



CITY OF BLOOMINGTON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended April 30, 2003

Prepared by:
Brian J. Barnes, Director of Finance

INTRODUCTORY SECTION

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Introductory Section

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September 20, 2003

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, 2003 is hereby submitted. This report presents a comprehensive and detailed picture of our financial transactions during the 2002 - 2003 fiscal year and the financial condition of the various funds as of April 30, 2003. 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 (GASB). To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Bloomington's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. With the audit for fiscal year ended April 30, 2003, the City will convert the presentation of its financial statements, including infrastructure reporting, to comply with GASB Statement No. 34. As such, the reader will notice many significant changes in scope, approach and presentation with this and future reports as compared to prior year financial statements. 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 & 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, 2003, 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 their 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, 2003, 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 four 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 Governmental Accounting Standards Board (GASB) for the year ended April 30, 2003.

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

Compliance: The City is subject to a single audit under the requirement of the single audit act and OMB Circular A-133. All of the reports and schedules required under these regulations are included within this section.

Profile of the City of Bloomington: The City of Bloomington is located in the heart of Central Illinois, approximately 125 miles southwest of Chicago, 155 miles northeast of St. Louis and 64 miles Northeast of Springfield, the State Capital. Bloomington is the County Seat of McLean County, the largest county in Illinois (approximately 762,240 acres). Bloomington (2000 population 64,808) is a twin city with the Town of Normal (2000 population 45,368). Interstates 74, 55, and 39 intersect in Bloomington-Normal as well as U.S. Routes 51 and 150 and State Route 9. The twin cities are also serviced by three major railroad lines and AMTRAK as well as air transportation at the Bloomington-Normal airport, which services commercial, commuter, corporate, and private aircraft. Bloomington is located in one of the most productive agriculture areas in the nation, but the economy is diverse and well balanced. In addition to the major manufacturers and industries, there are two universities, two community colleges, two hospitals, and sixteen banks and savings and loan associations located in Bloomington-Normal. The City of Bloomington is one of the fastest growing urban areas in Illinois with an estimated 12.3% increase in population between 1990 and 2000. New construction continues to enhance residential, industrial and commercial growth.

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

The City provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, parks and recreation, the operating of the water and sewer utilities, public parking and refuse pickup.

The basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The basic financial statements include the City's blended component unit, the Central Illinois Risk Pooling Authority (CIRPA). CIRPA is a separate legal entity governed by a five-member board appointed by the City Council. CIRPA's sole purpose is to provide insurance coverage to the City. It is reported as an internal service fund.

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:

- Convert the financial statements to be fully compliant with the Governmental Accounting Standards Board (GASB) Statement No. 34 for financial reporting.
- Adding almost five patrolmen to the Police Department.
- Adding needed support positions in the City Clerk Department, Compensation and Benefits, Parks and Recreation, Computer Services and the Public Library.
- Adding seasonal help to Parks and Recreation, Public Service and a half position to both Engineering and Water to allow separation of this Department into two different Departments in the future when the current Department Head retires.
- Adding \$156,446 to the Police Department overtime budget.
- Spending \$15,219,000 on capital improvements including several large parks and road/intersection repair projects.

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 a bit of a slow down in the economy during the last several years similar to what has been the experience of the State and the Country. That being said, 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 few months. 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 has 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 (EBI) (\$52,693) for Bloomington-Normal is 7.05% above the United States EBI of \$49,219 and is projected to continue to grow through 2007.

Bloomington is the headquarters for State Farm Insurance Company. State Farm Insurance Company is the City's largest employer. There are eight major employers in Bloomington-Normal who employ between 1,000 and 15,029 employees each. Another twenty-two employers provide jobs for between 215 and 909 employees, of which the City of Bloomington with 867 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 opened as well. Major employers have remained stable and plans for occupying expanded space are underway. 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 new building to house the Water Department, the rehabilitation of the Champion Federal Building in conjunction with the County operations to house various county/city departments, the repair and improvement of various streets, and the development of the downtown area including a Cultural District remain the main emphasis for the City Council at this time. The City has been approved for a loan from the IEPA for the amount that will be spent on the new water main from Lake Bloomington. The amount of this loan will depend on construction costs but the estimate is approximately \$10 million dollars.

Over the next three to five years, the City will complete Tipton Park, continue work on the new water main from Lake Bloomington, complete rehabilitating the Champion Federal Building and move several departments to that location. In addition, there will be several major road construction repair projects completed. The City will also be considering requests to fund remodeling/expanding the Public Library, further plans to develop the Cultural District, and the potential of an arena in the downtown area.

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, 2003 was 1.456%. The Police Pension and Fire Pension funds are managed by their respective boards. For the fiscal year from May 1, 2001 to April 30 2002, the rate of return for the Fire Pension Fund was -3.0%, due mainly to the drop in the market. For the fiscal year from May 1, 2001 to April 30 2002, the rate of return for the Police Pension Fund was -2.3%, due mainly to the drop in the market. Usually the two Pension Board's returns are higher than the City, but that is because the Pension funds can invest in long-term securities and in equities.

Budget system: 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 and major special revenue funds, 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. 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 firefighters. 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, 2002 of funding 62% of the Police Pension and 67% of the Firefighter's Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded through June 30, 2033 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, 2002. This was the 26th 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 unfailing support for maintaining the highest standards of professionalism in the management of the City of Bloomington's finances.

Respectfully submitted,

Brian J. Barnes,
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bloomington,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2002

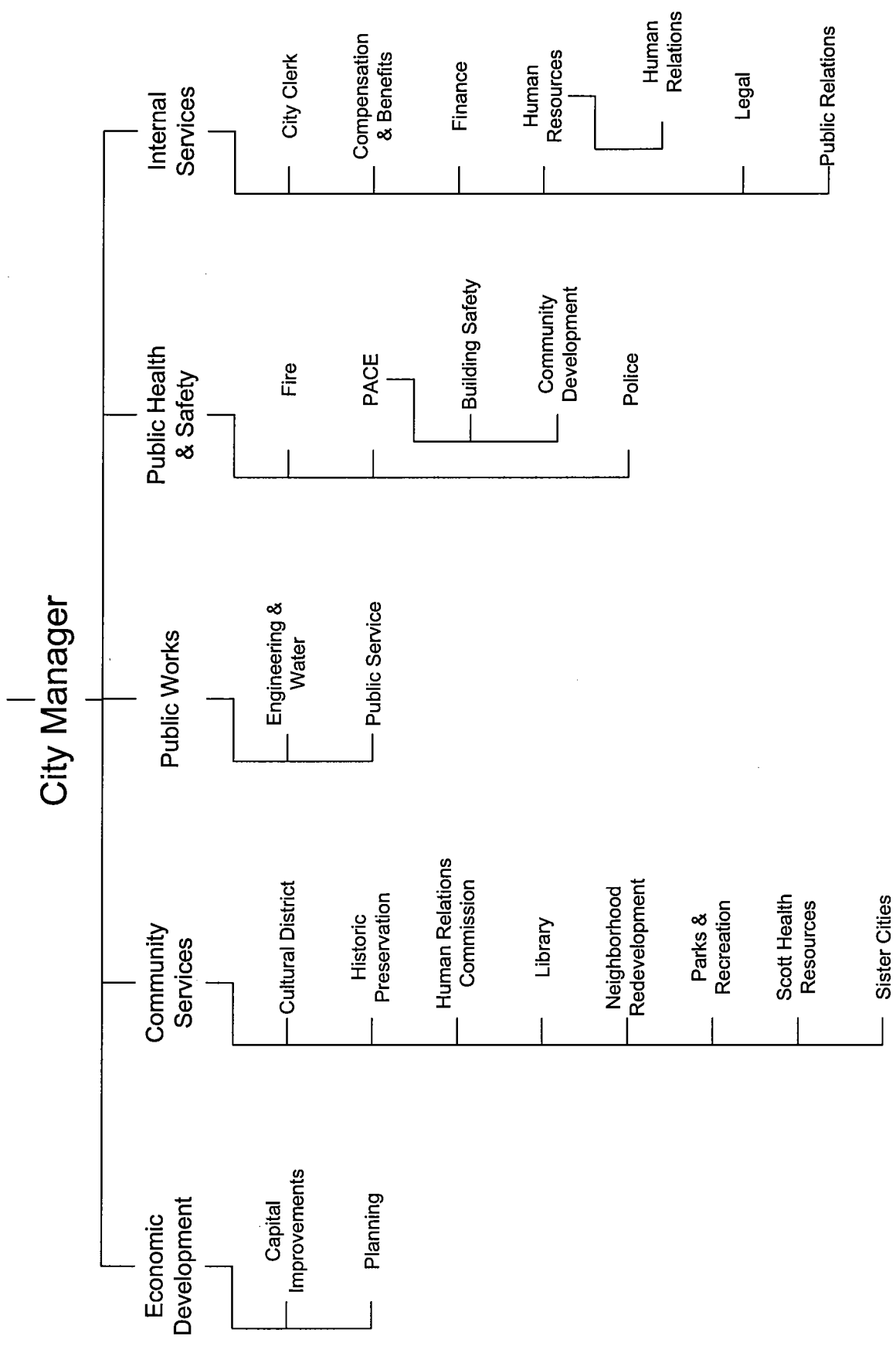
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Mayor and City Council



City of Bloomington, Illinois

Officers and Officials

April 30, 2003

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

Assistant City Manager:

Richard Bailey

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 Public Services:

Richard Paulson

Director of Engineering and Water:

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 C. Kubiak

Director of J.M. Scott Health Resources Center:

Ruth Ann Sikora

Executive Director of Bloomington Cultural District:

Bruce Marquis

FINANCIAL SECTION

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, 2003, 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 6% and 11%, respectively, of the assets and revenues of the aggregate remaining fund information and represents 3% 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As stated in Note 18, the City of Bloomington, Illinois adopted Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*, Statement No. 41, *Budgetary Comparison Schedule – Perspective Differences* and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. As a result, the City restated the infrastructure of the enterprise funds \$52,990,113 based on an inventory. In addition, the City restated the Debt Service Fund \$4,189,961 to correct the reporting of investments in the fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2003, 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 16, budgetary comparison information on pages 69 through 72 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 combining and individual nonmajor fund financial statements and other schedules have 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 3, 2003

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the transmittal letter beginning on page iv) and the City's financial statements (beginning on page 17).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the past 25 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified by Government Accounting Standards Board (GASB) Statement No. 34 and for the first time the City's financial statements present two kinds of statements, each with a different snapshot of the City's finances. The new financial statement's focus 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 17 - 20) 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, for the first time, 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 19-20) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the City's basic services, including police, fire, parks and recreations, public works, engineering, 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 (water, sewer and parking operations), where the fee for service typically covers all or most of the cost of operation, including depreciation.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements (pages 21 - 38) presentation more familiar. The focus is on major funds rather than (the previous model's) fund types.

The Governmental Major Fund (see pages 21 - 25) 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 Funds (Police Pension and Firefighters Pension Funds). While these funds represent 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 enterprise total column on the Proprietary Fund Financial Statements (see pages 27 - 28) is the same as the Business-type column on the Government-Wide Financial Statement, 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 23, 26 and 29). 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 Activities 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, 2003

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This is the first year (ended April 30, 2003) the City of Bloomington will have converted to the GASB Statement No. 34 reporting requirements. The changes in the way the numbers are generated are so extensive that most of the prior years data is not useful for comparison purposes. In accordance with GASB Statement No. 34, the City is not required to restate prior year periods for the purpose of providing comparative information. Therefore, for this first year's statements, we will not be able to provide comparisons to prior year activity for most of the data detailed below. However, in future years as prior year information is accumulated in this new reporting format, a comparative analysis of Government-wide information will be presented.

Government-Wide Statement

The following table reflects the condensed Statement of Net Assets:

Table 1 - City of Bloomington's Net Assets
as of April 30, 2003 (in thousands)

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 59,720	\$ 4,531	\$ 64,251
Capital assets	125,059	117,260	242,319
Total assets	184,779	121,791	306,570
Current liabilities	27,807	935	28,742
Noncurrent liabilities	25,655	1,569	27,224
Total liabilities	53,462	2,504	55,966
Net assets:			
Invested in capital assets, net of related debt	101,340	115,691	217,031
Restricted	5,402	-	5,402
Unrestricted	24,575	3,596	28,171
Total net assets	\$ 131,317	\$ 119,287	\$ 250,604

For more detailed information see the Statement of Net Assets (pages 17-18).

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003**

The City's combined net assets (which is the City's bottom line) increased to \$250.4 million from \$231.3 million as a result of the restatement of net assets due to GASB Statement No. 34, primarily in the Business-Type Activities. Net assets of the City's governmental activities were \$131.1 million. The City's unrestricted net assets for governmental activities, the part that can be used to finance day-to-day operations, were \$24.3 million.

The City's construction in progress increased by \$6.5 million in the Governmental Activities (see Notes to Financial Statements #3) due primarily to the Tipton Park Project and several large street repair projects. Construction in progress for the Business-Type Activities increased by \$2.2 million (again see Notes to Financial Statements #3) due primarily a new project to put in a new water main from Lake Bloomington.

The net assets of Business-Type Activities grew significantly to \$119.2 million, again due to the effect of the restatement of assets by converting to GASB Statement No. 34. The City can use the unrestricted net assets of \$3.5 million to finance the continuing operation of its water, sewer and parking operations. The annual operating cost is approximately \$9.2 million for the water operations and a new pipeline is being laid from Lake Bloomington to provide higher quality water pressure in the feed line to the City. In addition, a new building is being planned for construction to house the Water Department operations. The annual operations cost for the sewer operations is approximately \$2.2 million and smaller repair and upgrade projects are budgeted each year. The operations cost for the Parking operations is approximately \$0.6 million and three new floors are planned to be added next year to the Lincoln Lot in downtown Bloomington. In future years, a water rate increase will be required, plus the addition of a Stormwater Sewer Utility, as well as a rate charged on the water bill, will be created to bring the City into compliance with a new EPA mandate.

Financial Ratios (dollars in thousands)

Where provided, years 1999 through 2002 are estimated using prior year history.

"Working Capital" is the amount by which current assets exceed current liabilities:

	Working Capital				
	1999	2000	2001	2002	2003
Entity-wide summary	\$ 81,348	\$ 94,788	\$ 92,177	\$ 32,012	\$ 28,738
Governmental	74,691	91,217	89,873	30,093	25,142
Business-type	6,657	3,571	2,304	1,919	3,596

"Current Ratio" (compares current assets to current liabilities, CA/CL) is an indicator of the ability to pay current obligations.

	Current Ratio				
	1999	2000	2001	2002	2003
Entity-wide summary	3.15	3.73	4.85	4.63	2.00
Governmental	2.98	3.74	5.23	2.31	1.90
Business-type	3.90	2.31	1.86	1.49	4.85

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003**

"Unrestricted Assets in Reserve" represents the number of days normal operations could continue with no revenue collection (assumes 360 day year).

	Unrestricted Assets
	<u>2003</u>
Entity-wide summary	129.4
Governmental	133.5
Business-type	107.4

"Liabilities to Net Assets" indicates the extent of borrowing.

	Liabilities to Net Assets
	<u>2003</u>
Entity-wide summary	22.35
Governmental	40.77
Business-type	2.09

"Return on Assets from Operations" is the percentage in changes to net assets to net assets at the beginning of the year. Illustrates to what extent there will be sufficient funds to replace assets in the future.

	Return on Assets
	<u>2003</u>
Entity-wide summary	8.24
Governmental	13.14
Business-type	3.32

"Receivables to Cash" determines the ratio of accounts receivable of customers to overall cash and cash equivalents.

	Receivables to Cash
	<u>2003</u>
Entity-wide summary	15.69
Governmental	10.27
Business-type	91.85

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

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, an increase in invested in capital assets and an increase in related net debt which will not change the 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.

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

The City maintains internal service funds for its self-insured employees health insurance program, and its liability property and workers' compensation insurance programs (see Note to Financial Statements #12 for more details on how these funds operate). For employee medical insurance, the City self-insures up to a stop loss of \$90,000 per individual occurrence, with private insurance picking up losses in excess of the stop loss. Health Insurance claim payments dropped \$414,312 or 12.59% from 2002 to 2003.

The City created the Central Illinois Risk Pooling Authority (CIRPA) in 1995 to handle general liability and worker's compensation claims. CIRPA claim payments increased \$2,007,024 or 127.26% from 2002 to 2003.

The City began construction of a 10-mile long water main from the Lake Bloomington Water Plant to the City to comply with new EPA standards for water pressure. This will be a multi-year project that is being funded by a low interest loan from the IEPA and is being repaid through the usage of water. The City has a water rate study done regularly and the debt service for this project has been built into the total rate charged by the City.

The City also began in 2002 the development of a "Cultural District" in the northeast side of the downtown district. This project is intended to rehabilitate an 80-year old theatre building acquired from the Scottish Rite, provide for arts education space and additional parking. It is being funded by \$1,500,000 a year allocated from the City Home Rule Sales Tax collections for ten years.

In January 2003 the City established a 2% Food and Beverage Tax to assist with meeting the growing costs of providing essential services to the community. It is estimated that this new tax will generate at least \$2,000,000 per year in new taxes. Also effective January 2003, the City increased the existing 1% Hotel Motel Tax (with all revenues previously going to the Chamber of Commerce) to 6%, with the Chamber getting 1/3 of the revenue and the City retaining the remaining 2/3 (estimated to amount to \$780,000 per year) to also help meet increasing costs of services.

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003**

The following chart shows the revenue and expenses of the governmental activities.

Table 2 - City of Bloomington's Changes in Net Assets
as of April 30, 2003 (in millions)

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 8.6	\$ 14.4	\$ 23.0
Operating grants and contributions	2.9	-	2.9
Capital grants and contributions	1.3	-	1.3
General revenues:			
Property taxes	13.3	-	13.3
Sales taxes	15.8	-	15.8
Other taxes	31.0	-	31.0
Contributions	4.6	2.3	6.9
Transfers	1.5	(1.5)	-
Other	1.9	0.6	2.5
Total revenues	80.9	15.8	96.7
Expenses:			
General government	11.5	-	11.5
Public safety	18.4	-	18.4
Highways and streets	11.8	-	11.8
Sanitation	8.1	-	8.1
Health and welfare	0.3	-	0.3
Culture and recreation	12.0	-	12.0
Community development	2.1	-	2.1
Interest on long-term debt	1.3	-	1.3
Water	-	9.2	9.2
Sewer	-	2.2	2.2
Parking	-	0.6	0.6
Total expenses	65.5	12.0	77.5
Change in net assets	15.4	3.8	19.2

(Note: There will be some slight differences in totals due to rounding).

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

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 non-recurring) - Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (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.

Revenue:

- For the fiscal year ended April 30, 2003, revenues from governmental activities totaled \$80.9 million. Sales taxes comprise the single largest segment of that revenue at \$15.8 million which represents 19.5% of the total Governmental Activities.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

- The City property tax collections comprise \$13.3 million or 16.4% of the total Governmental Activities. The City's 2002 levy year equalized assessed valuation increased 7.58%, while the City's property tax rate (excluding the Library levy) dropped from 1.04974 per \$100 of EAV for tax year 2001 to 1.01732 per \$100 of EAV for tax year 2002. Including the Library levy, the total City's 2002 property tax levy increased from 1.27426 per \$100 of EAV for tax year 2001 to 1.29340 per \$100 of EAV for tax year 2002.

Expenses:

- For the fiscal year ended April 30, 2003, expenses for governmental activities totaled \$65.7 million.
- Overall staffing levels in all City operations dropped -4.16 from FY2002-2003 to FY 2003-2004. This was achieved by eliminating many partial seasonal or part time positions throughout the City, plus eliminating budget positions that had been previously approved but not filled. As the economy improves in the coming years, it is expected that these positions would be rebudgeted as more revenue becomes available.
- 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 2003 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.
- The City added \$52,990,113 in infrastructure assets to the combined fund balances as a result of the restatement of assets required with the adoption of the GASB Statement No. 34. It is important to understand that this increase in fund balance is not spendable money, but rather the recognition of the remaining value of various assets that previously were not reported. Infrastructure assets included roads, bridges, right-of-ways, stormsewer systems, detention ponds, and Lake Bloomington/Evergreen Lake.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended April 30, 2003, the governmental funds reflect a combined fund balance of \$32.7 million (of which \$6.9 million was added due to the impact of the GASB 34 restatement of assets). Included in this year's increase in fund balance is \$4.9 million in General Corporate Fund revenues in excess of expenditures and other financing sources. The primary cause for the General Corporate Fund's increase in fund balance is that revenues came in much higher than expenses. This is due to the combined impact of raising revenues (as previously mentioned, an increase to the Hotel/Motel Tax and instituting a 2% Food and Beverage Tax effective January 1, 2003), a strengthening of sales tax collections as the local economy recovered from a downturn, and various cost cutting efforts. Among the cost cutting efforts pursued were replacing only absolutely essential staff, reducing staff travel and non-safety oriented training and postponing acquisitions where possible for a year. In addition, the General Corporate Fund contributed \$4.6 million to pay-as-you-go financing of capital projects in FY 2003.

City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003

		General Fund Budgetary Highlights as of April 30, 2003 (in thousands)			
General Fund		Original Budget	Final Budget	Actual	Variance From Final
Revenues:					
Taxes		\$ 37,502	\$ 37,502	\$ 43,494	\$ 5,992
Intergovernmental		1,217	1,636	1,540	(96)
All other		15,129	10,178	9,635	(543)
Total revenues		53,848	49,316	54,669	5,353
Expenditures and Transfers:					
Expenditures		46,873	48,509	46,939	1,570
Transfers		2,808	7,009	2,795	4,214
Total expenditures and transfers		49,681	55,518	49,734	5,784
Change in fund balance		4,167	(6,202)	4,935	11,137

For more detail on the above numbers, see Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balances - Budgetary Basis - Budget to Actual, page 69. Actual General Corporate Fund revenues exceeded original budgeted revenues by \$5.352 million. This is due to a combination of the creation of a Food and Beverage Tax, the increase of the Hotel/Motel Tax and transfer of the excess to the General Fund, increases in collection of Home Rule Sales Tax, Vehicle Use Tax and Utility Taxes. Comparing the original budget to the final budget adjusted by budget amendments, actual General Corporate Fund expenditures and transfers were greater than the original budget by \$0.083 million, but were less than the final budget by \$5.784 million.

The City amended the FY 2002-03 budget three times. These amendments were done for the following reasons:

- (1) To move the employee's health care costs out of the General Fund and consolidate the payments in a separate internal service fund to assist with the tracking of costs. This involved lowering budgeted General Fund revenues by \$5,954,800 and lowering budgeted General Fund expenses by \$1,727,504. It also created an internal service fund to administer all employee insurance issues and the amendment budgeted revenues of \$7,260,410 and expenses of \$2,729,712 for this purpose.
- (2) To adjust the Library operations budget to accommodate an anticipated \$700,000 expenditure to replace the Library building HVAC system.
- (3) To amend the budget to accommodate various changes due to new projects, cost over runs, transfers or prior budgeting mistakes in operations across many budgets and funds. The impact was to increase the following expense budgets:
 - ✓ General Fund up \$650,000
 - ✓ Hotel/Motel Tax Fund up \$85,000
 - ✓ Sister City Fund up \$16,775

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003**

- ✓ SOAR Fund up \$17,100
- ✓ Cultural District Asset Replacement Fund up \$5,000
- ✓ Residential Rehabilitation Fund up \$133,276
- ✓ Community Development Fund up \$289,696
- ✓ Library Fund up \$116,000
- ✓ Library Fixed Asset Fund up \$100,867
- ✓ Task Force 6 Fund up \$9,593
- ✓ Task Force 6 Federal Grant Fund up \$78,800
- ✓ General Bond and Interest Fund up \$193,362
- ✓ Capital Improvements Fund up \$1,000,000
- ✓ Central Bloomington TIF Fund up \$1,000,000
- ✓ Fixed Asset Replacement Fund up \$4,000,000
- ✓ Water Fund up \$250,000
- ✓ Water Purification Fund up \$750,000
- ✓ Water Depreciation Fund up \$1,475,000
- ✓ IEPA Loan Distribution Fund up \$4,200,000
- ✓ Flex Cash Fund up \$90,587

Capital Assets

At the end of fiscal year 2003, the City's Governmental Activities (including internal service funds) had invested \$125,059,000 (see Notes to Financial Statements #3) in a variety of capital assets and infrastructure, as reflected in the following schedule.

City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003

Table 3
Governmental Funds
Change in Capital Assets (in thousands)

	Balance April 30, 2002	Net Additions/ Deletions	Balance April 30, 2003
Nondepreciable Assets:			
Land	\$ 14,737	\$ 508	\$ 15,245
Construction in progress	6,791	6,552	13,343
Other capital assets:			
Land improvements	3,978	672	4,650
Construction	32,229	313	32,542
Infrastructure	151,923	5,980	157,903
Machinery and equipment	14,022	388	14,410
Licensed vehicles	11,434	111	11,545
Zoo animals	7	-	7
Less accumulated depreciation on other capital assets	115,655	8,935	124,590
Totals	\$ 119,466	\$ 5,589	\$ 125,055

The retirements in the construction in progress are equally reflected as an addition in capital assets.

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

Governmental activities:	
GE Road	\$ 0.500
Route 9 reconstruction	0.968
Towanda Avenue - Emerson intersection	1.632
Emerson street bridge replacement	1.092
Vale street curb and gutter	0.547
Design and construction - McGraw Park	1.082
Tipton park design and construction	1.458
Business-type activities:	
Design electrical improvement - Lake Evergreen	0.186
Lake Bloomington fluoride tank	0.124
36" water main lake Bloomington to Ft. Jesse	0.115
Lake Bloomington water pump three replacement	0.407
36" pipeline road water main	2.070
Pipeline road water main elevated tank	0.444
Hamilton road sewer	0.100
Catherine/Mason water main	0.127

City of Bloomington, Illinois

**Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2003**

Debt Outstanding

The City of Bloomington had total long-term debt and loans payable of \$32.422 million as of April 30, 2003. This is comprised of General Obligation Debt, agreements with developers, compensated absences to employees and loans payable. For more detail see Notes to Financial Statements Note #5.

	Long-Term Debt (in millions)		
	Beginning Balance April 30, 2002	Net Additions/ Deletions	Ending Balance April 30, 2003
	Government activities:		
General obligation debt	\$ 25.973	\$ (2.254)	\$ 23.719
Agreements with developers	7.638	(1.712)	5.926
Compensated absences	1.001	0.208	1.209
Government activities total	34.612	(3.758)	30.854
Business activities, loans payable	-	1.569	1.569
Total long-term debt	\$ 34.612	\$ (2.189)	\$ 32.423

During the year, \$2,254,000 net of the General Obligation Debt was retired, \$1,712,793 of the Developers Agreements was retired, and compensated absences increased by \$207,889 in accrual.

The City of Bloomington maintains an AA rating from Standard and Poor's and an Aa2 rating from Moody's Investor Services. As a home rule authority, the City of Bloomington does not have a legal debt limit. The City planned (and in June 2003 did) to issue \$10 million in General Obligation debt to complete the Tipton Park project and complete multiple needed road repair projects. The debt service will be paid by using \$700,000 a year of the annual property tax levy, currently used to write down a judgment fund deficit that will be eliminated in two years.

Economic Factor's and Next Year's Budget

The City's assessed value grew by an average of 7.66% over the last four 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 19.6 % 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. For example, a new Wal-Mart recently opened on the west side of town. While the generated sales taxes are shared at this point with the developer and with the Town of Normal (the site of the development is in the Metrozone shared between the two municipalities), 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 has so far shown a healthy double-digit growth in sales tax collections. Sales taxes, franchise taxes, and other taxes comprise 68% 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.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2003

Unemployment rates for the City was 2.5% county-wide, 6.3% for the state and 6.0% for the United States as of April 30, 2003. This shows that the employment environment in the Bloomington area is very strong, even at the time of recovering from an economic downturn.

The 2003-04 budget shows the General Fund revenues decreasing -1.87%, expenses decreasing -5.75%, for an overall budget surplus of 4.06%. With the new budget year, the City Council approved the institution of a new \$5 per month garbage fee which should generate approximately \$1.5 million a year. Also, the City Council approved a new 2% packaged liquor tax and this is expected to generate approximately \$300,000 per year.

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, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 21,740,514	\$ 1,547,497	\$ 23,288,011
Investments	7,337,260	-	7,337,260
Receivables, net of allowances for uncollectibles of \$337,127:			
Taxes	13,662,109	-	13,662,109
Loans	1,573,273	-	1,573,273
Accounts	2,232,114	1,421,837	3,653,951
Accrued interest	28,263	-	28,263
Due from other governmental units	6,884,552	-	6,884,552
Internal balances	(1,487,185)	1,487,185	-
Inventory	382,069	66,094	448,163
Prepaid items	242,590	8,995	251,585
Properties held for resale	353,447	-	353,447
Total current assets	52,949,006	4,531,608	57,480,614
Noncurrent assets:			
Land	15,245,568	4,418,938	19,664,506
Construction in progress	13,343,921	4,687,356	18,031,277
Other capital assets, net of accumulated depreciation	96,470,193	108,153,737	204,623,930
Total capital assets, net of depreciation	125,059,682	117,260,031	242,319,713
Pension assets	1,368,131	-	1,368,131
Restricted investments	5,402,151	-	5,402,151
Total noncurrent assets	131,829,964	117,260,031	249,089,995
Total assets	\$ 184,778,970	\$ 121,791,639	\$ 306,570,609

See Notes to Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities and Net Assets			
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 5,668,455	\$ 723,659	\$ 6,392,114
Compensated absences	1,209,331	165,763	1,375,094
Accrued interest payable	532,588	1,600	534,188
Unearned revenue	2,744,497	-	2,744,497
Deferred revenue, property taxes	13,662,109	-	13,662,109
Deposits	-	44,182	44,182
Current portion of developer agreements	1,700,000	-	1,700,000
Current portion of general obligation bonds payable	2,290,141	-	2,290,141
Total current liabilities	27,807,121	935,204	28,742,325
Noncurrent Liabilities:			
Developer agreements, noncurrent portion	4,226,189	-	4,226,189
Loan payable, noncurrent portion	-	1,568,767	1,568,767
General obligation bonds payable, noncurrent portion	21,428,719	-	21,428,719
Total noncurrent liabilities	25,654,908	1,568,767	27,223,675
Total liabilities	53,462,029	2,503,971	55,966,000
Net Assets			
Invested in capital assets, net of related debt	101,340,822	115,691,264	217,032,086
Restricted	5,402,151	-	5,402,151
Unrestricted	24,573,968	3,596,404	28,170,372
Total net assets	131,316,941	119,287,668	250,604,609
Total liabilities and net assets	\$ 184,778,970	\$ 121,791,639	\$ 306,570,609

City of Bloomington, Illinois

Statement of Activities
For the Year Ended April 30, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (11,492,732)	\$ 4,041,612	\$ 1,117,843	\$ -
Public safety	(18,411,111)	1,320,738	373,198	-
Highways and streets	(11,789,502)	43,635	-	1,316,953
Sanitation	(8,098,356)	-	-	-
Health and welfare	(344,003)	-	-	-
Culture and recreation	(12,020,505)	3,231,038	121,005	-
Community development	(2,097,137)	-	1,303,161	-
Interest on long-term debt	(1,322,768)	-	-	-
Total governmental activities	(65,576,114)	8,637,023	2,915,207	1,316,953
Business-type activities:				
Water	(9,193,747)	11,457,577	-	-
Sewer	(2,238,765)	2,212,244	-	-
Parking	(618,427)	781,186	-	-
Total business-type activities	(12,050,939)	14,451,007	-	-
Total government	\$ (77,627,053)	\$ 23,088,030	\$ 2,915,207	\$ 1,316,953

General Revenues

Taxes:

- Property taxes
- Franchise taxes
- Sales taxes
- Other taxes
- Investment earnings
- Miscellaneous
- Loss on sale of capital assets

Transfers

Capital contributions

Total general revenues, transfers and capital contributions

- Changes in net assets
- Net assets beginning of year
- Net assets end of year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (6,333,277)	\$ -	\$ (6,333,277)
(16,717,175)	-	(16,717,175)
(10,428,914)	-	(10,428,914)
(8,098,356)	-	(8,098,356)
(344,003)	-	(344,003)
(8,668,462)	-	(8,668,462)
(793,976)	-	(793,976)
(1,322,768)	-	(1,322,768)
(52,706,931)	-	(52,706,931)
-	2,263,830	2,263,830
-	(26,521)	(26,521)
-	162,759	162,759
-	2,400,068	2,400,068
(52,706,931)	2,400,068	(50,306,863)
13,392,139	-	13,392,139
871,301	-	871,301
15,876,621	-	15,876,621
30,206,186	-	30,206,186
(365,542)	8,346	(357,196)
2,112,820	682,980	2,795,800
(130,754)	-	(130,754)
1,539,067	(1,539,067)	-
4,628,564	2,286,186	6,914,750
68,130,402	1,438,445	69,568,847
15,423,471	3,838,513	19,261,984
115,893,470	115,449,155	231,342,625
\$ 131,316,941	\$ 119,287,668	\$ 250,604,609

City of Bloomington, Illinois

**Balance Sheet
Governmental Funds
April 30, 2003**

	General	Illinois Municipal Retirement and Social Security	Library	Debt Service
Assets				
Cash and cash equivalents	\$ 7,225,607	\$ 944,906	\$ 680,635	\$ 1,028,281
Investments	1,275,412	-	-	660,843
Receivables, net of allowance for uncollectibles:				
Taxes	6,387,942	2,146,529	3,524,108	1,603,530
Loans	197,754	-	-	-
Accounts	1,701,245	-	53	-
Due from other governmental units	6,551,858	-	-	19,489
Due from other funds	953,816	12,654	1,518	1,871,563
Inventory	382,069	-	-	-
Properties held for resale	-	-	-	-
Total assets	\$ 24,675,703	\$ 3,104,089	\$ 4,206,314	\$ 5,183,706
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,119,937	\$ 156,419	\$ 136,513	\$ -
Due to other funds	4,675,300	730,501	19,268	1,541,123
Unearned revenue	1,145,260	-	-	-
Deferred revenue	8,775,106	2,146,529	3,524,108	1,623,019
Total liabilities	16,715,603	3,033,449	3,679,889	3,164,142
Fund balances:				
Reserved for:				
Inventory	382,069	-	-	-
Loans	197,754	-	-	-
Encumbrances	385,910	5,000	-	-
Trust corpus	-	-	-	-
Property held for resale	-	-	-	-
Unreserved, undesignated reported in:				
General Fund	6,994,367	-	-	-
Special revenue funds	-	65,640	526,425	-
Debt Service Fund	-	-	-	2,019,564
Capital project funds	-	-	-	-
Permanent fund	-	-	-	-
Total fund balances	7,960,100	70,640	526,425	2,019,564
Total liabilities and fund balances	\$ 24,675,703	\$ 3,104,089	\$ 4,206,314	\$ 5,183,706

See Notes to Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total
\$ 377,649	\$ 11,309,459	\$ 21,566,537
-	6,389,508	8,325,763
-	-	13,662,109
-	1,375,519	1,573,273
54,838	139,107	1,895,243
-	313,205	6,884,552
1,820,849	2,628,141	7,288,541
-	-	382,069
-	353,447	353,447
<u>\$ 2,253,336</u>	<u>\$ 22,508,386</u>	<u>\$ 61,931,534</u>

\$ 37,695	\$ 246,188	\$ 2,696,752
930	1,727,996	8,695,118
581,359	58,791	1,785,410
-	-	16,068,762
<u>619,984</u>	<u>2,032,975</u>	<u>29,246,042</u>

-	-	382,069
-	1,375,519	1,573,273
3,951,681	3,468,467	7,811,058
-	5,402,151	5,402,151
-	353,447	353,447
-	-	6,994,367
-	8,042,622	8,634,687
-	-	2,019,564
(2,318,329)	552,022	(1,766,307)
-	1,281,183	1,281,183
<u>1,633,352</u>	<u>20,475,411</u>	<u>32,685,492</u>

<u>\$ 2,253,336</u>	<u>\$ 22,508,386</u>	<u>\$ 61,931,534</u>
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City of Bloomington, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
April 30, 2003

Total governmental fund balances	\$ 32,685,492
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.	<u>125,059,682</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	<u>2,406,653</u>
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	5,195,349
Internal balances	(218,423)
Current liabilities	<u>(3,930,790)</u>
	<u>1,046,136</u>
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.	<u>1,368,131</u>
Internal service funds allocated to business-type activities.	<u>137,815</u>
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	(1,209,331)
Accrued interest payable	(532,588)
Developer agreements	(5,926,189)
General obligation bonds payable	<u>(23,718,860)</u>
	<u>(31,386,968)</u>
Net assets of governmental activities	<u><u>\$ 131,316,941</u></u>

See Notes to Financial Statements.

City of Bloomington, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2003**

	Illinois Municipal Retirement and Social		
	General	Security	Library
Revenues			
Taxes	\$ 43,494,293	\$ 2,010,819	\$ 2,672,255
Intergovernmental	1,540,231	386,966	212,108
Licenses and permits	1,261,416	-	-
Charges for services	5,984,918	-	38,934
Fines and forfeitures	790,549	-	-
Use of money and property	177,189	-	23,416
Other	1,421,102	2,283	253,685
Total revenues	54,669,698	2,400,068	3,200,398
Expenditures			
Current:			
General government	9,291,298	102	-
Public safety	17,764,701	-	-
Highways and streets	3,025,573	-	-
Sanitation	7,691,902	-	-
Health and welfare	-	-	-
Culture and recreation	6,936,857	-	3,538,477
Community development	-	-	-
Debt Service:			
Principal	1,058,647	-	-
Interest and fiscal agent fees	-	-	-
Capital outlay	1,201,928	-	-
Total expenditures	46,970,906	102	3,538,477
Excess (deficiency) of revenues over (under) expenditures	7,698,792	2,399,966	(338,079)
Other Financing Sources (Uses):			
Transfers in	5,719,939	-	-
Transfers out	(8,515,909)	(2,175,788)	-
Capital contributions	-	-	-
Proceeds from sale of property	-	-	-
Total other financing sources (uses)	(2,795,970)	(2,175,788)	-
Net change in fund balances	4,902,822	224,178	(338,079)
Fund balances (deficits), beginning of year, as restated	3,057,278	(153,538)	864,504
Fund balances, end of year	\$ 7,960,100	\$ 70,640	\$ 526,425

See Notes to Financial Statements.

	Debt Service	Capital Improvements	Nonmajor Governmental Funds	Total
\$	2,054,766	\$ -	\$ 1,119,644	\$ 51,351,777
	874,662	1,316,952	6,489,058	10,819,977
	-	-	-	1,261,416
	-	3,600	126,773	6,154,225
	-	-	-	790,549
	81,234	-	(189,377)	92,462
	-	-	435,750	2,112,820
	3,010,662	1,320,552	7,981,848	72,583,226
	-	-	1,566,851	10,858,251
	-	-	-	17,764,701
	-	-	1,689,570	4,715,143
	-	-	-	7,691,902
	-	-	341,489	341,489
	-	-	461,416	10,936,750
	-	-	2,059,672	2,059,672
	2,425,000	-	654,146	4,137,793
	1,200,066	-	-	1,200,066
	-	13,012,000	-	14,213,928
	3,625,066	13,012,000	6,773,144	73,919,695
	(614,404)	(11,691,448)	1,208,704	(1,336,469)
	1,795,976	4,649,445	448,232	12,613,592
	-	-	(382,828)	(11,074,525)
	-	4,480,402	148,162	4,628,564
	-	-	213,150	213,150
	1,795,976	9,129,847	426,716	6,380,781
	1,181,572	(2,561,601)	1,635,420	5,044,312
	837,992	4,194,953	18,839,991	27,641,180
\$	2,019,564	\$ 1,633,352	\$ 20,475,411	\$ 32,685,492

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, 2003**

Net change in fund balances - governmental funds	\$ 5,044,312
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	15,509,836
Depreciation	(9,972,836)
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	(130,754)
Proceeds from the sale of property	(213,150)
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	(207,889)
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	4,137,793
Interest	(122,702)
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.	(1,217,768)
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.	2,406,653
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	189,976
Change in net assets of governmental activities	\$ 15,423,471

See Notes to Financial Statements.

City of Bloomington, Illinois

Balance Sheet
Proprietary Funds
April 30, 2003

Assets	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Current assets:			
Cash and cash equivalents	\$ 960,380	\$ 492,021	\$ 95,096
Investments	-	-	-
Accounts receivable	1,175,183	205,006	41,648
Accrued interest receivable	-	-	-
Due from other funds	725,000	1,000,000	-
Inventory	66,094	-	-
Prepaid items	-	-	8,995
Total current assets	2,926,657	1,697,027	145,739
Noncurrent assets, capital assets, net	67,878,717	45,883,429	3,497,885
Total assets	\$ 70,805,374	\$ 47,580,456	\$ 3,643,624
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 676,941	\$ 31,893	\$ 14,825
Compensated absences	122,990	28,879	13,894
Accrued interest payable	1,600	-	-
Due to other funds	-	-	100,000
Unearned revenue	-	-	-
Deposits	34,770	-	9,412
Total current liabilities	836,301	60,772	138,131
Noncurrent liabilities, loan payable, noncurrent portion	1,568,767	-	-
Total liabilities	2,405,068	60,772	138,131
Net assets:			
Invested in capital assets, net of related debt	66,309,950	45,883,429	3,497,885
Unrestricted	2,090,356	1,636,255	7,608
Total net assets	68,400,306	47,519,684	3,505,493
Total liabilities and net assets	\$ 70,805,374	\$ 47,580,456	\$ 3,643,624

See Notes to Financial Statements.

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$	1,547,497	\$	173,977
	-		4,413,648
	1,421,837		336,871
	-		28,263
	1,725,000		10,631
	66,094		-
	8,995		242,590
	<u>4,769,423</u>		<u>5,205,980</u>
	117,260,031		-
\$	<u>122,029,454</u>	\$	<u>5,205,980</u>
\$	723,659	\$	2,971,703
	165,763		-
	1,600		-
	100,000		229,054
	-		959,087
	44,182		-
	<u>1,035,204</u>		<u>4,159,844</u>
	1,568,767		-
	<u>2,603,971</u>		<u>4,159,844</u>
	115,691,264		-
	3,734,219		1,046,136
	<u>119,425,483</u>		<u>1,046,136</u>
\$	<u>122,029,454</u>	\$	<u>5,205,980</u>

City of Bloomington, Illinois

Reconciliation of Enterprise Funds Net Assets to the Statement of Net Assets
April 30, 2003

Total enterprise funds net assets \$ 119,425,483

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.

(137,815)

Net assets of business-type activities \$ 119,287,668

See Notes to Financial Statements.

City of Bloomington, Illinois

Statement of Revenues, Expenses and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended April 30, 2003

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Operating revenues, charges for services	\$ 11,457,577	\$ 2,212,244	\$ 781,186
Operating expenses:			
Personal services	3,387,673	871,419	337,315
Contractual services	2,359,456	351,492	61,581
Commodities	1,817,017	125,105	86,805
Depreciation	1,473,276	898,363	127,308
Other charges, primarily claims	11,114	-	5,200
Total operating expenses	9,048,536	2,246,379	618,209
Operating income (loss)	2,409,041	(34,135)	162,977
Nonoperating revenues (expenses):			
Investment earnings	8,346	-	-
Other income	417,407	262,271	3,302
Total nonoperating revenues (expenses)	425,753	262,271	3,302
Income (loss) before transfers and capital contributions	2,834,794	228,136	166,279
Capital contributions	1,582,631	703,555	-
Transfers out	(1,036,750)	(502,317)	-
Change in net assets	3,380,675	429,374	166,279
Total net assets, beginning, as restated	65,019,631	47,090,310	3,339,214
Total net assets, ending	\$ 68,400,306	\$ 47,519,684	\$ 3,505,493

See Notes to Financial Statements.

Governmental Activities	
Total Enterprise Funds	Internal Service Funds
\$ 14,451,007	\$ 7,169,003
4,596,407	-
2,772,529	1,676,392
2,028,927	-
2,498,947	-
16,314	6,390,190
<u>11,913,124</u>	<u>8,066,582</u>
<u>2,537,883</u>	<u>(897,579)</u>
8,346	(458,004)
682,980	-
<u>691,326</u>	<u>(458,004)</u>
<u>3,229,209</u>	<u>(1,355,583)</u>
<u>2,286,186</u>	<u>-</u>
<u>(1,539,067)</u>	<u>-</u>
3,976,328	(1,355,583)
115,449,155	2,401,719
<u>\$ 119,425,483</u>	<u>\$ 1,046,136</u>

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, 2003**

Net changes in net assets in enterprise funds	\$ 3,976,328
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>(137,815)</u>
Change in net assets of business-type activities	<u>\$ 3,838,513</u>

See Notes to Financial Statements.

City of Bloomington, Illinois

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended April 30, 2003

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Cash flows from operating activities:			
Receipts from customers and users	\$ 11,391,521	\$ 2,247,009	\$ 777,682
Payments to suppliers	(3,490,592)	(365,161)	(279,976)
Payments to claimants	-	-	-
Payments to employees	(3,381,855)	(864,735)	(338,300)
Net cash provided by (used in) operating activities	4,519,074	1,017,113	159,406
Cash flows from noncapital financing activities:			
Payments to interfund accounts	(3,212,151)	(610,529)	(147,982)
Other nonoperating income	417,407	262,271	3,302
Net cash (used in) noncapital financing activities	(2,794,744)	(348,258)	(144,680)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(4,412,690)	(265,087)	(11,625)
Proceeds from loan	1,568,767	-	-
Capital grant	747,870	-	-
Net cash (used in) capital and related financing activities	(2,096,053)	(265,087)	(11,625)
Cash flows from investing activities:			
Interest and dividends received	8,346	-	-
Purchase of investments	-	-	-
Proceeds from sale and maturity of investments	-	-	-
Collection of loss deposits	-	-	-
Net cash provided by investing activities	8,346	-	-
Increase (decrease) in cash and cash equivalents	(363,377)	403,768	3,101
Cash and cash equivalents, beginning of year	1,323,757	88,253	91,995
Cash and cash equivalents, end of year	<u>\$ 960,380</u>	<u>\$ 492,021</u>	<u>\$ 95,096</u>

(Continued)

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$	14,416,212	\$	7,602,915
	(4,135,729)		(2,106,276)
	-		(6,459,161)
	(4,584,890)		-
	<u>5,695,593</u>		<u>(962,522)</u>
	(3,970,662)		(332,561)
	682,980		-
	<u>(3,287,682)</u>		<u>(332,561)</u>
	(4,689,402)		-
	1,568,767		-
	747,870		-
	<u>(2,372,765)</u>		<u>-</u>
	8,346		203,461
	-		(3,522,740)
	-		4,198,802
			118,765
	<u>8,346</u>		<u>998,288</u>
	43,492		(296,795)
	1,504,005		470,772
\$	<u>1,547,497</u>	\$	<u>173,977</u>

City of Bloomington, Illinois

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended April 30, 2003

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Parking
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 2,409,041	\$ (34,135)	\$ 162,977
Adjustments to reconcile operating income (loss) to net cash provided by operating activities, depreciation and amortization	1,473,276	898,363	127,308
Change in assets and liabilities:			
Receivables	(87,415)	34,765	(3,452)
Inventory	(1)	-	-
Prepaid items	419,594	86,415	8,547
Accounts payable and accrued expenses	277,402	25,021	(134,937)
Deferred revenue	-	-	-
Deposits	21,359	-	(52)
Compensated absences	5,818	6,684	(985)
Net cash provided by (used in) operating activities	\$ 4,519,074	\$ 1,017,113	\$ 159,406
Schedule of noncash items:			
Capital and related financing activities:			
Contribution of capital assets	\$ 834,761	\$ 703,555	\$ -
Capital assets restatement			
Investing activities, net depreciation in fair value of investments	\$ -	\$ -	\$ -

See Notes to Financial Statements.

		Governmental Activities	
Total Enterprise Funds			Internal Service Funds
\$ 2,537,883	\$	(897,579)	
2,498,947		-	
(56,102)		236,284	
(1)		-	
514,556		(214,744)	
167,486		(93,725)	
-		7,242	
21,307		-	
11,517		-	
<u>\$ 5,695,593</u>	<u>\$</u>	<u>(962,522)</u>	

\$ 1,538,316 \$ -

-

\$ - \$ (525,541)

City of Bloomington, Illinois

Statement of Fiduciary Net Assets

Pension Trust Funds

April 30, 2003

Assets:

Cash and cash equivalents	\$ 9,202,725
Investments	44,674,198
Receivables:	
Employer	2,848,138
Accrued interest	129,508
Total assets	<u>56,854,569</u>

Liabilities:

Accounts payable	15,780
Benefits payable	1,000
Total liabilities	<u>16,780</u>

Net assets,

held in trust for pension benefits	<u>\$ 56,837,789</u>
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See Notes to Financial Statements.

City of Bloomington, Illinois

**Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended April 30, 2003**

Additions:

Contributions:

Employer	\$ 2,982,161
Plan member deposits	<u>1,000,366</u>
Total contributions	<u>3,982,527</u>

Net investment (loss):

Net (depreciation) in fair value of investments	(1,352,917)
Interest	770,709
Dividends	<u>142,148</u>
Total investment (loss)	<u>(440,060)</u>
Less investment expense	<u>70,361</u>
Net investment (loss)	<u>(510,421)</u>

Total additions	<u>3,472,106</u>
------------------------	-------------------------

Deductions:

Benefits	3,715,839
Refund of contributions	37,314
Administrative expenses	<u>89,901</u>
Total deductions	<u>3,843,054</u>

Change in net assets	(370,948)
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Net assets held in trust for benefits, beginning of year	<u>57,208,737</u>
Net assets held in trust for benefits, end of year	<u><u>\$ 56,837,789</u></u>

See Notes to Financial Statements.

City of Bloomington, Illinois

Notes to 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, 2002. 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.

City of Bloomington, Illinois

Notes to Financial Statements

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.

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.

Library - 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.

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

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.

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.

City of Bloomington, Illinois

Notes to 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.

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.

City of Bloomington, Illinois

Notes to Financial Statements

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

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.

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.

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.

Notes to Financial Statements

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

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 City adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, during the fiscal year ended April 30, 2003. The adoption of this Statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the City's financial outlook.

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.

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.

City of Bloomington, Illinois

Notes to Financial Statements

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

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represents the 2002 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.

City of Bloomington, Illinois

Notes to 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:

	<u>Capitalization Threshold</u>
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 \$1,600 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.

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.

City of Bloomington, Illinois

Notes to 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. Restricted resources are used first to fund appropriation.

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

Budgetary information – 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 a reconciliation provided.
 - ✓ Capital contributions and capital outlay from donated assets are not budgeted.

City of Bloomington, Illinois

Notes to Financial Statements

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

- 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.

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.

As of April 30, 2003, the carrying amount of the City's deposits totaled \$6,386,477 with the bank balances totaling \$6,737,634. 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.	\$ 1,426,236
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.	5,311,398
	<u>\$ 6,737,634</u>

City of Bloomington, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

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, 2003, the City's investments by category of risk were as follows:

	1	2	3	Fair Value
Corporate debt and equity	\$ 12,690,549	\$ -	\$ -	\$ 12,690,549
U.S. government securities	13,587,799	-	-	13,587,799
	<u>\$ 26,278,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>26,278,348</u>
Investments not subject to categorization:				
Illinois State Funds Money Market Fund				17,145,837
Financial Investors Trust Mutual Fund				6,454,291
Illinois Metropolitan Investment Fund				1,268,173
Money Market Mutual Funds				12,767,129
IPPFA Group Trust				1,614,154
Insurance Contracts				17,978,210
Total				<u><u>\$ 83,506,142</u></u>

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	\$ 11,726
Deposits with financial institutions	6,386,477
Investments	83,506,142
	<u><u>\$ 89,904,345</u></u>
Government-wide financial statement of net assets:	
Cash and cash equivalents	\$ 23,288,011
Investments, including restricted investments of \$5,402,151	12,739,411
	<u><u>\$ 36,027,422</u></u>
Statement of fiduciary net assets:	
Cash and cash equivalents	\$ 9,202,725
Investments	44,674,198
	<u><u>\$ 53,876,923</u></u>

City of Bloomington, Illinois

Notes to Financial Statements

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended April 30, 2003:

	Beginning Balance April 30, 2002	Additions	Deletions	Ending Balance April 30, 2003
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,737,581	\$ 558,057	\$ (50,070)	\$ 15,245,568
Construction in progress	6,791,405	10,238,344	(3,685,828)	13,343,921
Total capital assets, not being depreciated	21,528,986	10,796,401	(3,735,898)	28,589,489
Capital assets, being depreciated:				
Land improvements	3,978,302	672,830	-	4,651,132
Construction	32,229,140	705,808	(392,658)	32,542,290
Infrastructure	151,923,013	5,980,606	-	157,903,619
Machinery and equipment	14,022,999	1,206,676	(818,091)	14,411,584
Licensed vehicles	11,434,032	349,500	(237,689)	11,545,843
Zoo animals	7,200	-	-	7,200
Total capital assets, being depreciated	213,594,686	8,915,420	(1,448,438)	221,061,668
Less accumulated depreciation for:				
Land improvements	1,443,716	192,189	-	1,635,905
Construction	6,512,586	554,094	(8,648)	7,058,032
Infrastructure	94,221,999	6,892,098	-	101,114,097
Machinery and equipment	7,993,247	1,382,922	(802,503)	8,573,666
Licensed vehicles	5,483,374	951,313	(225,805)	6,208,882
Zoo animals	673	220	-	893
Total accumulated depreciation	115,655,595	9,972,836	(1,036,956)	124,591,475
Total capital assets, being depreciated, net	97,939,091	(1,057,416)	(411,482)	96,470,193
Governmental activities capital assets, net	\$ 119,468,077	\$ 9,738,985	\$ (4,147,380)	\$ 125,059,682

City of Bloomington, Illinois

Notes to Financial Statements

Note 3. Capital Assets (Continued)

	Beginning Balance April 30, 2002	Additions	Deletions	Ending Balance April 30, 2003
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 4,418,938	\$ -	\$ -	\$ 4,418,938
Construction in progress	2,430,692	4,252,290	(1,995,626)	4,687,356
Total capital assets, not being depreciated	6,849,630	4,252,290	(1,995,626)	9,106,294
Capital assets, being depreciated:				
Land improvements	373,317	-	-	373,317
Construction	26,362,096	1,021,407	-	27,383,503
Infrastructure	101,730,393	2,457,894	-	104,188,287
Machinery and equipment	9,101,820	411,881	(47,829)	9,465,872
Licensed vehicles	1,735,198	89,405	(37,989)	1,786,614
Total capital assets, being depreciated	139,302,824	3,980,587	(85,818)	143,197,593
Less accumulated depreciation for:				
Land improvements	107,504	16,174	-	123,678
Construction	6,462,257	486,965	-	6,949,222
Infrastructure	19,673,744	1,398,304	(978)	21,071,070
Machinery and equipment	5,272,444	429,092	(40,818)	5,660,718
Licensed vehicles	1,106,846	168,412	(36,090)	1,239,168
Total accumulated depreciation	32,622,795	2,498,947	(77,886)	35,043,856
Total capital assets, being depreciated, net	106,680,029	1,481,640	(7,932)	108,153,737
Business-type activities capital assets, net	\$ 113,529,659	\$ 5,733,930	\$ (2,003,558)	\$ 117,260,031

City of Bloomington, Illinois

Notes to Financial Statements

Note 3. Capital Assets (Continued)

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

Governmental Activities	
General government	\$ 518,450
Public safety	836,386
Highways and streets	7,074,359
Sanitation	406,454
Health	3,364
Culture and recreation	1,111,412
Community development	22,411
	<u>\$ 9,972,836</u>
 Business-Type Activities	
Water	\$ 1,473,276
Sewer	898,363
Parking	127,308
	<u>\$ 2,498,947</u>

Note 4. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2003:

Fund	Deficit Fund Balance/Net Assets
<hr/>	
Capital Projects Funds:	
Market Square TIF Redevelopment	\$ 596,095
Central Bloomington TIF Redevelopment	264,575
Internal Service Fund, Employee Group Health Care	1,118,911

City of Bloomington, Illinois

Notes to Financial Statements

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2003:

	Balance April 30, 2002	Additions	Retirements	Balance April 30, 2003	Due Within One Year	Range of Interest Rates
Governmental Activities:						
General Obligation Bonds:						
Series 1988	\$ 430,000	\$ -	\$ 225,000	\$ 205,000	\$ 205,000	6.4% to 8.4%
Series 1991	3,112,946	170,914	695,000	2,588,860	490,141	5.35% to 6.7%
Series 1993	1,775,000	-	310,000	1,465,000	335,000	4.1% to 6.1%
Series 1994	3,790,000	-	200,000	3,590,000	225,000	4.7% to 7.0%
Series 1995	6,200,000	-	750,000	5,450,000	775,000	5.2% to 5.7%
Series 1996	4,285,000	-	190,000	4,095,000	205,000	4.7% to 6.2%
Series 2001	6,380,000	-	55,000	6,325,000	55,000	3.5% to 4.05%
	<u>25,972,946</u>	<u>170,914</u>	<u>2,425,000</u>	<u>23,718,860</u>	<u>2,290,141</u>	
Other Liabilities:						
Agreements with developers	7,638,982	-	1,712,793	5,926,189	1,700,000	
Compensated absences	1,001,442	1,586,460	1,378,571	1,209,331	1,209,331	
Governmental activities, long-term liabilities	<u>\$ 34,613,370</u>	<u>\$ 1,757,374</u>	<u>\$ 5,516,364</u>	<u>\$ 30,854,380</u>	<u>\$ 5,199,472</u>	
Business-Type Activities,						
loan payable	\$ -	\$ 1,568,767	\$ -	\$ 1,568,767	\$ -	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, 2004	\$ 2,290,141	\$ 1,473,719	\$ 3,763,860
April 30, 2005	2,262,507	1,410,303	3,672,810
April 30, 2006	2,339,068	1,349,277	3,688,345
April 30, 2007	2,402,964	1,275,279	3,678,243
April 30, 2008	2,526,215	1,196,073	3,722,288
April 30, 2009 - 2013	11,497,965	1,947,822	13,445,787
April 30, 2014	400,000	22,000	422,000
	<u>\$ 23,718,860</u>	<u>\$ 8,674,473</u>	<u>\$ 32,393,333</u>

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

City of Bloomington, Illinois

Notes to 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, 2003 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, 2003 is \$1,496,226.
- 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, 2003 is \$255,967.
- The City will rebate to developers the cost of improvements for various downtown projects. The maximum liability to the City for these projects is \$3,308,055. The outstanding liability as of April 30, 2002 is \$1,698,425.
- 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, 2003 is \$2,461,073.

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 May 1, 2004 at which time 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, 2003 matures as follows:

	Principal	Interest	Total
April 30, 2004	\$ -	\$ -	\$ -
April 30, 2005	41,389	60,716	102,105
April 30, 2006	63,255	38,850	102,105
April 30, 2007	64,891	37,214	102,105
April 30, 2008	66,569	35,536	102,105
April 30, 2009 - 2013	359,581	150,944	510,525
April 30, 2014 - 2018	408,555	101,970	510,525
April 30, 2019 - 2023	464,194	46,331	510,525
April 30, 2024	100,333	1,772	102,105
	<u>\$ 1,568,767</u>	<u>\$ 473,333</u>	<u>\$ 2,042,100</u>

City of Bloomington, Illinois

Notes to Financial Statements

Note 6. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances as of April 30, 2003 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
General	\$ 953,816	\$ 4,675,300
Illinois Municipal Retirement and Social Security	12,654	730,501
Library	1,518	19,268
Debt service	1,871,563	1,541,123
Capital improvements	1,820,849	930
Nonmajor governmental funds	2,628,141	1,727,996
Internal service	10,631	229,054
Total governmental activities	7,299,172	8,924,172
Business-type activities:		
Water	725,000	-
Sewer	1,000,000	-
Parking	-	100,000
Total business-type activities	1,725,000	100,000
Total	\$ 9,024,172	\$ 9,024,172

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 operating transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Governmental activities:		
General	\$ 5,719,939	\$ 8,515,909
Illinois Municipal Retirement and Social Security	-	2,175,788
Debt service	1,795,976	-
Capital improvements	4,649,445	-
Nonmajor governmental funds	448,232	382,828
Total governmental activities	12,613,592	11,074,525
Business-type activities:		
Water	-	1,036,750
Sewer	-	502,317
Total business-type activities	-	1,539,067
Total	\$ 12,613,592	\$ 12,613,592

City of Bloomington, Illinois

Notes to Financial Statements

Note 7. Interfund Transfers (Continued)

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

Note 8. Defined Benefit Pension Plans

Plan Descriptions and Provisions:

Illinois Municipal Retirement Fund

The City's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs_homepage.htm 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 2002 was 8.35 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, 2002 was 10 years.

For December 31, 2002, the City's annual pension cost of \$1,487,030 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2000 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 2001 actuarial valuation were based on the 1996-1998 experience study.

However, the 2002 actuarial valuation information shown on the schedule of funding progress is based on the assumptions derived from the 1999-2001 experience study. The effect of the assumption change increased (decreased) the unfunded actuarial accrued liability by \$201,946.

City of Bloomington, Illinois

Notes to Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

Three-Year Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2002	\$ 1,487,030	100%	\$ -
December 31, 2001	1,512,752	100	-
December 31, 2000	1,529,064	100	-

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.

City of Bloomington, Illinois

Notes to Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset: The City's annual pension cost and net pension asset to the Police Pension Plan for the most current year (April 30, 2002) were as follows:

Annual required contributions	\$ 1,525,731
Interest on net pension asset	(45,979)
Adjustments to annual required contribution	27,483
Annual pension cost	<u>1,507,235</u>
Annual contributions made	<u>1,602,541</u>
Increase in net pension asset	95,306
Net pension asset, beginning of year	613,056
Net pension asset, end of year	<u><u>\$ 708,362</u></u>

The annual required contribution was determined as part of the May 1, 2002 actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5% investment rate of return and (b) projected salary increases of 5.0%. Both (a) and (b) included an inflation component of 3%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at the May 1, 2002 actuarial valuation date was 30 years.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2002	\$ 1,507,235	106.32%	\$ 708,362
April 30, 2001	1,383,942	106.45	613,056
April 30, 2000	1,349,848	106.96	523,759

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 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, 2002) were as follows:

Annual required contributions	\$ 1,316,213
Interest on net pension asset	(42,382)
Adjustments to annual required contribution	25,333
Annual pension cost	<u>1,299,164</u>
Annual contributions made	1,393,834
Increase in net pension asset	<u>94,670</u>
Net pension asset, beginning of year	565,099
Net pension asset, end of year	<u><u>\$ 659,769</u></u>

The annual required contribution for the current year was determined as part of the May 1, 2002, actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5% investment rate of return and (b) projected salary increases of 5.0%. Both (a) and (b) included an inflation component of 3%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at May 1, 2002 actuarial valuation date was 30 years.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2002	\$ 1,299,164	107.29%	\$ 659,769
April 30, 2001	1,337,679	106.74	565,099
April 30, 2000	1,279,715	107.40	474,878

City of Bloomington, Illinois

Notes to 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 \$96,710 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2003. 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, 2003:

<u>Fiscal Year Ending April 30:</u>	<u>Operating</u>
2004	\$ 105,469
2005	107,369
2006	57,600
2007	56,100
2008	46,300
Later years	4,463,700
	<u>\$ 4,836,538</u>

The City is a lessee for office space and a parking area. The lease requires the City to pay \$626,592 each October 1 until October 1, 2021. The future minimum lease obligation is as follows:

<u>Fiscal Year Ending April 30:</u>	
2004	\$ 626,592
2005	626,592
2006	626,592
2007	626,592
2008	626,592
2009-2013	3,132,960
2014-2018	3,132,960
2019-2022	3,132,960
	<u>\$ 12,531,840</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 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, 2003, is presented below:

Balance Sheet as of June 30, 2003

Current assets:		
Cash and investments	\$ 3,138,061	
Accounts receivable	364,369	
Inventory	8,565	
Prepaid expenses	78,292	
Total current assets		\$ 3,589,287
Capital assets, net		976,295
Total assets		<u>\$ 4,565,582</u>
Current liabilities:		
Advances from City of Bloomington and Town of Normal	129,957	
Accounts payable, accrued expenses and other	408,264	
Total current liabilities		\$ 538,221
Deferred revenues		37,249
Net assets:		
Investment in capital assets, net	976,295	
Restricted	2,828,364	
Unrestricted	185,453	
Total fund equity		<u>3,990,112</u>
Total liabilities and net assets		<u>\$ 4,565,582</u>

City of Bloomington, Illinois

Notes to Financial Statements

Note 11. Joint Venture (Continued)

Operations for Year Ended June 30, 2003 - General Fund and Capital Projects Fund

Revenues:	
Operating, primarily fares	\$ 341,633
Federal funding	1,385,219
State of Illinois grants and reimbursements	1,889,846
City of Bloomington and Town of Normal subsidies	583,338
Nonoperating	52,746
Total revenues	<u>4,252,782</u>
Expenses	<u>3,666,951</u>
Excess of revenues over expenses	<u>585,831</u>
Net assets, beginning of year	2,427,986
Net assets, end of year	<u><u>\$ 3,013,817</u></u>

The City of Bloomington paid \$366,721.96 in operating subsidies and advances to the System during the year ended April 30, 2003.

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 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, 2003 and 2002 are as follows:

	Employee Health Insurance		CIRPA	
	2003	2002	2003	2002
Claims payable, beginning of the year	\$ 699,198	\$ 634,517	\$ 2,341,476	\$ 3,145,178
Claims incurred and changes in accrual	2,950,542	3,353,999	3,439,648	773,429
Claim payments	(2,875,006)	(3,289,318)	(3,584,155)	(1,577,131)
Claims payable, end of the year	<u>\$ 774,734</u>	<u>\$ 699,198</u>	<u>\$ 2,196,969</u>	<u>\$ 2,341,476</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, 2003, there was one series of industrial revenue bonds outstanding. The principal amount payable is \$960,000.

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.

City of Bloomington, Illinois

Notes to Financial Statements

Note 15. New Pronouncements

As of April 30, 2003, 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.

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

Note 16. Subsequent Event

In June 2003, the City issued \$10,000,000 General Obligation Bonds, Series 2003. The bonds will mature with annual principal payments due June 1, 2012 through 2023. Interest will be payable each June 1 and December 1, beginning June 1, 2004. The bonds bear interest rates of 3.10% - 4.5%. The bonds were issued to fund certain capital improvements to the City, to provide for capitalized interest on the bonds through June 1, 2005, and to pay certain costs associated with the issuance of the bonds.

Note 17. Construction Commitments

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, 2003 is \$12,019,191.

Note 18. Restatement and Change in Accounting Policy

The City adopted Governmental Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, GASB Statement No. 37, *Basic Financial Statements - And Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*.

City of Bloomington, Illinois

Notes to Financial Statements

Note 18. Restatement and Change in Accounting Policy (Continued)

Fund balance and retained earnings as previously reported, changed as follows:

Fund Type	Balance April 30, 2002	Restatement	Balance May 1, 2002
General	\$ (221,798)	\$ 3,279,076	\$ 3,057,278
Special revenue	8,581,263	1,991,267	10,572,530
Permanent	-	7,322,111	7,322,111
Debt service	5,027,953	(4,189,961)	837,992
Capital projects	11,530,226	(5,678,957)	5,851,269
Enterprise	62,459,042	52,990,113	115,449,155
Internal service	(199,932)	2,601,651	2,401,719
Fiduciary	66,723,884	(9,515,147)	57,208,737
	<u>\$ 153,900,638</u>	<u>\$ 48,800,153</u>	<u>\$ 202,700,791</u>

As part of the adoption of GASB Statement No. 34, the City added infrastructure assets that were previously not reported in the general governmental activities which resulted in recognizing additional capital assets of \$50,500,114.

The restatement balance of \$48,800,153 relates to a) \$52,990,113 infrastructure of the enterprise funds based on Maximus inventory and b) \$4,189,961 correction to the Debt Service Fund for reporting investments in the Fund in the April 30, 2002 financial statements that were paid to an escrow agent for an advance refunding. Accordingly, the investments were removed from the financial statements.

City of Bloomington, Illinois

Required Supplementary Information
Illinois Municipal Retirement Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
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
1997	12/31/1996	20,739,056	27,456,053	6,716,997	75.54	12,436,723	54.01

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
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
12/31/1996	1,416,124	1,416,124	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, 2000 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, 2002 was 10 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2002 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]
2003	05/01/2002	\$ 28,841,069	\$ 46,529,753	\$ 17,688,684	62.0%	\$ 6,037,774	293.0%
2002	05/01/2001	29,004,064	42,383,076	13,379,012	68.4	5,444,299	245.7
2001	05/01/2000	30,033,994	39,924,283	9,890,289	75.2	5,118,223	193.2
2000	05/01/1999	26,599,910	35,258,742	8,658,832	75.4	4,791,255	180.7
1999	05/01/1998	23,644,900	33,200,796	9,555,896	71.2	4,513,395	211.7
1998	05/01/1997	20,609,729	30,574,565	9,964,836	67.4	4,454,523	223.7

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2002. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5%, salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2002 actuarial valuation date was 30 years.

City of Bloomington, Illinois

Required Supplementary Information
Fire Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial 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]
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
1998	05/01/1997	21,369,359	29,684,701	8,315,342	72.0	3,753,525	221.5

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2002. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5%, salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2002 actuarial valuation date was 30 years.

City of Bloomington, Illinois

Required Supplementary Information

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

General Fund

For the Year Ended April 30, 2003

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 37,502,054	\$ 37,502,054	\$ 43,494,293	\$ 5,992,239
Intergovernmental	1,217,203	1,636,496	1,540,231	(96,265)
Licenses and permits	1,131,386	1,189,782	1,261,416	71,634
Charges for sales and services	6,452,282	6,452,282	5,984,918	(467,364)
Fine and forfeitures	682,818	682,818	790,549	107,731
Use of money and property	639,550	639,550	177,189	(462,361)
Other	6,223,416	1,213,983	1,421,102	207,119
Total revenues	53,848,709	49,316,965	54,669,698	5,352,733
Expenditures:				
Current:				
General government	9,794,168	10,487,975	9,260,020	1,227,955
Public safety	17,407,971	17,606,726	17,764,701	(157,975)
Highways and streets	2,923,284	2,923,284	3,025,573	(102,289)
Sanitation	7,372,498	7,381,848	7,691,902	(310,054)
Culture and recreation	5,873,649	5,949,070	6,936,857	(987,787)
Debt service, principal	350,000	1,000,000	1,058,647	(58,647)
Capital outlay	3,151,635	3,159,854	1,201,928	1,957,926
Total expenditures	46,873,205	48,508,757	46,939,628	1,569,129
Excess of revenues over expenditures	6,975,504	808,208	7,730,070	6,921,862
Other financing sources (uses):				
Transfers in	5,429,461	5,429,461	5,719,939	290,478
Transfers out	(8,237,618)	(12,438,319)	(8,515,909)	3,922,410
Total other financing sources and uses	(2,808,157)	(7,008,858)	(2,795,970)	4,212,888
Net change in fund balance	4,167,347	(6,200,650)	4,934,100	\$ 11,134,750
Fund balance, beginning	-	-	3,057,278	
Fund balance, ending, budgetary basis	\$ 4,167,347	\$ (6,200,650)	7,991,378	
Change in encumbrances			(31,278)	
Fund balance, ending			\$ 7,960,100	

See Note to Required Supplementary Information.

City of Bloomington, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget to Actual
 Illinois Municipal Retirement and Social Security Fund
 For the Year Ended April 30, 2003

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 2,063,991	\$ 2,063,991	\$ 2,010,819	\$ (53,172)
Intergovernmental	450,000	450,000	386,966	(63,034)
Other	-	-	2,283	2,283
Total revenues	2,513,991	2,513,991	2,400,068	(113,923)
Expenditures, general government	364,890	364,890	5,102	359,788
Excess of revenues over expenditures	2,149,101	2,149,101	2,394,966	245,865
Other financing sources (uses), transfers out	(2,149,101)	(2,149,101)	(2,175,788)	(26,687)
Net change in fund balance	-	-	219,178	\$ 219,178
Fund balance (deficit), beginning	-	-	(153,538)	
Fund balance, ending, budgetary basis	\$ -	\$ -	65,640	
Change in encumbrances			5,000	
Fund balance, ending			\$ 70,640	

See Note to Required Supplementary Information.

City of Bloomington, Illinois

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Library Fund

For the Year Ended April 30, 2003

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 2,668,668	\$ 2,668,668	\$ 2,672,255	\$ 3,587
Intergovernmental	193,232	193,232	212,108	18,876
Charges for services	42,000	42,000	38,934	(3,066)
Use of money and property	-	-	23,416	23,416
Other	293,100	293,100	253,685	(39,415)
Total revenues	3,197,000	3,197,000	3,200,398	3,398
Expenditures, culture and recreation	3,016,000	4,118,867	3,538,477	580,390
Excess (deficiency) of revenues over expenditures	181,000	(921,867)	(338,079)	583,788
Other financing sources (uses):				
Transfers in	141,000	141,000	-	(141,000)
Transfers out	(117,133)	(117,133)	-	117,133
Total other financing sources and uses	23,867	23,867	-	(23,867)
Net change in fund balance	204,867	(898,000)	(338,079)	\$ 559,921
Fund balances, beginning	-	-	864,504	
Fund balances, ending	\$ 204,867	\$ (898,000)	\$ 526,425	

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 a 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, 2003

	Special Revenue		
	Motor Fuel Tax	Hotel/Motel Tax	Special Olympics and Recreation
Assets			
Cash and cash equivalents	\$ 6,258,971	\$ 87,814	\$ 11,009
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	30,601	-	-
Due from other governmental units	313,205	-	-
Due from other funds	-	-	-
Properties held for resale	-	-	-
Total assets	\$ 6,602,777	\$ 87,814	\$ 11,009
Liabilities and Fund Balance (Deficits)			
Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 41,836	\$ 10,526
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	41,836	10,526
Fund balance (deficits):			
Reserved for:			
Encumbrances	2,596,489	37,500	-
Trust corpus	-	-	-
Loans	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	4,006,288	8,478	483
Total fund balance (deficits)	6,602,777	45,978	483
Total liabilities and fund balance (deficits)	\$ 6,602,777	\$ 87,814	\$ 11,009

(Continued)

Special Revenue					
Board of Elections	Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	
\$ 160,273	\$ 45,308	\$ 1,761,522	\$ 212,817	\$ 19,639	
-	-	-	-	-	-
-	-	-	-	1,375,519	
-	-	5,006	-	-	-
-	-	-	-	-	-
-	-	-	-	36,375	
-	-	-	-	-	-
<u>\$ 160,273</u>	<u>\$ 45,308</u>	<u>\$ 1,766,528</u>	<u>\$ 212,817</u>	<u>\$ 1,431,533</u>	
\$ 16,873	\$ -	\$ 85,285	\$ 8,445	\$ -	
-	-	-	2,768	666,768	
-	-	-	58,791	-	
<u>16,873</u>	<u>-</u>	<u>85,285</u>	<u>70,004</u>	<u>666,768</u>	
-	-	76,257	300	-	
-	-	-	-	-	-
-	-	-	-	1,375,519	
-	-	-	-	-	-
143,400	45,308	1,604,986	142,513	(610,754)	
<u>143,400</u>	<u>45,308</u>	<u>1,681,243</u>	<u>142,813</u>	<u>764,765</u>	
\$ 160,273	\$ 45,308	\$ 1,766,528	\$ 212,817	\$ 1,431,533	

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 April 30, 2003

	Special Revenue		
	Community Development	IHDA Grant	Park Dedication
Assets			
Cash and cash equivalents	\$ 149,553	\$ 561	\$ 241,242
Investments	-	-	-
Receivables, net of allowance for uncollectibles:			
Loans	-	-	-
Accounts	99,014	-	-
Due from other governmental units	-	-	-
Due from other funds	666,766	-	1,100,000
Properties held for resale	353,447	-	-
Total assets	\$ 1,268,780	\$ 561	\$ 1,341,242
Liabilities and Fund Balance (Deficits)			
Liabilities:			
Accounts payable and accrued expenses	\$ 55,289	\$ -	\$ -
Due to other funds	39,998	-	-
Unearned revenue	-	-	-
Total liabilities	95,287	-	-
Fund balance (deficits):			
Reserved for:			
Encumbrances	-	-	3,000
Trust corpus	-	-	-
Loans	-	-	-
Property held for resale	353,447	-	-
Unreserved, undesignated	820,046	561	1,338,242
Total fund balance (deficits)	1,173,493	561	1,341,242
Total liabilities and fund balance (deficits)	\$ 1,268,780	\$ 561	\$ 1,341,242

(Continued)

Detention Basin	Capital Projects				Permanent
	Market Square TIF Redevelopment	Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	J.M. Scott Health Care Trust
\$ 48,870	\$ -	\$ 64,974	\$ 1,398,814	\$ 533,465	\$ 314,627
-	-	-	-	-	6,389,508
-	-	-	-	-	-
-	-	-	32	4,454	-
-	-	-	-	-	-
500,000	-	-	325,000	-	-
-	-	-	-	-	-
<u>\$ 548,870</u>	<u>\$ -</u>	<u>\$ 64,974</u>	<u>\$ 1,723,846</u>	<u>\$ 537,919</u>	<u>\$ 6,704,135</u>
\$ 5,799	\$ -	\$ 4,549	\$ -	\$ -	\$ 17,586
-	596,095	325,000	23,171	73,392	804
-	-	-	-	-	-
<u>5,799</u>	<u>596,095</u>	<u>329,549</u>	<u>23,171</u>	<u>73,392</u>	<u>18,390</u>
-	-	752,510	-	-	2,411
-	-	-	-	-	5,402,151
-	-	-	-	-	-
-	-	-	-	-	-
543,071	(596,095)	(1,017,085)	1,700,675	464,527	1,281,183
<u>543,071</u>	<u>(596,095)</u>	<u>(264,575)</u>	<u>1,700,675</u>	<u>464,527</u>	<u>6,685,745</u>
<u>\$ 548,870</u>	<u>\$ -</u>	<u>\$ 64,974</u>	<u>\$ 1,723,846</u>	<u>\$ 537,919</u>	<u>\$ 6,704,135</u>

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 April 30, 2003

	Total
Assets	
Cash and cash equivalents	\$ 11,309,459
Investments	6,389,508
Receivables, net of allowance for uncollectibles:	
Loans	1,375,519
Accounts	139,107
Due from other governmental units	313,205
Due from other funds	2,628,141
Properties held for resale	353,447
Total assets	\$ 22,508,386
 Liabilities and Fund Balance (Deficits)	
Liabilities:	
Accounts payable and accrued expenses	\$ 246,188
Due to other funds	1,727,996
Unearned revenue	58,791
Total liabilities	2,032,975
 Fund balance (deficits):	
Reserved for:	
Encumbrances	3,468,467
Trust corpus	5,402,151
Loans	1,375,519
Property held for resale	353,447
Unreserved, undesignated	9,875,827
Total fund balance (deficits)	20,475,411
Total liabilities and fund balance (deficits)	\$ 22,508,386

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Nonmajor Governmental Funds

For the Year Ended April 30, 2003

	Special Revenue		
	Motor Fuel Tax	Hotel/Motel Tax	Special Olympics and Recreation
Revenues:			
Taxes	\$ -	\$ 271,696	\$ -
Intergovernmental	3,711,160	-	79,715
Charges for services	-	-	-
Use of money and property	66,908	-	-
Other, primarily contributions	-	-	27,880
Total revenues	3,778,068	271,696	107,595
Expenditures:			
Current:			
General government	-	226,601	-
Highways and streets	1,689,570	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	257,981
Community development	-	-	-
Debt service, principal retirement	-	-	-
Total expenditures	1,689,570	226,601	257,981
Excess (deficiency) of revenues over (under) expenditures	2,088,498	45,095	(150,386)
Other financing sources (uses):			
Proceeds from sale of property	-	-	-
Transfers in	-	-	143,574
Transfers out	-	-	(400)
Capital contributions	-	-	-
Total other financing sources (uses)	-	-	143,174
Net change in fund balances	2,088,498	45,095	(7,212)
Fund balances (deficit), beginning of year, as restated	4,514,279	883	7,695
Fund balances (deficit), end of year	\$ 6,602,777	\$ 45,978	\$ 483

(Continued)

Special Revenue					
Board of Elections	Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331,385	6,262	858,913	161,791	-	-
-	-	95,311	-	-	-
-	-	24,581	254	-	7,267
99	33,397	1,551	111,796	-	-
331,484	39,659	980,356	273,841	-	7,267
261,960	43,885	757,814	276,591	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,080
-	-	-	-	-	-
261,960	43,885	757,814	276,591	-	2,080
69,524	(4,226)	222,542	(2,750)	-	5,187
-	-	-	-	-	-
-	22,200	2,000	-	-	-
-	-	(2,000)	-	-	(280,458)
-	-	-	-	-	-
-	22,200	-	-	-	(280,458)
69,524	17,974	222,542	(2,750)	-	(275,271)
73,876	27,334	1,458,701	145,563	-	1,040,036
\$ 143,400	\$ 45,308	\$ 1,681,243	\$ 142,813	\$ -	\$ 764,765

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, 2003

	Special Revenue		
	Community Development	IHDA Grant	Park Dedication
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,281,255	-	58,577
Charges for services	31,462	-	-
Use of money and property	-	-	-
Other, primarily contributions	14,173	-	115,770
Total revenues	1,326,890	-	174,347
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	146,967
Community development	1,521,536	-	-
Debt service, principal retirement	-	-	-
Total expenditures	1,521,536	-	146,967
Excess (deficiency) of revenues over (under) expenditures	(194,646)	-	27,380
Other financing sources (uses):			
Proceeds from sale of property	213,150	-	-
Transfers in	280,458	-	-
Transfers out	-	-	-
Capital contributions	148,162	-	-
Total other financing sources (uses)	641,770	-	-
Net change in fund balances	447,124	-	27,380
Fund balances (deficit), beginning of year, as restated	726,369	561	1,313,862
Fund balances (deficit), end of year	\$ 1,173,493	\$ 561	\$ 1,341,242

(Continued)

Detention Basin	Capital Projects				Permanent
	Market Square TIF Redevelopment	Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	1995 Southwest Development	J.M. Scott Health Care Trust
\$ -	\$ -	\$ 847,948	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,339	(298,726)
47,134	-	39,692	9,809	30,600	3,849
47,134	-	887,640	9,809	40,939	(294,877)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	341,489
56,468	-	-	-	-	-
-	-	527,683	-	8,373	-
-	-	654,146	-	-	-
56,468	-	1,181,829	-	8,373	341,489
(9,334)	-	(294,189)	9,809	32,566	(636,366)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(99,970)	-	-	-
-	-	-	-	-	-
-	-	(99,970)	-	-	-
(9,334)	-	(394,159)	9,809	32,566	(636,366)
552,405	(596,095)	129,584	1,690,866	431,961	7,322,111
\$ 543,071	\$ (596,095)	\$ (264,575)	\$ 1,700,675	\$ 464,527	\$ 6,685,745

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, 2003

	Total
Revenues:	
Taxes	\$ 1,119,644
Intergovernmental	6,489,058
Charges for services	126,773
Use of money and property	(189,377)
Other, primarily contributions	435,750
Total revenues	<u>7,981,848</u>
Expenditures:	
Current:	
General government	1,566,851
Highways and streets	1,689,570
Health and welfare	341,489
Culture and recreation	461,416
Community development	2,059,672
Debt service, principal retirement	654,146
Total expenditures	<u>6,773,144</u>
Excess of revenues over (under) expenditures	<u>1,208,704</u>
Other financing sources (uses):	
Proceeds from sale of property	213,150
Transfers in	448,232
Transfers out	(382,828)
Capital contributions	148,162
Total other financing sources (uses)	<u>426,716</u>
Net change in fund balances	1,635,420
Fund balances (deficit), beginning of year, as restated	18,839,991
Fund balances (deficit), end of year	<u>\$ 20,475,411</u>

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, 2003**

	Special Revenue			
	Motor Fuel Tax		Hotel/Motel Tax	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ 180,000	\$ 271,696
Intergovernmental	6,934,000	3,711,160	-	-
Charges for services	-	-	-	-
Use of money and property	50,000	66,908	-	-
Other, primarily contributions	-	-	-	-
Total revenues	6,984,000	3,778,068	180,000	271,696
Expenditures:				
Current:				
General government	-	-	265,000	264,101
Highways and streets	6,443,000	3,513,141	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Total expenditures	6,443,000	3,513,141	265,000	264,101
Excess (deficiency) of revenues over (under) expenditures	541,000	264,927	(85,000)	7,595
Other financing sources (uses):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital contributions	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ 541,000	264,927	\$ (85,000)	7,595
Fund balances (deficit), beginning of year, as restated		4,514,279		883
Fund balances (deficit), end of year, budgetary basis		4,779,206		8,478
Capital contributions, donated assets		-		-
Capital outlay, donated assets		-		-
Change in encumbrances		1,823,571		37,500
Fund balances (deficit), end of year		<u>\$ 6,602,777</u>		<u>\$ 45,978</u>

(Continued)

Special Revenue

Special Olympics and Recreation		Board of Elections		Sister City Program		Cultural District	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79,715	79,715	298,200	331,385	6,262	6,262	2,000,000	858,913
-	-	-	-	-	-	78,000	95,311
-	-	-	-	-	-	18,000	24,581
30,727	27,880	500	99	21,900	33,397	1,000	1,551
<u>110,442</u>	<u>107,595</u>	<u>298,700</u>	<u>331,484</u>	<u>28,162</u>	<u>39,659</u>	<u>2,097,000</u>	<u>980,356</u>
-	-	298,250	261,960	51,200	43,885	1,291,829	808,687
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
269,216	257,981	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>269,216</u>	<u>257,981</u>	<u>298,250</u>	<u>261,960</u>	<u>51,200</u>	<u>43,885</u>	<u>1,291,829</u>	<u>808,687</u>
(158,774)	(150,386)	450	69,524	(23,038)	(4,226)	805,171	171,669
-	-	-	-	-	-	-	-
119,574	143,574	-	-	22,200	22,200	30,900	2,000
(400)	(400)	-	-	-	-	(30,900)	(2,000)
-	-	-	-	-	-	-	-
<u>119,174</u>	<u>143,174</u>	<u>-</u>	<u>-</u>	<u>22,200</u>	<u>22,200</u>	<u>-</u>	<u>-</u>
<u>\$ (39,600)</u>	<u>(7,212)</u>	<u>\$ 450</u>	<u>69,524</u>	<u>\$ (838)</u>	<u>17,974</u>	<u>\$ 805,171</u>	<u>171,669</u>
	<u>7,695</u>		<u>73,876</u>		<u>27,334</u>		<u>1,458,701</u>
	<u>483</u>		<u>143,400</u>		<u>45,308</u>		<u>1,630,370</u>
	-		-		-		-
	-		-		-		-
	-		-		-		50,873
	<u>\$ 483</u>		<u>\$ 143,400</u>		<u>\$ 45,308</u>		<u>\$ 1,681,243</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, 2003**

	Special Revenue			
	Drug Enforcement		Residential/ Rehabilitation Escrow	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	123,255	161,791	-	-
Charges for services	-	-	-	-
Use of money and property	2,752	254	6,200	7,267
Other, primarily contributions	147,391	111,796	100,524	235,165
Total revenues	273,398	273,841	106,724	242,432
Expenditures:				
Current:				
General government	361,791	276,891	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Total expenditures	361,791	276,891	-	-
Excess (deficiency) of revenues over (under) expenditures	(88,393)	(3,050)	106,724	242,432
Other financing sources (uses):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(240,000)	(280,458)
Capital contributions	-	-	-	-
Total other financing sources (uses)	-	-	(240,000)	(280,458)
Net change in fund balances	\$ (88,393)	(3,050)	\$ (133,276)	(38,026)
Fund balances (deficit), beginning of year, as restated		145,563		1,040,036
Fund balances (deficit), end of year, budgetary basis		142,513		1,002,010
Capital contributions, donated assets		-		-
Capital outlay, donated assets		-		-
Change in encumbrances		300		-
Fund balances (deficit), end of year		\$ 142,813		\$ 1,002,010

(Continued)

Special Revenue					
Community Development		Park Dedication		Detention Basin	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,037,304	1,281,255	-	58,577	-	-
31,500	31,462	-	-	-	-
-	-	-	-	-	-
10,100	227,323	650,000	115,770	50,000	47,134
1,078,904	1,540,040	650,000	174,347	50,000	47,134
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,050,000	125,332	80,000	56,468
1,475,324	1,225,799	-	-	-	-
-	-	-	-	-	-
1,475,324	1,225,799	1,050,000	125,332	80,000	56,468
(396,420)	314,241	(400,000)	49,015	(30,000)	(9,334)
-	-	-	-	-	-
106,724	280,458	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
106,724	280,458	-	-	-	-
<u>\$ (289,696)</u>	594,699	<u>\$ (400,000)</u>	49,015	<u>\$ (30,000)</u>	(9,334)
	726,369		1,313,862		552,405
	1,321,068		1,362,877		543,071
	148,162		-		-
	(148,162)		-		-
	(147,575)		(21,635)		-
	<u>\$ 1,173,493</u>		<u>\$ 1,341,242</u>		<u>\$ 543,071</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, 2003**

	Capital Projects			
	Central Bloomington TIF Redevelopment		1991 Southeast Improvement Bond	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ 695,000	\$ 847,948	\$ -	\$ -
Intergovernmental	39,393	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Other, primarily contributions	-	39,692	20,000	9,809
Total revenues	734,393	887,640	20,000	9,809
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	209,727	-	1,620,000	-
Debt service, principal retirement	1,419,320	291,576	-	-
Total expenditures	1,629,047	291,576	1,620,000	-
Excess (deficiency) of revenues over (under) expenditures	(894,654)	596,064	(1,600,000)	9,809
Other financing sources (uses):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(99,970)	(99,970)	-	-
Capital contributions	-	-	-	-
Total other financing sources (uses)	(99,970)	(99,970)	-	-
Net change in fund balances	\$ (994,624)	496,094	\$ (1,600,000)	9,809
Fund balances (deficit), beginning of year, as restated		129,584		1,690,866
Fund balances (deficit), end of year, budgetary basis		625,678		1,700,675
Capital contributions, donated assets		-		-
Capital outlay, donated assets		-		-
Change in encumbrances		(890,253)		-
Fund balances (deficit), end of year		\$ (264,575)		\$ 1,700,675

(Continued)

Capital Projects		Permanent	
1995 Southwest Development		J.M. Scott Health Care Trust	
Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
30,000	10,339	252,123	(298,726)
-	30,600	197,877	3,849
30,000	40,939	450,000	(294,877)
-	-	-	-
-	-	-	-
-	-	450,000	343,900
-	-	-	-
450,000	8,373	-	-
-	-	-	-
450,000	8,373	450,000	343,900
(420,000)	32,566	-	(638,777)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ (420,000)</u>	<u>32,566</u>	<u>\$ -</u>	<u>(638,777)</u>
	431,961		7,322,111
	464,527		6,683,334
	-		-
	-		-
	-		2,411
<u>\$ 464,527</u>		<u>\$ 6,685,745</u>	

City of Bloomington, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances - Budgetary Basis
Budget to Actual - Debt Service Fund
For the Year Ended April 30, 2003

	Final Budget	Debt Service Actual
Revenues		
Taxes	\$ 1,745,714	\$ 2,054,766
Intergovernmental	825,000	874,662
Use of money and property	4,800	81,234
Other	10,000	-
Total revenues	2,585,514	3,010,662
Expenditures		
Debt Service:		
Principal	2,425,000	2,425,000
Interest and fiscal agent fees	1,338,287	1,200,066
Total expenditures	3,763,287	3,625,066
(Deficiency) of revenues over expenditures	(1,177,773)	(614,404)
Other Financing Sources (Uses), transfers in	1,087,476	1,825,516
Net change in fund balances	\$ (90,297)	1,211,112
Fund balances, beginning of year, as restated		837,992
Fund balances, ending, budgetary basis		2,049,104
Transfers out from nonbudgeted account		(29,540)
Fund balance, ending		\$ 2,019,564

City of Bloomington, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budgetary Basis
Budget to Actual - Capital Improvements Fund
For the Year Ended April 30, 2003**

	Final Budget	Capital Improvements Actual
Revenues		
Taxes	\$ 400,000	\$ 1,316,952
Intergovernmental	-	3,600
Charges for services	-	-
Other	55,000	-
Total revenues	<u>455,000</u>	<u>1,320,552</u>
Expenditures, capital outlay	<u>5,756,211</u>	<u>3,016,570</u>
(Deficiency) of revenues over expenditures	<u>(5,301,211)</u>	<u>(1,696,018)</u>
Other Financing Sources (Uses):		
Transfers in	4,724,445	4,649,445
Capital contributions	-	860,814
Total other financing sources (uses)	<u>4,724,445</u>	<u>5,510,259</u>
Net change in fund balances	<u>\$ (576,766)</u>	3,814,241
Fund balances, beginning of year, as restated		<u>4,194,953</u>
Fund balances, ending, budgetary basis		8,009,194
Capital contributions, donated assets		3,619,588
Capital outlay, donated assets		(3,619,588)
Change in encumbrances		<u>(6,375,842)</u>
Fund balance, ending		<u>\$ 1,633,352</u>

City of Bloomington, Illinois

Combining Statement of Net Assets
Internal Service Funds
April 30, 2003

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 173,977	\$ 173,977
Investments	-	4,413,648	4,413,648
Accounts receivable, net of allowance for uncollectibles	-	336,871	336,871
Accrued interest	-	28,263	28,263
Due from other funds	10,631	-	10,631
Prepaid items	-	242,590	242,590
Total current assets	\$ 10,631	\$ 5,195,349	\$ 5,205,980
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 774,734	\$ 2,196,969	\$ 2,971,703
Due to other funds	229,054	-	229,054
Unearned revenue	125,754	833,333	959,087
Total current liabilities	1,129,542	3,030,302	4,159,844
Net assets (deficit), unrestricted	(1,118,911)	2,165,047	1,046,136
Total liabilities and net assets	\$ 10,631	\$ 5,195,349	\$ 5,205,980

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended April 30, 2003**

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Operating revenues, charges for services	\$ 4,669,003	\$ 2,500,000	\$ 7,169,003
Operating expenses:			
Contractual services	1,676,392	-	1,676,392
Other charges, claims	2,950,542	3,439,648	6,390,190
Total operating expenses	4,626,934	3,439,648	8,066,582
Operating income (loss)	42,069	(939,648)	(897,579)
Nonoperating income, investment earnings	-	(458,004)	(458,004)
Change in net assets	42,069	(1,397,652)	(1,355,583)
Net assets (deficit), beginning	(1,160,980)	3,562,699	2,401,719
Net assets (deficit), ending	\$ (1,118,911)	\$ 2,165,047	\$ 1,046,136

City of Bloomington, Illinois

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended April 30, 2003**

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,676,245	\$ 2,926,670	\$ 7,602,915
Payments to claimants	(2,875,006)	(3,584,155)	(6,459,161)
Payments for contractual services	(1,676,392)	(429,884)	(2,106,276)
Net cash provided by (used in) operating activities	124,847	(1,087,369)	(962,522)
Cash flows from noncapital financing activities, payments to interfund accounts			
	(332,561)	-	(332,561)
Cash flows from investing activities:			
Interest and dividends received	-	203,461	203,461
Purchase of investments	-	(3,522,740)	(3,522,740)
Sale of investments	-	4,198,802	4,198,802
Collection of loss deposits	-	118,765	118,765
Net cash provided by investing activities	-	998,288	998,288
(Decrease) in cash and cash equivalents	(207,714)	(89,081)	(296,795)
Cash and cash equivalents, beginning of year	207,714	263,058	470,772
Cash and cash equivalents, end of year	\$ -	\$ 173,977	\$ 173,977

(Continued)

City of Bloomington, Illinois

Combining Statement of Cash Flows (Continued)

Internal Service Funds

For the Fiscal Year Ended April 30, 2003

	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)	\$ 42,069	\$ (939,648)	\$ (897,579)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables	-	236,284	236,284
Prepaid items	-	(214,744)	(214,744)
Accounts payable and accrued expenses	75,536	(169,261)	(93,725)
Unearned revenue	7,242	-	7,242
Net cash provided by (used in) operating activities	\$ 124,847	\$ (1,087,369)	\$ (962,522)
Schedule of noncash items, investing activities, net depreciation in fair value of investments	\$ -	\$ (525,541)	\$ (525,541)

City of Bloomington, Illinois

Combining Statement of Fiduciary Net Assets
 Pension Trust Funds
 April 30, 2003

	Police Pension	Fire Pension	Total
Assets:			
Cash and cash equivalents	\$ 1,909,282	\$ 7,293,443	\$ 9,202,725
Investments	25,018,400	19,655,798	44,674,198
Receivables:			
Employer	1,515,449	1,332,689	2,848,138
Accrued interest	118,050	11,458	129,508
Total assets	28,561,181	28,293,388	56,854,569
Liabilities:			
Accounts payable	3,937	11,843	15,780
Benefits payable	-	1,000	1,000
Total liabilities	3,937	12,843	16,780
Net assets,			
held in trust for pension benefits	\$ 28,557,244	\$ 28,280,545	\$ 56,837,789

City of Bloomington, Illinois

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

For the Fiscal Year Ended April 30, 2003

	Police Pension	Fire Pension	Total
Additions:			
Contributions:			
Employer	\$ 1,579,860	\$ 1,402,301	\$ 2,982,161
Plan member deposits	602,457	397,909	1,000,366
Total contributions	2,182,317	1,800,210	3,982,527
Net investment income (loss):			
Net appreciation (depreciation) in fair value of investments	(1,198,153)	(154,764)	(1,352,917)
Interest	555,841	214,868	770,709
Dividends	99,676	42,472	142,148
Total investment income (loss)	(542,636)	102,576	(440,060)
Less investment expense	53,838	16,523	70,361
Net investment income (loss)	(596,474)	86,053	(510,421)
Total additions	1,585,843	1,886,263	3,472,106
Deductions:			
Benefits	1,788,127	1,927,712	3,715,839
Refund of contributions	37,314	-	37,314
Administrative expenses	44,227	45,674	89,901
Total deductions	1,869,668	1,973,386	3,843,054
Change in net assets	(283,825)	(87,123)	(370,948)
Net assets held in trust for benefits, beginning of year	28,841,069	28,367,668	57,208,737
Net assets held in trust for benefits, end of year	\$ 28,557,244	\$ 28,280,545	\$ 56,837,789

STATISTICAL SECTION

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

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

Community Development	Interest on Long-Term Debt	Water	Sewer	Parking	Total
\$ 2,097,137	\$ 1,322,768	\$ 9,193,747	\$ 2,238,765	\$ 618,427	\$ 77,627,053

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	\$ 1,316,953

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

General Revenues					
Taxes	Investment Earnings	Miscellaneous	Gain (Loss) on Sale of Capital Assets	Capital Contributions	Total
\$ 60,346,247	\$ (357,196)	\$ 2,795,800	\$ (130,754)	\$ 6,914,750	\$ 96,889,037

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
1994	\$ 7,092,632	\$ 8,790,775	\$ 4,267,941	\$ 3,356,780
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

* Includes General, Special Revenue and Debt Service Funds

Source: Audited financial statements

Cultural and Recreation	Community Development	Debt Service	Total
\$ 5,191,617	\$ 1,009,303	\$ 5,394,165	\$ 35,103,213
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

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
1994	\$ 24,103,592	\$ 864,434	\$ 1,782,357	\$ 438,961
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

* Includes General, Special Revenue and Debt Service Funds

** Includes Intergovernmental Revenues

Source: Audited financial statements

Use of Money and		
Property	Miscellaneous**	Total
\$ 755,267	\$ 6,467,822	\$ 34,412,433
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

City of Bloomington, Illinois

Tax Revenues by Source*
Last Ten Fiscal Years

Year Ended April 30:	General Property Tax	Replacement Tax*	Sales Tax	Income Tax*
1994	\$ 8,449,369	\$ 984,909	\$ 8,408,264	\$ 2,933,695
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

* 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
\$ 1,224,114	\$ 2,750,949	\$ 34,935
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

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
1994	\$ 8,485,366	\$ 8,432,733	99.38%	\$ 16,636
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

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
\$ 8,449,369	99.58%	\$ 35,997	0.42%
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	100.08	(10,514)	(0.08)
14,247,195	98.38	40,168	0.28
16,340,168	98.97	14,263	0.09

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	
1993	\$ 616,297,299	\$ 1,848,891,897	33%
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

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
1993	4.4529	1.3102	0.2322	1.0868
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

Tax Year Levied	Schools	City	City Library (1)	County
1993	\$ 19,865,998	\$ 8,074,727	\$ 1,431,042	\$ 6,697,919
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

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
0.2161	0.1759	0.0660	0.0302	0.2333	7.8036
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

Township	Water Reclamation District	Airport Authority	Cemetery	Community College (2)	Total
\$ 1,310,871	\$ 1,398,021	\$ 524,556	\$ 183,194	\$ 1,659,090	\$ 41,145,418
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

City of Bloomington, Illinois

Property Values and Tax Rates
Real Property Valuation Detail

Tax Year	Fair Market Value	Equalized		
		Assessed Valuation	Residential	Commercial
1993	\$ 1,848,891,897	\$ 616,297,299	\$ 349,628,847	\$ 257,012,358
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

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

	2002	2001	2000
General Fund	0.50007	0.50007	0.52079
Fire Pension Fund	0.10440	0.11092	0.12285
Police Pension Fund	0.11872	0.12858	0.12705
Illinois Municipal Retirement Fund	0.09664	0.09996	0.10538
Judgment Fund	0.05483	0.05899	0.06467
Bond and Interest Fund	0.12563	0.13403	0.14723
Public Benefit Fund	0.01214	0.01306	0.01432
Public Library Fund	0.27621	0.22462	0.23223
Audit Fund	0.00489	0.00421	0.00351
Totals	1.29353	1.27444	1.33803

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
\$ 9,112,340	\$ 224,933	\$ 318,821
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

1999	1998	1997
0.53574	0.44660	0.46180
0.12713	0.13280	0.12990
0.13406	0.13740	0.13930
0.10209	0.18600	0.18700
0.06981	0.07380	0.07710
0.16058	0.17070	0.14670
0.01545	0.01630	0.01710
0.23650	0.23360	0.23260
0.00361	0.00360	0.00360
1.38497	1.40080	1.39510

City of Bloomington, Illinois

Principal Taxpayers

April 30, 2003

Name of Company	Type of Business	Total Assessed Value 2001	Percent of City Assessed Valuation
State Farm Insurance, Co.	Insurance	\$ 77,294,291	6.06%
Country Life Insurance, Co.	Subsidiary of IAA	10,519,250	0.82
B-M-J Development, Co.	Eastland Mall	10,335,913	0.81
Illinois Agricultural Assn.	Insurance - Farm Services	9,189,677	0.72
General Telephone Co.	Utility	5,875,169	0.46
Tr #1079	Radisson Hotel & Brickyard Apts	5,797,886	0.45
M & J/LJP Parkway L.P.	Parkway Strip Mall	5,375,312	0.42
Westminister Village	Extended Living	4,974,128	0.39
DPR Limited Partnership	IRS Distribution Center	4,175,256	0.33
BT Bloomington	Colonial Plaza, K-Mart	3,988,147	0.31
		<u>\$ 137,525,029</u>	<u>10.77%</u>

Total 2002 Assessed Valuation = \$1,276,500,913

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,

	2003	2002	2001
Revenues:			
Taxes	\$ 43,494	\$ 34,585	\$ 34,340
Licenses and permits	1,261	1,155	1,079
Intergovernmental	1,540	5,176	4,971
Charges for services	5,985	5,842	4,447
Fines and forfeits	791	868	727
Interest	177	438	861
Miscellaneous	1,421	1,510	1,468
Total revenues	54,669	49,574	47,893
Expenditures:			
General government	9,291	14,254	12,234
Public safety	17,765	19,729	19,111
Highways and streets	3,026	6,586	5,099
Sanitation	7,692	4,568	4,226
Culture and recreation	6,937	7,873	7,545
Debt service	1,058	-	-
Capital outlay	1,202	-	-
Total expenditures	46,971	53,010	48,215
Excess (deficiency) of revenues over expenditures	7,698	(3,436)	(322)
Net transfers from (to) other funds	(2,795)	1,698	(2,387)
Fund balance, beginning of year	3,057	1,516	4,225
Fund balance, end of year	\$ 7,960	\$ (222)	\$ 1,516

Source: Audited financial statements

	2000	1999	1998
\$	29,620	\$ 26,661	\$ 25,744
	1,217	1,154	905
	5,095	4,659	4,587
	3,916	3,514	2,442
	583	417	367
	700	448	409
	1,822	1,437	946
	<u>42,953</u>	<u>38,290</u>	<u>35,400</u>
	8,008	7,188	5,066
	14,300	12,744	12,342
	4,283	3,507	3,549
	3,481	3,369	3,254
	6,314	5,053	4,714
	-	-	-
	-	-	-
	<u>36,386</u>	<u>31,861</u>	<u>28,925</u>
	6,567	6,429	6,475
	(5,884)	(6,131)	(5,382)
	3,542	3,244	2,151
\$	<u>4,225</u>	<u>\$ 3,542</u>	<u>\$ 3,244</u>

City of Bloomington, Illinois

Investment Income From Investments
Years Ended April 30

	2003	2002	2001	2000
General	\$ 177,189	\$ 438,186	\$ 860,898	\$ 700,148
Capital projects	10,339	45,691	133,600	222,094
Motor fuel tax	66,908	98,946	120,719	23,399
Library	23,416	43,851	86,858	52,760
Water	8,346	12,137	21,647	33,936
Sewer	-	-	-	-
Parking	-	-	-	-
Urban development	-	8,880	10,527	11,454
Equipment purchase and replacement	-	-	-	-
Utility tax	-	-	-	-
Flood relief	-	-	-	-
J.M. Scott Health Care Trust	(298,726)	(277,216)	(504,397)	694,583
Other**	113,336	134,030	75,144	67,718
Totals	\$ 100,808	\$ 504,505	\$ 804,996	\$ 1,806,092

**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

	1999	1998	1997	1996	1995	1994
\$	447,775	\$ 409,271	\$ 594,164	\$ 651,499	\$ 531,912	\$ 495,409
	209,733	218,278	366,296	442,894	111,642	101,602
	9,846	13,020	31,389	79,781	93,563	68,836
	42,806	53,143	44,169	36,707	25,129	14,891
	34,445	34,582	-	30,045	376,727	404,981
	-	-	-	32,724	53,654	48,788
	-	875	-	-	-	70
	12,697	7,326	22,762	21,807	17,539	18,807
	-	-	-	-	-	-
	-	-	-	49,230	21,167	2,404
	-	-	-	-	-	10,949
	645,921	310,117	306,926	304,758	305,749	269,938
	34,220	34,646	58,848	110,090	169,980	150,533
\$	1,437,443	\$ 1,081,258	\$ 1,424,554	\$ 1,759,535	\$ 1,707,062	\$ 1,587,208

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**
1994	\$ 23,060	\$ 23,060	1.00	\$ 230,118
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	-	-	-	-

* 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.

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
1994	56,688	\$ 677,022,271	\$ 46,540,874	\$ 15,418,045
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	-

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
\$ 6,472,412	\$ 24,650,417	0.0364	\$ 434.84
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

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
1994	\$ 3,964,317	(2) \$ 1,429,848	\$ 5,394,165	\$ 35,103,213	0.1537
1995	8,075,701	(3) 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

(1) Total General Expenditures includes General, Special Revenue and Debt Service Funds.

(2) Bonds called early - \$2,900,000 principal retired before scheduled maturity. Early payment penalty charged - \$29,000.

(3) 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, 2003

	Moody's Rating	Par Value	Applicable to City of Bloomington
City of Bloomington	Aa1		
Series 1988		\$ 205,000	
Series 1991		2,588,860	
Series 1993		1,465,000	
Series 1994		3,590,000	
Series 1995		5,450,000	
Series 1996		4,095,000	
Series 2001		6,325,000	
Total direct debt		<u>23,718,860</u>	
Self-supporting debt		<u>9,724,733</u>	
Net direct debt			<u>\$ 13,994,127</u>
Overlapping debt			
McLean County (est.)	Aa	\$ 15,310,942	7,478,017
Bloomington-Normal Airport Authority	Aa3	10,100,000	7,007,481
Bloomington School District #87	Aa	6,995,000	6,971,007
Normal Community Unit School District #5	Aa	137,548,500	57,196,793
Community College District #540	Aa3	15,975,000	6,546,875
Total overlapping debt			<u>85,200,173</u>
Total net direct and overlapping debt			<u><u>\$ 99,194,300</u></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 2002 assessed valuation (\$1,276,500,913)	1.10%
Total net direct and overlapping debt to assessed valuation	7.77
Net direct debt per capita (66,645)	\$ 209.98
Total net direct and overlapping debt per capita	1,488.40

Source: Estimated by City of Bloomington Finance Department. Based upon information provided by listed agencies.

City of Bloomington, Illinois

General Obligation Bond Principal Retirement Schedule

Year Ended April 30:	1988 Series	1991 Series	1993 Series	1994 Series
2004	\$ 205,000	\$ 490,141	\$ 335,000	\$ 225,000
2005	-	457,507	360,000	250,000
2006	-	424,068	385,000	275,000
2007	-	397,964	385,000	285,000
2008	-	371,215	-	325,000
2009	-	447,965	-	325,000
2010	-	-	-	350,000
2011	-	-	-	375,000
2012	-	-	-	400,000
2013	-	-	-	380,000
2014	-	-	-	400,000
Totals	<u>\$ 205,000</u>	<u>\$ 2,588,860</u>	<u>\$ 1,465,000</u>	<u>\$ 3,590,000</u>

1995 Series	1996 Series	2001 Series	Total	Percent Retired	
				Annual	Cumulative
\$ 775,000	\$ 205,000	\$ 55,000	\$ 2,290,141	8.82%	17.50%
825,000	310,000	60,000	2,262,507	8.71	26.21
875,000	320,000	60,000	2,339,068	9.01	35.21
925,000	350,000	60,000	2,402,964	9.25	44.46
1,000,000	770,000	60,000	2,526,215	9.73	54.19
1,050,000	605,000	2,100,000	4,527,965	17.43	71.62
-	1,535,000	1,135,000	3,020,000	11.63	83.25
-	-	2,795,000	3,170,000	12.21	95.46
-	-	-	400,000	1.54	97.00
-	-	-	380,000	1.46	98.46
-	-	-	400,000	1.54	100.00
<u>\$ 5,450,000</u>	<u>\$ 4,095,000</u>	<u>\$ 6,325,000</u>	<u>\$ 23,718,860</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
1994	\$ 11,101,269	\$ 5,570,734	\$ 5,530,535	\$ 1,145,683
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	-

(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, only the Water Enterprise Fund had debt.

Source: Audited financial statements

Debt Service

	Interest	Total	Coverage (4)
\$	1,065,821	\$ 2,211,504	2.50
	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		Per Capita Income		Illinois Annual Average Individual Pay (3)
1993-1994	56,688	(1)	\$ 16,570	(2)	*
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

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	
32.50	(2)	8,026	(6)	*	3.7%	(7)
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)

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
1993	382	\$ 113,178,830	1,864	\$ 59,861,731
1994	351	38,794,674	2,166	60,768,644
1995	*	*	*	*
1996	*	*	*	*
1997	*	*	*	*
1998	*	*	*	*
1999	*	*	*	*
2000	*	*	*	*
2001	*	*	*	*
2002	*	*	*	*

(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.

(2) Previous years figures provided by the various banks may have included nonlocal deposits.

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
*	\$ 812,497,164	\$ 1,167,431,604	\$ 1,979,928,768
*	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

City of Bloomington, Illinois

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

	1994	1995	1996	1997
Miles of watermains constructed	14.28	10.00	7.48	6.68
Miles of sanitary sewers constructed	12.49	6.10	8.26	6.44
Miles of storm sewers constructed	6.95	7.43	5.63	7.16
Miles of streets constructed	8.05	5.43	4.26	6.03
Miles of City in square miles	18.38	19.47	21.19	21.37

Source: Engineering Department, City of Bloomington

1998	1999	2000	2001	2002	2003
6.02	20.48	8.24	9.45	6.37	6.43
4.68	6.60	6.01	9.23	6.75	6.72
5.18	3.90	5.28	7.93	0.86	0.87
5.14	4.91	4.90	7.88	1.51	2.72
21.68	22.27	22.85	23.54	25.30	25.68

City of Bloomington, Illinois

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

	1994	1995	1996	1997
Risk Management	-	-	-	-
CIRPA	-	-	-	-
City Manager	4	4	6	3
City Clerk	2	2	2	3
Legal	4	4	4	4
Finance	10	10	10	11
Community Development	8	8	9	9
PACE/Building Safety	13	14	15	15
Parks and Recreation	110	117	121	121
Community Relations	2	2	2	2
Engineering	25	22	32	32
Fire	77	79	95	95
Police	107	110	129	119
Water	43	47	58	59
Parking	8	9	5	5
Human Resources	4	5	6	6
Computer Services	5	6	6	6
Library	56	56	48	47
Legislative	9	8	9	9
Streets and Refuse	94	93	76	78
SOAR	-	-	5	5
JM Scott	4	3	4	4
Central Garage	6	6	7	7
Safety	-	-	-	-
Health	-	-	-	-
Compensation and Benefits	-	-	-	-
Cultural District	-	-	-	-
Total Actual (Total Full & Part-Time)	591	605	649	640
Total Budget (Full Time Equivalent)	566	570	627	628
Payroll	\$ 18,061,694	\$ 19,175,719	\$ 20,832,421	\$ 21,942,529
Percentage Increase Budgeted Employees (Base 536 in 1992)	5.6%	6.3%	17.0%	17.2%
Percentage Increase Budgeted Employees (Base \$16,411,261 in 1992)	10.1%	16.8%	26.9%	33.7%

1998	1999	2000	2001	2002	2003
3	2	3	4	-	-
-	-	-	-	3	-
3	2	3	4	4	4
3	3	3	3	3	3
4	4	4	5	5	5
11	12	12	12	12	13
8	9	9	9	9	7
15	17	19	21	23	23
116	120	121	121	125	102
2	2	2	1	1	1
32	32	32	33	34	25
100	94	92	96	97	96
112	119	118	127	128	130
59	59	57	68	66	56
5	8	8	8	8	8
3	3	4	5	5	5
7	8	8	8	9	8
47	45	48	48	51	45
9	9	9	10	10	9
71	71	74	76	75	78
6	5	5	5	6	-
4	3	3	3	3	2
6	7	7	8	8	6
-	1	1	-	-	-
-	1	1	1	1	1
-	-	-	-	2	2
-	-	-	-	-	4
626	636	643	676	688	633
632	638	647	673	686	714
\$ 24,257,815	\$ 25,694,836	\$ 25,287,406	\$ 27,532,628	\$ 27,701,459	\$ 31,537,920
17.9%	19.0%	20.7%	25.6%	28.0%	33.2%
47.8%	56.6%	54.1%	67.8%	68.8%	92.2%

City of Bloomington, Illinois

**Building Permits
Last Ten Fiscal Years**

	1994	1995	1996	1997
New Building:				
One Family	\$ 37,636,560	\$ 31,772,590	\$ 30,421,115	\$ 31,267,280
Two Family	250,000	735,000	1,390,000	1,333,860
Multiple Family	1,170,000	5,178,000	6,929,000	5,200,000
Motels	541,000	490,000	3,400,000	700,000
Dormitory	778,000	-	1,000,000	3,531,736
Amusement and Recreation	-	100,000	70,000	686,815
Churches and Religious Facilities	-	809,122	-	-
Industrial Buildings	-	21,600	100,000	398,673
Parking Garages	-	7,000	-	-
Residential Garages	350,575	-	192,581	159,463
Service Stations - Garages	-	250,000	253,100	-
Hospital and Institutional	297,088	441,578	-	4,770,693
Office and Professional	57,141,737	2,594,852	6,059,000	600,000
Educational	-	21,073	1,315,610	-
Public Works and Utilities	1,214,400	-	50,000	2,453,536
Stores - Mercantile	5,934,417	7,362,859	3,858,306	3,207,712
Other Non-Residential	475,108	266,964	48,050	412,395
Structures other than buildings	3,032,066	392,733	382,480	882,523
Subtotals	108,820,951	50,443,371	55,469,242	55,604,686
Add Mechanical not Included	35,910,914	16,814,473	18,425,554	18,349,579
Totals	\$ 144,731,865	\$ 67,257,844	\$ 73,894,796	\$ 73,954,265
Additions and Alterations:				
Residential	\$ 5,489,147	\$ 7,449,259	\$ 6,205,619	\$ 9,551,617
All Others	15,470,291	16,779,710	10,569,504	22,310,477
Subtotals	20,959,438	24,228,969	16,775,123	31,862,094
Add Mechanical not Included	6,916,615	8,076,314	5,655,901	10,514,491
Totals	\$ 27,876,053	\$ 32,305,283	\$ 22,431,024	\$ 42,376,585
Total Value - All	\$172,607,918	\$99,563,127	\$96,325,820	\$116,330,850
Total Building Permits	2,171	2,382	2,251	2,683
Demolitions:				
Residential (#)	28	19	22	24
All Other (#)	39	49	21	47
Totals	67	68	43	71
Average cost of one family*	\$78,573	\$74,935	\$84,269	\$82,066
Average cost of apartment unit*	\$20,893	\$25,259	\$23,330	\$33,333

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

Source: Planning and Code Enforcement Department, City of Bloomington

	1998	1999	2000	2001	2002	2003
\$	43,922,245	\$ 42,160,168	\$ 54,032,098	\$ 43,855,111	\$ 51,750,721	\$ 53,752,935
	748,000	241,000	2,229,280	153,300	504,000	-
	2,892,000	9,782,000	2,500,000	2,650,000	10,880,000	31,676,106
	-	-	4,228,000	2,500,000	3,200,000	-
	-	-	75,000	-	-	-
	60,000	2,466,000	531,203	-	1,002,476	2,154,471
	-	-	1,398,000	-	-	3,844,000
	3,335,000	382,672	-	-	-	-
	-	20,239,392	-	10,000,000	25,400	23,000
	-	-	90,000	508,004	802,735	1,359,123
	-	371,000	-	125,000	250,000	-
	-	1,417,284	-	-	-	-
	500,000	79,514,999	3,432,600	6,153,812	6,347,345	3,243,359
	548,220	51,000	498,000	18,931,910	2,560,400	6,041,000
	1,995	-	75,000	135,000	-	-
	7,461,497	11,542,977	8,568,756	19,988,008	11,975,797	4,076,867
	2,143,557	1,775,501	181,375	259,290	1,735,584	166,692
	508,573	2,360,333	2,965,031	273,560	1,168,558	931,064
	62,121,087	172,304,326	80,804,343	105,532,995	92,203,016	107,268,617
	20,499,959	56,860,434	26,665,433	34,825,888	30,426,995	35,398,644
\$	82,621,046	\$ 229,164,760	\$ 107,469,776	\$ 140,358,883	\$ 122,630,011	\$ 142,667,261
\$	9,699,005	\$ 8,798,239	\$ 12,253,265	\$ 9,905,935	\$ 10,803,289	\$ 22,421,070
	28,975,202	17,609,699	23,761,283	27,097,762	12,979,746	9,830,959
	38,674,207	26,407,938	36,014,548	37,003,697	23,783,035	32,252,029
	12,762,488	8,714,620	11,884,801	12,211,220	7,848,402	10,643,170
\$	51,436,695	\$ 35,122,558	\$ 47,899,349	\$ 49,214,917	\$ 31,631,437	\$ 42,895,199
	\$134,057,741	\$264,287,318	\$155,369,125	\$189,573,800	\$154,261,448	\$185,562,460
	2,554	2,277	2,709	2,458	2,579	3,001
	13	35	24	14	20	29
	37	34	69	32	27	42
	50	69	93	46	47	71
	\$83,981	\$99,434	\$105,945	\$114,804	\$113,738	\$119,717
	\$23,136	\$29,281	\$21,739	\$30,114	\$28,847	\$35,833

City of Bloomington, Illinois

Salaries and Surety Bonds of Principal Officers
Year Ended April 30, 2003

Name and Title of Official(s)	Amount of Annual Salary	Surety Bond
Thomas Hamilton, City Manager	\$ 109,158	\$ 5,000
Tracey Covert, City Clerk	57,903	5,000
Brian J. Barnes, Director of Finance	91,468	200,000

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

City of Bloomington, Illinois

**Miscellaneous Statistics
April 30, 2003**

Date of Incorporation	1850
Form of Government	Council/Manager
Area	25.68 miles
Miles of Streets	274.28
Number of Street Lights	4,719
Fire Protection:	
Number of Stations	4
Number of Fire Personnel and Officers	89
Police Protection:	
Number of Stations	1
Number of Police Personnel and Officers	108
Municipal Water Department:	
Number of Consumers	29,263
Average Daily Consumption (Million Gallons per Day)	11
Miles of Watermains	336.41
Sewers:	
Miles of Sanitary Sewers	334.85 miles
Miles of Storm Sewers	272.05 miles
Building Permits Issued	3,001
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	250,240
Employees:	
Classified Services	116
Union	450
Total	566

Source: City of Bloomington (Various Departments)

City of Bloomington, Illinois

Schedule of Coverages
May 1, 2003 - May 1, 2004

Type	Included	SIR/ Ded	Limit of Cov	Excess
Worker's Compensation	Part A	\$300,000	Statutory	
Policy #SP-4083-IL	Part B - Employer's Liability	\$300,000	\$500,000	\$20,000,000
Property	Buildings	\$25,000	\$93,226,867	
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	\$25,000	
Policy #GP06301205	Pollution Clean-up and Removal	\$25,000 / 24 hrs	\$25,000	
	Spoilage	\$25,000 / 24 hrs	\$25,000	
Additional Coverages	Accounts Receivable	\$25,000	\$1,000,000	
Policy #GP06301205	Building Ordinance or Law	\$25,000	\$1,000,000	
	Change in Temperature & Humidity	\$25,000	No Exclusion	
	Computers (see IM also)	\$25,000	\$50,000	
	Extra Expense	\$25,000	\$25,000	
	Fine Arts	\$25,000	\$50,000	
	Fire Department Service Charge	\$25,000	\$25,000	
	Inventory & Appraisals	\$25,000	\$10,000	
	Money & Securities			
	Inside Limit	\$25,000	\$10,000	
	Outside Limit	\$25,000	\$5,000	
	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	
	Pairs and Sets	\$25,000	\$25,000	
	Personal Belongings	\$25,000	\$50,000	
	Pollution Clean-up and Removal	\$25,000	\$1,000,000	
	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	
	Water Damage	\$25,000	\$50,000	
Inland Marine	Contractors Equipment	\$5,000	\$6,829,970	
Policy #GP06301205	Miscellaneous Property	\$5,000	\$5,627,432	
	Computer Property	\$1,000	\$2,358,628	
Difference In Conditions	Flood (Building & BPP)	\$100,000	\$10,000,000	
Policy #GP06301205	Earthquake (Building & BPP)	\$100,000	\$10,000,000	
	Catastrophe (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
	Advertising Injury (each person limit)	\$100,000	\$1,000,000	\$20,000,000
	Each Event Limits	\$100,000	\$1,000,000	\$20,000,000
	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

City of Bloomington, Illinois

Schedule of Coverages
May 1, 2003 - May 1, 2004

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

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

COMPLIANCE SECTION

City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards
Year Ended April 30, 2003

Federal Grantor/Pass Through Grantor and Program Title	CFDA Number	Grant Number	Expenditures
Direct Programs:			
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B-01-MC-17-0004	\$ 410,679
	14.218	B-02-MC-17-0004	430,447
Supportive Housing Program	14.235	IL-06B82-1001	7,087
	14.235	IL-01B91-2005	38,733
	14.235	IL-01B01-2002	186,948
	14.235	IL-01B01-2005	173,591
Shelter Plus Care	14.238	IL-01C91-2002	14,242
			<u>1,261,727</u>
U.S. Department of Justice:			
COPS Universal Hiring	16.710	95-CC-WX-0336	757
Law Enforcement Block Grant	16.710	2002-LB-BX-2640	20,745
			<u>21,502</u>
U.S. Department of Justice (Passed through Illinois Criminal Justice Information Authority) Edward Byrne Local Law Enforcement Assistance Formula Grant			
	16.579	1999-DB-BX-001	19,380
	16.579	2000-DB-BX-0017	44,588
	16.579	2001-DB-BX-0017	16,015
	16.579	2002-DB-BX-0017	66,304
			<u>146,287</u>
Environmental Protection Agency (Passed through Illinois Environmental Protection Agency) Drinking Water State Revolving Fund			
	66.468	L17127000	1,568,767
Total expenditures of federal awards			<u><u>\$ 2,998,283</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, 2003

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, 2003. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are 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	\$ 337,611

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, 2003, the loans outstanding under these programs total \$1,375,519.

City of Bloomington, Illinois

Summary Schedule of Prior Audit Findings
Year Ended April 30, 2003

Comment	Status	Corrective Action or Other Explanation
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There were no prior audit findings.

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, 2003, and have issued our report thereon dated July 3, 2003. We did not audit the financial statements of Central Illinois Risk Pooling Authority which represents 6% and 11%, respectively, of the assets and revenues of the aggregate remaining fund information and 3% 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-II-A through 03-II-D.

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 none of the reportable conditions described above is 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 3, 2003.

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 3, 2003

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 each of its major federal programs for the year ended April 30, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2003.

Internal Control Over Compliance

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

We noted a certain matters involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-III-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 noncompliance with the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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 3, 2003

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2003

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? Yes No

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:

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

03-II-A

Condition: The City has an inadequate segregation of duties over the disbursement transaction cycle. All employees in the finance department have access to the blank check stock and the check-signing machine. Editing capabilities of master vendor files are assigned to the employee with invoice posting and check posting functions. Furthermore, the check sequence for each of the City's bank accounts is not being logged or monitored.

Effect: Errors could occur and not be detected in a timely manner.

Recommendation: We recommend restricting access to the check-signing machine to employees who are separate from the invoicing and posting function. Editing of master vendor files should be assigned to an employee separate from the check processing function. We also recommend that the City assign an employee who is separate from the recording and remittance functions to maintain control over blank check stock and monitor the check sequence of the City's bank accounts.

Response and Corrective Action Plan: Immediately upon the recommendation of the audit firm, the City of Bloomington put the following into place:

The Finance department has assigned to an individual who has no duties over disbursement transactions the logging and monitoring of check number sequence. This employee will monitor both accounts payable and payroll check number sequences.

As of September 8, 2003, the City will no longer have the employees assigned with invoicing, posting and check posting functions update master vendor files. These duties have been assigned to two other individuals in the Finance office who have no invoicing or check posting functions.

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2003

03-II-B

Condition: The City has an inadequate segregation of duties over the receipts transaction cycle. Each department of the City maintains a separate receipt sequence; however, the receipt sequences are not being monitored and reconciled.

Effect: Misappropriation of cash could occur and not be detected in a timely manner.

Recommendation: We recommend that an employee who is independent of the cash collection and recording function monitor the receipt sequences of each of the City's departments, such as the individual responsible for reconciling the bank statements.

Response and Corrective Action Plan: The Finance department is currently putting into place a recording function to monitor the receipt sequences for all of the departments. The employee responsible has no duties in the receipts transaction cycle.

03-II-C

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 will research the possibility of segregation of duties and implementation of separate cash drawers at each of the golf courses. The benefits of segregating duties and separate cash drawers will be weighed against the costs associated with doing so.

03-II-D

Finding: The City of Bloomington, Illinois does not have an adequate system in place over the revolving loan transactions.

Condition: An updated loan receivable subsidiary ledger is not maintained. Loan payments and loan disbursements on the general ledger system are not reconciled to the program database maintained by Community Development.

Effect: Transaction errors could occur and not be detected in a timely manner.

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2003

Recommendation: We recommend establishing a loan receivable subsidiary ledger, which is reconciled on a monthly basis to the general ledger for all loan payments and new loans disbursed.

Response and Corrective Action Plan: The City of Bloomington is developing the steps necessary to reconcile an updated loan receivables ledger with the general ledger.

B. Compliance findings:

The audit disclosed no instances of noncompliance which are material to the financial statements of the City of Bloomington, Illinois, as of and for the year ended April 30, 2003.

III. Findings and Questioned Costs for Federal Awards

A. Reportable conditions in administering federal awards

03-III-A

U.S. Department of Housing and Urban Development Supportive Housing Program (CFDA 14.235)

Finding: The City does not have a system in place to ensure compliance with subrecipient monitoring requirements.

Condition: The City does not maintain adequate documentation of subrecipient monitoring for subrecipients of the Supportive Housing Program.

Criteria: The Office of Management and Budget Circular A-133 requires that the City be responsible for 1) identifying to the subrecipient the federal award information and applicable compliance requirements, 2) monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, 3) ensuring required audits are performed and requiring the subrecipient to take prompt corrective action on any audit findings, and 4) evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable federal regulations.

Recommendation: We recommend the City implement a system to ensure that subrecipient monitoring requirements are being properly documented and performed.

Response and Corrective Action Plan: As discussed with the auditors during their site visit in July 2003, we were aware of this shortcoming and had already taken steps to rectify the situation. Our first meeting with PATH regarding subrecipient monitoring was July 16, 2003. A committee was formed to develop monitoring policies and procedures. To date, this committee has met twice, with another meeting scheduled for September 12, 2003.

City of Bloomington, Illinois

**Schedule of Findings and Questioned Costs
Year Ended April 30, 2003**

We have developed a monitoring checklist for subrecipients, based upon HUD's requirements and guidelines, as noted in their "Supportive Housing Program Self Monitoring Tools" publication. In addition, a corresponding "point system" of rating has been established. Five areas for monitoring have been identified: 1) Quarterly data/information submitted by subrecipients; 2) Survey from other social service agencies regarding subrecipient's services; 3) Subrecipient file contents; 4) Subrecipient's Annual Performance Report submitted to HUD and 5) Financial/management policies, procedures and information.

B. Compliance findings:

None

City of Bloomington, Illinois

**Corrective Action Plan
Year Ended April 30, 2003**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Reportable Conditions in Internal Control				
03-II-A	The City has an inadequate segregation of duties over the disbursement transaction cycle.	See response and corrective action plan at 03-II-A.	April 30, 2004	Judy Whitehart
03-II-B	The City has an inadequate segregation of duties over the receipts transaction cycle.	See response and corrective action plan at 03-II-B.	April 30, 2004	Judy Whitehart
03-II-C	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 03-II-C.	April 30, 2004	Judy Whitehart
03-II-D	The City does not have an adequate system in place over the revolving loan transactions.	See response and corrective action plan at 03-II-D.	April 30, 2004	Judy Whitehart
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.	See response and corrective action plan at 03-III-A.	April 30, 2004	Sharon Walker