increased by \$2.5 million as market losses due to the poor market in 2003 were overcome and the market rebounded. The losses in 2003 involved investments that are not directly managed by the City (Scott Health and CIRPA) but are included in the City totals due to reporting requirements. The City's net equalized assessed value increased in the 2002 levy year (which was collected in FY 03-04) by 7.58% to \$1,276,500,913. 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 6.3%. The largest increase was due to Community Development increasing \$1.5 million or 71% due to completing work on Tipton Park. Other increases were primarily due to increased labor costs, plus the cost of health insurance and claims paid increased approximately 34% in one year. Dealing with the increasing cost of health care will be a major issue for the City management in coming years. Additions to staff included the Police Department added three patrol officers and the Building Safety Department added an inspector and began an apartment inspection program. The City also began preparations to move into the Government Center Building, a building to be shared jointly with County operations.

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 2004 expenses included funding for the City's pay for performance compensation package targeted to a 3% increase. In addition, many of the 10 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 were almost unchanged, increasing by \$0.2 million or 0.1%. This reflects a minor increase in collections for Charges for Service as activity grew while rates for services held flat. Water did increase which counter-balanced a loss of revenue in the Parking Division. This loss of revenue in the Parking Division was due to shutting down the Lincoln Lot for June through October of 2003 as two additional floors were added to the facility. This addition added approximately 600 spots to the lot capacity and a corresponding increase in revenue should be seen in upcoming years. Last year some revenues were shown in the "Other" line and was changed this year to "Capital Grants" to comply with a comment from the GFOA auditors.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2004

Expenses: The City's business-type expenses increased by \$0.6 million or 5.0%. The increase was in Sewer as repair activity increased to maintain the infrastructure and in parking as the cost of operating the Lincoln Lot rose as the lot was expanded. Also, the City created a new Business-type entity, the Downtown Sports and Entertainment Center. An arena will be built on the south-west edge of the downtown area to include professional hockey, football, other sports functions, concerts, etc., The project will also include a public ice rink in a connected structure and a parking deck with approximately 270 parking spots. The current plans are to have the arena open for business in spring of 2006. Last, the City is creating a Storm Water Utility to provide a Storm Water Management system to comply with recent mandates. There will be a rate study and a rate for this service will be added to the water bills in the future.

Financial Analysis of the City's Funds

Governmental Funds: As of April 30, 2004, the governmental funds (as presented on the balance sheet on pages 22 - 23) reported a combined total fund balance of \$44.0 million, which is an increase of \$11.3 million or 34.6% over the FY 2003 total of \$32.7 million. Of the total fund balance of \$44.0 million, \$31.4 million is unreserved indicating availability for continuing City services. Reserved fund balances of \$12.6 million includes \$0.4 million in inventory, \$1.6 million in loans, \$.6 million in prepaid items, \$4.4 million in encumbrances from the prior year, \$5.4 million in trust corpus, and \$0.2 million in property held for sale. For more detailed information, see the Statement of Revenues, Expenditure 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 \$6.4 million or 80% from \$8.0 million in FY 03 to \$14.4 million in FY 04. Per the Statement of Revenues, Expenditures and Changes in Fund Balances on pages 25 - 26, General Fund total revenues increased by \$4.1 million or 7.5% and General Fund total expenditures increased by 5.5 million or 11.7%. Total revenues less total expenses for FY 04 were \$6.3 million. An additional \$0.1 million in net other financing resources increased the net change in fund balance to \$6.4 million. This was achieved by a combination of several items as the City worked hard to improve fund balances:

- There was a cost cutting effort under which positions were not filled after attrition if it was at all possible.
- The City issued \$10 million in debt in June 2003 to pay for road and parks improvements. This then relieved the General Fund of having to transfer money to the Capital fund to pay for these projects for at least one year.
- The City increased revenues by creating a 2% Food and Beverage tax as of January 2003, a \$5 per month garbage fee as of August 2003, and a 2% packaged liquor tax as of July 2003.

The Fund Balance for the Library Fund increased \$0.135 million or 25.7% from \$0.526 million to \$0.661 million. Total revenues for the Library increased \$0.8 million or 26.9% as the City decided to increase their property tax levy to pay for some needed remodeling and replacement of HVAC equipment. Total expenses for the Library increased \$0.4 million or 11.0% as operating costs increased (labor mainly) as well as the beginning of the remodeling work was done.

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2004**

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 decreased \$0.4 million or 12.5% as the City begins to pay off some older issues, so the property taxes supporting those issues dropped as well. Total expenses for Debt Service decreased \$0.1 million or 2.0% to reflect this dropping debt service level. In addition, there was a \$0.699 issuance of long-term debt in the Debt Service Fund which was capitalized interest related to the \$10 million dollar 2003 G.O. Bond Issue for road and parks projects.

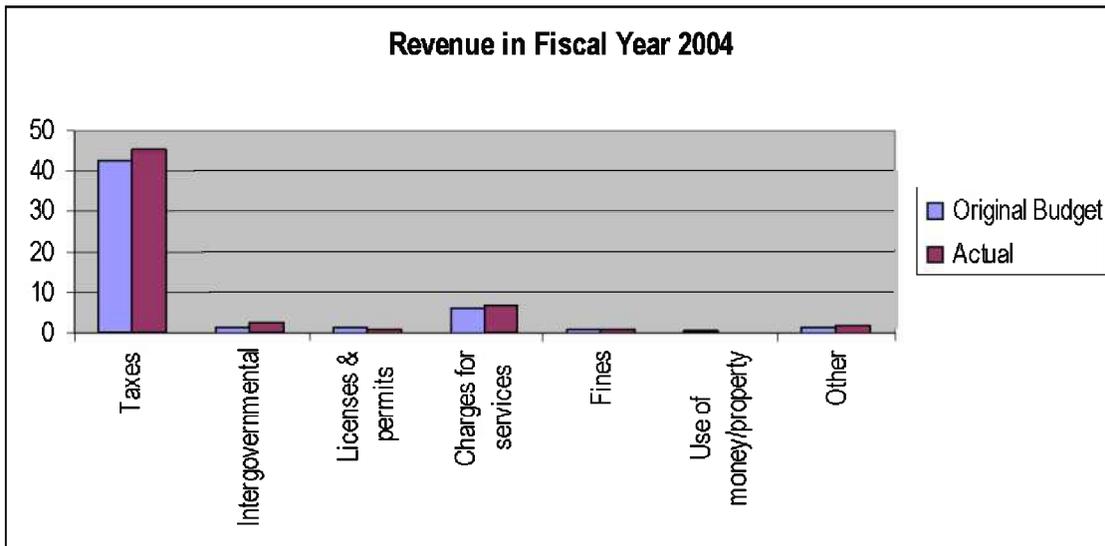
Nonmajor Governmental Funds: The Fund Balance for the Nonmajor Governmental Funds increased \$3.647 million or 16.4% from \$22.179 million to \$25.826 million. This category has changed from FY 2003 as capital improvements was combined into the Nonmajor Governmental Funds grouping for the FY 2004 report. Total revenues for the Nonmajor Governmental Funds increased \$2.068 million or 22.2% as the Use of Money and Property item increased significantly due to reporting on investment income for the J.M. Scott operations. Total expenses for the Nonmajor Governmental Funds decreased \$2.390 million or 12.1% as capital projects dropped slightly while the City prepared to complete multiple road and parks projects in future years. Last, there is \$9.3 million in long term debt under other financing sources which reflects the net proceeds less capitalized interest for the \$10 million dollar 2003 G.O. Bond issue for road and parks projects.

General Fund Budgetary Highlights: Over the course of the year, the City amended the budget twice. 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 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 68 in the audit (note, there has been some slight rounding in the below table):

Fiscal Year 2004 (in millions)			
General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 42.7	\$ 42.7	\$ 45.4
Intergovernmental	1.6	1.6	2.3
Licenses & permits	1.4	1.4	1.2
Charges for services	6.1	6.1	6.9
Fines	0.8	0.8	0.8
Use of money/property	0.4	0.4	0.1
Other	1.4	1.4	2.1
Total	54.4	54.4	58.8
Expenditures and transfers:			
Expenditures	52.2	54.5	52.4
Transfers	(0.1)	(0.1)	(0.2)
Total	52.1	54.4	52.2
Change in fund balance	\$ 2.3	\$ -	\$ 6.6

City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2004



The General Fund actual revenues were \$4.4 million more than the original budgeted amount. State Sales taxes were about \$1.0 million over budget, Home Rule Sales taxes were \$0.2 million over budget, Food and Beverage taxes were \$0.8 million over budget, Utility taxes were \$0.7 million over budget and Personal Property Replacement taxes came in at \$0.3 million over budget. Townships forwarded \$0.1 million in back Road & Bridge taxes, Packaged Liquor taxes were \$0.2 million over budget and several other taxes were over budget by smaller amounts. Charges for Services were over budget as the City started charging a \$5 a month fee for garbage collection in midyear and received \$1.0 million in FY 03. 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 \$0.2 million more than the original budgeted amount. That was caused by the addition of an extra garbage collecting crew in the Refuse Division that was unbudgeted, but was more than adequately covered in revenue by the fee mentioned above.

Due to budget amendments, actual General Fund expenditures and transfers were less than the amended budget by \$2.2 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Capital assets not being depreciated	\$ 31.2	\$ 28.6	\$ 9.8	\$ 9.1	\$ 41.0	\$ 37.7
Land improvements	3.2	3.0	0.2	0.2	3.4	3.2
Construction	27.1	25.5	20.1	20.4	47.2	45.9
Infrastructure	61.1	56.8	88.8	83.1	149.9	139.9
Machinery and equipment	6.3	5.8	4.5	3.8	10.8	9.6
Licensed vehicles	5.6	5.3	0.8	0.5	6.4	5.8
Total net capital assets	\$ 134.5	\$ 125.0	\$ 124.2	\$ 117.1	\$ 258.7	\$ 242.1

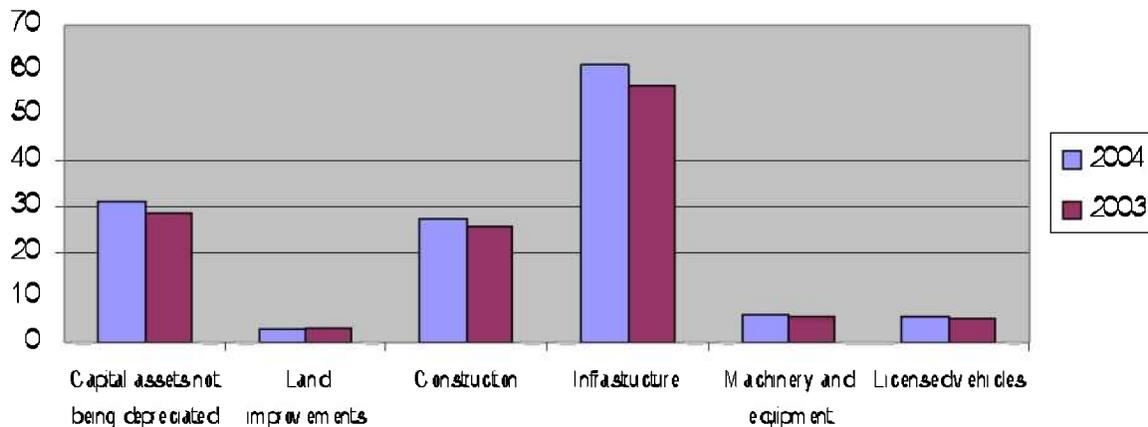
(Note: columns may not total due to rounding)

City of Bloomington, Illinois

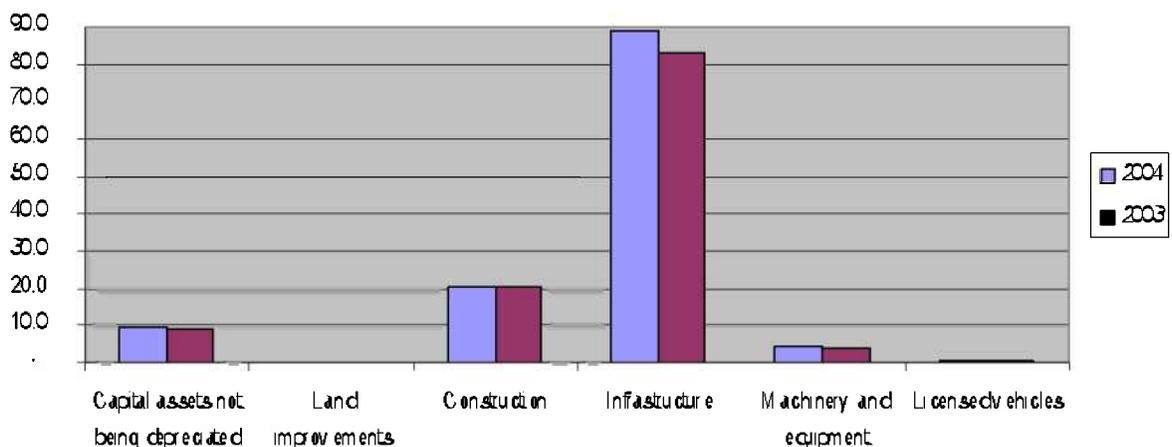
**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2004**

At the end of fiscal year 2004, the City had a combined total of capital assets, net of depreciation, of \$258.7 million. This is an increase of \$16.4 million or 6.8% over the FY2003 total of \$242.3 million. Most of the increase occurred in infrastructure as the City continues to grow and expand.

Capital Assets at Year-End - Governmental Activities



Capital Assets at Year-End - Business-Type Activities



City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2004**

Table 4 - Change in Capital Assets (in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance	\$ 125.0	\$ 117.3	\$ 242.3
Additions:			
Nondepreciation	28.8	15.0	43.8
Depreciation	(9.7)	(2.6)	(12.3)
Retirements:			
Nondepreciation	(10.7)	(5.8)	(16.5)
Depreciation	1.0	0.3	1.3
Total	\$ 134.4	\$ 124.2	\$ 258.6

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

Governmental activities:

East Washington Clayton to Colton	\$ 2.443
Emerson Street Bridge Replacement	0.224
Miller Park Zoo Rainforest Exhibit	0.303
Miller Park Zoo Rainforest Building	1.032
Bittner Park Design & Development	0.370
Tipton Park Phase II	0.243
McGraw Park Design & Construction	0.875
Indiana Street (Erickson to Euclid)	0.229
Tipton Park Design & Development	0.212
Library HVAC	0.283
Hamilton Road Greenwood to Timberlake	0.216
Bloomington Center for Performing Arts Design	0.274
Downtown Courthouse Square Streetscape	0.229
Hamilton Road Extension	0.247
Arena	0.733

Business-type activities:

East Washington Clayton to Colton Water Main	0.235
Watermain from Lake Bloomington to Ft. Jesse	0.145
Pipeline Rd Water Main Northtown to Ft. Jesse	1.448
Route 9 Water Main Wylie to 3500 Feet West	0.161
Pipeline Rd Water Main Elevated Storage Tank	0.387
Towanda Ave. Improvements Culvert Extension	0.120
Design Water Dept. Building, 603 W. Division	0.110
New Water Dept. Building, 603 W. Division	2.420
Lake Evergreen Pumpstation Filter and Roof	0.115
Ft. Jesse Rd. Water Main Improvements	0.140
Pipeline Rd Water Main Shepard Rd. Realignment	0.219

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2004

The Governmental Activities net capital assets increased from FY 03 to FY 04 by \$9.5 million or 7.6% because additions were larger than the amount of depreciation expensed this year. The Business-type Activities net capital assets increased from FY 03 to FY 04 by \$6.9 million or 5.9% because additions were also larger than the amount of depreciation expensed this year. The larger additions to both categories are listed above.

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. For more detail see Notes to Financial Statements Note #5.

Table 4 - Long-Term Debt (in millions)

	Ending Balance April 30, 2004	Net Additions/ Deletions	Beginning Balance April 30, 2003
Government activities:			
General obligation debt	\$ 31.428	\$ 7.710	\$ 23.718
Agreements with developers	4.041	(1.885)	5.926
Compensated absences	1.169	(0.040)	1.209
Government activities total	36.638	5.785	30.853
Business activities, loans payable	2.659	1.090	1.569
Total long-term debt	\$ 39.297	\$ 6.875	\$ 32.422

During the year \$2,495,000, net of the General Obligation Debt was retired while \$10,204,859 of new debt was issued. In addition, \$2,027,146 of the Developers Agreements was retired while there was \$142,920 in new agreements. Compensated absences decreased by \$39,890 in accrual. Last, the loan payable (from the IEPA to pay for a new water main from Lake Bloomington) increased by \$1,090,239.

The City of Bloomington maintains an AA rating from Standard and Poor's and an Aa2 rating from Moody's Investor Services, both with a negative outlook as of April 30, 2004. As a home rule authority, the City of Bloomington does not have a legal debt limit. The City planned (and in June 2004 did) to issue \$29 million in taxable General Obligation debt to build the Downtown Sports and Entertainment Center. The debt service will be paid by using operating revenue from the arena and potentially some sales tax contributions from the City if needed. At the time that the new debt was issued in June 2004, the negative outlook was dropped and replaced with a stable outlook by both Standard & Poors and Moodys. In addition, Fitch gave the City a rating of AA as well.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2004

Economic Factor's and Next Year's Budget

The City's assessed value grew by an average of 6.96% over the last five years. The majority of this increase has been due to growth through new development, so this should be a sign of a growing economy in Bloomington. Property taxes comprise 22.8 % of General Revenues (see pages 19-20). 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 and State Income Tax, the Home Rule Tax and the local utility tax continue to represent the largest portion of General Corporate Revenue. While there was some lower collection of sales taxes in 2001 and 2002, calendar year 2003 showed growth (see page 104) and 2004 was 9.6% above the 2002 level. Clearly, the City has grown through the national recession of several years ago and is in a growth cycle again. Sales taxes, utility taxes, and other taxes comprise 58.9% 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.

Unemployment for the City was 2.7% countywide (up from 2.4% last year), 5.9% for the State (down from 6.3% a year ago) and 5.40% for the United States (down from 6.0% last year) as of April 30, 2004. The City unemployment rate is half of the national rate and less than half of the statewide rate. This shows that the employment environment in the Bloomington area is very strong.

The 2004-05 budget shows the General Fund revenues increasing 9.147%, expenses increasing 16.75%, for a balanced budget. With the new budget year, the City Council approved the institution of a new \$275 ambulance fee for transports to the hospital which should generate approximately \$.557 million a year. Also, the City Council approved a new Storm Water Utility to create a storm water program as required by recent unfunded mandates.

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, 2004

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 27,911,563	\$ 1,623,057	\$ 29,534,620
Investments	7,458,439	5,645	7,464,084
Receivables, net of allowances for uncollectibles of \$329,427:			
Taxes	14,212,999	-	14,212,999
Loans	1,621,153	-	1,621,153
Accounts	2,647,152	1,484,801	4,131,953
Accrued interest	24,593	-	24,593
Due from other governmental units	7,306,841	-	7,306,841
Internal balances	943,450	(943,450)	-
Inventory	382,069	66,094	448,163
Prepaid items and other assets	1,193,079	163,385	1,356,464
Properties held for resale	202,096	-	202,096
Total current assets	63,903,434	2,399,532	66,302,966
Noncurrent Assets:			
Land	17,496,744	4,418,938	21,915,682
Construction in progress	13,749,386	5,430,514	19,179,900
Other capital assets, net of accumulated depreciation	103,226,928	114,333,441	217,560,369
Total capital assets, net of depreciation	134,473,058	124,182,893	258,655,951
Pension assets	1,542,046	-	1,542,046
Bond issuance costs	53,865	-	53,865
Restricted investments	5,402,151	-	5,402,151
Total noncurrent assets	141,471,120	124,182,893	265,654,013
Total assets	\$ 205,374,554	\$ 126,582,425	\$ 331,956,979

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities and Net Assets			
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 2,775,315	\$ 753,456	\$ 3,528,771
Claims payable	4,350,437	-	4,350,437
Compensated absences	1,169,441	136,608	1,306,049
Accrued interest payable	706,857	61,274	768,131
Unearned revenue	1,577,857	5,500	1,583,357
Deferred revenue, property taxes	14,202,429	-	14,202,429
Deposits	-	75,875	75,875
Current portion of developer agreements	1,700,000	-	1,700,000
Current portion of general obligation bonds payable	2,262,507	86,862	2,349,369
Total current liabilities	28,744,843	1,119,575	29,864,418
Noncurrent Liabilities:			
Bond premium	141,854	-	141,854
Developer agreements, noncurrent portion	2,341,963	-	2,341,963
Loan payable, noncurrent portion	-	2,572,144	2,572,144
General obligation bonds payable, noncurrent portion	29,166,212	-	29,166,212
Total noncurrent liabilities	31,650,029	2,572,144	34,222,173
Total liabilities	60,394,872	3,691,719	64,086,591
Net Assets			
Invested in capital assets, net of related debt	102,956,350	121,523,887	224,480,237
Restricted, permanent	5,402,151	-	5,402,151
Unrestricted	36,621,181	1,366,819	37,988,000
Total net assets	144,979,682	122,890,706	267,870,388
Total liabilities and net assets	\$ 205,374,554	\$ 126,582,425	\$ 331,956,979

City of Bloomington, Illinois

Statement of Activities
For the Year Ended April 30, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (11,863,297)	\$ 4,573,663	\$ 2,022,589	\$ -
Public safety	(18,816,277)	1,195,762	238,157	-
Highways and streets	(12,881,016)	44,479	-	4,125,266
Sanitation	(8,221,203)	-	-	-
Health and welfare	(372,700)	-	-	-
Culture and recreation	(12,391,433)	3,295,253	2,016,740	-
Community development	(3,601,348)	-	1,047,303	-
Interest on long-term debt	(1,371,371)	-	-	-
Total governmental activities	(69,518,645)	9,109,157	5,324,789	4,125,266
Business-type activities:				
Water	(8,971,757)	11,929,664	-	1,129,220
Sewer	(2,581,981)	2,186,887	-	1,107,822
Parking	(1,028,987)	656,059	-	-
Downtown Sports and Entertainment Center	(49,159)	-	-	-
Total business-type activities	(12,631,884)	14,772,610	-	2,237,042
Total government	\$ (82,150,529)	\$ 23,881,767	\$ 5,324,789	\$ 6,362,308

General Revenues

Taxes:

Property taxes

Franchise taxes

Sales taxes

Utility taxes

Income 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
\$ (5,267,045)	\$ -	\$ (5,267,045)
(17,382,358)	-	(17,382,358)
(8,711,271)	-	(8,711,271)
(8,221,203)	-	(8,221,203)
(372,700)	-	(372,700)
(7,079,440)	-	(7,079,440)
(2,554,045)	-	(2,554,045)
(1,371,371)	-	(1,371,371)
(50,959,433)	-	(50,959,433)
-	4,087,127	4,087,127
-	712,728	712,728
-	(372,928)	(372,928)
-	(49,159)	(49,159)
-	4,377,768	4,377,768
(50,959,433)	4,377,768	(46,581,665)
14,781,434	-	14,781,434
880,155	-	880,155
12,921,369	-	12,921,369
5,209,817	-	5,209,817
3,909,506	-	3,909,506
19,954,451	-	19,954,451
1,983,582	7,973	1,991,555
3,496,999	702,158	4,199,157
1,484,861	(1,484,861)	-
64,622,174	(774,730)	63,847,444
13,662,741	3,603,038	17,265,779
131,316,941	119,287,668	250,604,609
\$ 144,979,682	\$ 122,890,706	\$ 267,870,388

City of Bloomington, Illinois

Balance Sheet
Governmental Funds
April 30, 2004

	General	Library	Debt Service
Assets			
Cash and cash equivalents	\$ 4,660,877	\$ 1,064,311	\$ 4,309,655
Investments	1,289,595	-	673,326
Receivables, net of allowance for uncollectibles:			
Taxes	8,867,436	3,673,883	1,671,680
Loans	336,233	-	-
Accounts	1,559,873	15,581	-
Due from other governmental units	6,889,559	-	94,284
Due from other funds	3,432,726	-	96,563
Inventory	382,069	-	-
Prepaid items	570,924	-	-
Properties held for resale	-	-	-
Total assets	\$ 27,989,292	\$ 4,753,775	\$ 6,845,508
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued expenditures	\$ 2,109,930	\$ 265,959	\$ 23,395
Due to other funds	-	152,249	1,999,123
Unearned revenue	162,204	-	-
Deferred revenue	11,286,578	3,673,883	1,695,064
Total liabilities	13,558,712	4,092,091	3,717,582
Fund balances:			
Reserved for:			
Inventory	382,069	-	-
Loans	336,233	-	-
Prepaid items	570,924	-	-
Encumbrances	222,272	-	-
Trust corpus	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated reported in:			
General Fund	12,919,082	-	-
Special revenue funds	-	661,684	-
Debt Service Fund	-	-	3,127,926
Capital project funds	-	-	-
Permanent Fund	-	-	-
Total fund balances	14,430,580	661,684	3,127,926
Total liabilities and fund balances	\$ 27,989,292	\$ 4,753,775	\$ 6,845,508

See Notes to Basic Financial Statements.

Nonmajor Governmental		
Funds		Total
\$ 17,816,433	\$	27,851,276
7,702,548		9,665,469
-		14,212,999
1,284,920		1,621,153
123,870		1,699,324
322,998		7,306,841
3,193,200		6,722,489
-		382,069
24,687		595,611
202,096		202,096
<u>\$ 30,670,752</u>	<u>\$</u>	<u>70,259,327</u>

\$ 305,639	\$	2,704,923
4,123,311		6,274,683
415,043		577,247
-		16,655,525
<u>4,843,993</u>		<u>26,212,378</u>

-		382,069
1,284,920		1,621,153
24,687		595,611
4,210,892		4,433,164
5,402,151		5,402,151
202,096		202,096
-		12,919,082
6,450,943		7,112,627
-		3,127,926
6,246,353		6,246,353
2,004,717		2,004,717
<u>25,826,759</u>		<u>44,046,949</u>

<u>\$ 30,670,752</u>	<u>\$</u>	<u>70,259,327</u>
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City of Bloomington, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
 April 30, 2004

Total governmental fund balances	\$ 44,046,949
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.	134,473,058
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,453,096
Internal services funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net assets.	
Current assets	4,825,297
Internal balances	61,194
Current liabilities	(5,421,439)
	(534,948)
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.	1,542,046
Internal service funds allocated to business-type activities.	434,450
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	(1,169,441)
Bond premium	(141,854)
Bond issuance costs	53,865
Accrued interest payable	(706,857)
Developer agreements	(4,041,963)
General obligation bonds payable	(31,428,719)
	(37,434,969)
Net assets of governmental activities	\$ 144,979,682

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, 2004

	General	Library	Debt Service
Revenues			
Taxes	\$ 45,390,757	\$ 3,525,450	\$ 1,782,819
Intergovernmental	2,328,242	221,436	838,728
Licenses and permits	1,220,639	-	-
Charges for services	6,880,671	44,535	-
Fines and forfeitures	836,377	-	-
Use of money and property	115,127	15,222	12,485
Other	2,060,618	255,340	-
Total revenues	58,832,431	4,061,983	2,634,032
Expenditures			
Current:			
General government	6,626,958	-	-
Public safety	21,208,982	-	-
Highways and streets	3,443,193	-	-
Sanitation	9,306,027	-	-
Health and welfare	-	-	-
Culture and recreation	7,712,912	3,926,724	-
Community development	-	-	-
Debt Service:			
Principal	1,647,062	-	2,495,000
Interest and fiscal agent fees	-	-	1,053,574
Capital outlay	2,592,512	-	-
Total expenditures	52,537,646	3,926,724	3,548,574
Excess (deficiency) of revenues over (under) expenditures	6,294,785	135,259	(914,542)
Other Financing Sources (Uses):			
Transfers in	996,593	-	1,423,217
Issuance of long-term debt	-	-	699,687
Premium on issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	(820,898)	-	(100,000)
Total other financing sources (uses)	175,695	-	2,022,904
Net change in fund balances	6,470,480	135,259	1,108,362
Fund balances, beginning of year	7,960,100	526,425	2,019,564
Fund balances, end of year	\$ 14,430,580	\$ 661,684	\$ 3,127,926

See Notes to Basic Financial Statements.

Nonmajor Governmental			
Funds		Total	
\$	993,278	\$	51,692,304
	7,854,367		11,242,773
	-		1,220,639
	126,935		7,052,141
	-		836,377
	1,261,841		1,404,675
	1,134,598		3,450,556
	11,371,019		76,899,465

3,090,500	9,717,458
-	21,208,982
4,405,648	7,848,841
-	9,306,027
372,180	372,180
1,118,101	12,757,737
3,817,235	3,817,235

380,084	4,522,146
-	1,053,574
4,210,933	6,803,445
17,394,681	77,407,625

(6,023,662)	(508,160)
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598,768	3,018,578
9,300,313	10,000,000
149,320	149,320
235,436	235,436
(612,819)	(1,533,717)
9,671,018	11,869,617

3,647,356	11,361,457
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22,179,403	32,685,492
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\$	25,826,759	\$	44,046,949
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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, 2004**

Net change in fund balances - governmental funds	\$ 11,361,457
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	15,481,622
Depreciation	(9,711,611)
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	(246,465)
Proceeds from sale of capital assets	(235,436)
Contributions of capital assets	4,125,266
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	39,890
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:	
Repayment of bond principal and developer agreements	4,522,146
Issuance of long-term debt	(10,000,000)
Bond premium	(149,320)
Issuance costs	56,700
Developer agreements	(142,920)
Amortization of issuance costs and bond premium	4,631
Interest	(379,128)
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.	(1,284,449)
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.	46,443
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.	173,915
Change in net assets of governmental activities	\$ 13,662,741

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Balance Sheet
 Proprietary Funds
 April 30, 2004

Assets	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Current assets:			
Cash and cash equivalents	\$ 901,798	\$ 649,055	\$ 15,104
Investments	-	-	-
Accounts receivable	1,255,810	181,894	47,097
Accrued interest receivable	-	-	-
Due from other funds	663,000	-	-
Inventory	66,094	-	-
Prepaid items and other assets	121,253	27,716	14,416
Total current assets	3,007,955	858,665	76,617
Noncurrent assets, capital assets, net	74,023,935	46,784,491	3,374,467
Total assets	\$ 77,031,890	\$ 47,643,156	\$ 3,451,084
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 701,039	\$ 34,179	\$ 11,979
Claims payable	-	-	-
Compensated absences	120,121	5,791	10,696
Accrued interest payable	61,274	-	-
Due to other funds	875,000	-	297,000
Unearned revenue	-	-	-
Deposits	60,385	-	15,490
Current maturities of long-term debt	86,862	-	-
Total current liabilities	1,904,681	39,970	335,165
Noncurrent liabilities, loan payable, noncurrent portion	2,572,144	-	-
Total liabilities	4,476,825	39,970	335,165
Net assets:			
Invested in capital assets, net of related debt	71,364,929	46,784,491	3,374,467
Unrestricted	1,190,136	818,695	(258,548)
Total net assets	72,555,065	47,603,186	3,115,919
Total liabilities and net assets	\$ 77,031,890	\$ 47,643,156	\$ 3,451,084

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Downtown Sports and Entertainment Center		Internal Service Funds
	Total Enterprise Funds	
\$ 57,100	\$ 1,623,057	\$ 60,287
5,645	5,645	3,195,121
-	1,484,801	947,828
-	-	24,593
-	663,000	141,194
-	66,094	-
-	163,385	597,468
62,745	4,005,982	4,966,491
-	124,182,893	-
\$ 62,745	\$ 128,188,875	\$ 4,966,491
\$ 6,259	\$ 753,456	\$ 70,392
-	-	4,350,437
-	136,608	-
-	61,274	-
-	1,172,000	80,000
5,500	5,500	1,000,610
-	75,875	-
-	86,862	-
11,759	2,291,575	5,501,439
-	2,572,144	-
11,759	4,863,719	5,501,439
-	121,523,887	-
50,986	1,801,269	(534,948)
50,986	123,325,156	(534,948)
\$ 62,745	\$ 128,188,875	\$ 4,966,491

City of Bloomington, Illinois

Reconciliation of Enterprise Funds Net Assets to the Statement of Net Assets
April 30, 2004

Total enterprise funds net assets	\$ 123,325,156
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>(434,450)</u>
Net assets of business-type activities	<u>\$ 122,890,706</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, 2004

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Operating revenues, charges for services	\$ 11,929,664	\$ 2,186,887	\$ 656,059
Operating expenses:			
Personal services	3,736,221	922,861	359,034
Contractual services	2,197,448	407,268	459,693
Commodities	1,153,714	322,245	77,518
Depreciation	1,572,126	884,938	123,418
Other charges, primarily claims	69,605	-	-
Total operating expenses	8,729,114	2,537,312	1,019,663
Operating income (loss)	3,200,550	(350,425)	(363,604)
Nonoperating revenues (expenses):			
Investment earnings	7,828	-	-
Other income	313,769	288,389	-
Capital contributions	1,129,220	1,107,822	-
Other expense	-	-	(1)
Total nonoperating revenues (expenses)	1,450,817	1,396,211	(1)
Income (loss) before transfers	4,651,367	1,045,786	(363,605)
Transfers out	(496,608)	(962,284)	(25,969)
Change in net assets	4,154,759	83,502	(389,574)
Total net assets, beginning of year	68,400,306	47,519,684	3,505,493
Total net assets, end of year	\$ 72,555,065	\$ 47,603,186	\$ 3,115,919

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities
Downtown Sports and Entertainment Center	Total Enterprise Funds	Internal Service Funds
\$ -	\$ 14,772,610	\$ 8,851,637
-	5,018,116	-
49,159	3,113,568	2,143,016
-	1,553,477	-
-	2,580,482	-
-	69,605	8,868,612
49,159	12,335,248	11,011,628
(49,159)	2,437,362	(2,159,991)
145	7,973	578,907
100,000	702,158	-
-	2,237,042	-
-	(1)	-
100,145	2,947,172	578,907
50,986	5,384,534	(1,581,084)
-	(1,484,861)	-
50,986	3,899,673	(1,581,084)
-	119,425,483	1,046,136
\$ 50,986	\$ 123,325,156	\$ (534,948)

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, 2004

Net changes in net assets in enterprise funds	\$	3,899,673
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>(296,635)</u>
Change in net assets of business-type activities	\$	<u><u>3,603,038</u></u>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended April 30, 2004

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Cash flows from operating activities:			
Receipts from customers and users	\$ 11,874,652	\$ 2,209,999	\$ 656,688
Payments to suppliers	(3,458,248)	(754,943)	(545,478)
Payments to claimants	-	-	-
Payments to employees	(3,739,090)	(945,949)	(362,232)
Other nonoperating income (expense)	313,769	288,389	(1)
Net cash provided by (used in) operating activities	4,991,083	797,496	(251,023)
Cash flows from noncapital financing activities, payments from (to) interfund accounts	440,392	37,716	171,031
Cash flows from capital and related financing activities:			
Purchase of capital assets	(6,604,108)	(678,178)	-
Proceeds from sale of capital assets	15,984	-	-
Proceeds from loan	1,090,239	-	-
Net cash (used in) capital and related financing activities	(5,497,885)	(678,178)	-
Cash flows from investing activities:			
Interest and dividends received	7,828	-	-
Purchase of investments	-	-	-
Proceeds from sale and maturity of investments	-	-	-
Net cash provided by (used in) investing activities	7,828	-	-
Increase (decrease) in cash and cash equivalents	(58,582)	157,034	(79,992)
Cash and cash equivalents, beginning of year	960,380	492,021	95,096
Cash and cash equivalents, end of year	\$ 901,798	\$ 649,055	\$ 15,104

(Continued)

Business-Type Activities - Enterprise Funds		Governmental Activities
Downtown Sports and Entertainment Center		Internal Service Funds
	Total Enterprise Funds	
\$ -	\$ 14,741,339	\$ 9,339,244
(37,400)	(4,796,069)	(4,118,749)
-	-	(6,672,600)
-	(5,047,271)	-
100,000	702,157	-
62,600	5,600,156	(1,452,105)
-	649,139	(149,054)
-	(7,282,286)	-
-	15,984	-
-	1,090,239	-
-	(6,176,063)	-
145	7,973	139,751
(5,645)	(5,645)	(2,045,642)
-	-	3,393,360
(5,500)	2,328	1,487,469
57,100	75,560	(113,690)
-	1,547,497	173,977
\$ 57,100	\$ 1,623,057	\$ 60,287

City of Bloomington, Illinois

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended April 30, 2004

	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)	\$ 3,200,550	\$ (350,425)	\$ (363,604)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	1,572,126	884,938	123,418
Other nonoperating income (expense)	313,769	288,389	(1)
Change in assets and liabilities:			
Receivables	(80,627)	23,112	(5,449)
Inventory	-	-	-
Prepaid items and other assets	(121,253)	(27,716)	(5,421)
Accounts payable and accrued expenses	83,772	2,286	(2,846)
Claims payable	-	-	-
Unearned revenue	-	-	-
Deposits	25,615	-	6,078
Compensated absences	(2,869)	(23,088)	(3,198)
Net cash provided by (used in) operating activities	\$ 4,991,083	\$ 797,496	\$ (251,023)
Schedule of noncash items:			
Capital and related financing activities, contribution of capital assets	\$ 1,129,220	\$ 1,107,822	\$ -
Investing activities, net appreciation in fair value of investments	\$ 80,627	\$ -	\$ -

See Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities	
Downtown Sports and Entertainment Center	Total Enterprise Funds	Internal Service Funds	
\$ (49,159)	\$ 2,437,362	\$ (2,159,991)	
-	2,580,482	-	
100,000	702,157	-	
-	(62,964)	(737,850)	
-	-	-	
-	(154,390)	(44,913)	
6,259	89,471	10,909	
-	-	1,443,860	
5,500	5,500	41,523	
-	31,693	-	
-	(29,155)	-	
<u>\$ 62,600</u>	<u>\$ 5,600,156</u>	<u>\$ (1,446,462)</u>	

\$ - \$ 2,237,042 \$ -

\$ - \$ 80,627 \$ 472,161

City of Bloomington, Illinois

Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2004

Assets:

Cash and cash equivalents	\$ 8,915,130
Investments:	
U.S. government securities	8,206,967
U.S. government agencies and corporations	6,107,151
IPPFA group trust	1,620,487
Annuities - fixed	6,091,975
Annuities - variable	7,788,516
Mutual funds	14,463,454
Stocks	6,237,616
Deposits at financial institutions	468,838
Receivables:	
Employer	2,922,710
Accrued interest	150,406
Total assets	<u>62,973,250</u>

Liabilities:

Accounts payable	6,891
Benefits payable	<u>66,562</u>
Total liabilities	<u>73,453</u>

Net assets,

held in trust for pension benefits	<u><u>\$ 62,899,797</u></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, 2004

Additions:

Contributions:

Employer	\$ 3,116,623
Plan member deposits	1,191,834
Total contributions	<u>4,308,457</u>

Net investment (loss):

Net appreciation in fair value of investments	5,237,380
Interest	563,725
Dividends	172,579
Total investment income	<u>5,973,684</u>
Less investment expense	53,287
Net investment income	<u>5,920,397</u>

Total additions	<u>10,228,854</u>
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Deductions:

Benefits	4,029,396
Refund of contributions	51,807
Administrative expenses	85,643
Total deductions	<u>4,166,846</u>

Change in net assets	6,062,008
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Net assets held in trust for benefits, beginning of year	56,837,789
Net assets held in trust for benefits, end of year	<u>\$ 62,899,797</u>

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Notes to Basic Financial Statements

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

Reporting entity:

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

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

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations. The Central Illinois Risk Pooling Authority (CIRPA) is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, CIRPA is treated as a blended component unit because its sole purpose is to provide insurance coverage to the City. CIRPA is reported as an internal service fund. The audited financial information included is for the twelve months ended December 31, 2003. 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 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.

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.

Hotel/Motel Tax Fund: To account for collection of a 1% room occupancy tax.

Illinois Municipal Retirement and Social Security Fund: To account for the tax resources used for the purpose of setting aside funds for support of retirement for employees under the Illinois Municipal Retirement Program.

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.

Notes to Basic Financial Statements

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

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.

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.

Arena Capital Project Fund: To account for the construction of the City's downtown sports and entertainment center.

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

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

Notes to Basic Financial Statements

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. 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.

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. 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.

Downtown Sports and Entertainment Center Fund: To account for the activities of operating the City's downtown sports and entertainment facility.

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.

Notes to Basic Financial Statements

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 2003 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

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 \$61,274 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 years
Buildings and improvements	25 - 50 years
Machinery and equipment	3 - 20 years
Licensed vehicles	3 - 20 years
Zoo animals	10 - 60 years

The City's collection of works of art, 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.

Notes to Basic Financial Statements

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

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 inter-fund 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

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 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, 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. 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, 2004, the carrying amount of the City's deposits totaled \$12,541,480 with the bank balances totaling \$12,097,505. 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.	\$ 7,000,606
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.	5,096,899
	<u>\$ 12,097,505</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, 2004, the City's investments by category of risk were as follows:

	1	2	3	Fair Value
U.S. government securities	\$ 10,298,976	\$ -	\$ -	\$ 10,298,976
Corporate debt and equity	582,573	-	-	582,573
U.S. government agencies	6,107,151	-	-	6,107,151
	<u>\$ 16,988,700</u>	<u>\$ -</u>	<u>\$ -</u>	16,988,700
Investments not subject to categorization:				
Illinois State Funds Money Market Fund				21,622,508
Financial Investors Trust Mutual Fund				1,104,864
Illinois Metropolitan Investment Fund				1,281,335
Money Market Mutual Funds				12,546,668
IPPFA Group Trust				1,620,487
Insurance Contracts				13,880,491
Mutual funds				14,463,454
Stocks				6,237,616
Total				<u>\$ 89,746,123</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

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	\$ 13,386
Deposits with financial institutions	12,541,480
Investments	89,746,123
	<u>\$ 102,300,989</u>

Government-wide financial statement of net assets:

Cash and cash equivalents	\$ 29,534,620
Investments, including restricted investments of \$7,128,234	12,866,235
	<u>\$ 42,400,855</u>

Statement of fiduciary net assets:

Cash and cash equivalents	\$ 8,915,130
Investments	50,985,004
	<u>\$ 59,900,134</u>

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

Protective Life Insurance Company	\$ 2,600,799
SPDR Trust Unit SR1 Stock	6,237,616

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

Protective Life Insurance Company	\$ 2,934,227
Fidelity Investments Institutional Services Company	1,935,385
Sun Life of Canada (U.S.)	8,345,465
Growth Fund of America	2,419,999
MFS Investment Management	1,939,107

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, 2004:

	Ending Balance April 30, 2003	Additions	Deletions	Ending Balance April 30, 2004
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 15,245,568	\$ 2,385,696	\$ (134,520)	\$ 17,496,744
Construction-in-progress	13,343,921	9,619,906	(9,214,441)	13,749,386
Total capital assets, not being depreciated	28,589,489	12,005,602	(9,348,961)	31,246,130
Capital assets, being depreciated:				
Land improvements	4,651,132	401,168	-	5,052,300
Construction	32,542,290	2,390,065	(199,926)	34,732,429
Infrastructure	157,903,619	10,968,298	(16,500)	168,855,417
Machinery and equipment	14,411,584	1,838,170	(630,003)	15,619,751
Licensed vehicles	11,545,843	1,218,026	(534,418)	12,229,451
Zoo animals	7,200	-	-	7,200
Total capital assets, being depreciated	221,061,668	16,815,727	(1,380,847)	236,496,548
Less accumulated depreciation for:				
Land improvements	1,635,905	206,476	-	1,842,381
Construction	7,058,032	562,420	(582)	7,619,870
Infrastructure	101,114,097	6,693,379	(14,850)	107,792,626
Machinery and equipment	8,573,666	1,339,074	(571,435)	9,341,305
Licensed vehicles	6,208,882	910,042	(446,599)	6,672,325
Zoo animals	893	220	-	1,113
Total accumulated depreciation	124,591,475	9,711,611	(1,033,466)	133,269,620
Total capital assets, being depreciated, net	96,470,193	7,104,116	(347,381)	103,226,928
Governmental activities capital assets, net	\$ 125,059,682	\$ 19,109,718	\$ (9,696,342)	\$ 134,473,058

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

	Ending Balance April 30, 2003	Additions	Deletions	Ending Balance April 30, 2004
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 4,418,938	\$ -	\$ -	\$ 4,418,938
Construction-in-progress	4,687,356	6,207,473	(5,464,315)	5,430,514
Total capital assets, not being depreciated	9,106,294	6,207,473	(5,464,315)	9,849,452
Capital assets, being depreciated:				
Land improvements	373,317	-	-	373,317
Construction	27,383,503	115,996	-	27,499,499
Infrastructure	104,188,287	7,120,771	-	111,309,058
Machinery and equipment	9,465,872	1,164,674	(45,726)	10,584,820
Licensed vehicles	1,786,614	374,729	(310,947)	1,850,396
Total capital assets, being depreciated	143,197,593	8,776,170	(356,673)	151,617,090
Less accumulated depreciation for:				
Land improvements	123,678	16,174	-	139,852
Construction	6,949,222	482,923	-	7,432,145
Infrastructure	21,071,070	1,443,275	-	22,514,345
Machinery and equipment	5,660,718	498,131	(45,289)	6,113,560
Licensed vehicles	1,239,168	139,979	(295,400)	1,083,747
Total accumulated depreciation	35,043,856	2,580,482	(340,689)	37,283,649
Total capital assets, being depreciated, net	108,153,737	6,195,688	(15,984)	114,333,441
Business-type activities capital assets, net	\$ 117,260,031	\$ 12,403,161	\$ (5,480,299)	\$ 124,182,893

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

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

Governmental Activities

General government	\$ 497,542
Public safety	781,210
Highways and streets	6,854,175
Sanitation	415,176
Health	674
Culture and recreation	1,126,438
Community development	36,396
	<u>\$ 9,711,611</u>

Business-Type Activities

Water	\$ 1,572,126
Sewer	884,938
Parking	123,418
	<u>\$ 2,580,482</u>

Note 4. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2004:

Fund	Deficit Fund Balance/Net Assets
Nonmajor Funds:	
Special Revenue Fund, Special Olympics and Recreation	\$ 5,241
Capital Projects Funds:	
Capital Improvements	657,635
Market Square TIF Redevelopment	596,095
Internal Service Fund, Employee Group Health Care	881,179

The following is a summary of expenditures in excess of budget as of April 30, 2004:

	Amount In Excess
Nonmajor Funds:	
Special Revenue Funds:	
Illinois Municipal Retirement and Social Security	\$ 9,046
Community Development	54,878

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2004:

	Balance April 30, 2003	Additions	Retirements	Balance April 30, 2004	Due Within One Year	Range of Interest Rates
Governmental Activities:						
General Obligation Bonds:						
Series 1988	\$ 205,000	\$ -	\$ 205,000	\$ -	\$ -	6.40% to 8.40%
Series 1991	2,588,860	204,859	695,000	2,098,719	457,507	5.35% to 6.70%
Series 1993	1,465,000	-	335,000	1,130,000	360,000	4.10% to 6.10%
Series 1994	3,590,000	-	225,000	3,365,000	250,000	4.70% to 7.00%
Series 1995	5,450,000	-	775,000	4,675,000	825,000	5.20% to 5.70%
Series 1996	4,095,000	-	205,000	3,890,000	310,000	4.70% to 6.20%
Series 2001	6,325,000	-	55,000	6,270,000	60,000	3.50% to 4.05%
Series 2003	-	10,000,000	-	10,000,000	-	3.50% to 4.05%
	<u>23,718,860</u>	<u>10,204,859</u>	<u>2,495,000</u>	<u>31,428,719</u>	<u>2,262,507</u>	
Other Liabilities:						
Agreements with developers	5,926,189	142,920	2,027,146	4,041,963	1,700,000	
Compensated absences	1,209,331	1,169,441	1,209,331	1,169,441	1,169,441	
Governmental activities, long-term liabilities	<u>\$ 30,854,380</u>	<u>\$ 11,517,220</u>	<u>\$ 5,731,477</u>	<u>\$ 36,640,123</u>	<u>\$ 5,131,948</u>	
Business-Type Activities,						
loan payable	<u>\$ 1,568,767</u>	<u>\$ 1,090,239</u>	<u>\$ -</u>	<u>2,659,006</u>	<u>\$ 86,862</u>	2.57%

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

The outstanding general obligation bonds mature as follows:

	Principal	Interest	Total
April 30, 2005	\$ 2,262,507	\$ 1,959,585	\$ 4,222,092
April 30, 2006	2,339,068	1,715,465	4,054,533
April 30, 2007	2,402,964	1,641,467	4,044,431
April 30, 2008	2,526,215	1,562,261	4,088,476
April 30, 2009	4,527,965	1,575,195	6,103,160
April 30, 2010 - 2014	9,370,000	2,502,253	11,872,253
April 30, 2015 - 2019	5,000,000	985,183	5,985,183
April 30, 2020 - 2024	3,000,000	244,216	3,244,216
	<u>\$ 31,428,719</u>	<u>\$ 12,185,625</u>	<u>\$ 43,614,344</u>

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

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 land at Dr. Martin Luther King Drive, \$1,318 per certificate of occupancy issued for each dwelling unit constructed on that property. The City will give this rebate on 225 dwelling units. The maximum outlay by the City will be \$296,550. The outstanding liability as of April 30, 2004 is \$14,498.
- 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, 2004 is \$929,725.
- 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, 2004 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 \$3,456,055. The outstanding liability as of April 30, 2004 is \$1,065,498.
- 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 \$2,939,060. The outstanding liability as of April 30, 2004 is \$1,726,402.

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 Projects Fund. The compensated absences are liquidated by the General Fund.

The City entered into a loan agreement with the Illinois Environmental Protection Agency for the Drinking Water State Revolving Fund Program. The City may draw up to \$3,568,582 for the program. No payment is due until a final debt amortization will be determined. Payment will be required each May 1 and November 1 until final repayment due November 1, 2023. The outstanding loan payable as of April 30, 2004 matures as follows:

	Principal	Interest	Total
April 30, 2005	\$ 86,862	\$ 85,938	\$ 172,800
April 30, 2006	107,056	65,744	172,800
April 30, 2007	109,825	62,975	172,800
April 30, 2008	112,666	60,134	172,800
April 30, 2009	115,580	57,220	172,800
April 30, 2010 - 2014	624,318	239,684	864,002
April 30, 2015 - 2019	709,343	154,656	863,999
April 30, 2020 - 2024	793,356	58,050	851,406
	<u>\$ 2,659,006</u>	<u>\$ 784,401</u>	<u>\$ 3,443,407</u>

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, 2004 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
General	\$ 3,432,726	\$ -
Library	-	152,249
Debt service	96,563	1,999,123
Nonmajor governmental funds	3,193,200	4,123,311
Internal service	141,194	80,000
Total governmental activities	<u>6,863,683</u>	<u>6,354,683</u>
Business-type activities:		
Water	663,000	875,000
Parking	-	297,000
Total business-type activities	<u>663,000</u>	<u>1,172,000</u>
Total	<u>\$ 7,526,683</u>	<u>\$ 7,526,683</u>

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	\$ 996,593	\$ 820,898
Debt service	1,423,217	100,000
Nonmajor governmental funds	598,768	612,819
Total governmental activities	<u>3,018,578</u>	<u>1,533,717</u>
Business-type activities:		
Water	-	496,608
Sewer	-	962,284
Parking	-	25,969
Total business-type activities	<u>-</u>	<u>1,484,861</u>
Total	<u>\$ 3,018,578</u>	<u>\$ 3,018,578</u>

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.

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans

Plan Descriptions and Provisions:

Illinois Municipal Retirement Fund

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2003 was 8.04 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 remaining amortization period as of December 31, 2003 was 10 years.

For December 31, 2003, the City's annual pension cost of \$1,486,797 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2001 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. The assumptions used for the 2003 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, 2003	\$ 1,486,797	100%	\$ -
December 31, 2002	1,487,030	100	-
December 31, 2001	1,512,752	100	-

Notes to Basic Financial Statements

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, 2003) were as follows:

Annual required contributions	\$ 1,515,449
Interest on net pension asset	(53,127)
Adjustments to annual required contribution	<u>32,473</u>
Annual pension cost	1,494,795
Annual contributions made	<u>1,579,860</u>
Increase in net pension asset	85,065
Net pension asset, beginning of year	<u>708,362</u>
Net pension asset, end of year	<u><u>\$ 793,427</u></u>

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

The annual required contribution was determined as part of the May 1, 2003 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, 2003 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, 2003	\$ 1,494,795	105.69%	\$ 793,427
April 30, 2002	1,507,235	106.32	708,362
April 30, 2001	1,383,942	106.45	613,056

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.

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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.

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, 2003) were as follows:

Annual required contributions	\$ 1,332,689
Interest on net pension asset	(49,483)
Adjustments to annual required contribution	30,245
Annual pension cost	<u>1,313,451</u>
Annual contributions made	1,402,301
Increase in net pension asset	<u>88,850</u>
Net pension asset, beginning of year	659,769
Net pension asset, end of year	<u><u>\$ 748,619</u></u>

The annual required contribution for the current year was determined as part of the May 1, 2003, 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.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2003	\$ 1,313,451	106.76%	\$ 748,619
April 30, 2002	1,299,164	107.29	659,769
April 30, 2001	1,337,679	106.74	565,099

City of Bloomington, Illinois

Notes to Basic Financial Statements

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.

A total of \$96,857 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2004. 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, 2004:

<u>Fiscal Year Ending April 30:</u>	<u>Operating</u>
2005	\$ 69,236
2006	65,280
2007	56,477
2008	59,865
2009	63,457
Later years	7,974,000
	<u>\$ 8,288,315</u>

The assets leased have a cost of \$4,933,302 accumulated depreciation of \$1,861,812 and net book value of \$3,071,490.

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>	
2005	\$ 741,092
2006	741,092
2007	741,092
2008	741,092
2009	741,092
2010-2014	3,705,460
2015-2019	3,705,460
2020-2022	2,223,276
	<u>\$ 13,339,656</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

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, 2004, is presented below:

Balance Sheet as of June 30, 2004

Current assets:		
Cash and investments	\$ 3,364,556	
Accounts receivable	2,438,061	
Inventory	6,568	
Prepaid expenses	93,729	
Total current assets		\$ 5,902,914
Capital assets, net		4,342,413
Total assets		<u>\$ 10,245,327</u>
Current liabilities:		
Advances from City of Bloomington and Town of Normal	123,099	
Accounts payable, accrued expenses and other	2,497,745	
Total current liabilities		\$ 2,620,844
Deferred revenues		
Net assets:		
Investment in capital assets, net	4,342,413	
Restricted	3,186,960	
Unrestricted	95,110	
Total fund equity		<u>7,624,483</u>
Total liabilities and net assets		<u>\$ 10,245,327</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 11. Joint Venture (Continued)

Operations for Year Ended June 30, 2004 - General Fund and Capital Projects Fund

Revenues:	
Charges for services	\$ 436,105
Operating grants and contributions	3,442,501
Capital grants and contributions	3,780,798
Nonoperating	27,924
Total revenues	<u>7,687,328</u>
Expenses	<u>4,052,957</u>
Excess of revenues over expenses	3,634,371
Net assets, beginning of year	3,990,112
Net assets, end of year	<u>\$ 7,624,483</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.

City of Bloomington, Illinois

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, 2004 and 2003 are as follows:

	Employee Health Insurance		CIRPA	
	2004	2003	2004	2003
Claims payable, beginning of the year	\$ 774,734	\$ 699,198	\$ 2,196,969	\$ 2,341,476
Claims incurred and changes in accrual	3,900,120	2,950,542	4,151,214	3,439,648
Claim payments	(3,965,246)	(2,875,006)	(2,707,354)	(3,584,155)
Claims payable, end of the year	<u>\$ 709,608</u>	<u>\$ 774,734</u>	<u>\$ 3,640,829</u>	<u>\$ 2,196,969</u>

Note 13. Conduit Debt

From time-to-time, the City has issued industrial revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

As of April 30, 2004, there was one series of industrial revenue bonds outstanding. The principal amount payable is \$750,000.

Note 14. 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, 2004 is \$7,580,069.

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 15. New Pronouncements

As of April 30, 2004, 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:

Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, issued May 2002, will be effective for the City beginning with its year ending April 30, 2005. This Statement amends Statement No. 14 to provide additional guidance to determine whether certain organizations for the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary government.

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.

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.

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, 2007. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

Statement No. 44, *Economic Condition Reporting: The Statistical Section*, issued May 2004, will be effective for the City beginning with its year ending April 30, 2007. 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.

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

Note 16. Subsequent Event

Subsequent to year-end, the City issued \$29,000,000 of General Obligation Bonds, Series 2004. The bonds will mature with annual principal payments due June 1, 2012 through 2036. Interest will be payable each June 1 and December 1, beginning December 1, 2004. The bonds were issued to fund the construction of the Downtown Sports and Entertainment Center.

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]
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
1998	12/31/1997	25,171,594	30,952,112	5,780,518	81.32	13,005,258	44.45

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
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
12/31/1997	1,465,302	1,465,302	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, 2001 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, (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, 2003 was 10 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2003 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 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]
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
1999	05/06/2002	23,644,900	33,200,796	9,555,896	71.2	4,513,395	211.7

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2003. 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, 2003 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 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]
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
1999	05/01/1998	24,015,934	31,790,425	7,774,491	75.5	3,697,216	210.3

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2003. 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, 2003 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, 2004

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 42,683,065	\$ 42,683,065	\$ 45,390,757	\$ 2,707,692
Intergovernmental	1,602,389	1,602,389	2,328,242	725,853
Licenses and permits	1,382,082	1,382,082	1,220,639	(161,443)
Charges for services	6,136,246	6,136,246	6,880,671	744,425
Fine and forfeitures	795,750	795,750	836,377	40,627
Use of money and property	395,050	395,050	115,127	(279,923)
Other	1,404,519	1,404,519	2,060,618	656,099
Total revenues	54,399,101	54,399,101	58,832,431	4,433,330
Expenditures:				
Current:				
General government	7,235,057	7,352,057	6,463,320	888,737
Public safety	21,107,094	21,117,094	21,208,982	(91,888)
Highways and streets	3,130,541	3,130,541	3,443,193	(312,652)
Sanitation	8,787,255	8,787,255	9,306,027	(518,772)
Culture and recreation	7,492,922	7,492,922	7,712,912	(219,990)
Debt service, principal	1,226,916	3,419,981	1,647,062	1,772,919
Capital outlay	3,176,595	3,196,595	2,592,512	604,083
Total expenditures	52,156,380	54,496,445	52,374,008	2,122,437
Excess of revenues over expenditures	2,242,721	(97,344)	6,458,423	6,555,767
Other financing sources (uses):				
Transfers in	2,751,022	2,751,022	996,593	(1,754,429)
Transfers out	(2,634,742)	(2,634,742)	(820,898)	1,813,844
Total other financing sources and (uses)	116,280	116,280	175,695	59,415
Net change in fund balance	\$ 2,359,001	\$ 18,936	6,634,118	\$ 6,615,182
Fund balance, beginning of year			7,960,100	
Fund balance, end of year, budgetary basis			14,594,218	
Change in encumbrances			(163,638)	
Fund balance, end of year			<u>\$ 14,430,580</u>	

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, 2004

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 3,528,324	\$ 3,528,324	\$ 3,525,450	\$ (2,874)
Intergovernmental	205,426	205,426	221,436	16,010
Charges for services	40,000	40,000	44,535	4,535
Use of money and property	30,000	30,000	15,222	(14,778)
Other	272,100	272,100	255,340	(16,760)
Total revenues	4,075,850	4,075,850	4,061,983	(13,867)
Expenditures, culture and recreation	4,153,225	4,457,107	3,926,724	530,383
Excess (deficiency) of revenues over expenditures	(77,375)	(381,257)	135,259	516,516
Other financing sources (uses):				
Transfers in	148,050	148,050	-	(148,050)
Transfers out	(70,675)	(70,675)	-	70,675
Total other financing sources and uses	77,375	77,375	-	(77,375)
Net change in fund balance	\$ -	\$ (303,882)	135,259	\$ 439,141
Fund balance, beginning of year			526,425	
Fund balance, end of year, budgetary basis			661,684	
Change in encumbrances			-	
Fund balance, end of year			\$ 661,684	

See Note to Required Supplementary Information.

City of Bloomington, Illinois

Required Supplementary Information Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

Annual budgets are legally adopted and separately reported for all funds of the City of Bloomington except for the 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 projects 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 Projects 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, 2004

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Assets			
Cash and cash equivalents	\$ 4,565,758	\$ 4,857	\$ 178,602
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	-	-	-
Due from other governmental units	322,998	-	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	\$ 4,888,756	\$ 4,857	\$ 178,602
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	\$ 970	\$ 10,098	\$ 14,288
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	970	10,098	14,288
Fund balances (deficits):			
Reserved for:			
Encumbrances	1,852,302	-	-
Trust corpus	-	-	-
Loans	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	3,035,484	(5,241)	164,314
Total fund balances (deficits)	4,887,786	(5,241)	164,314
Total liabilities and fund balances (deficits)	\$ 4,888,756	\$ 4,857	\$ 178,602

(Continued)

Special Revenue						
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant	
\$ 29,983	\$ 1,055,925	\$ 158,059	\$ 3,639	\$ 118,080	\$ 561	
-	-	-	-	-	-	-
-	-	-	1,284,920	-	-	-
-	5,763	-	-	108,830	-	-
-	-	-	-	-	-	-
-	-	-	-	630,393	-	-
-	12,537	-	-	12,150	-	-
-	-	-	-	202,096	-	-
<u>\$ 29,983</u>	<u>\$ 1,074,225</u>	<u>\$ 158,059</u>	<u>\$ 1,288,559</u>	<u>\$ 1,071,549</u>	<u>\$ 561</u>	
\$ 1,842	\$ 151,134	\$ 18,037	\$ 1	\$ 50,139	\$ -	
-	17,561	-	630,393	18,979	-	-
-	-	10,331	-	-	-	-
<u>1,842</u>	<u>168,695</u>	<u>28,368</u>	<u>630,394</u>	<u>69,118</u>	<u>-</u>	
-	36,183	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,284,920	-	-	-
-	12,537	-	-	12,150	-	-
-	-	-	-	202,096	-	-
<u>28,141</u>	<u>856,810</u>	<u>129,691</u>	<u>(626,755)</u>	<u>788,185</u>	<u>561</u>	
<u>28,141</u>	<u>905,530</u>	<u>129,691</u>	<u>658,165</u>	<u>1,002,431</u>	<u>561</u>	
<u>\$ 29,983</u>	<u>\$ 1,074,225</u>	<u>\$ 158,059</u>	<u>\$ 1,288,559</u>	<u>\$ 1,071,549</u>	<u>\$ 561</u>	

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 April 30, 2004

	Special Revenue		Capital Projects
	Park Dedication	Detention Basin	Market Square TIF Redevelopment
Assets			
Cash and cash equivalents	\$ 673,646	\$ 541,315	\$ -
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	-	-	-
Due from other governmental units	-	-	-
Due from other funds	875,000	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	\$ 1,548,646	\$ 541,315	\$ -
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	\$ 9,959	\$ 249	\$ -
Due to other funds	-	-	596,095
Unearned revenue	-	-	-
Total liabilities	9,959	249	596,095
Fund balances (deficits):			
Reserved for:			
Encumbrances	-	-	-
Trust corpus	-	-	-
Loans	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	1,538,687	541,066	(596,095)
Total fund balances (deficits)	1,538,687	541,066	(596,095)
Total liabilities and fund balances (deficits)	\$ 1,548,646	\$ 541,315	\$ -

(Continued)

Capital Projects

Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	Arena Capital Project	2003 Bond Projects	Capital Improvements
\$ 240,121	\$ 779,186	\$ 3,897	\$ 1,018,818	\$ 8,143,393	\$ 4,701
-	-	270,310	-	-	304,004
-	-	-	-	-	-
-	32	4,454	-	-	4,791
-	-	-	-	-	-
-	950,000	-	-	-	737,807
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 240,121</u>	<u>\$ 1,729,218</u>	<u>\$ 278,661</u>	<u>\$ 1,018,818</u>	<u>\$ 8,143,393</u>	<u>\$ 1,051,303</u>
\$ 1,357	\$ -	\$ 6,462	\$ -	\$ 1,081	\$ 24,226
160,000	23,171	78,392	760,000	317,258	1,520,000
-	-	-	240,000	-	164,712
<u>161,357</u>	<u>23,171</u>	<u>84,854</u>	<u>1,000,000</u>	<u>318,339</u>	<u>1,708,938</u>
209,774	-	-	-	-	2,112,633
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(131,010)	1,706,047	193,807	18,818	7,825,054	(2,770,268)
<u>78,764</u>	<u>1,706,047</u>	<u>193,807</u>	<u>18,818</u>	<u>7,825,054</u>	<u>(657,635)</u>
<u>\$ 240,121</u>	<u>\$ 1,729,218</u>	<u>\$ 278,661</u>	<u>\$ 1,018,818</u>	<u>\$ 8,143,393</u>	<u>\$ 1,051,303</u>

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 April 30, 2004

	Permanent	
	J.M. Scott Health Care Trust	Total
Assets		
Cash and cash equivalents	\$ 295,892	\$ 17,816,433
Investments	7,128,234	7,702,548
Receivables, net of allowance for uncollectibles:		
Loans	-	1,284,920
Accounts	-	123,870
Due from other governmental units	-	322,998
Due from other funds	-	3,193,200
Prepaid items	-	24,687
Properties held for resale	-	202,096
Total assets	\$ 7,424,126	\$ 30,670,752
Liabilities and Fund Balances (Deficits)		
Liabilities:		
Accounts payable and accrued expenditures	\$ 15,796	\$ 305,639
Due to other funds	1,462	4,123,311
Unearned revenue	-	415,043
Total liabilities	17,258	4,843,993
Fund balances (deficits):		
Reserved for:		
Encumbrances	-	4,210,892
Trust corpus	5,402,151	5,402,151
Loans	-	1,284,920
Prepaid items	-	24,687
Property held for resale	-	202,096
Unreserved, undesignated	2,004,717	14,702,013
Total fund balances (deficits)	7,406,868	25,826,759
Total liabilities and fund balances (deficits)	\$ 7,424,126	\$ 30,670,752

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended April 30, 2004**

	Special Revenue		
	Motor Fuel Tax	Hotel/Motel Tax	Illinois Municipal Retirement and Social Security
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,652,560	-	-
Charges for services	-	-	-
Use of money and property	38,097	-	-
Other, primarily contributions	-	-	56,347
Total revenues	2,690,657	-	56,347
Expenditures:			
Current:			
General government	-	-	9,046
Highways and streets	4,405,648	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Debt service, principal retirement	-	-	-
Capital outlay	-	-	-
Total expenditures	4,405,648	-	9,046
Excess (deficiency) of revenues over (under) expenditures	(1,714,991)	-	47,301
Other financing sources (uses):			
Transfers in	-	-	-
Issuance of long-term debt	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	-	(45,978)	(117,941)
Total other financing sources (uses)	-	(45,978)	(117,941)
Net change in fund balances	(1,714,991)	(45,978)	(70,640)
Fund balances (deficit), beginning of year	6,602,777	45,978	70,640
Fund balances (deficit), end of year	\$ 4,887,786	\$ -	\$ -

(Continued)

Special Revenue

Special Olympics and Recreation	Board of Elections	Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95,637	334,494	5,922	1,500,000	201,711	-
-	-	-	95,473	-	-
284	-	-	21,026	225	4,678
33,072	52	28,035	2,385	101,110	-
128,993	334,546	33,957	1,618,884	303,046	4,678
-	313,632	57,057	2,394,597	316,168	-
-	-	-	-	-	-
-	-	-	-	-	-
276,137	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
276,137	313,632	57,057	2,394,597	316,168	-
(147,144)	20,914	(23,100)	(775,713)	(13,122)	4,678
141,557	-	5,933	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(137)	-	-	-	-	(111,278)
141,420	-	5,933	-	-	(111,278)
(5,724)	20,914	(17,167)	(775,713)	(13,122)	(106,600)
483	143,400	45,308	1,681,243	142,813	764,765
\$ (5,241)	\$ 164,314	\$ 28,141	\$ 905,530	\$ 129,691	\$ 658,165

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, 2004

	Special Revenue		
	Community Development	IHDA Grant	Park Dedication
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,047,303	-	227,350
Charges for services	31,462	-	-
Use of money and property	-	-	-
Other, primarily contributions	58,935	-	253,976
Total revenues	1,137,700	-	481,326
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	43,881
Community development	1,527,980	-	-
Debt service, principal retirement	-	-	-
Capital outlay	-	-	-
Total expenditures	1,527,980	-	43,881
Excess (deficiency) of revenues over (under) expenditures	(390,280)	-	437,445
Other financing sources (uses):			
Transfers in	111,278	-	-
Issuance of long-term debt	-	-	-
Premium on debt issuance	-	-	-
Proceeds from sale of capital assets	107,940	-	-
Transfers out	-	-	(240,000)
Total other financing sources (uses)	219,218	-	(240,000)
Net change in fund balances	(171,062)	-	197,445
Fund balances (deficit), beginning of year	1,173,493	561	1,341,242
Fund balances (deficit), end of year	\$ 1,002,431	\$ 561	\$ 1,538,687

(Continued)

Special Revenue		Capital Projects			
Detention Basin	Market Square TIF Redevelopment	Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	Arena Capital Project
\$ -	\$ -	\$ 993,278	\$ -	\$ -	\$ -
-	-	-	-	-	760,000
-	-	-	-	-	-
11,700	-	-	-	8,684	12,806
30,390	-	39,286	5,372	-	-
42,090	-	1,032,564	5,372	8,684	772,806
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,095	-	-	-	-	753,988
-	-	311,656	-	279,404	-
-	-	380,084	-	-	-
-	-	-	-	-	-
44,095	-	691,740	-	279,404	753,988
(2,005)	-	340,824	5,372	(270,720)	18,818
-	-	100,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(97,485)	-	-	-
-	-	2,515	-	-	-
(2,005)	-	343,339	5,372	(270,720)	18,818
543,071	(596,095)	(264,575)	1,700,675	464,527	-
\$ 541,066	\$ (596,095)	\$ 78,764	\$ 1,706,047	\$ 193,807	\$ 18,818

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, 2004

	Capital Projects		Permanent	
	2003 Bond Projects	Capital Improvements	J.M. Scott Health Care Trust	Total
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 993,278
Intergovernmental	-	1,029,390	-	7,854,367
Charges for services	-	-	-	126,935
Use of money and property	73,616	-	1,090,725	1,261,841
Other, primarily contributions	-	523,060	2,578	1,134,598
Total revenues	73,616	1,552,450	1,093,303	11,371,019
Expenditures:				
Current:				
General government	-	-	-	3,090,500
Highways and streets	-	-	-	4,405,648
Health and welfare	-	-	372,180	372,180
Culture and recreation	-	-	-	1,118,101
Community development	1,698,195	-	-	3,817,235
Debt service, principal retirement	-	-	-	380,084
Capital outlay	-	4,210,933	-	4,210,933
Total expenditures	1,698,195	4,210,933	372,180	17,394,681
Excess of revenues over (under) expenditures	(1,624,579)	(2,658,483)	721,123	(6,023,662)
Other financing sources (uses):				
Transfers in	-	240,000	-	598,768
Issuance of long-term debt	9,300,313	-	-	9,300,313
Premium on debt issuance	149,320	-	-	149,320
Proceeds from sale of capital assets	-	127,496	-	235,436
Transfers out	-	-	-	(612,819)
Total other financing sources (uses)	9,449,633	367,496	-	9,671,018
Net change in fund balances	7,825,054	(2,290,987)	721,123	3,647,356
Fund balances (deficit), beginning of year	-	1,633,352	6,685,745	22,179,403
Fund balances (deficit), end of year	\$ 7,825,054	\$ (657,635)	\$ 7,406,868	\$ 25,826,759

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, 2004

	Special Revenue			
	Motor Fuel Tax		Hotel/Motel Tax	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,521,000	2,652,560	-	-
Charges for services	-	-	-	-
Use of money and property	50,000	38,097	-	-
Other, primarily contributions	200,000	-	-	-
Total revenues	8,771,000	2,690,657	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	10,948,000	3,661,461	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,948,000	3,661,461	-	-
Excess (deficiency) of revenues over (under) expenditures	(2,177,000)	(970,804)	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	(46,000)	(45,978)
Total other financing sources (uses)	-	-	(46,000)	(45,978)
Net change in fund balances	\$ (2,177,000)	(970,804)	\$ (46,000)	(45,978)
Fund balances (deficit), beginning of year		6,602,777		45,978
Fund balances (deficit), end of year, budgetary basis		5,631,973		-
Change in encumbrances		(744,187)		-
Fund balances (deficit), end of year		<u>\$ 4,887,786</u>		<u>\$ -</u>

(Continued)

Special Revenue

Illinois Municipal Retirement and Social Security		Special Olympics and Recreation		Board of Elections		Sister City Program	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	95,637	95,637	298,200	334,494	5,922	5,922
-	-	-	-	-	-	-	-
-	-	-	284	-	-	-	-
-	56,347	35,137	33,072	500	52	27,000	28,035
-	56,347	130,774	128,993	298,700	334,546	32,922	33,957
-	9,046	-	-	337,250	313,632	57,845	57,057
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	280,034	276,137	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,046	280,034	276,137	337,250	313,632	57,845	57,057
-	47,301	(149,260)	(147,144)	(38,550)	20,914	(24,923)	(23,100)
-	-	141,557	141,557	-	-	5,933	5,933
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(126,989)	(117,941)	(137)	(137)	-	-	-	-
(126,989)	(117,941)	141,420	141,420	-	-	5,933	5,933
<u>\$ (126,989)</u>	<u>(70,640)</u>	<u>\$ (7,840)</u>	<u>(5,724)</u>	<u>\$ (38,550)</u>	<u>20,914</u>	<u>\$ (18,990)</u>	<u>(17,167)</u>
	<u>70,640</u>		<u>483</u>		<u>143,400</u>		<u>45,308</u>
	-		<u>(5,241)</u>		<u>164,314</u>		<u>28,141</u>
	-		-		-		-
	<u>\$ -</u>		<u>\$ (5,241)</u>		<u>\$ 164,314</u>		<u>\$ 28,141</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, 2004**

	Special Revenue			
	Cultural District		Drug Enforcement	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,500,000	1,500,000	124,196	201,711
Charges for services	166,000	95,473	-	-
Use of money and property	15,000	21,026	2,935	225
Other, primarily contributions	150,000	2,385	110,109	101,110
Total revenues	1,831,000	1,618,884	237,240	303,046
Expenditures:				
Current:				
General government	4,357,535	2,354,523	379,148	316,168
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	4,357,535	2,354,523	379,148	316,168
Excess (deficiency) of revenues over (under) expenditures	(2,526,535)	(735,639)	(141,908)	(13,122)
Other financing sources (uses):				
Transfers in	2,060	-	-	-
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	(2,060)	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (2,526,535)	(735,639)	\$ (141,908)	(13,122)
Fund balances (deficit), beginning of year		1,681,243		142,813
Fund balances (deficit), end of year, budgetary basis		945,604		129,691
Change in encumbrances		(40,074)		-
Fund balances (deficit), end of year		<u>\$ 905,530</u>		<u>\$ 129,691</u>

(Continued)

Special Revenue

Residential/ Rehabilitation Escrow		Community Development		IHDA Grant		Park Dedication	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,287,644	1,047,303	136,500	-	250,000	227,350
-	-	31,500	31,462	-	-	-	-
1,500	4,678	-	-	-	-	-	-
60,858	-	6,600	58,935	-	-	-	253,976
<u>62,358</u>	<u>4,678</u>	<u>1,325,744</u>	<u>1,137,700</u>	<u>136,500</u>	<u>-</u>	<u>250,000</u>	<u>481,326</u>
-	-	-	-	136,500	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	585,000	43,881
-	-	1,473,102	1,527,980	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,473,102</u>	<u>1,527,980</u>	<u>136,500</u>	<u>-</u>	<u>585,000</u>	<u>43,881</u>
62,358	4,678	(147,358)	(390,280)	-	-	(335,000)	437,445
-	-	61,500	111,278	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	85,000	107,940	-	-	-	-
(185,000)	(111,278)	-	-	-	-	-	(240,000)
<u>(185,000)</u>	<u>(111,278)</u>	<u>146,500</u>	<u>219,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>
<u>\$ (122,642)</u>	<u>(106,600)</u>	<u>\$ (858)</u>	<u>(171,062)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (335,000)</u>	<u>197,445</u>
	<u>764,765</u>		<u>1,173,493</u>		<u>561</u>		<u>1,341,242</u>
	<u>658,165</u>		<u>1,002,431</u>		<u>561</u>		<u>1,538,687</u>
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>\$ 658,165</u>		<u>\$ 1,002,431</u>		<u>\$ 561</u>		<u>\$ 1,538,687</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, 2004**

	Special Revenue		Capital Projects	
	Detention Basin		Central Bloomington TIF Redevelopment	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 735,000	\$ 993,278
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	11,700	-	-
Other, primarily contributions	-	30,390	25,000	39,286
Total revenues	-	42,090	760,000	1,032,564
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	45,000	44,095	-	-
Community development	-	-	189,727	311,656
Debt service, principal retirement	-	-	702,360	380,084
Capital outlay	-	-	-	-
Total expenditures	45,000	44,095	892,087	691,740
Excess (deficiency) of revenues over (under) expenditures	(45,000)	(2,005)	(132,087)	340,824
Other financing sources (uses):				
Transfers in	-	-	-	100,000
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	(97,485)	(97,485)
Total other financing sources (uses)	-	-	(97,485)	2,515
Net change in fund balances	\$ (45,000)	(2,005)	\$ (229,572)	343,339
Fund balances (deficit), beginning of year		543,071		(264,575)
Fund balances (deficit), end of year, budgetary basis		541,066		78,764
Change in encumbrances		-		-
Fund balances (deficit), end of year		\$ 541,066		\$ 78,764

(Continued)

Capital Projects

1991 Southeast Improvement Bond		1995 Southwest Development		Arena Capital Project		2003 Bond Projects	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	760,000	400,000	-
-	-	-	-	-	-	-	-
-	-	-	8,684	-	12,806	-	73,616
20,000	5,372	-	-	-	-	477,000	-
20,000	5,372	-	8,684	-	772,806	877,000	73,616
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,885,000	753,988	5,957,000	-
1,600,000	-	390,000	279,404	-	-	-	1,698,195
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,600,000	-	390,000	279,404	1,885,000	753,988	5,957,000	1,698,195
(1,580,000)	5,372	(390,000)	(270,720)	(1,885,000)	18,818	(5,080,000)	(1,624,579)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,400,000	9,300,313
-	-	-	-	-	-	-	149,320
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,400,000	9,449,633
<u>\$ (1,580,000)</u>	5,372	<u>\$ (390,000)</u>	(270,720)	<u>\$ (1,885,000)</u>	18,818	<u>\$ 4,320,000</u>	7,825,054
	1,700,675		464,527		-		-
	<u>1,706,047</u>		<u>193,807</u>		<u>18,818</u>		<u>7,825,054</u>
	-		-		-		-
	<u>\$ 1,706,047</u>		<u>\$ 193,807</u>		<u>\$ 18,818</u>		<u>\$ 7,825,054</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, 2004**

	Capital Projects		Permanent	
	Capital Improvements		J.M. Scott Health Care Trust	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,029,390	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	50,000	1,090,725
Other, primarily contributions	105,000	523,060	350,000	2,578
Total revenues	105,000	1,552,450	400,000	1,093,303
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	400,000	372,180
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	4,905,901	2,371,885	-	-
Total expenditures	4,905,901	2,371,885	400,000	372,180
Excess (deficiency) of revenues over (under) expenditures	(4,800,901)	(819,435)	-	721,123
Other financing sources (uses):				
Transfers in	-	240,000	-	-
Issuance of long-term debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Proceeds from sale of capital assets	-	127,496	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	367,496	-	-
Net change in fund balances	\$ (4,800,901)	(451,939)	\$ -	721,123
Fund balances (deficit), beginning of year		1,633,352		6,685,745
Fund balances (deficit), end of year, budgetary basis		1,181,413		7,406,868
Change in encumbrances		(1,839,048)		-
Fund balances (deficit), end of year		<u>\$ (657,635)</u>		<u>\$ 7,406,868</u>

City of Bloomington, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
 Budget to Actual - Debt Service Fund
 For the Year Ended April 30, 2004

	Final Budget	Actual
Revenues		
Taxes	\$ 1,758,530	\$ 1,782,819
Intergovernmental	830,000	838,728
Use of money and property	4,800	12,485
Other	10,000	-
Total revenues	<u>2,603,330</u>	<u>2,634,032</u>
Expenditures		
Debt Service:		
Principal	2,495,000	2,495,000
Interest and fiscal agent fees	1,272,919	1,053,574
Total expenditures	<u>3,767,919</u>	<u>3,548,574</u>
(Deficiency) of revenues over expenditures	<u>(1,164,589)</u>	<u>(914,542)</u>
Other financing sources (uses):		
Transfers in	1,371,228	1,423,217
Issuance of long-term debt	-	699,687
Transfers out	(1,452,000)	(100,000)
Total other financing sources (uses)	<u>(80,772)</u>	<u>2,022,904</u>
Net change in fund balances	<u><u>\$ (1,245,361)</u></u>	1,108,362
Fund balance, beginning of year		<u>2,019,564</u>
Fund balance, end of year, budgetary basis		3,127,926
Change in encumbrances		-
Fund balance, end of year		<u><u>\$ 3,127,926</u></u>

City of Bloomington, Illinois

Combining Statement of Net Assets
Internal Service Funds
April 30, 2004

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,904	\$ 55,383	\$ 60,287
Investments	-	3,195,121	3,195,121
Accounts receivable, net of allowance for uncollectibles	-	947,828	947,828
Accrued interest	-	24,593	24,593
Due from other funds	141,194	-	141,194
Prepaid items and other assets	-	597,468	597,468
Total current assets	\$ 146,098	\$ 4,820,393	\$ 4,966,491
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 70,392	\$ -	\$ 70,392
Claims payable	709,608	3,640,829	4,350,437
Due to other funds	80,000	-	80,000
Unearned revenue	167,277	833,333	1,000,610
Total current liabilities	1,027,277	4,474,162	5,501,439
Net assets (deficit), unrestricted	(881,179)	346,231	(534,948)
Total liabilities and net assets	\$ 146,098	\$ 4,820,393	\$ 4,966,491

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, 2004

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Operating revenues, charges for services	\$ 6,351,637	\$ 2,500,000	\$ 8,851,637
Operating expenses:			
Contractual services	2,143,016	-	2,143,016
Other charges, claims	3,970,889	4,897,723	8,868,612
Total operating expenses	6,113,905	4,897,723	11,011,628
Operating income (loss)	237,732	(2,397,723)	(2,159,991)
Nonoperating income, investment earnings	-	578,907	578,907
Change in net assets	237,732	(1,818,816)	(1,581,084)
Net assets (deficit), beginning	(1,118,911)	2,165,047	1,046,136
Net assets (deficit), ending	\$ (881,179)	\$ 346,231	\$ (534,948)

City of Bloomington, Illinois

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended April 30, 2004

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 6,221,074	\$ 3,118,170	\$ 9,339,244
Payments to claimants	(3,965,246)	(2,707,354)	(6,672,600)
Payments for contractual services	(2,101,870)	(2,016,879)	(4,118,749)
Net cash provided by (used in) operating activities	153,958	(1,606,063)	(1,452,105)
Cash flows from noncapital financing activities, payments to interfund accounts			
	(149,054)	-	(149,054)
Cash flows from investing activities:			
Interest and dividends received	-	139,751	139,751
Purchase of investments	-	(2,045,642)	(2,045,642)
Sale of investments	-	3,393,360	3,393,360
Net cash provided by investing activities	-	1,487,469	1,487,469
Increase (decrease) in cash and cash equivalents	4,904	(118,594)	(113,690)
Cash and cash equivalents, beginning of year			
	-	173,977	173,977
Cash and cash equivalents, end of year	\$ 4,904	\$ 55,383	\$ 60,287

(Continued)

City of Bloomington, Illinois

Combining Statement of Cash Flows (Continued)

Internal Service Funds

For the Fiscal Year Ended April 30, 2004

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 237,732	\$ (2,397,723)	\$ (2,159,991)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables	(130,563)	(607,287)	(737,850)
Prepaid items and other assets	-	(44,913)	(44,913)
Accounts payable and accrued expenses	10,909	-	10,909
Claims payable	(5,643)	1,443,860	1,438,217
Unearned revenue	41,523	-	41,523
Net cash provided by (used in) operating activities	\$ 153,958	\$ (1,606,063)	\$ (1,452,105)
Schedule of noncash items, investing activities, net appreciation in fair value of investments	\$ -	\$ 472,161	\$ 472,161

City of Bloomington, Illinois

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2004

	Police Pension	Fire Pension	Total
Assets:			
Cash and cash equivalents	\$ 5,399,355	\$ 3,515,775	\$ 8,915,130
Investments:			
U.S. government securities	4,228,817	3,978,150	8,206,967
U.S. government agencies and corporations	2,629,659	3,477,492	6,107,151
IPPFA group trust	1,620,487	-	1,620,487
Annuities - fixed	2,600,799	3,491,176	6,091,975
Annuities - variable	-	7,788,516	7,788,516
Mutual funds	8,100,408	6,363,046	14,463,454
Stocks	6,237,616	-	6,237,616
Deposits at financial institutions	-	468,838	468,838
Receivables:			
Employer	1,524,268	1,398,442	2,922,710
Accrued interest	84,192	66,214	150,406
Total assets	32,425,601	30,547,649	62,973,250
Liabilities:			
Accounts payable	6,544	347	6,891
Benefits payable	66,562	-	66,562
Total liabilities	73,106	347	73,453
Net assets,			
held in trust for pension benefits	\$ 32,352,495	\$ 30,547,302	\$ 62,899,797

City of Bloomington, Illinois

**Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Fiscal Year Ended April 30, 2004**

	Police Pension	Fire Pension	Total
Additions:			
Contributions:			
Employer	\$ 1,621,029	\$ 1,495,594	\$ 3,116,623
Plan member deposits	773,000	418,834	1,191,834
Total contributions	2,394,029	1,914,428	4,308,457
Net investment income:			
Net appreciation in fair value of investments	2,926,089	2,311,291	5,237,380
Interest	376,317	187,408	563,725
Dividends	146,116	26,463	172,579
Total investment income	3,448,522	2,525,162	5,973,684
Less investment expense	53,287	-	53,287
Net investment income	3,395,235	2,525,162	5,920,397
Total additions	5,789,264	4,439,590	10,228,854
Deductions:			
Benefits	1,933,785	2,095,611	4,029,396
Refund of contributions	13,814	37,993	51,807
Administrative expenses	46,414	39,229	85,643
Total deductions	1,994,013	2,172,833	4,166,846
Change in net assets	3,795,251	2,266,757	6,062,008
Net assets held in trust for benefits, beginning of year	28,557,244	28,280,545	56,837,789
Net assets held in trust for benefits, end of year	\$ 32,352,495	\$ 30,547,302	\$ 62,899,797

City of Bloomington, Illinois

Statistical Section

Comments Relative to Statistical Section

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

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

City of Bloomington, Illinois

Government-Wide Expenses By Function

Last Ten Fiscal Years (1)

(Unaudited)

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation
2003	\$ 11,492,732	\$ 18,411,111	\$ 11,789,502	\$ 8,098,356	\$ 344,003	\$ 12,020,505
2004	11,863,297	18,816,277	12,881,016	8,221,203	372,700	12,391,433

(1) Fiscal year 2003 was the first year of government-wide statements.

Community Development	Interest on Long-Term Debt	Water	Sewer	Parking	Downtown Sports and Entertainment Center	Total
\$ 2,097,137	\$ 1,322,768	\$ 9,193,747	\$ 2,238,765	\$ 618,427	\$ -	\$ 77,627,053
3,601,348	1,371,371	8,971,757	2,581,981	1,028,987	49,159	82,150,529

City of Bloomington, Illinois

Government-Wide Revenues

Last Ten Fiscal Years (1)

(Unaudited)

Fiscal Year	Program Revenues		
	Charges For Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
2003	\$ 23,088,030	\$ 2,915,207	\$ 8,100,949
2004	23,881,767	5,324,789	6,362,308

(1) Fiscal year 2003 was the first year of government-wide statements.

General Revenues

	Taxes	Investment Earnings	Miscellaneous	Total
\$	60,346,247	\$ (357,196)	\$ 2,795,800	\$ 96,889,037
	57,656,732	1,991,555	4,199,157	99,416,308

City of Bloomington, Illinois

General Governmental Expenditures by Function*
Last Ten Fiscal Years

Year Ended April 30:	General Government	Public Safety	Highways and Streets	Sanitation
1995	\$ 8,720,753	\$ 9,622,238	\$ 4,578,046	\$ 2,931,535
1996	7,342,486	10,394,582	5,931,691	3,029,661
1997	8,138,934	11,205,848	7,415,810	3,094,610
1998	7,722,050	12,341,808	6,912,562	3,254,325
1999	9,870,009	12,743,898	3,479,513	3,368,615
2000	8,772,905	14,300,240	4,296,955	3,480,932
2001	12,903,087	19,110,768	5,082,583	4,226,387
2002	16,044,741	19,728,658	7,198,516	4,568,276
2003	10,858,251	17,764,701	4,715,143	7,691,902
2004	9,717,458	21,208,982	7,848,841	9,306,027

* Includes General, special revenue and debt service funds

Source: Audited financial statements

	Culture and Recreation	Community Development	Debt Service	Total
\$	5,387,432	\$ 1,222,968	\$ 9,650,191	\$ 42,113,163
	5,622,416	1,307,499	2,835,266	36,463,601
	6,232,859	1,596,032	3,854,556	41,538,649
	7,096,623	1,260,269	4,697,033	43,284,670
	7,978,759	1,218,493	5,586,358	44,245,645
	9,061,484	1,715,366	4,021,266	45,649,148
	10,606,874	1,479,015	3,876,356	57,285,070
	11,172,868	1,584,020	5,657,869	65,954,948
	10,936,750	1,523,616	4,683,713	58,174,076
	12,003,749	1,527,980	5,195,636	66,808,673

City of Bloomington, Illinois

General Governmental Revenues by Source*
Last Ten Fiscal Years

Year Ended April 30:	Taxes	Licenses and Permits	Charges for Services	Fines and Forfeits
1995	\$ 24,938,636	\$ 793,932	\$ 2,033,170	\$ 345,593
1996	26,911,772	767,316	2,039,858	327,074
1997	30,291,737	812,797	2,032,344	389,501
1998	31,380,256	904,663	4,656,054	366,879
1999	32,565,476	1,154,019	3,579,568	416,983
2000	36,103,225	1,216,482	3,974,533	583,000
2001	40,953,300	1,079,035	4,545,604	727,056
2002	40,938,698	1,154,661	5,962,091	867,551
2003	50,503,829	1,261,416	6,150,625	790,549
2004	50,699,026	1,220,639	7,052,141	836,377

* Includes General, special revenue and debt service funds

** Includes Intergovernmental Revenues

Source: Audited financial statements

Use of Money and		
Property	Miscellaneous**	Total
\$ 857,820	\$ 8,271,829	\$ 37,240,980
928,653	8,468,256	39,442,929
739,050	9,440,968	43,706,397
511,048	11,160,136	48,979,036
543,957	11,564,739	49,824,742
852,651	12,407,841	55,137,732
1,153,341	11,931,285	60,389,621
722,683	15,133,090	64,778,774
380,849	11,531,895	70,619,163
218,844	12,333,643	72,360,670

City of Bloomington, Illinois

Tax Revenues by Source*
Last Ten Fiscal Years

Year Ended April 30:	General Property		Sales Tax	Income Tax
	Tax	Replacement Tax*		
1995	\$ 9,470,049	\$ 1,041,690	\$ 8,937,537	\$ 2,568,527
1996	9,922,598	1,141,863	9,699,506	3,157,171
1997	11,457,779	1,176,569	10,180,661	3,470,591
1998	11,923,956	1,297,123	9,832,232	3,788,838
1999	12,642,357	1,366,285	16,546,279	4,052,185
2000	13,300,728	1,467,926	19,246,167	4,291,268
2001	13,872,204	1,374,904	20,418,546	4,429,361
2002	14,247,196	1,294,906	20,570,857	4,499,507
2003	15,156,521	1,058,064	26,412,674	4,215,589
2004	14,781,434	975,230	22,554,732	3,909,506

* Classified as intergovernmental revenue in financial statements.

Note: This schedule cannot be reconciled to the total amount of taxes reported in the combined financial statements. Property taxes of the Pension Trust Funds are accounted for on the accrual basis while the modified accrual basis is used by all other funds. The amounts reflected in this schedule represent amounts collected during each fiscal year. In addition, franchise, local purchase and certain minor taxes are not shown in this schedule.

Source: Audited financial statements

Motor Fuel Tax*	Utility Tax	Foreign Fire Insurance Tax
\$ 1,240,793	\$ 2,801,262	\$ 40,525
1,403,214	2,978,655	36,528
1,537,821	3,044,009	38,239
1,377,718	3,151,928	42,671
1,377,801	3,699,378	48,725
1,665,855	3,973,154	44,406
1,746,454	4,742,593	45,772
1,842,124	4,506,959	54,427
2,068,697	4,324,620	56,325
1,921,860	5,209,817	83,828

City of Bloomington, Illinois

Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended April 30:	Total Extension Current Tax Year	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
1995	\$ 9,505,770	\$ 9,459,680	99.52%	\$ 10,244
1996	9,950,000	9,922,598	99.72	20,128
1997	11,496,367	11,449,510	99.59	8,269
1998	12,070,897	11,918,137	98.73	5,818
1999	12,643,782	12,635,314	99.93	7,043
2000	13,284,996	13,229,816	99.58	70,912
2001	13,683,546	13,626,710	99.43	66,657
2002	14,481,446	14,242,452	98.43	4,743
2003	16,510,202	16,334,789	98.93	5,379
2004	17,319,820	16,826,781	97.15	10,506

Source: County of McLean Treasurer's Office

Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
\$ 9,469,924	99.62%	\$ 35,846	0.38%
9,942,726	99.93	7,274	0.07
11,457,779	99.66	38,588	0.34
11,923,955	98.78	146,942	1.22
12,642,357	99.99	1,425	0.01
13,300,728	100.11	(15,732)	(0.12)
13,693,367	100.07	(10,514)	(0.08)
14,247,195	98.38	40,168	0.28
16,340,168	98.97	14,263	0.09
16,837,287	97.21	4,992	0.03

City of Bloomington, Illinois

Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended	Real Property		Ratio of Total Assessed to Total Actual Value
	Assessed Value	Estimated Actual Value	
1994	\$ 677,022,271	\$ 2,031,066,813	33%
1995	750,023,917	2,250,071,751	33
1996	841,148,209	2,523,444,627	33
1997	909,172,776	2,727,518,328	33
1998	950,424,795	2,851,274,385	33
1999	1,002,610,011	3,007,830,033	33
2000	1,082,296,056	3,246,888,168	33
2001	1,186,598,751	3,559,796,253	33
2002	1,276,500,913	3,829,502,739	33
2003	1,351,696,013	4,055,088,039	33

Source: McLean County Tax Extension Office

City of Bloomington, Illinois

Property Tax Rates and Extensions - All Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Rates (Per \$100 of Assessed Valuation)

Tax Year Levied	Schools	City	City Library (1)	County
1994	4.4336	1.2393	0.2320	1.0410
1995	4.4452	1.3073	0.2250	1.0025
1996	4.4707	1.2210	0.2140	0.9612
1997	4.4779	1.1626	0.2326	0.9707
1998	4.4808	1.1672	0.2336	0.9820
1999	4.4306	1.1485	0.2365	0.9251
2000	4.4215	1.1058	0.2322	0.9152
2001	4.4054	1.0498	0.2246	0.9372
2002	4.4375	1.0173	0.2762	0.9306
2003	4.4345	1.0106	0.2733	0.9369

Tax Year Levied	Schools	City	City Library (1)	County
1994	\$ 20,957,737	\$ 8,233,802	\$ 1,541,388	\$ 7,047,802
1995	22,030,150	9,603,209	1,656,486	7,518,990
1996	23,783,695	10,059,078	1,763,041	7,918,155
1997	24,764,757	10,339,273	2,068,299	8,737,692
1998	25,905,843	11,093,263	2,200,002	9,000,518
1999	27,188,760	11,514,675	2,371,173	20,032,083
2000	28,402,019	11,968,030	2,513,416	20,973,163
2001	29,744,715	12,457,236	2,664,268	22,817,871
2002	31,663,028	12,896,139	3,524,108	24,013,887
2003	33,251,871	13,660,892	3,693,554	25,379,945

Taxes for the City of Bloomington are collected by McLean County. Collections are distributed approximately 30 days after the collection date by the County. The City of Bloomington receives 100% of the City's levy.

(1) In accordance with State Statutes, the City of Bloomington Public Library portion of the City's tax rates and extensions are reported separately for 1985 and subsequent years.

(2) Established July 1, 1990 by Illinois Community College Board.

Source: County of McLean Tax Extension Office.

Township	Water Reclamation District	Airport Authority	Cemetery	Community College (2)	Total
0.1846	0.1630	0.0688	0.0289	0.2501	7.6413
0.1022	0.1006	0.1235	0.0274	0.2498	7.5835
0.1762	0.0947	0.1166	0.0256	0.2620	7.5420
0.1715	0.0920	0.1170	0.0249	0.2912	7.5404
0.2368	0.0926	0.1127	0.0251	0.2839	7.6147
0.2200	0.1287	0.1059	0.0250	0.2796	7.4999
0.2206	0.1218	0.0990	0.0243	0.2841	7.4245
0.1447	0.1124	0.0919	0.0233	0.3096	7.2989
0.1344	0.1077	0.0832	0.0227	0.3385	7.3481
0.1562	0.1431	0.1092	0.0219	0.3526	7.4383

Township	Water Reclamation District	Airport Authority	Cemetery	Community College (2)	Total
\$ 1,226,466	\$ 1,342,110	\$ 566,486	\$ 192,000	\$ 1,662,320	\$ 42,770,111
750,744	966,083	1,185,996	201,285	1,835,719	45,748,662
1,451,557	796,779	980,779	211,060	2,158,471	49,122,615
1,525,565	706,843	1,020,122	221,540	2,620,951	52,005,042
1,798,085	746,031	1,525,969	232,590	2,671,255	55,173,556
1,718,009	1,807,973	1,500,981	244,196	5,723,461	72,101,311
1,798,075	1,825,878	1,493,574	256,363	6,171,156	75,401,674
1,242,956	1,844,840	1,496,719	269,800	9,002,701	81,541,106
1,491,482	1,911,110	1,709,085	283,290	10,369,275	87,861,404
1,565,850	2,678,935	1,990,628	296,954	11,339,146	93,857,775

City of Bloomington, Illinois

Property Values and Tax Rates
Real Property Valuation Detail

Tax Year	Fair Market Value	Equalized		
		Assessed Valuation	Residential	Commercial
1994	\$ 2,031,066,813	\$ 677,022,271	\$ 389,751,138	\$ 276,812,811
1995	2,250,071,751	750,023,917	432,936,964	306,123,581
1996	2,523,444,627	841,148,209	480,857,413	348,799,356
1997	2,727,518,328	909,172,776	525,861,741	371,968,219
1998	2,851,274,385	950,424,795	557,628,895	381,687,795
1999	3,007,830,033	1,002,610,011	592,165,145	397,767,921
2000	3,246,888,168	1,082,296,056	644,500,805	425,046,288
2001	3,559,796,253	1,186,598,751	705,893,866	467,457,141
2002	3,829,502,739	1,276,500,913	761,108,215	504,737,694
2003	4,055,088,039	1,351,696,013	822,313,319	519,140,108

Tax Rate by Fund
(Per \$100 of Equalized Assessed Valuation)

	2003	2002	2001
General Fund	0.50788	0.50007	0.50007
Fire Pension Fund	0.10346	0.10440	0.11092
Police Pension Fund	0.11276	0.11872	0.12858
Illinois Municipal Retirement Fund	0.09240	0.09664	0.09996
Judgment Fund	0.05178	0.05483	0.05899
Bond and Interest Fund	0.12605	0.12563	0.13403
Public Benefit Fund	0.01146	0.01214	0.01306
Public Library Fund	0.27325	0.27621	0.22462
Audit Fund	0.00485	0.00489	0.00421
Totals	1.28389	1.29353	1.27444

Tax Rate Limitation

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

Source: County of McLean Tax Extension Office

Industrial	Farm	Railway
\$ 9,630,768	\$ 606,283	\$ 221,271
10,228,203	591,316	143,853
10,816,856	517,585	156,999
10,535,988	484,983	321,845
10,268,125	527,701	312,279
11,671,392	689,064	316,489
11,676,370	803,163	269,430
12,281,963	692,227	273,554
9,639,734	703,867	311,403
9,420,399	487,499	334,688

2000	1999	1998
0.52079	0.53574	0.44660
0.12285	0.12713	0.13280
0.12705	0.13406	0.13740
0.10538	0.10209	0.18600
0.06467	0.06981	0.07380
0.14723	0.16058	0.17070
0.01432	0.01545	0.01630
0.23223	0.23650	0.23360
0.00351	0.00361	0.00360
1.33803	1.38497	1.40080

City of Bloomington, Illinois

Principal Taxpayers
April 30, 2004

Name of Company	Type of Business	Total Assessed Value 2001	Percent of City Assessed Valuation
State Farm Insurance, Co.	Insurance	\$ 71,097,942	5.26%
Country Life Insurance, Co.	Subsidiary of IAA	13,205,356	0.98
B-M-J Development, Co.	Eastland Mall	10,335,913	0.76
Illinois Agricultural Assn.	Insurance - Farm Services	9,102,909	0.67
Wal Mart Stores, Inc.	Retail Store	5,473,251	0.40
M & J/LJP Parkway L.P.	Parkway Strip Mall	5,375,312	0.40
Westminister Village	Extended Living	4,982,128	0.37
Land TR BY-1	Hotel and Apartments	4,519,577	0.33
Verizon North, Inc.	Utility	4,353,053	0.32
DPR Limited Partnership	IRS Distribution Center	4,175,256	0.31
		<u>\$ 132,620,697</u>	<u>9.80%</u>

Total 2003 Assessed Valuation = \$1,351,696,013

Source: City of Bloomington Township

City of Bloomington, Illinois

General Fund Revenues, Expenditures and Fund Balance
(Amounts in Thousands)
For the Year Ended April 30

	2004	2003	2002
Revenues:			
Taxes	\$ 45,391	\$ 43,494	\$ 34,585
Licenses and permits	1,220	1,261	1,155
Intergovernmental	2,328	1,540	5,176
Charges for services	6,881	5,985	5,842
Fines and forfeits	836	791	868
Interest	115	177	438
Miscellaneous	2,061	1,421	1,510
Total revenues	58,832	54,669	49,574
Expenditures:			
General government	6,627	9,291	14,254
Public safety	21,209	17,765	19,729
Highways and streets	3,443	3,026	6,586
Sanitation	9,306	7,692	4,568
Culture and recreation	7,713	6,937	7,873
Debt service	1,647	1,058	-
Capital outlay	2,593	1,202	-
Total expenditures	52,538	46,971	53,010
Excess (deficiency) of revenues over expenditures	6,294	7,698	(3,436)
Net transfers from (to) other funds	176	(2,795)	1,698
Fund balance, beginning of year	7,960	3,057	1,516
Fund balance, end of year	\$ 14,430	\$ 7,960	\$ (222)

Source: Audited financial statements

	2001	2000	1999	1998
\$	34,340	\$ 29,620	\$ 26,661	\$ 25,744
	1,079	1,217	1,154	905
	4,971	5,095	4,659	4,587
	4,447	3,916	3,514	2,442
	727	583	417	367
	861	700	448	409
	1,468	1,822	1,437	946
	<u>47,893</u>	<u>42,953</u>	<u>38,290</u>	<u>35,400</u>
	12,234	8,008	7,188	5,066
	19,111	14,300	12,744	12,342
	5,099	4,283	3,507	3,549
	4,226	3,481	3,369	3,254
	7,545	6,314	5,053	4,714
	-	-	-	-
	-	-	-	-
	<u>48,215</u>	<u>36,386</u>	<u>31,861</u>	<u>28,925</u>
	(322)	6,567	6,429	6,475
	(2,387)	(5,884)	(6,131)	(5,382)
	4,225	3,542	3,244	2,151
\$	<u>1,516</u>	<u>\$ 4,225</u>	<u>\$ 3,542</u>	<u>\$ 3,244</u>

City of Bloomington, Illinois

Investment Income From Investments
Years Ended April 30

	2004	2003	2002	2001
General	\$ 115,127	\$ 177,189	\$ 438,186	\$ 860,898
Capital projects	95,106	10,339	45,691	133,600
Motor fuel tax	38,097	66,908	98,946	120,719
Library	15,222	23,416	43,851	86,858
Water	7,828	8,346	12,137	21,647
Sewer	-	-	-	-
Parking	-	-	-	-
Urban development	-	-	8,880	10,527
Utility tax	-	-	-	-
J.M. Scott Health Care Trust	1,090,725	(298,726)	(277,216)	(504,397)
Other**	629,150	113,336	134,030	75,144
Totals	\$ 1,991,255	\$ 100,808	\$ 504,505	\$ 804,996

**This amount does not include earnings of the Police and Fire Pension Funds' operations which are included in the City's financial statements starting in 1983 nor the earnings of the Central Illinois Risk Pooling Authority which are included in the City's financial statements starting in 1996.

Source: Audited financial statements

	2000	1999	1998	1997	1996	1995
\$	700,148	\$ 447,775	\$ 409,271	\$ 594,164	\$ 651,499	\$ 531,912
	222,094	209,733	218,278	366,296	442,894	111,642
	23,399	9,846	13,020	31,389	79,781	93,563
	52,760	42,806	53,143	44,169	36,707	25,129
	33,936	34,445	34,582	-	30,045	376,727
	-	-	-	-	32,724	53,654
	-	-	875	-	-	-
	11,454	12,697	7,326	22,762	21,807	17,539
	-	-	-	-	49,230	21,167
	694,583	645,921	310,117	306,926	304,758	305,749
	67,718	34,220	34,646	58,848	110,090	169,980
\$	<u>1,806,092</u>	<u>\$ 1,437,443</u>	<u>\$ 1,081,258</u>	<u>\$ 1,424,554</u>	<u>\$ 1,759,535</u>	<u>\$ 1,707,062</u>

City of Bloomington, Illinois

Special Assessment Collections
Last Ten Fiscal Years

Year Ended April 30:	Current Assessments Due*	Current Assessments Collected	Ratio of Collections to Amount Due	Total Outstanding Assessments**
1995	\$ 19,231	\$ 19,231	1.00	\$ 210,887
1996	20,384	20,384	1.00	190,503
1997	21,607	-	-	190,503
1998	22,903	-	-	190,503
1999	24,278	-	-	150,688
2000	-	24,278	-	77,437
2001	-	36,578	-	40,859
2002	-	-	-	40,859
2003 ***	-	-	-	-
2004	-	-	-	-

* Special assessment payments are due over a period of three to ten years and, therefore, are not necessarily collected in the year due, nor is the amount delinquent equal to the difference between assessments due and assessments collected.

** Total outstanding assessments does not include any interest on delinquent assessments.

*** In 2003, \$40,859 had been written off.

Source: Finance Department, City of Bloomington

City of Bloomington, Illinois

**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years**

Year Ended April 30:	Population	Assessed Value	Gross Bonded Debt	Less Revenue Supported Bonds
1995	57,707	\$ 750,023,917	\$ 42,323,164	\$ 7,283,746
1996	57,707	841,148,209	40,151,719	6,129,500
1997	57,707	889,361,602	43,832,424	4,937,548
1998	57,707	909,172,776	40,063,299	3,692,788
1999	57,707	950,424,795	34,866,224	2,376,360
2000	57,707	1,002,610,011	31,007,952	992,036
2001	64,808	1,082,296,056	27,622,239	-
2002	64,808	1,186,598,751	25,972,946	-
2003	66,645	1,276,500,913	23,718,860	-
2004	66,645	1,351,696,013	31,428,719	-

Population supplied by census, special census or projections by McLean County Regional Planning Commission.

**This column represents the total fund balance in the Debt Service Fund Type.

Source: Audited financial statements

Less Amount Available in Debt Service**	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Debt Per Capita
\$ 448,509	\$ 34,590,909	0.0461	\$ 599.42
14,622	34,007,597	0.0404	589.31
(275,092)	39,169,968	0.0440	678.77
(495,005)	36,865,516	0.0401	633.14
(446,150)	32,936,014	0.0347	570.75
(62,594)	30,078,510	0.0030	521.23
157,916	27,464,323	0.0254	423.78
837,992	25,134,954	0.0212	323.19
2,019,564	21,699,296	0.0170	325.60
3,127,926	28,300,793	0.0209	424.65

City of Bloomington, Illinois

**Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years**

Year Ended April 30:	Principal	Interest and Fiscal Charges	Total General Bonded Debt Service	(1) Total General Expenditures	Ratio of General Bonded Debt Service to General Expenditures
1995	\$ 8,075,701	(2) \$ 1,574,490	\$ 9,650,191	\$ 42,113,163	0.2291
1996	1,380,754	1,454,512	2,835,266	36,463,601	0.0778
1997	2,017,954	1,836,602	3,854,556	41,538,649	0.0928
1998	3,854,556	2,016,183	5,870,739	43,284,670	0.1356
1999	3,674,333	1,912,025	5,586,358	44,245,645	0.1263
2000	2,275,461	1,745,805	4,021,266	45,649,148	0.0881
2001	2,204,421	1,671,935	3,876,356	57,285,070	0.0677
2002	3,959,241	1,698,628	5,657,869	65,954,948	0.0858
2003	2,425,000	1,200,066	3,625,066	58,174,076	0.0623
2004	2,495,000	1,053,574	3,548,574	66,808,673	0.0531

(1) Total General Expenditures includes General, special revenue and debt service funds.

(2) Bonds called early - \$6,850,511 principal retired before scheduled maturity. Early payment penalty charged - \$144,300.

Source: Audited financial statements

City of Bloomington, Illinois

Computation of Direct and Overlapping Debt
April 30, 2004

	Moody's Rating	Par Value	Applicable to City of Bloomington
City of Bloomington	Aa1		
Series 1991		\$ 2,098,719	
Series 1993		1,130,000	
Series 1994		3,365,000	
Series 1995		4,675,000	
Series 1996		3,890,000	
Series 2001		6,270,000	
Series 2003		10,000,000	
Total direct debt		<u>31,428,719</u>	
Self-supporting debt		<u>12,885,775</u>	
Net direct debt			<u>\$ 18,542,944</u>
Overlapping debt			
McLean County (est.)	Aa	\$ 11,057,500	5,470,145
Bloomington-Normal Airport Authority	Aa3	9,595,000	6,645,305
Bloomington School District #87	Aa	5,115,000	5,095,921
Normal Community Unit School District #5	Aa	136,495,000	58,283,365
Community College District #540	Aa3	15,425,000	6,463,075
Total overlapping debt			<u>81,957,811</u>
Total net direct and overlapping debt			<u>\$ 100,500,755</u>

Net direct debt represents the portion of the City of Bloomington's presently outstanding General Obligation Bonds which are to be repaid by property taxes and other General Governmental revenue sources. Self-supporting debt includes the remainder of the outstanding obligations which are payable from operating revenues of the Water, Sewer and Parking Funds or from sales tax and property tax increments.

Debt ratios (estimated):

Net direct debt to 2003 assessed valuation (\$1,351,696,013)	1.37%
Total net direct and overlapping debt to assessed valuation	7.44
Net direct debt per capita (66,645)	\$ 278.23
Total net direct and overlapping debt per capita	1,508.00

Source: McLean County Clerk's Office and the various taxing districts.

City of Bloomington, Illinois

General Obligation Bond Principal Retirement Schedule

Year Ended April 30:	1991 Series	1993 Series	1994 Series	1995 Series
2005	\$ 457,507	\$ 360,000	\$ 250,000	\$ 825,000
2006	424,068	385,000	275,000	875,000
2007	397,964	385,000	285,000	925,000
2008	371,215	-	325,000	1,000,000
2009	447,965	-	325,000	1,050,000
2010	-	-	350,000	-
2011	-	-	375,000	-
2012	-	-	400,000	-
2013	-	-	380,000	-
2014	-	-	400,000	-
2015	-	-	-	-
Thereafter	-	-	-	-
Totals	\$ 2,098,719	\$ 1,130,000	\$ 3,365,000	\$ 4,675,000

1996 Series	2001 Series	2003 Series	Total	Percent Retired	
				Annual	Cumulative
\$ 310,000	\$ 60,000	\$ -	\$ 2,262,507	7.20%	7.20%
320,000	60,000	-	2,339,068	7.44	14.64
350,000	60,000	-	2,402,964	7.65	22.29
770,000	60,000	-	2,526,215	8.04	30.33
605,000	2,100,000	-	4,527,965	14.41	44.74
1,535,000	1,135,000	-	3,020,000	9.61	54.35
-	2,795,000	-	3,170,000	10.09	64.44
-	-	-	400,000	1.27	65.71
-	-	1,000,000	1,380,000	4.39	70.10
-	-	1,000,000	1,400,000	4.45	74.55
-	-	1,000,000	1,000,000	3.18	77.73
-	-	7,000,000	7,000,000	22.27	100.00
<u>\$ 3,890,000</u>	<u>\$ 6,270,000</u>	<u>\$ 10,000,000</u>	<u>\$ 31,428,719</u>		

City of Bloomington, Illinois

Schedule of Revenue Supported Bond Coverage
Last Ten Fiscal Years

Year Ended April 30:	Gross Revenue (1)	Expenses (2)	Net Revenues Available for Debt Service (3)	Principal
1995	\$ 12,532,823	\$ 6,022,023	\$ 6,510,800	\$ 8,134,299
1996	11,730,428	6,035,904	5,694,524	1,154,246
1997	12,527,057	6,120,861	6,406,196	1,191,952
1998	12,738,774	6,753,959	5,984,815	1,244,760
1999	13,384,273	7,809,155	5,575,118	1,316,428
2000	14,085,178	8,273,787	5,811,391	1,384,324
2001	14,226,127	8,750,986	5,475,141	992,036
2002	14,380,229	9,845,151	4,535,078	-
2003*	11,883,330	7,575,260	4,308,070	-
2004*	12,251,261	7,156,988	5,094,273	-

(1) As defined in applicable indentures or governing laws. In many instances, revenues for debt coverages are on a cash basis.

(2) Total expenses exclusive of depreciation and bond interest.

(3) Gross revenue minus expenses.

(4) Net revenues available for debt service divided by total debt service.

* In fiscal year 2003 and 2004, only the Water Enterprise Fund had debt.

Source: Audited financial statements

Debt Service

	Interest		Total	Coverage (4)
\$	808,102	\$	8,942,401	0.73
	371,812		1,526,058	3.73
	300,514		1,492,466	4.29
	253,098		1,497,858	4.00
	170,370		1,486,798	3.75
	94,981		1,479,305	3.93
	35,924		1,027,960	5.33
	-		-	-
	-		-	-
	-		-	-

City of Bloomington, Illinois

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)		Per Capita Income		Illinois Annual Average Individual Pay (3)
1994-1995	57,707	(5)	\$ 17,067	(2)	*
1995-1996	57,707	(5)	17,580	(2)	*
1996-1997	57,707	(5)	18,371	(4)	*
1997-1998	57,707	(5)	18,959	(4)	*
1998-1999	57,707	(5)	19,528	(4)	*
1999-2000	57,707	(5)	19,935	(4)	\$ 30,587
2000-2001	57,707	(5)	20,533	(4)	32,888
2001-2002	64,808	(3)	21,149	(4)	34,226
2002-2003	66,645	(3)	21,783	(4)	35,106
2003-2004	66,645	(3)	22,436	(4)	36,116

Sources:

- (1) Population estimates by the staff of the McLean County Regional Planning Commission unless otherwise noted.
- (2) Estimates by the City of Bloomington Department of Planning and Code Enforcement.
- (3) Bloomington Normal Economic Development Council Demographic Profile.
- (4) Estimates by the City of Bloomington Finance Department.
- (5) U.S. Bureau of Census - Special Census, October 26, 1994.
- (6) Regional Office of Education for the McLean County-Dewitt County Education Service Region.
- (7) State of Illinois Department of Employment Security as of May of the current year.

* The demographic statistic is being added to the report.

Median Age		School Enrollment		Home Sales (3)		Unemployment Rate
31.90	(5)	8,734	(6)	\$ 106,777.00		3.1% (7)
31.90	(5)	7,201	(6)	113,439.00		4.0 (7)
31.90	(5)	7,118	(6)	116,744.00		3.0 (7)
31.90	(5)	7,555	(6)	120,645.00		2.5 (7)
31.90	(5)	7,787	(6)	126,927.00		2.8 (7)
31.90	(5)	7,829	(3)	131,768.00		2.1 (3)
42.30	(3)	7,651	(3)	134,351.00		1.9 (3)
42.30	(3)	7,520	(3)	139,322.00		1.9 (3)
42.30	(3)	7,557	(3)	144,641.00		2.4 (3)
42.30	(3)	7,544	(3)	153,422.00		2.7 (3)

City of Bloomington, Illinois

Property Value, Construction and Bank Deposit
Last Ten Fiscal Years

Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
1994	351	\$ 38,794,674	2,166	\$ 60,768,644
1995	*	*	*	*
1996	*	*	*	*
1997	*	*	*	*
1998	*	*	*	*
1999	*	*	*	*
2000	*	*	*	*
2001	*	*	*	*
2002	*	*	*	*
2003	*	*	*	*

(1) Information obtained from local banks and savings and loan associations - Bank One, National City, Union Planters, Commerce Bank, First State Bank, First Federal Savings & Loan, City Bank, Busey Bank and Citizens Savings Bank.

Note: Data is on a fiscal year basis for commercial construction and residential construction. Bank deposits and property value data are on a calendar year basis. This schedule cannot be reconciled to the total amount of taxes reported in the combined financial statements.

Property Value

Bank Deposits (1)	Commercial	Residential	Total
*	\$ 877,122,915	\$ 1,285,433,658	\$ 2,162,556,573
*	918,370,743	1,298,810,892	2,217,181,635
*	1,046,398,068	1,442,572,239	2,488,970,307
*	1,119,748,352	1,540,914,636	2,660,662,988
*	1,156,629,681	1,689,784,530	2,846,414,211
*	1,203,132,013	1,774,619,719	2,977,751,732
*	1,275,138,864	1,933,502,415	3,208,641,279
*	1,402,371,423	2,117,681,598	3,520,053,021
*	1,514,213,082	2,283,324,645	3,797,537,727
*	519,140,108	822,313,319	1,341,453,427

City of Bloomington, Illinois

**Miles of Watermains, Sewers and Streets
Last Ten Fiscal Years**

	1995	1996	1997	1998
Miles of watermains constructed	10.00	7.48	6.68	6.02
Miles of sanitary sewers constructed	6.10	8.26	6.44	4.68
Miles of storm sewers constructed	7.43	5.63	7.16	5.18
Miles of streets constructed	5.43	4.26	6.03	5.14
Miles of City in square miles	19.47	21.19	21.37	21.68

Source: Engineering Department, City of Bloomington

1999	2000	2001	2002	2003	2004
20.48	8.24	9.45	6.37	6.43	3.25
6.60	6.01	9.23	6.75	6.72	3.50
3.90	5.28	7.93	0.86	0.87	2.50
4.91	4.90	7.88	1.51	2.72	1.80
22.27	22.85	23.54	25.30	25.68	25.72

City of Bloomington, Illinois

Number of Employees - Actual, Budget and Payroll
Last Ten Fiscal Years

	1995	1996	1997	1998
Risk Management	-	-	-	3
CIRPA	-	-	-	-
City Manager	4	6	3	3
City Clerk	2	2	3	3
Legal	4	4	4	4
Finance	10	10	11	11
Community Development	8	9	9	8
PACE/Building Safety	14	15	15	15
Parks and Recreation	117	121	121	116
Community Relations	2	2	2	2
Engineering	22	32	32	32
Fire	79	95	95	100
Police	110	129	119	112
Water	47	58	59	59
Parking	9	5	5	5
Human Resources	5	6	6	3
Computer Services	6	6	6	7
Library	56	48	47	47
Legislative	8	9	9	9
Streets and Refuse	93	76	78	71
SOAR	-	5	5	6
JM Scott	3	4	4	4
Central Garage	6	7	7	6
Safety	-	-	-	-
Health	-	-	-	-
Compensation and Benefits	-	-	-	-
Cultural District	-	-	-	-
Total Actual (Total Full & Part-Time)	605	649	640	626
Total Budget (Full Time Equivalent)	570	627	628	632
Payroll	\$ 19,175,719	\$ 20,832,421	\$ 21,942,529	\$ 24,257,815
Percentage Increase Budgeted Employees (Base 536 in 1992)	6.3%	17.0%	17.2%	17.9%
Percentage Increase Budgeted Employees (Base \$16,411,261 in 1992)	16.8%	26.9%	33.7%	47.8%

1999	2000	2001	2002	2003	2004
2	3	4	-	-	-
-	-	-	3	-	-
2	3	4	4	4	4
3	3	3	3	3	3
4	4	5	5	5	5
12	12	12	12	13	14
9	9	9	9	7	7
17	19	21	23	23	22
120	121	121	125	102	129
2	2	1	1	1	1
32	32	33	34	25	23
94	92	96	97	96	97
119	118	127	128	130	141
59	57	68	66	56	68
8	8	8	8	8	8
3	4	5	5	5	5
8	8	8	9	8	9
45	48	48	51	45	43
9	9	10	10	9	9
71	74	76	75	78	89
5	5	5	6	-	-
3	3	3	3	2	3
7	7	8	8	6	7
1	1	-	-	-	-
1	1	1	1	1	1
-	-	-	2	2	2
-	-	-	-	4	5
636	643	676	688	633	695

638	647	673	686	714	709
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\$ 25,694,836 \$ 25,287,406 \$ 27,532,628 \$ 27,701,459 \$ 31,537,920 \$ 32,240,997

19.0% 20.7% 25.6% 28.0% 33.2% 32.3%

56.6% 54.1% 67.8% 68.8% 92.2% 96.5%

City of Bloomington, Illinois

**Building Permits
Last Ten Fiscal Years**

	1995	1996	1997	1998
New Building:				
One Family	\$ 31,772,590	\$ 30,421,115	\$ 31,267,280	\$ 43,922,245
Two Family	735,000	1,390,000	1,333,860	748,000
Multiple Family	5,178,000	6,929,000	5,200,000	2,892,000
Motels	490,000	3,400,000	700,000	-
Dormitory	-	1,000,000	3,531,736	-
Amusement and Recreation	100,000	70,000	686,815	60,000
Churches and Religious Facilities	809,122	-	-	-
Industrial Buildings	21,600	100,000	398,673	3,335,000
Parking Garages	7,000	-	-	-
Residential Garages	-	192,581	159,463	-
Service Stations - Garages	250,000	253,100	-	-
Hospital and Institutional	441,578	-	4,770,693	-
Office and Professional	2,594,852	6,059,000	600,000	500,000
Educational	21,073	1,315,610	-	548,220
Public Works and Utilities	-	50,000	2,453,536	1,995
Stores - Mercantile	7,362,859	3,858,306	3,207,712	7,461,497
Other Non-Residential	266,964	48,050	412,395	2,143,557
Structures other than buildings	392,733	382,480	882,523	508,573
Subtotals	50,443,371	55,469,242	55,604,686	62,121,087
Add Mechanical not Included	16,814,473	18,425,554	18,349,579	20,499,959
Totals	\$ 67,257,844	\$ 73,894,796	\$ 73,954,265	\$ 82,621,046
Additions and Alterations:				
Residential	\$ 7,449,259	\$ 6,205,619	\$ 9,551,617	\$ 9,699,005
All Others	16,779,710	10,569,504	22,310,477	28,975,202
Subtotals	24,228,969	16,775,123	31,862,094	38,674,207
Add Mechanical not Included	8,076,314	5,655,901	10,514,491	12,762,488
Totals	\$ 32,305,283	\$ 22,431,024	\$ 42,376,585	\$ 51,436,695
Total Value - All	\$99,563,127	\$96,325,820	\$116,330,850	\$134,057,741
Total Building Permits	2,382	2,251	2,683	2,554
Demolitions:				
Residential (#)	19	22	24	13
All Other (#)	49	21	47	37
Totals	68	43	71	50
Average cost of one family*	\$74,935	\$84,269	\$82,066	\$83,981
Average cost of apartment unit*	\$25,259	\$23,330	\$33,333	\$23,136

*Unit cost per family and apartment does not include cost of mechanical work.

Source: Planning and Code Enforcement Department, City of Bloomington

	1999	2000	2001	2002	2003	2004
\$	42,160,168	\$ 54,032,098	\$ 43,855,111	\$ 51,750,721	\$ 53,752,935	\$ 57,788,055
	241,000	2,229,280	153,300	504,000	-	705,000
	9,782,000	2,500,000	2,650,000	10,880,000	31,676,106	5,790,996
	-	4,228,000	2,500,000	3,200,000	-	50,000
	-	75,000	-	-	-	-
	2,466,000	531,203	-	1,002,476	2,154,471	577,000
	-	1,398,000	-	-	3,844,000	3,844,000
	382,672	-	-	-	-	100,000
	20,239,392	-	10,000,000	25,400	23,000	2,899,000
	-	90,000	508,004	802,735	1,359,123	546,258
	371,000	-	125,000	250,000	-	-
	1,417,284	-	-	-	-	-
	79,514,999	3,432,600	6,153,812	6,347,345	3,243,359	7,778,950
	51,000	498,000	18,931,910	2,560,400	6,041,000	753,000
	-	75,000	135,000	-	-	-
	11,542,977	8,568,756	19,988,008	11,975,797	4,076,867	7,275,000
	1,775,501	181,375	259,290	1,735,584	166,692	252,314
	2,360,333	2,965,031	273,560	1,168,558	931,064	1,835,392
	172,304,326	80,804,343	105,532,995	92,203,016	107,268,617	90,194,965
	56,860,434	26,665,433	34,825,888	30,426,995	35,398,644	29,764,338
\$	229,164,760	\$ 107,469,776	\$ 140,358,883	\$ 122,630,011	\$ 142,667,261	\$ 119,959,303
\$	8,798,239	\$ 12,253,265	\$ 9,905,935	\$ 10,803,289	\$ 22,421,070	\$ 16,100,103
	17,609,699	23,761,283	27,097,762	12,979,746	9,830,959	11,195,844
	26,407,938	36,014,548	37,003,697	23,783,035	32,252,029	27,295,947
	8,714,620	11,884,801	12,211,220	7,848,402	10,643,170	9,039,778
\$	35,122,558	\$ 47,899,349	\$ 49,214,917	\$ 31,631,437	\$ 42,895,199	\$ 36,335,725
	\$264,287,318	\$155,369,125	\$189,573,800	\$154,261,448	\$185,562,460	\$156,392,339
	2,277	2,709	2,458	2,579	3,001	3,017
	35	24	14	20	29	38
	34	69	32	27	42	32
	69	93	46	47	71	70
	\$99,434	\$105,945	\$114,804	\$113,738	\$119,717	\$132,846
	\$29,281	\$21,739	\$30,114	\$28,847	\$35,833	\$50,356

City of Bloomington, Illinois

Salaries and Surety Bonds of Principal Officers
Year Ended April 30, 2004

Name and Title of Official(s)	Amount of Annual Salary	Surety Bond
Thomas Hamilton, City Manager	\$ 113,525.36	\$ 5,000
Tracey Covert, City Clerk	62,028.98	5,000
Brian J. Barnes, Director of Finance	95,127.50	200,000

Note: All employees are covered by a \$5,000 blanket fidelity bond.

City of Bloomington, Illinois

Miscellaneous Statistics April 30, 2004

Date of Incorporation	1850
Form of Government	Council/Manager
Area	25.72 miles
Miles of Streets	276.08
Number of Street Lights	4,738
Fire Protection:	
Number of Stations	4
Number of Fire Personnel and Officers	88
Police Protection:	
Number of Stations	1
Number of Police Personnel and Officers	114
Municipal Water Department:	
Number of Consumers	26,320
Average Daily Consumption (Million Gallons per Day)	11
Miles of Watermains	339.66
Sewers:	
Miles of Sanitary Sewers	338.35 miles
Miles of Storm Sewers	274.55 miles
Building Permits Issued	3,017
Recreation and Culture:	
Number of Golf Courses	3 with 468 acres
Number of Parks	44 with 589.10 acres
Number of Libraries	1
Number of Volumes	238,269
Employees:	
Classified Services	117
Union	456
Total	<u>573</u>

Source: City of Bloomington (Various Departments)

City of Bloomington, Illinois

Schedule of Coverages
May 1, 2004 - May 1, 2005

Type	Included	SIR/ Ded	Limit of Cov	Excess
Worker's Compensation	Part A	\$350,000	Statutory	
Policy #SP-4083-IL	Part B - Employer's Liability	\$350,000	\$500,000	\$20,000,000
Property	Buildings	\$25,000	\$104,205,783	
Policy #GP06301205	Business Personal Property (BPP)		Incl w/ Bldg	
Equipment Breakdown	Blanket Earnings & Expenses	\$25,000 / 24 hrs	\$1,000,000	
Coverage	Expediting Expenses	\$25,000 / 24 hrs	\$250,000	
Policy #GP06301205	Pollution Clean-up and Removal	\$25,000 / 24 hrs	\$250,000	
	Spoilage	\$25,000 / 24 hrs	\$250,000	
Additional Coverages	Accounts Receivable	\$25,000	\$1,000,000	
Policy #GP06301205	Building Ordinance or Law	\$25,000	\$1,000,000	
	Fine Arts	\$25,000	\$50,000	
	Fire Department Service Charge	\$25,000	\$25,000	
	Newly Acquired Property:			
	Building Limit	\$25,000	\$1,000,000	
	BPP Limit	\$25,000	\$500,000	
	Outdoor Property	\$25,000	\$1,000,000	
	Other People's Property	\$25,000	\$1,000,000	
	Pollution Clean-up and Removal	\$25,000	\$250,000	
	Precious Metal - Theft	\$25,000	\$10,000	
	Property in Transit (check IM)	\$25,000	\$1,000,000	
	Temporary Location	\$25,000	\$1,000,000	
	Valuable Records Research	\$25,000	\$100,000	
	Sewer Back-Up	\$25,000	\$1,000,000	
Inland Marine	Contractors Equipment	\$5,000	\$8,019,730	
Policy #GP06301205	Miscellaneous Property	\$5,000	\$5,996,394	
	Computer Property	\$5,000	\$1,969,173	
Difference In Conditions	Flood (Building & BPP)	\$100,000	\$10,000,000	
Policy #GP06301205	Earthquake (Building & BPP)	\$100,000	\$10,000,000	
General Liability	General Limit	\$100,000	\$2,000,000	\$20,000,000
Policy #GP06301205	Products & Completed Work	\$100,000	\$2,000,000	\$20,000,000
	Personal Injury (each person limit)	\$100,000	\$1,000,000	\$20,000,000
	Medical Professional	\$100,000	\$2,000,000	\$20,000,000
	Advertising Injury (each person limit)	\$100,000	\$1,000,000	\$20,000,000
	Each Event Limits:			
	Failure to Supply Limit	\$100,000	\$1,000,000	\$20,000,000
	Premises Damage Limit	\$100,000	\$100,000	\$20,000,000
	Sewer Back-up Limit	\$100,000	\$1,000,000	\$20,000,000

(Continued)

City of Bloomington, Illinois

Schedule of Coverages (Continued)
 May 1, 2004 - May 1, 2005

Type	Included	SIR/ Ded	Limit of Cov	Excess
Liquor Liability	Each Person	\$100,000	\$1,000,000	
Policy #GP06301205	Aggregate		\$2,000,000	\$20,000,000
Employee Benefit Plans	Each Wrongful Act	\$100,000	\$1,000,000	
Administration Liability	Aggregate Limit		\$3,000,000	\$20,000,000
Policy #GP06301205				
Employment Practices Liab	Limit	\$100,000	\$5,000,000	
Policy #GP06301205	(Retroactive Date: 8/1/86)			
Law Enforcement Liability	Limit	\$100,000	\$1,000,000	\$20,000,000
Policy #GP06301205				
Public Entity	Limit	\$100,000	\$1,000,000	\$20,000,000
Management Liability	(Retroactive Date: 8/1/86)			
Policy #GP06301205				
Health Care Facility Medical Professional Liab		\$100,000	\$5,000,000	
Policy #GP06301205				
Auto	Bodily Injury/ Property Damage Liab	\$100,000	\$1,000,000	\$20,000,000
Policy #GP06301205	Uninsured Motorist Liability	\$100,000	\$1,000,000	\$20,000,000
	Underinsured Motorist Liability	\$100,000	\$1,000,000	\$20,000,000
	Physical Damage			
	Comprehensive	\$25,000		
	Collision	\$25,000		
Umbrella	Total Limit (Ded. applies if no underlying coverage)	\$10,000		\$20,000,000
Policy #GP06301205				
Crime	Employee Theft - Per Loss Coverage	\$10,000	\$250,000	\$750,000
Policy #GP06301205	Forgery or Alteration	\$10,000	\$250,000	\$750,000
	Inside the Premises - Theft of Money & Securities	\$2,500	\$75,000	
	Outside the Premises	\$2,500	\$75,000	
Excess Crime - Specified Employees	Specified Employees			\$4,000,000
Policy #GP06301205				

Policy #GP06301205 - The St. Paul
 Policy #SP-4083-IL - Safety National

City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards
Year Ended April 30, 2004

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
Direct Programs:			
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B-02-MC-17-0004	\$ 258,406
	14.218	B-03-MC-17-0004	316,700
Supportive Housing Program	14.235	IL-06B82-1001	1,313
	14.235	IL-01B91-2005	12,476
	14.235	IL-01B21-2004	4,722
	14.235	IL-01B21-2006	63,865
	14.235	IL-01B01-2002	167,732
	14.235	IL-01B21-2007	17,388
	14.235	IL-01B21-2008	14,702
	14.235	IL-01B21-2005	169,236
Shelter Plus Care	14.238	IL-01C91-2002	14,267
			<u>1,040,807</u>
U.S. Department of Justice:			
Bulletproof Vest Program	16.607	95-CC-WX-0336	25,406
Law Enforcement Block Grant	16.592	2003-LB-BX-2330	14,033
			<u>39,439</u>
U.S. Department of Justice (Passed through Illinois Criminal Justice Information Authority) Edward Byrne Local Law Enforcement Assistance Formula Grant			
	16.579	402020	71,179
	16.579	400140	7,083
	16.579	400114	20,682
	16.579	401214	12,416
			<u>111,360</u>
U.S. Department of Transportation (Passed through Illinois Department of Transportation) Tomorrow Corridor Planning Grant			
	20.515	N/A	<u>39,828</u>

(Continued)

City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended April 30, 2004

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
Environmental Protection Agency (Passed through Illinois Environmental Protection Agency) Drinking Water State Revolving Fund	66.468	L17127000	<u>514,048</u>
Federal Emergency Management Agency (Passed through Illinois Emergency Management Agency) Assistance to Firefighters Grant Program	85.554	N/A	<u>50,806</u>
Total expenditures of federal awards			<u><u>\$ 1,796,288</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, 2004**

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, 2004. 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	\$ 451,434

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, 2004, the loans outstanding under these programs total \$2,659,006, of which, \$1,253,722 of the proceeds were from Federal sources.

City of Bloomington, Illinois

Summary Schedule of Prior Audit Findings
Year Ended April 30, 2004

	Comment	Status	Corrective Action or Other Explanation
Reportable Conditions:			
03-II-A	The City has an inadequate segregation of duties over the disbursement transaction cycle.	Corrective action taken.	
03-II-B	The City has an inadequate segregation of duties over the receipts transaction cycle.	Corrective action taken.	
03-II-C	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf course locations.	Not corrected.	See corrective action plan at 04-II-A.
03-II-D	The City does not have an adequate system in place over the revolving loan transactions.	Corrective action taken.	
Reportable Conditions in Administering Federal Awards			
03-III-A	The City does not have an adequate system in place to ensure compliance with subrecipient monitoring requirements.	Corrective action taken.	

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting 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 basic financial statements of the City of Bloomington, Illinois, as of and for the year ended April 30, 2004, and have issued our report thereon dated July 2, 2004. We did not audit the financial statements of Central Illinois Risk Pooling Authority which represents 13% 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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 04-II-A.

A material weakness is a 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 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 July 2, 2004.

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
July 2, 2004

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, 2004. 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 its major federal program for the year ended April 30, 2004.

Internal Control Over Compliance

The management of the City 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 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 2, 2004.

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
July 2, 2004

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2004

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
66.468	Drinking Water State Revolving Fund

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

Auditee qualified as low-risk auditee? Yes No

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:

04-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 golf course locations. 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 assigning each cashier a specific drawer and implementing standard closeout procedures with each cashier shift change. In addition, the employees with reconciliation and editing system capabilities should be segregated from the collecting of receipts.

Response and Corrective Action Plan: The City of Bloomington has researched the possibility of segregation of duties and implementation of separate cash drawers at each of the golf courses. The benefit of segregating duties and having separate cash drawers has been determined by management to not outweigh the costs.

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2004

III. Findings and Questioned Costs for Federal Awards

None

City of Bloomington, Illinois

Corrective Action Plan
Year Ended April 30, 2004

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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Reportable Conditions in Internal Control

04-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf course locations.	See response and corrective action plan at 04-II-A.	N/A	Judy Whitehart
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