



CITY OF
Bloomington ILLINOIS



Comprehensive Annual Financial Report

of the

City of Bloomington, Illinois

for the Fiscal Year

May 1, 2015 to April 30, 2016

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF BLOOMINGTON, ILLINOIS**
As of and for the Year Ended April 30, 2016

Prepared by:

Patti-Lynn Silva
Finance Director

CITY OF BLOOMINGTON

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February 27, 2017

The Honorable Mayor Renner,
Members of the City Council, and
Citizens and Businesses of the City of Bloomington:

The Comprehensive Annual Financial Report (CAFR) of the City of Bloomington, Illinois, for the fiscal year ended April 30th, 2016, is submitted herewith. This report provides a broad view of the City's financial activities for the 2016 fiscal year and its financial position at April 30th, 2016. Illinois statutes require all general purpose local governments to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with General Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. For fiscal year 2016, the City did not meet this deadline primarily due to the transition of management companies at the Coliseum which is a major enterprise fund of the City. The City did communicate the delay to all applicable regulatory bodies and obtained extensions where available.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, which includes all disclosures based upon a comprehensive framework of internal control that has been established for this purpose, rests with the management of the City of Bloomington. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City of Bloomington. All disclosures necessary to enable the reader to gain an understanding of the City of Bloomington's financial condition and activities have been included within the comprehensive annual financial report.

Baker Tilly Virchow Krause, LLP, a firm of licensed certified public accountants, has audited the City of Bloomington's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City of Bloomington for the fiscal year ended April 30th, 2016, are free of material misstatement. The independent audit involved the examination, on a test basis, of evidence to support the amounts and disclosures in the financial statements, assess the accounting principles used and the significant estimates made by management; and evaluate the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Bloomington's financial statements for the fiscal year ended April 30th,

2016, are fairly presented in conformity with generally accepted accounting principles, with the exception of areas related to the Coliseum which is presented as a major enterprise fund. As mentioned above there was a transition in the third-party management company near the end of the fiscal year which created delays. In addition, during this transition, information was uncovered that lead to the criminal investigation into past operations of the Coliseum. Due to the on-going investigation, the auditors were unable to obtain all of the documents necessary to complete an audit of the Coliseum operations and have issued a disclaimer of opinion on the U.S. Cellular Coliseum fund and qualified opinions on areas that were impacted by this fund.

The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of various federal and state financial assistance programs, the City of Bloomington is required under the Federal Single Audit Act, to have an annual audit of certain major federal grant programs performed. The audit contains information concerning whether grant activity is presented fairly in the financial statements, whether internal controls are sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditor's reports relative to the Federal Single Audit Act are included in a separate report.

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

Profile of Government

The City of Bloomington, incorporated in 1856, is a home rule unit of government under the 1970 Illinois Constitution. 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. The City of Bloomington is the County Seat of McLean County, the largest county in Illinois (approximately 762,240 acres). The latest U.S. Census estimate (July 1, 2012) is a total population of 78,730. The City of Bloomington is termed a twin city in conjunction with the Town of Normal.

The City is governed by a City Council elected on a non-partisan basis composed of nine Aldermen and a Mayor. The City Council is responsible to enact ordinances, resolutions, and regulations which govern the City, adopt the annual budget, as well as appoint members of various statutory and ordinance boards. The Aldermen are elected to four-year staggered terms, while the Mayor is elected to a four-year term. The Mayor is elected at large, the Aldermen by ward. The City's manager is responsible to carry out the policies and ordinances established by City Council, oversee the day-to-day operations of the City, and appoint the department heads of the City's departments.

The City provides a full range of municipal services. These services include public safety, roadway maintenance, refuse disposal, planning and zoning, engineering and inspection, water and sewer utility service, parks and recreation, and general administrative services. The City owns and operates multiple municipal parks, an ice center, three golf courses, a zoo, and a

performing arts center in Downtown Bloomington. The City owns the US Cellular Coliseum located in Downtown Bloomington, the home of the Bloomington Edge (indoor football), and the Bloomington Thunder (ice hockey), and contracted its operation to the Central Illinois Arena Management through March 31, 2016 and subsequently to VenuWorks. Finally, the City provides Library services to the residents of Bloomington and these operations are presented as a separate fund within the financial statements.

Additional demographic information about the City of Bloomington may be found in the statistical section of this report.

Accounting System and Budgeting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are allocated to, and accounted for, individual funds based upon the purposes for which the funds are to be spent and the means by which the spending activities are controlled.

The City's accounting records are generally maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when measurable and available to liquidate obligations of the current period. Expenditures are recorded when a liability is incurred that is expected to draw upon current financial resources. After the end of the fiscal year, the City's management makes certain adjustments to the accounting records to permit the preparation of certain financial statements on the accrual basis of accounting to comply with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

The annual budget serves as the foundation for the City's financial planning and control. The City of Bloomington prepares a five-year budget projection for both operating and capital budgets for all funds. Every City department is required to submit a budget request to the City Manager during the fall of each year. The Finance Director in cooperation with the City Manager and individual Department Directors refine their budget requests, and the proposed budget is presented to the City Council on or before March 31st of each year. The City Council is required to hold a public hearing on the proposed budget if the budget increases 5 percent and final adoption of a budget occurs no later than April 30th of each year. The budget is also known as the City's Appropriation Ordinance. The appropriated budget is itemized at the fund and department level. Budget transfers or amendments that increase the total appropriation of a fund require the approval of the City Council. A budget-to-actual comparison is provided for each individual governmental fund for which an appropriated annual budget has been adopted. The City's budget process focus on providing services contained within the City's strategic plan. For the General Fund, a budgetary to actual expenditure comparison is presented in the required supplementary information section. 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.

Factors Affecting Financial Conditions

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: Bloomington was ranked #3 in the State of Illinois and #57 nationally on [*Forbes*](#) 2016 list of “**The Best Small Places for Business and Careers.**” The economic strength of the Bloomington-Normal metropolitan area is well diversified with many substantial businesses and institutions. Diverse and stable employment sources include State Farm Insurance, Illinois State University, COUNTRY Financial, TEKsystems, NTT DATA, Afni, Inc., Nestle USA, Bridgestone/Firestone Off-Road Tire, Illinois Wesleyan University, Advocate BroMenn Regional Medical Center, and OSF St Joseph Medical Center. These, along with many other employers, contribute to Bloomington-Normal historically experiencing the lowest average unemployment rate of any metro area in Illinois.

Bloomington is located in one of the most productive agricultural 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 hospitals, a convention center, one indoor mall, one outdoor mall, and numerous banking and financial services firms located in Bloomington-Normal. New construction continues to enhance residential, industrial and commercial growth.

The Bloomington-Normal area has become nationally known as a strong transportation and distribution region as it is centrally located at the intersection of interstates 39, 55 and 74, US Routes 51 and 150, and State Route 9. Numerous motor freight carriers and major railroad lines including Union Pacific, Norfolk Southern, and Amtrak connect Bloomington-Normal to most major cities within the continental United States. Central Illinois Regional Airport (BMI) in Bloomington hosts a FedEx Express air cargo hub which opened in 2015. The airport has established relationships with several airlines, including American, Delta, and Allegiant, with daily passenger jet service to Atlanta, Chicago, Dallas, Minneapolis, and frequent service to Orlando and St. Petersburg.

There are multiple shopping centers located within Bloomington-Normal which serve a large retail trade area including more than 230,000 residents. One enclosed regional mall and one outdoor lifestyle shopping center account for approximately 1,210,000 square feet of leasable retail space. The area enjoys the presence of numerous major national retailers such as Bergner’s, Best Buy, Home Depot, Hy-Vee, JC Penney, Jewel-Osco, Kohl’s, Kroger, Lowe’s, Meijer, Menards, Sam’s Club, Sears, Target, Von Maur, and Wal-Mart, in addition to hundreds of chain and local restaurants and is well insulated from competition with the next nearest regional shopping center being more than 40 miles away.

Over the last year, most major employers within the community have remained fairly stable including State Farm Insurance, Country Financial, and Illinois State University. The end of production at the Mitsubishi Motors manufacturing facility in the adjacent Town of Normal in November 2015 resulted in the full closure of that facility by June of 2016. In December 2016, it was announced that Rivian Automotive, a new electric car manufacturing company, planned to purchase the former Mitsubishi facility with the intent to hire over 500 employees and invest over \$40 million in the facility by the year 2022. Rivian has since purchased the former

Mitsubishi facility and is proceeding with its plan which will likely have a positive impact on the local economies of both the City of Bloomington and the Town of Normal.

New construction and renovation projects continue to occur throughout the City, including the recent redevelopment of a former 88,000 square foot Kmart store into a Dick's Sporting Goods, Home Goods, Five Below, and Carter's Oshkosh B'Gosh in the newly renamed Empire Crossing Shopping Center. The redevelopment of the former Kmart also spurred the renovation of the long vacant Circuit City building in the same shopping center to become a new PetSmart pet supply store. Additionally, the former Cub Foods grocery store on Veterans Parkway is being renovated into a Fresh Thyme Farmers Market grocery store and The Great Escape home leisure store. The Kroger Co. has announced its intent to acquire land in the City and construct a new 128,000 square foot Kroger Marketplace grocery store. Construction work continues to progress on "the Foundry," a 20,000 square foot retail development along the City's Constitution Trail walking and bike path which will host the City's first co-operatively owned grocery store: "Green Top Grocery Co-op." The significant activity in Bloomington's retail sector can be seen as a favorable view of the long term prospects for the City's economic outlook and is likely to result in increased sales tax collections for the City in the months and years ahead.

In addition to the retail developments outlined above, the County of McLean is starting the construction of a \$20 million expansion of the County's Law and Justice Center to offer more modern dentition facilities as part of an intergovernmental initiative between the County, City of Bloomington, and Town of Normal to improve mental health in the community. The expansion of the Law and Justice Center in Downtown Bloomington adds to the many recent private sector investments to renovate the upper floors of historic buildings in the City's downtown into loft apartments which has attracted numerous millennials and empty nesters to live, work, and play in Downtown Bloomington enjoining the Downtown's many shops, restaurants, and entertainment venues.

The following higher education facilities are located in Bloomington or in close proximity: Heartland Community College (HCC) was established in 1990 and classes were first offered in the fall of 1991. Since then, enrollment has grown to over 6,000 credit students and 16,000 non-credit students. HCC offers associate and transfer degrees and certifications in 58 different areas. Illinois State University (ISU) was founded in 1857; ISU was the first public university in Illinois. ISU averages enrollment of around 20,000 students. ISU has six colleges and 35 academic departments offering more than 160 fields of study with over 1,200 faculty members. Illinois Wesleyan University (IWU) is a private university founded in 1850. IWU averages student enrollment of 2,000 undergraduates. Recognized as one of the nation's premier private residential liberal arts universities, IWU offers 42 majors and three pre professional programs with over 180 faculty members. Lincoln College - Normal is a private residential college, offering academic and vocational programs to over 450 students. Accredited by the North Central Association, Lincoln offers associate degrees as well as bachelor's degrees in business management and liberal arts.

Bloomington-Normal home sales for calendar year 2016 reflects 2,780 sales with the average price per residence of both new and existing stock decreasing by \$1,039 or -0.6% compared to 2015. The 2016 average new home sales price was \$300,291 while the average 2016 existing

home sales price was \$161,820 as reported by the Bloomington-Normal Association of Realtors.

The median household income for the Bloomington-Normal, Illinois Metropolitan Statistical Area (MSA) was \$50,795, continuing to be the highest in Central Illinois and ranking the Bloomington-Normal MSA #13 in the nation and second in Illinois to the Chicago-Gary-Kenosha, Illinois-Indiana-Wisconsin CMSA. With a population of 150,433 and a per capita income of 22,227, the Bloomington-Normal MSA ranks 50th in the nation and is the second highest in Illinois.

Please refer to the Management Discussion and Analysis section of this document to review additional information pertaining to the City's economic condition and bond rating status.

Long-Term Financial Planning: A five year financial planning process occurs each year to provide a future projection of the City's finances for decision makers. The City continues to address long term liabilities by working on strategic collective bargaining objectives, funding its pension commitments, and measuring capital assets. Master planning for sanitary sewer and storm water utilities have been completed. A water master plan is budgeted for fiscal year 2018. Other master plans for parks, sidewalks, and bicycle have been updated in house. In the meantime, a draft capital improvement plan has been presented to the City Council and educational sessions in each subject matter are completed. Next steps will include adoption of the capital improvement plan and establishing an action plan for funding. In 2015 the City Council adopted a one percent increase in the City's Home Rule Sales Tax which along with reductions in expenditures and a service level reduction in our bulk waste program balanced the 2016 structural deficit and positioned the City well for the fiscal 2017 budget. The sales tax increase raised an estimated \$9.7M in recurring revenues. The City Council and the internal management team are committed to understanding all city costs and programs evidenced by the Priority Based Budgeting initiatives which began in fiscal year 2017. The Council has supported and initiated local economic development in efforts to create a sustainable and diversified tax base. The City has a diversified business base with unemployment rates below the national and state averages due to thriving agriculture, insurance and education industries. In calendar year 2016, Fitch and Moody's rating agencies reaffirmed the City's credit ratings of AA+ and Aa2 with stable outlooks.

The City's General Fund reflects reserves of \$21.9 million at April 30, 2016, of which \$13.3 million was unassigned. The formal fund balance policy requires the City's unreserved fund balance to be a minimum of 10% of budgeted expenditures within the General Fund. The policy establishes other levels for the special revenue, debt service, and proprietary funds within the City of Bloomington. The City remained committed to focusing efforts and resources to improve the overall condition of all funds within the City and will continue to make operating transfers to eliminate deficit fund balance/net position.

Long term planning achievements:

- The City supports a regional focus having adopted a formal Comprehensive Plan – Bring It on Bloomington.

- Capital planning. The City has begun work on a Five Year Capital Improvement Plan. Master plans were adopted for Facilities, Fire, Sidewalk and ADA, Bicycle, and Sanitary Sewer & Storm Water.
- Long term liabilities. The previously adopted a Police and Fire Pension Funding Policy that requires 100% funding by 2043 rather than the State's legislative plan's requirement of 90%. The City has continued to make contributions prescribed by the plan and updates the actuarial valuation information annually to monitor progress.
- Economic development. The creation of TIF districts and a strong economic development initiative have led to notable success seen in the local economy section. A new Tax Increment Financing (TIF) was created in fiscal year 2016 and others are planned for fiscal year 2017.

The understanding of deferred capital costs, long term liabilities, and the benefits of economic development serve as the foundation for the City's long term financial planning.

Looking ahead, the City Council and executive management are well versed on long term challenges and risk and employs sustainable strategies to address them. The City has elected to follow a performance excellence and innovation initiative to address enterprise effectiveness.

Financial Policies: The City has established several specific policies to guide its financial operations. Those policies relate to the following areas:

Accounting and Financial Reporting:

- Issue a Comprehensive Annual Financial Report within six months of the end of each fiscal year that complies with the generally accepted accounting principles.
- Capitalize street paving with an acquisition cost of \$100,000, water mains, sanitary sewers, and sidewalks with an acquisition cost of \$25,000, traffic signals with an acquisition cost of \$50,000, and building improvements with an acquisition cost of \$25,000.
- Capitalize vehicles, machinery, furniture, and equipment with an acquisition cost of \$5,000.

Budgetary and Revenue Management

- Maintain a diversified revenue structure.
- It shall be the intent of the City to maintain a fund balance in the general fund of at least 10 percent of the approved expenditures (expenses) budget from the prior year.

- Impose moderate annual water and sewer rate increases so as to avoid large increases at irregular intervals.

Debt Management

- Limit the period during which debt is outstanding to a time period not greater than the useful life of the asset financed by the debt.
- Sell bonds through competitive, rather than negotiated, sales whenever possible.
- To provide assistance in debt issuances, the City will select a financial advisor and/or investment banker and bond counsel on a competitive basis. These advisors will be retained for several years to provide continuity and allow these professionals to develop an understanding of the City's needs.
- The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement), voluntarily following disclosure guidelines provided by the Governmental Finance Officers Association unless the cost of compliance with the higher standard is unreasonable.
- Consider the refunding of outstanding debt when at least a 4% net present value savings can be obtained.

Cash Management & Investments

- Place all investment securities with a third-party custodian for safekeeping.
- Investments of the City of Bloomington shall be limited to investments that mature within 3 years of the time of purchase.
- Require that all bank deposits be collateralized with high-quality securities having a market value of at least 102 percent of the underlying securities.

Purchasing

- Obtain competitive quotes for purchases in excess of \$3,000 and below \$25,000.
- Conduct a formal competitive bidding process for purchases in excess of \$25,000.
- Obtain City Council approval of all purchases in excess of \$50,000.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) has awarded a Certificate for Distinguished Budget for City's budgets since the fiscal year 2012 budget.

The Government Finance Officers Association of the United States and Canada (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 30th, 2015. This was the 40th consecutive year 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. Staff believes the City's current CAFR will continue to meet the Certificate of Achievement Program's requirements and this document will be submitted to the GFOA to determine its eligibility for another certificate.

A special thanks to the Mayor and City Council for their strong support to maintain the highest standards of professionalism in the management of the City of Bloomington finances. The completion of the annual audit could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Thank you to all other City departments who participated in the annual audit for your continued support.

Respectfully submitted,



Patti-Lynn Silva, Director of Finance



David A Hales, City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

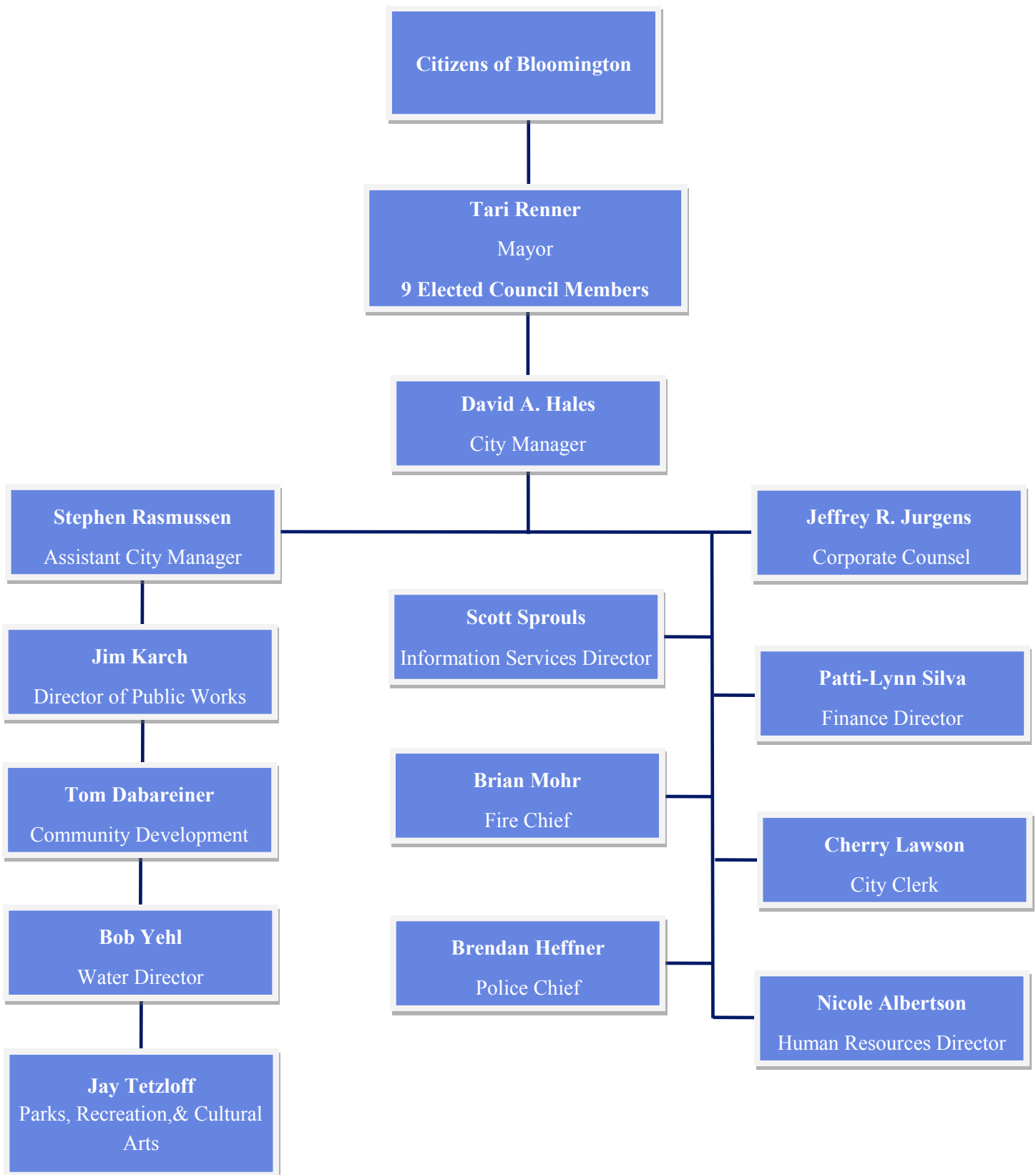
**City of Bloomington
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO

CITY OF BLOOMINGTON ORGANIZATION CHART



OFFICERS AND OFFICIALS

Elected Officials

Mayor Tari Renner

Council Members

Ward 1 Kevin Lower
Ward 2 David Sage
Ward 3 Mboka Mwilambwe
Ward 4 Amelia Buragas
Ward 5 Joni Painter
Ward 6 Karen Schmidt
Ward 7 Scott Black
Ward 8 Diana Hauman
Ward 9 Jim Fruin

Administrative Officials

City Manager	David A. Hales
Assistant City Manager	Steve Rasmussen
City Clerk	Cherry Lawson
Community Development	Tom Dabareiner
Corporation Counsel	Jeffrey R. Jurgens
Finance	Patti-Lynn Silva
Fire Chief	Brian Mohr
Human Resources	Nicole Albertson
Information Services	Scott Sprouls
Parks, Recreation & Cultural Arts Director	Jay Tetzloff
Police Chief	Brendan Heffner
Public Works	Jim Karch
Water Director	Bob Yehl

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Bloomington, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Bloomington's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Miller Park Zoological Society, a discretely presented component unit. We also did not audit the financial statements of the Police Pension Fund and the Firefighters' Pension Fund, fiduciary funds of the City, which represent 74 percent, 78 percent and 41 percent, respectively, of the assets/deferred outflows of resources, fund balance/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Miller Park Zoological Society, Police Pension Fund, and Firefighters' Pension Fund, is based solely on the report 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 from material misstatement. The financial statements of the Library Foundation, Miller Park Zoological Society, Police Pension Fund, and Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

Because of the matter described in the "Basis for Disclaimer of Opinion on the U.S. Cellular Coliseum Fund, a Major Enterprise Fund" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the U.S. Cellular Coliseum Fund, a major enterprise fund.

To the City Council
City of Bloomington

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

Except for the matter described in the "Basis for Disclaimer of Opinion on the U.S. Cellular Coliseum Fund, a Major Enterprise Fund" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Disclaimer of Opinion on the U.S. Cellular Coliseum Fund, a Major Enterprise Fund

The financial statements of the U.S. Cellular Coliseum Fund have not been audited, and we were not engaged to audit the U.S. Cellular Coliseum Fund's financial statements as part of our audit of the City's basic financial statements. The U.S. Cellular Coliseum Fund's financial activities are included in the City's basic financial statements as a major enterprise fund.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the U.S. Cellular Coliseum Fund, a Major Enterprise Fund" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the U.S. Cellular Coliseum, a major enterprise fund. Accordingly, we do not express an opinion on these financial statements.

Basis for Qualified Opinion on the Business-Type Activities

The financial statements of the U.S. Cellular Coliseum Fund have not been audited, and we were not engaged to audit the U.S. Cellular Coliseum Fund's financial statements as a part of our audit of the City's basic financial statements. The U.S. Cellular Coliseum Fund's financial activities are included in the City's basic financial statements as a component of the business-type activities, representing 11 percent, 11 percent, and 11 percent of the assets/deferred outflows of resources, net position, and revenues, respectively, of the business-type activities.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on the Business-Type Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the City of Bloomington, as of April 30, 2016 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Bloomington

Unmodified 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 discretely presented component units, each major fund (except for the U.S. Cellular Coliseum Fund), and the aggregate remaining fund information of the City of Bloomington, Illinois, as of April 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Bloomington adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective May 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomington's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the City Council
City of Bloomington

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomington's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issued our report dated February 27, 2017 on our consideration of the City of Bloomington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bloomington's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
February 27, 2017

City of Bloomington, Illinois
Management's Discussion and Analysis
For the Fiscal Year Ended April 30, 2016

As the management of the City of Bloomington, Illinois, staff presents the readers of the City's financial statements this narrative overview of the financial activities of the City for the fiscal year ended April 30th, 2016. Staff encourages readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which may be found on pages i thru ix of this report.

FINANCIAL HIGHLIGHTS

- During the year, the City implemented Governmental Accounting Standards Board Statements (GASB) No. 68 and 71 which changed the reporting related to pension costs and liabilities. As part of the implementation of these standards, beginning net position balances as of April 30, 2015 were restated. In total, the City's beginning net position was reduced by \$117.9 million, with \$113.4 million impacting the governmental activities and \$4.5 million affecting the business-type activities. When comparing the fiscal year 2016 financial statements to prior years, you will notice deferred outflows of resources related to pensions and significant increases in the net pension liability resulting from implementation of these standards.
- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by \$210.3 million. Of this amount, negative \$90.0 million is unrestricted.
- The City's total net position increased \$10.9 million which is attributable to revenues exceeding expenses for both governmental and business-type activities.
- The City's governmental funds ended fiscal year 2016 with combined fund balances of \$50.6 million. This is an increase of \$4.9 million from the prior year.
- The City's enterprise funds had \$193.0 million net position at the close of fiscal year 2016. This represents a \$4.3 million increase from fiscal year 2015 restated balances.
- Long-term debt including pension and other obligations increased \$20.3 million in fiscal year 2016 to \$271.5 million. Most of the increase is attributable to pension liabilities which have been restated under the new GASB reporting requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bloomington's basic financial statements. The City of Bloomington's basic financial statements are comprised of three primary components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City of Bloomington's finances, in a manner similar to a private-sector business and are presented on the full accrual basis of accounting.

All City activities are included in the government-wide statements with the exception of the City's fiduciary funds which are presented separately. Government-wide financial statements distinguish functions of the governmental entity principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business-type activities). The primary governmental activities of the City include activities such as general government, public safety, street maintenance, parks & recreation, and community development, while the business-type activities of the City include water, sewer, stormwater, solid waste, golf operations, and the US Cellular Coliseum.

The government-wide financial statements also include information for the City's discretely presented component units. These are legally separate organizations; however, they are closely related to the City. The component units and their relationships to the City are more fully described in Note I.A. to the financial statements on pages 45 - 47.

The following two statements make up the government-wide financials:

The *Statement of Net Position* presents information on the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Bloomington is improving or deteriorating.

The *Statement of Activities* presents information to show how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event which gives rise to the event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, earned but unused vacation leave).

The government-wide financial statements may be found on pages 20 - 23 of this report.

Fund financial statements:

The fund financial statements provide supplementary detailed information about the City's most significant funds, but not the City as a whole. The City uses accounting thresholds to determine which funds are major funds and which funds are nonmajor; only major funds are presented separately in the fund financials while all other nonmajor funds are aggregated.

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

A reconciliation between fund statements and government-wide statements for both governmental and business activities can be found on pages 28, 31, 34 - 35, and 36 - 37 of this report.

A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The City has three types of funds:

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful to evaluate a government's near-term financing requirements.

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

The City of Bloomington has presented thirteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the general, library and debt service funds which are considered major funds. The other governmental funds are combined into a single, aggregated presentation termed nonmajor governmental funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

Basic governmental fund financial statements can be found on pages 24 - 27 and 29 - 30 of this report.

Proprietary funds – Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Bloomington maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bloomington has presented seven enterprise funds to account for activities that include: water, sewer, US Cellular Coliseum, stormwater management, solid waste, parking, and golf operations. The golf operations fund and parking fund are classified as nonmajor enterprise funds.

Internal Service funds accumulate and allocate costs incurred internally among the City's various functions. The City of Bloomington uses internal service funds to account for employee group

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

healthcare, retiree group healthcare, and casualty insurance. Because these services benefit the governmental and business-type functions, these services have been allocated between governmental and business-type activities in the government-wide financial statements. Individual fund data for the three internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32 - 41 of this report.

Fiduciary funds – Fiduciary funds account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the City of Bloomington's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds. The City has two fiduciary fund types: The Pension Trust Funds consist of the police and firemen's pension funds which are used to report resources held in trust for retirees and beneficiaries. The Private Purpose Trust Fund represents the JM Scott Trust for which the City is the trustee and is responsible to ensure the assets reported in this fund are used only for the purpose intended.

The basic fiduciary fund financial statements can be found on pages 42 - 43 of this report.

Notes to the financial statements:

The notes provide additional information essential for the user to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 45 - 106 of this report.

Required Supplementary Information:

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information in regards to the City of Bloomington's budgetary comparison schedules for major funds as well as progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Required supplementary information can be found on pages 107 - 118 of this report.

Supplementary Information:

The combining statements in connection with nonmajor funds and internal service funds can be found on pages 119 - 143 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The following table reflects the condensed Statement of Net Position of the current year as compared to the previous fiscal year.

Table 1 - Statement of Net Position as of April 30, 2016 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015*	2016	2015*	2016	2015*
Assets:						
Current and other assets	\$ 91.2	\$ 82.5	\$ 35.5	\$ 36.2	\$ 126.7	\$ 118.7
Capital assets	164.8	169.3	196.7	195.7	361.5	365.0
Total assets	256.0	251.8	232.2	231.9	488.2	483.7
Deferred Outflows of Resources:	24.0	0.5	3.7	-	27.7	0.5
Liabilities:						
Current liabilities	17.8	19.1	7.1	8.3	24.9	27.4
Noncurrent liabilities	220.0	84.4	36.7	31.3	256.7	115.7
Total liabilities	237.8	103.5	43.8	39.6	281.6	143.1
Deferred Inflows of Resources:	24.0	23.8	-	-	24.0	23.8
Net position:						
Net investment in capital assets	123.4	130.3	177.7	173.2	274.6	271.9
Restricted	25.7	26.5	-	0.4	25.7	26.9
Unrestricted	(130.9)	(31.8)	14.4	18.7	(90.0)	18.5
Total net position	\$ 18.2	\$ 125.0	\$ 192.1	\$ 192.3	\$ 210.3	\$ 317.3

* Prior year information has not been updated for the effects of restatement due to the implementation of GASB Statement Nos. 68 and 71 in fiscal year 2016.

Net position over time may serve as a useful indicator of a government’s financial condition. In the case of the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$210.3 million at April 30th, 2016. The City’s combined net position decreased \$107.0 from the prior amounts reported due to the implementation of GASB 68 and 71. Excluding the impact of the implementation, the City’s combined net position increased by \$10.9 million from the prior year restated balances. The governmental activities increased by \$6.6 million and the business-type activities saw an increase of \$4.3 million.

A significant portion of the City’s total net position (\$274.6 million) is reflected in capital assets (e.g. land, buildings, equipment, and infrastructure) net of the outstanding debt to acquire those assets. The City of Bloomington uses these capital resources to provide services to residents. Thus, these resources are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, the resources to repay this debt must be provided

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

from other revenue sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$25.7 million represents resources that are subject to external restrictions on how they may be used. Unfortunately the remaining unrestricted balance is negative \$90.0 million. A positive remaining unrestricted net position would be available to meet the government's on-going obligations.

At the end of the fiscal year, the City of Bloomington did not report a positive balance in the governmental activities unrestricted net position. This is largely due to the implementation of GASB 68 and 71 which required reporting much larger pension liabilities. In addition, the US Cellular Coliseum debt (approximately \$26.4 million) which is a business-type activity is paid from the Debt Service Fund which is a governmental activity. The governmental activities record the liability but cannot record the corresponding asset leaving a large negative balance in unrestricted net position. This accounting reflects the intention of the City to repay this debt from general governmental funds.

While the net position within the business-type activity is positive this year, it is negatively impacted by a similar situation. An \$8.1 million note payable is accounted for within the stormwater management fund, a business-type activity. However, in accordance with the intergovernmental agreement with the Bloomington and Normal Water Reclamation District, the corresponding asset does not belong to the City and therefore assets are not reflected in the City's financial statements. The liability is accounted for in the unrestricted portion of net position rather than within the capital position category.

See Note I.D.9. in the Notes to the Financial Statements on pages 59 - 61 for additional information on unrestricted net position.

For more detailed information, refer to the Statement of Net Position on pages 20 - 21.

Current Year Impacts - Overall Net Position

As noted above, the net position from governmental activities increased by \$6.6 million, and the net position from business-type activities increased by \$4.3 million from the restated balances. The increase in the governmental activities is due largely to increased revenues resulting from the one percent increase in the home rule sales tax which became effective January 1, 2016. Capital assets decreased as did current liabilities. The increase in net position from business-type activities was the result of a combination of positive results of the water, sewer, stormwater, and solid waste funds. The US Cellular Coliseum fund experienced a loss which offset some of the positive results in the other funds. Noncurrent liabilities for both governmental and business-type activities increased largely due to the implementation of GASB 68 and 71 which resulted in reporting increased pension liabilities.

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

Changes in Net Position

The following table compares government-wide revenues and expenses for the current and previous fiscal year.

Table 2 - Statement of Activities - Year Ended April 30, 2016 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015*	2016	2015*	2016	2015*
Revenues:						
Program Revenues:						
Charges for services	\$ 18.0	\$ 14.0	\$ 35.3	\$ 33.7	\$ 53.3	\$ 47.7
Operating grants	4.1	4.7	-	-	4.1	4.7
Capital grants	0.8	1.0	0.6	0.5	1.4	1.5
General Revenues:						
Property taxes	23.7	23.2	-	-	23.7	23.2
Franchise taxes	2.0	2.0	-	-	2.0	2.0
Sales taxes	14.2	13.5	-	-	14.2	13.5
Other taxes	40.6	34.1	1.0	1.5	41.6	35.6
Shared income taxes	8.2	7.5	-	-	8.2	7.5
Investment earnings	0.1	0.1	0.1	-	0.2	0.1
Miscellaneous	1.7	1.4	0.9	0.6	2.6	2.0
Total revenues	113.4	101.5	37.9	36.3	151.3	137.8
Expenses:						
Governmental Activities:						
General government	17.3	15.6	-	-	17.3	15.6
Public safety	51.1	49.7	-	-	51.1	49.7
Highways and streets	18.4	22.5	-	-	18.4	22.5
Health and welfare	-	-	-	-	-	-
Culture and recreation	15.7	16.9	-	-	15.7	16.9
Parking	0.5	0.6	-	-	0.5	0.6
Community development	0.9	1.7	-	-	0.9	1.7
Interest	2.0	3.0	-	-	2.0	3.0
Business-type Activities:						
Water	-	-	13.3	12.9	13.3	12.9
Solid waste	-	-	6.5	7.0	6.5	7.0
Sewer	-	-	4.7	4.5	4.7	4.5
US Cellular Coliseum	-	-	5.1	4.1	5.1	4.1
Stormwater management	-	-	2.4	2.5	2.4	2.5
Golf operations	-	-	2.2	2.6	2.2	2.6
Parking	-	-	0.3	0.3	0.3	0.3
Total expenses	105.9	110.0	34.5	33.9	140.4	143.9
Excess(deficiency) before transfers	7.5	(8.5)	3.4	2.4	10.9	(6.1)
Transfers	(0.9)	(0.9)	0.9	0.9	-	-
Extraordinary item	-	0.8	-	-	-	0.8
Changes in net position	6.6	(8.6)	4.3	3.3	10.9	(5.3)
Net position, beginning of year	125.0	133.6	192.3	189.0	317.3	322.6
Prior period adjustment	(113.4)	-	(4.5)	-	(117.9)	-
Net position, beginning of year, restated	11.6	133.6	187.8	189.0	199.4	322.6
Net position, end of year	\$ 18.2	\$ 125.0	\$ 192.1	\$ 192.3	\$ 210.3	\$ 317.3

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

* Prior year information has not been updated for the effects of restatement due to the implementation of GASB Statement Nos. 68 and 71 in fiscal year 2016.

Revenues for the City's governmental activities increased 11.7 percent, while revenue for the business-type activities increased by 4.4 percent in comparison to the prior fiscal year.

Governmental activities - Charges for services increased by 28.6 percent or \$4.0 million, during the current year; however, this increase is almost entirely the result of a change in the methodology used to report the internal service fund allocations in the statement of activities. Operating grants and contributions and capital grants decreased \$0.8 million. Tax receipts were up a total of \$8.4 million from the prior year across all categories. The home rule sales tax rate was increased by one percent in January 2016 accounting for \$3.3 million of the increase. Shared income tax was up 9.3 percent.

Business-type activities – Charges for services increased by \$1.6 million, or 4.7 percent. Solid waste, US Cellular Coliseum, stormwater, and golf saw increases in charges for services. Water, sewer and parking charges all decreased. Solid waste charges increased as a result of the garbage cart program and fee structure that included rate increases during fiscal year 2016.

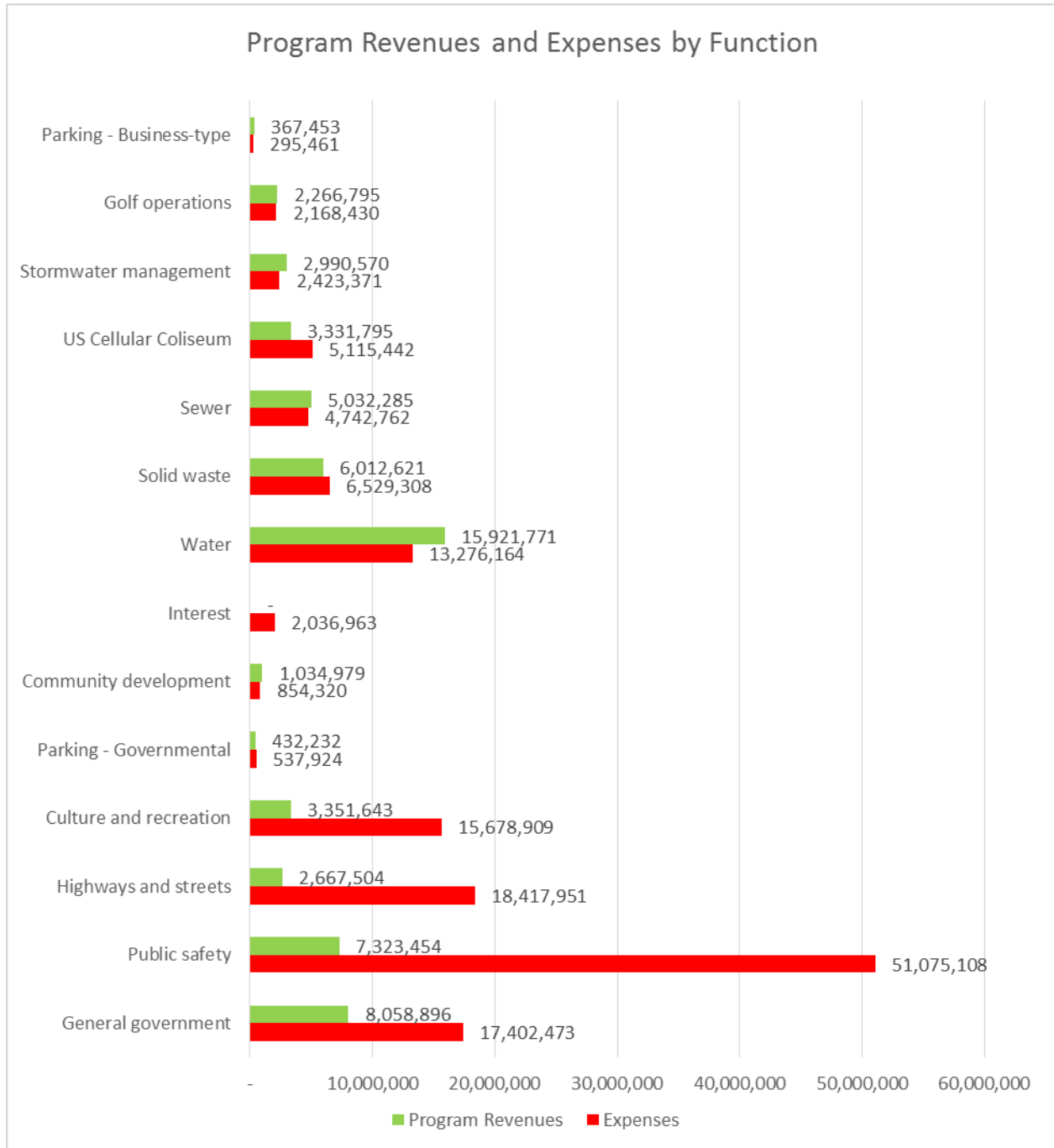
Expenses for the City's governmental activities decreased by \$4.1 million, or 3.7 percent, while business-type activities increased by \$0.6 million, or 1.8 percent.

Governmental Activities – General government and public safety saw increased expenses from prior year levels while the remaining activities saw declines. Salary and benefit costs were up in most categories. Expenses relating to general government increased by 10.9 percent which includes increases for a change in methodology for allocation of internal service fund costs. Public safety increased \$1.4 million due mainly to an increase in employer pension contributions of \$1.4 million, while other increases and decreases offset. Highways and streets experienced a decrease of 18.2 percent. This was largely the result of \$3.3 million more of costs in fiscal year 2015 related to capital maintenance projects for street resurfacing and sidewalks which are not capitalized as assets. Community development costs decreased 47.1 percent or \$0.8 million as a result of closure of the Market Square TIF in fiscal year 2015, which required the distribution of surplus funds in the amount of \$647,311 back to the State of Illinois. Interest costs were down \$1.0 million mostly as a result of savings from the refinancing in fiscal year 2015 of the 2004 Coliseum bonds.

Business-Type Activities – Overall expenses increased \$0.6 million or 1.8 percent. Water, sewer, and US Cellular Coliseum saw increases while solid waste, stormwater, and golf saw decreased expenses. Parking expenses were flat compared to the prior year. Solid waste expenses decreased \$0.5 million or 7.1 percent. Salaries and benefits decreased \$0.6 million or 17.6 percent as a result of efforts to right size solid waste operations which included program changes in order to contain costs. Expenses for the US Cellular Coliseum increased 24.4 percent or \$1.0 million. Promoter expenses were up significantly. Effective April 1, 2016 a new management company took over the operations at the Coliseum.

Net Costs by Function

The following graph demonstrates the costs by function which are covered through charges for services and grants. The difference between program revenues and program expenses represents the costs of these activities that are subsidized with general revenues such as taxes and transfers from other areas or in the case of a positive difference, the amounts the functions are contributing to net position or funding other areas.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds – Balance Sheet

On April 30th, 2016, the governmental funds reported a combined total fund balance of \$50.6 million, which is an increase of \$4.9 million, or 10.7 percent, from the prior year fund balance of \$45.6 million. During fiscal year 2016 the fund balances for the general fund and library fund increased by \$5.0 million and \$0.5 million, respectively, while the fund balance for the debt service fund decreased \$2.3 million. Of the total fund balance for governmental funds of \$50.6 million, \$12.7 million is unassigned which indicates the funds are available to support the continued operations of the City. An additional \$9.6 million is considered committed or assigned meaning the City has limited the use of the funds to specific functions. Restricted fund balance of \$27.4 million is limited by legal restrictions from outside parties on how the funds may be spent. Nonspendable fund balance in the amount of \$0.9 million is not available for current expenditures as the funds are not in a spendable form such as inventory and loans receivable.

Additional information may be found within the Governmental Funds Balance Sheet presented on pages 24 - 27.

Major Governmental Funds – Change in Fund Balance

General Fund

The General Fund is the City's primary operating fund. This fund finances the bulk of the City's day-to-day operations. The fund balance of the General Fund increased \$5.0 million to \$21.9 million.

Total revenue for the General Fund increased by \$6.3 million or 7.2 percent, while General Fund expenditures increased by \$1.0 million or 1.3 percent. Some of the more noteworthy changes are as follows:

Tax revenue increased \$6.1 million (8.3 percent). A substantial portion of the increase is the result of the one percent increase in the home rules sales tax which became effective January 1, 2016. This accounted for roughly \$2.0 million of the increase. Property taxes increased \$0.5 million for public safety pension funding. State sales tax, state shared income tax and local use tax from the state increased while replacement tax declined. All local tax categories also saw increases. Licenses and permits increased 10.4 percent mostly in the areas of building related permits. Charges for services were fairly consistent with last year. Fines and forfeitures were down 10.9 percent from last year. Investment and miscellaneous income also saw increases.

General government expenditures had a net decrease of \$0.2 million, or 1.6 percent, and public safety expenditures increased \$2.2 million or 4.7 percent, in part due to increases in pension contributions of \$1.4 million. Highways and streets expenditures decreased \$0.9 million (12.9 percent) due in part to reduced costs for clearing snow and ice in the current year. Culture and recreation expenditures decreased 4.5 percent. Debt service costs increased \$0.7 million or 49.3 percent. Debt service costs in the general fund relate to capital leases for equipment used in

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

operations of various general fund departments. Capital outlay costs were down 59.6 percent with most capital items being purchased as part of the capital lease program.

Other financing sources and uses include transfers which are used to move revenue from a fund that collects the revenue to the fund that expends the funds. In fiscal year 2016, the City transferred approximately \$10.2 million from the General Fund to other funds, including: \$3.5 million to debt service funds, \$3.3 million to the Capital Improvement Fund, \$1.5 million to the Solid Waste Fund, \$0.5 million to the Golf Fund, and \$1.4 million to the US Cellular Coliseum Fund.

Library Fund

The Library Fund was established to account for the property tax and other financial resources required to provide library service to the residents of the City. The fund balance of the Library Fund totaled \$4.8 million at April 30, 2016, an increase of approximately \$0.5 million over prior year, and represents about 100% of fiscal year 2016 expenditures.

Debt Service Fund

Fund balance for the Debt Service Fund decreased by \$2.3 million to \$7.7 million. Debt service expenditures totaled \$9.0 million, down from the \$33.2 million reported last year. This decrease is the result of the City calling \$23.8 million of the 2004 bonds and retiring them through the issuance of a new bond series 2014A and 2014B in fiscal year 2015. Tax revenue contributed \$2.2 million towards the debt service expenditures with operating transfers providing \$4.4 million.

Additional information may be found within the Statement of Revenues, Expenditures and Changes in Fund Balances on pages 29 - 30.

Nonmajor Governmental Funds

The fund balance for the nonmajor governmental funds increased \$1.7 million. Fund balance increases were seen in the following nonmajor governmental funds: Motor Fuel Tax, Board of Elections, Drug Enforcement, Community Development, IHDA Grant, Park Dedication, and Capital Lease. The following nonmajor governmental funds had decreases in fund balances: Foreign Fire Insurance Board, Empire Street TIF, and Capital Improvements. Motor Fuel Tax Fund saw an increase in fund balance of \$1.2 million due to minimal projects undertaken in 2016. The Capital Improvements fund expenditures decreased \$6.9 million to \$3.9 million in fiscal year 2016, mainly due to a reduction in expenditures for road resurfacing projects that were funded with remaining bond proceeds in the prior year.

Proprietary Funds

The proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail. The proprietary fund financial statements can be found on pages 32 - 41.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the fiscal year 2016, the City amended the budget via Council approval. City staff monitor actual expenditures compared to appropriations within the City budget and request amendments from City Council when needed. The original budget amounts presented in this report reflect the amounts as originally adopted by the City Council.

Below is a table which reflects the original and final budget plus the actual results for the General Fund. Refer to page 107 in the Required Supplementary Information for more details.

Table 3 - General Fund - Budget and Actual
Year Ended April 30,2016 (in millions)

	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 75.5	\$ 75.5	\$ 79.1
Intergovernmental	0.3	0.3	0.4
Licenses and permits	1.2	1.2	1.2
Charges for services	13.1	13.0	11.6
Fines and forfeitures	1.0	1.0	0.9
Investment income	0.1	0.1	0.1
Other	0.8	0.9	0.9
Total revenues	92.0	92.0	94.2
Expenditures:			
Current	84.6	85.6	78.9
Debt service	2.2	2.2	2.0
Capital outlay	-	0.6	0.2
Total expenditures	86.8	88.4	81.1
Other:			
Transfers in and other	1.6	1.6	1.7
Transfers out	(7.6)	(9.6)	(10.2)
Net Change in Fund Balance	(0.8)	(4.4)	4.6

Changes from original budget to final budget included encumbrances carried forward from the previous year of approximately \$1.0 million and budget amendments approved by City Council. Budget amendments approved by the City Council for fiscal year 2016 included \$2.0 million in additional transfers to offset deficits in other funds and capital items not in the original budget.

The General Fund actual revenues were \$2.2 million more than the amended budget amount. The largest part of this variance was due to the increase in the home rule sales tax that became effective January 1, 2016 that was not budgeted. Collections for most all taxes exceeded budgeted expectations. Charges for Services were below budget due to several areas falling short of projections with ambulance fees being the largest of these.

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS – Continued

The General Fund actual expenditures were \$7.3 million less than the amended budget. Actual expenditures were below the amended budget in all categories. Salaries and benefits were \$2.6 million below budget due to reduced overtime and vacancies. Vacancies in some areas caused work requiring contractual services, commodities or capital items to be delayed so these areas also saw spending less than planned in the budget. Commodities and various supplies were \$2.4 million less than budgeted. A significant portion of this can be attributed to reduced fuel costs and less road salt used due to mild winter conditions.

CAPITAL ASSETS

At the end of the current year, the City had a combined (governmental and business-type activities) total of capital assets, net of depreciation, of \$361.5 million. This is a decrease of \$3.5 million from the prior year total of \$365.0 million. The table below details capital asset balances.

Table 4 - Capital Assets, Net of Depreciation (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Capital assets not being depreciated	\$ 24.9	\$ 23.1	\$ 12.6	\$ 13.5	\$ 37.5	\$ 36.6
Land Improvements	13.6	14.1	0.3	0.3	13.9	14.4
Construction	48.6	50.4	39.1	39.9	87.7	90.3
Infrastructure	64.5	68.9	130.0	129.6	194.5	198.5
Machinery and equipment	6.8	7.0	11.4	9.0	18.2	16.0
Licensed vehicles	6.4	5.8	3.3	3.4	9.7	9.2
Total net capital assets	\$ 164.8	\$ 169.3	\$ 196.7	\$ 195.7	\$ 361.5	\$ 365.0

Significant capital additions in fiscal year 2016 included the following:

- Voting equipment and election software
- Aerial fire truck, rescue pumper, ambulance
- Utility vehicles for the police department
- Vehicle exhaust systems in the fire stations
- Fire sprinkler system in police garage
- Starcom radio system for water department
- Various information technology equipment and hardware
- Purchase and demolition of the Sugar Creek Packing Plant property
- Flamingo exhibit at Miller Park Zoo
- Filters at the water treatment plant
- Various water mains
- Video and scoreboard at US Cellular Coliseum
- Point of sale system at US Cellular Coliseum

Monies spent for street resurfacing in FY2016 are not reflected as capital assets and are considered capital maintenance.

CITY OF BLOOMINGTON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued

Additional information on capital assets may be found in Note III.C. in the Notes to the Financial Statements on pages 70 - 72.

DEBT ADMINISTRATION

The City of Bloomington's long term debt was \$231.6 million for governmental activities and \$39.9 million for business-type activities as of April 30th, 2016. The table below summarizes the City's long-term debt by type.

Table 5 - Long-Term Debt (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015*	2016	2015*	2016	2015*
General obligation bonds	\$ 62.6	\$ 69.8	\$ 5.0	\$ 5.7	\$ 67.6	\$ 75.5
Loans payable	0.2	-	11.1	11.6	11.3	11.6
Notes payable	-	-	9.9	10.6	9.9	10.6
Capital lease payable	5.7	4.4	2.9	4.2	8.6	8.6
Net OPEB obligation	7.2	6.7	1.1	1.0	8.3	7.7
Net pension liabilities	139.8	114.5	7.9	5.2	147.7	119.7
Claims payable	5.2	5.0	-	-	5.2	5.0
Compensated absences	10.9	10.8	2.0	1.7	12.9	12.5
Total long-term debt	\$ 231.6	\$ 211.2	\$ 39.9	\$ 40.0	\$ 271.5	\$ 251.2

*2015 amounts have been restated for implementation of GASB 68 & 71

Additional information on long term debt may be found in Note III.E. and III.F. in the Notes to the Financial Statements on pages 74 - 82.

No bonds were issued in fiscal year 2016. The City continues to issue capital leases annually to finance various equipment purchases. New loans were also issued in fiscal year 2016 to finance election equipment and concession equipment at the Coliseum. The City is currently making bi-annual payments on several Illinois Environmental Protection Agency loans, but there were no new loan amounts under these programs in fiscal year 2016. The City also holds notes payable to the Bloomington and Normal Water Reclamation District and the Village of Downs. These notes relate to IEPA loan funded projects the City participated in, but does not own the assets created. This dichotomy is reflected in the financials as deficit balances until the corresponding obligations are paid.

Net pension liabilities reflect the implementation of GASB 68 and GASB 71. More detailed information on the City's pensions and related liabilities can be found in the Notes to Financial Statements on pages 87 - 100 and the Required Supplementary Information on pages 109 - 116.

The other post-employment benefits (OPEB) liability is expected to increase on an on-going basis as the City's policy remains to address this liability on a pay as you go basis. More detailed information on the City's OPEB liability can be found in the Notes to Financial Statements on pages 102 - 105 and the Required Supplementary Information on page 117.

Claims payable represent estimated amounts to be paid for workers' compensation, liability and other claims. Compensated absences represents the value of accumulated unpaid vacation of employees and an estimated value of the sick leave accumulated that may be payable upon retirement based on criteria in employment contracts and union agreements.

The City's most current credit ratings with Fitch and Moody's are AA+ and Aa2 with stable outlooks.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While the economy in the Bloomington area remains stable with relatively low unemployment, revenue growth has been somewhat stagnant and not kept up with expenditure growth. The City has been very public about the fiscal challenges it faces. Immediately following the FY 2016 budget cycle, a Budget Task Force was created and submitted recommendations to the City Council on September 21, 2015, which recommended a sales tax rate increase and reductions in specific city operations. The Council adopted a one percent sales tax increase which became effective in late FY 2016 and should generate approximately \$9.6 million in additional revenue annually. However, half of this additional revenue has been earmarked for new mental health initiatives and streets infrastructure. The fiscal year 2017 adopted budget was balanced with no major reductions in service levels. The City has begun to gather data to develop elements needed for a priority based budgeting approach. The City is also working on a five year capital improvement plan. Future budgets will likely include the issuance of bonds to fund some capital projects. The City is also focusing on economic development and, to foster growth, has created additional TIF districts and is working with developers on incentive packages to build and retain a diverse tax base.

Request for Information

This financial report is designed to provide a general overview of the City of Bloomington's finances for those interested in the government's finances. Questions in regards to the information provided within this report or requests for additional financial information should be addressed to: Patti-Lynn Silva, CPA, Director of Finance, City of Bloomington, 109 East Olive Street, Bloomington, IL 61701.

CITY OF BLOOMINGTON

STATEMENT OF NET POSITION As of April 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Library Foundation	Miller Park Zoological Society
ASSETS					
Current Assets:					
Cash and investments	\$ 46,206,452	\$ 32,277,497	\$ 78,483,949	\$ 1,387,497	\$ 500,438
Restricted cash and investments	271,715	-	271,715	-	-
Receivables (net)					
Taxes	24,063,066	-	24,063,066	-	-
Loans	1,697,709	-	1,697,709	-	-
Accounts	2,954,877	5,160,659	8,115,536	-	-
Due from other governmental units	12,894,408	-	12,894,408	-	-
Beneficial interest in Stubblefield Trust	-	-	-	1,072,102	-
Internal balances	2,504,634	(2,504,634)	-	-	-
Inventory	541,612	516,886	1,058,498	-	-
Prepaid items and other assets	21,142	83,154	104,296	-	734
Property held for resale	16,775	-	16,775	-	-
	<u>91,172,390</u>	<u>35,533,562</u>	<u>126,705,952</u>	<u>2,459,599</u>	<u>501,172</u>
Total Current Assets					
Noncurrent Assets:					
Capital Assets					
Land	20,011,300	7,650,506	27,661,806	-	-
Construction in progress	4,856,712	4,940,439	9,797,151	-	-
Depreciable capital assets, net of accumulated depreciation	<u>139,962,657</u>	<u>184,151,076</u>	<u>324,113,733</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>164,830,669</u>	<u>196,742,021</u>	<u>361,572,690</u>	<u>-</u>	<u>-</u>
Total Assets	<u>256,003,059</u>	<u>232,275,583</u>	<u>488,278,642</u>	<u>2,459,599</u>	<u>501,172</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	419,536	-	419,536	-	-
Deferred outflows of resources related to pensions	<u>23,626,807</u>	<u>3,694,381</u>	<u>27,321,188</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>24,046,343</u>	<u>3,694,381</u>	<u>27,740,724</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF NET POSITION As of April 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Library Foundation	Miller Park Zoological Society
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 5,003,530	\$ 2,780,149	\$ 7,783,679	\$ -	\$ 1,450
Claims payable, current portion	3,546,187	-	3,546,187	-	-
Compensated absences, current portion	1,351,498	56,353	1,407,851	-	-
Accrued interest payable	762,144	188,498	950,642	-	-
Unearned revenue	101,679	939,859	1,041,538	-	-
Deposits	236,323	27,517	263,840	-	-
Capital leases, current portion	1,669,967	1,337,768	3,007,735	-	-
Loan payable, current portion	47,361	809,655	857,016	-	-
Note payable, current portion	-	749,116	749,116	-	-
General obligation bonds, current portion	<u>5,045,000</u>	<u>210,000</u>	<u>5,255,000</u>	-	-
Total Current Liabilities	<u>17,763,689</u>	<u>7,098,915</u>	<u>24,862,604</u>	-	<u>1,450</u>
Noncurrent Liabilities					
Claims payable, noncurrent portion	1,618,244	-	1,618,244	-	-
Compensated absences, noncurrent portion	9,575,096	1,904,220	11,479,316	-	-
Net OPEB obligation	7,217,945	1,047,603	8,265,548	-	-
Net pension liability	139,822,158	7,911,818	147,733,976	-	-
Capital leases, noncurrent portion	4,017,810	1,598,282	5,616,092	-	-
Loan payable, noncurrent portion	167,921	10,332,585	10,500,506	-	-
Note payable, noncurrent portion	-	9,168,242	9,168,242	-	-
General obligation bonds, noncurrent portion	<u>57,611,950</u>	<u>4,791,163</u>	<u>62,403,113</u>	-	-
Total Noncurrent Liabilities	<u>220,031,124</u>	<u>36,753,913</u>	<u>256,785,037</u>	-	-
Total Liabilities	<u>237,794,813</u>	<u>43,852,828</u>	<u>281,647,641</u>	-	<u>1,450</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future period	<u>24,063,066</u>	-	<u>24,063,066</u>	-	-
Total Deferred Inflows of Resources	<u>24,063,066</u>	-	<u>24,063,066</u>	-	-
NET POSITION					
Net investment in capital assets	123,410,647	177,662,567	274,624,478	-	-
Permanently restricted, nonexpendable for library	-	-	-	1,102,131	-
Temporarily restricted	-	-	-	94,660	-
Restricted for					
Pension funding	345,633	-	345,633	-	-
Debt service	6,969,064	-	6,969,064	-	-
Culture and recreation	928,749	-	928,749	-	-
Library	4,845,554	-	4,845,554	-	-
Public safety	123,766	-	123,766	-	-
Highways and streets	1,097,470	-	1,097,470	-	-
Motor fuel tax projects	9,306,405	-	9,306,405	-	-
Board of elections	671,174	-	671,174	-	-
Community development	1,436,868	-	1,436,868	-	-
Unrestricted	<u>(130,943,807)</u>	<u>14,454,569</u>	<u>(90,040,502)</u>	<u>1,262,808</u>	<u>499,722</u>
TOTAL NET POSITION	<u>\$ 18,191,523</u>	<u>\$ 192,117,136</u>	<u>\$ 210,308,659</u>	<u>\$ 2,459,599</u>	<u>\$ 499,722</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 17,402,473	\$ 7,415,052	\$ 643,844	\$ -
Public safety	51,075,108	6,466,873	104,463	752,118
Highways and streets	18,417,951	576,931	2,090,573	-
Culture and recreation	15,678,909	3,102,963	248,680	-
Parking	537,924	432,232	-	-
Community development	854,320	-	1,034,979	-
Interest on long-term debt	2,036,963	-	-	-
Total Governmental Activities	106,003,648	17,994,051	4,122,539	752,118
Business-type Activities				
Water	13,276,164	15,559,320	739	361,712
Solid Waste	6,529,308	6,012,621	-	-
Sewer	4,742,762	4,809,656	-	222,629
U.S. Cellular Coliseum	5,115,442	3,331,795	-	-
Stormwater Management	2,423,371	2,990,570	-	-
Golf Operations	2,168,430	2,266,795	-	-
Parking	295,461	367,453	-	-
Total Business-type Activities	34,550,938	35,338,210	739	584,341
Total Primary Government	\$ 140,554,586	\$ 53,332,261	\$ 4,123,278	\$ 1,336,459
Component Units				
Library Foundation	\$ 24,740	\$ -	\$ 13,322	\$ -
Miller Park Zoological Society	241,001	192,131	72,931	-
Total Component Units	\$ 265,741	\$ 192,131	\$ 86,253	\$ -
General Revenues				
Taxes				
Property taxes				
Franchise taxes				
Home rule sales taxes				
Utility taxes				
Food and beverage taxes				
Other taxes				
Intergovernmental				
Shared income taxes				
Shared state sales taxes				
Investment income				
Gain on disposal of assets				
Miscellaneous				
Total General Revenues				
Transfers				

Change in net position

NET POSITION - Beginning of Year (as restated)

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Totals	Library Foundation	Miller Park Zoological Society
\$ (9,343,577)	\$ -	\$ (9,343,577)	\$ -	\$ -
(43,751,654)	-	(43,751,654)	-	-
(15,750,447)	-	(15,750,447)	-	-
(12,327,266)	-	(12,327,266)	-	-
(105,692)	-	(105,692)	-	-
180,659	-	180,659	-	-
<u>(2,036,963)</u>	<u>-</u>	<u>(2,036,963)</u>	<u>-</u>	<u>-</u>
<u>(83,134,940)</u>	<u>-</u>	<u>(83,134,940)</u>	<u>-</u>	<u>-</u>
-	2,645,607	2,645,607	-	-
-	(516,687)	(516,687)	-	-
-	289,523	289,523	-	-
-	(1,783,647)	(1,783,647)	-	-
-	567,199	567,199	-	-
-	98,365	98,365	-	-
-	<u>71,992</u>	<u>71,992</u>	<u>-</u>	<u>-</u>
-	<u>1,372,352</u>	<u>1,372,352</u>	<u>-</u>	<u>-</u>
<u>(83,134,940)</u>	<u>1,372,352</u>	<u>(81,762,588)</u>	<u>-</u>	<u>-</u>
-	-	-	(11,418)	-
-	-	-	-	<u>24,061</u>
-	-	-	<u>(11,418)</u>	<u>24,061</u>
23,709,180	-	23,709,180	-	-
2,057,918	-	2,057,918	-	-
17,116,537	979,315	18,095,852	-	-
6,837,815	-	6,837,815	-	-
4,462,657	-	4,462,657	-	-
12,160,846	-	12,160,846	-	-
8,164,515	-	8,164,515	-	-
14,213,470	-	14,213,470	-	-
152,614	116,079	268,693	(10,039)	(5,408)
82,183	119,375	201,558	-	-
<u>1,627,128</u>	<u>939,313</u>	<u>2,566,441</u>	<u>-</u>	<u>-</u>
<u>90,584,863</u>	<u>2,154,082</u>	<u>92,738,945</u>	<u>(10,039)</u>	<u>(5,408)</u>
<u>(861,614)</u>	<u>861,614</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,588,309	4,388,048	10,976,357	(21,457)	18,653
<u>11,603,214</u>	<u>187,729,088</u>	<u>199,332,302</u>	<u>2,481,056</u>	<u>481,069</u>
<u>\$ 18,191,523</u>	<u>\$ 192,117,136</u>	<u>\$ 210,308,659</u>	<u>\$ 2,459,599</u>	<u>\$ 499,722</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

BALANCE SHEET
GOVERNMENTAL FUNDS
As of April 30, 2016

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 12,530,732	\$ 5,019,509	\$ 7,731,208	\$ 15,281,750
Restricted cash	-	-	-	271,715
Receivables				
Taxes	17,336,213	4,546,710	2,180,143	-
Loans	301,456	-	-	1,396,253
Accounts	2,745,168	-	-	200,068
Accrued interest receivable	1,312	-	-	-
Due from other governmental units	12,720,058	-	-	174,350
Due from other funds	1,937,279	-	-	18,460
Advances from other funds	6,722	-	-	-
Inventory	541,612	-	-	-
Prepaid items	16,592	275	-	4,275
Property held for resale	-	-	-	16,775
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 48,137,144</u></u>	<u><u>\$ 9,566,494</u></u>	<u><u>\$ 9,911,351</u></u>	<u><u>\$ 17,363,646</u></u>

Totals

\$ 40,563,199
271,715

24,063,066
1,697,709
2,945,236
1,312
12,894,408
1,955,739
6,722
541,612
21,142
16,775

\$ 84,978,635

CITY OF BLOOMINGTON

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2016

	General	Library	Debt Service	Nonmajor Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,583,283	\$ 172,463	\$ -	\$ 773,961
Due to other funds	18,460	1,767	-	264,534
Deposits	34,061	-	-	202,262
Unearned revenues	44,880	-	-	7,855
Advances to other funds	-	-	-	6,722
Total Liabilities	3,680,684	174,230	-	1,255,334
Deferred Inflows of Resources				
Property taxes levied for future period	17,336,213	4,546,710	2,180,143	-
Unavailable revenues	5,241,335	-	-	-
Total Deferred Inflows of Resources	22,577,548	4,546,710	2,180,143	-
Fund Balances				
Nonspendable				
Inventory	541,612	-	-	-
Loans receivable	301,456	-	-	-
Advances	6,722	-	-	-
Prepaid items	16,592	275	-	4,275
Property held for resale	-	-	-	16,775
Restricted				
Capital projects	-	-	-	271,715
Debt service	-	-	7,731,208	-
Highways and streets	-	-	-	10,403,875
Board of elections	-	-	-	671,174
Public safety	-	-	-	123,766
Culture and recreation	-	4,845,279	-	928,749
Community development	-	-	-	1,415,818
Pension funding	991,845	-	-	-
Committed				
Pension funding	3,694,295	-	-	-
Public safety	-	-	-	596,610
Highways and streets	-	-	-	503,985
Assigned				
General government	713,091	-	-	-
Public safety	200,197	-	-	-
Highways and streets	592,923	-	-	-
Culture and recreation	1,188,285	-	-	-
Capital projects	-	-	-	1,734,442
Subsequent year projected budgetary deficit	325,000	-	-	-
Unassigned	13,306,894	-	-	(562,872)
Total Fund Balances	21,878,912	4,845,554	7,731,208	16,108,312
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 48,137,144	\$ 9,566,494	\$ 9,911,351	\$ 17,363,646

See accompanying notes to financial statements.

Totals

\$ 4,529,707
284,761
236,323
52,735
6,722
5,110,248

24,063,066
5,241,335
29,304,401

541,612
301,456
6,722
21,142
16,775

271,715
7,731,208
10,403,875
671,174
123,766
5,774,028
1,415,818
991,845

3,694,295
596,610
503,985

713,091
200,197
592,923
1,188,285
1,734,442
325,000

12,744,022
50,563,986

\$ 84,978,635

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2016

Total Fund Balances - Governmental Funds	\$ 50,563,986
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	164,830,669
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Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	5,241,335
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	23,588,245
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Internal service funds are reported in the statement of net position as governmental activities.	754,993
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

General obligation bonds payable	(61,655,000)
Loans payable	(215,282)
Capital lease payable	(5,687,776)
Accrued interest payable	(762,144)
Unamortized bond premium	(1,077,738)
Unamortized bond discount	75,788
Compensated absences	(10,926,594)
Net OPEB obligation	(7,217,945)
Net pension liability	(139,740,550)

A deferred charge on refunding represents an consumption of net position that applies to a future period and, therefore, is not reported in the funds.	<u>419,536</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,191,523</u>
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CITY OF BLOOMINGTON

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

For the Year Ended April 30, 2016

	<u>General</u>	<u>Library</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>
REVENUES				
Taxes	\$ 79,116,119	\$ 4,675,165	\$ 2,234,339	\$ 92,787
Intergovernmental	388,147	139,513	-	3,627,955
Licenses and permits	1,260,597	-	-	-
Charges for services	11,613,813	85,089	-	-
Fines and forfeitures	911,545	-	-	182,615
Investment income (loss)	74,227	6,712	27,851	30,285
Other	<u>886,815</u>	<u>438,451</u>	-	<u>325,865</u>
Total Revenues	<u>94,251,263</u>	<u>5,344,930</u>	<u>2,262,190</u>	<u>4,259,507</u>
EXPENDITURES				
Current				
General government	14,386,495	-	-	518,348
Public safety	48,097,309	-	-	136,362
Highways and streets	6,010,247	-	-	689,246
Culture and recreation	9,560,142	4,813,496	-	-
Community development	-	-	-	996,933
Parking	445,797	-	-	-
Debt Service				
Principal	1,867,783	-	7,003,730	128,738
Interest and fiscal agent fees	147,529	-	2,026,121	-
Capital outlay	<u>182,893</u>	<u>11,495</u>	-	<u>6,897,973</u>
Total Expenditures	<u>80,698,195</u>	<u>4,824,991</u>	<u>9,029,851</u>	<u>9,367,600</u>
Excess (deficiency) of revenues over expenditures	<u>13,553,068</u>	<u>519,939</u>	<u>(6,767,661)</u>	<u>(5,108,093)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,616,796	-	4,427,070	3,398,388
Transfers out	(10,212,453)	(36,732)	-	(10,360)
Capital lease and loan proceeds	-	-	-	3,417,707
Proceeds from sale of capital assets	<u>47,230</u>	<u>12,775</u>	-	<u>51,161</u>
Total Other Financing Sources (Uses)	<u>(8,548,427)</u>	<u>(23,957)</u>	<u>4,427,070</u>	<u>6,856,896</u>
Net Change in Fund Balances	5,004,641	495,982	(2,340,591)	1,748,803
FUND BALANCES - Beginning of Year	<u>16,874,271</u>	<u>4,349,572</u>	<u>10,071,799</u>	<u>14,359,509</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,878,912</u>	<u>\$ 4,845,554</u>	<u>\$ 7,731,208</u>	<u>\$ 16,108,312</u>

See accompanying notes to financial statements.

Totals
\$ 86,118,410
4,155,615
1,260,597
11,698,902
1,094,160
139,075
1,651,131
106,117,890

14,904,843
48,233,671
6,699,493
14,373,638
996,933
445,797

9,000,251
2,173,650
7,092,361
103,920,637

2,197,253

9,442,254
(10,259,545)
3,417,707
111,166
2,711,582

4,908,835
45,655,151

\$ 50,563,986

CITY OF BLOOMINGTON

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, 2016

Net change in fund balances - total governmental funds	\$	4,908,835
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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 net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital asset additions		4,477,413
Depreciation		(9,669,115)
Net book value of assets retired		(28,982)
Contributions of capital assets		719,042

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

2,547,812

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Capital leases issued		(3,073,687)
Loans issued		(344,020)
Bond principal repaid		7,003,730
Capital lease principal repaid		1,867,783
Loan principal repaid		128,738
Transfer of capital leases		(44,323)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences		(81,003)
Accrued interest on debt		61,675
Amortization of bond premium		135,545
Amortization of bond discount		(7,902)
Amortization of deferred charge on refunding		(52,630)
Net pension liability		(25,298,691)
Deferred outflows of resources related to pensions		22,860,257
Other OPEB obligation		(537,667)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

1,015,499

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 6,588,309

CITY OF BLOOMINGTON

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>U.S. Cellular Coliseum</u>
ASSETS				
Current Assets				
Cash and investments	\$ 26,066,480	\$ -	\$ 4,833,891	\$ 128,661
Receivables, net of allowances for uncollectibles	2,069,176	1,015,658	939,737	621,107
Inventory	332,336	-	-	22,810
Prepaid items	-	-	-	83,154
Total Current Assets	<u>28,467,992</u>	<u>1,015,658</u>	<u>5,773,628</u>	<u>855,732</u>
Noncurrent Assets				
Capital Assets				
Land	4,782,158	-	276,237	444,524
Construction in progress	2,427,289	-	2,125,138	205,287
Other depreciable capital assets, net of accumulated depreciation	<u>82,444,133</u>	<u>3,697,370</u>	<u>61,207,720</u>	<u>23,557,882</u>
Total Noncurrent Assets	<u>89,653,580</u>	<u>3,697,370</u>	<u>63,609,095</u>	<u>24,207,693</u>
Total Assets	<u>118,121,572</u>	<u>4,713,028</u>	<u>69,382,723</u>	<u>25,063,425</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	<u>1,666,645</u>	<u>1,103,589</u>	<u>347,626</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,666,645</u>	<u>1,103,589</u>	<u>347,626</u>	<u>-</u>

See accompanying notes to financial statements.

<u>Stormwater Management</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 610,235	\$ 638,230	\$ 32,277,497	\$ 5,643,253
497,441	17,540	5,160,659	8,329
-	161,740	516,886	-
-	-	83,154	-
<u>1,107,676</u>	<u>817,510</u>	<u>38,038,196</u>	<u>5,651,582</u>
240,000	1,907,587	7,650,506	-
182,725	-	4,940,439	-
<u>9,269,514</u>	<u>3,974,457</u>	<u>184,151,076</u>	<u>-</u>
<u>9,692,239</u>	<u>5,882,044</u>	<u>196,742,021</u>	<u>-</u>
<u>10,799,915</u>	<u>6,699,554</u>	<u>234,780,217</u>	<u>5,651,582</u>
<u>301,310</u>	<u>275,211</u>	<u>3,694,381</u>	<u>38,562</u>
<u>301,310</u>	<u>275,211</u>	<u>3,694,381</u>	<u>38,562</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>U.S. Cellular Coliseum</u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	1,435,900	239,328	422,268	507,328
Claims payable	-	-	-	-
Compensated absences	25,214	17,403	5,518	-
Accrued interest payable	56,869	-	99,771	-
Due to other funds	-	212,143	-	1,376,083
Unearned revenues	-	-	-	735,346
Deposits	23,725	-	-	-
Current maturities of long-term debt	<u>587,082</u>	<u>891,789</u>	<u>522,018</u>	<u>67,282</u>
Total Current Liabilities	<u>2,128,790</u>	<u>1,360,663</u>	<u>1,049,575</u>	<u>2,686,039</u>
Noncurrent Liabilities				
Claims payable	-	-	-	-
Compensated absences	1,043,103	368,225	156,940	-
Net OPEB obligation	372,681	438,409	59,542	-
Net pension liability	3,547,717	2,371,001	743,715	-
Capital lease payable, noncurrent portion	66,340	271,861	194,134	54,066
Loan payable, noncurrent portion	6,390,546	-	1,846,020	249,999
Note payable, noncurrent portion	-	-	1,689,809	-
General obligation bonds payable, noncurrent portion	-	-	4,791,163	-
Total Noncurrent Liabilities	<u>11,420,387</u>	<u>3,449,496</u>	<u>9,481,323</u>	<u>304,065</u>
Total Liabilities	<u>13,549,177</u>	<u>4,810,159</u>	<u>10,530,898</u>	<u>2,990,104</u>
NET POSITION				
Net investment in capital assets	82,609,611	2,533,721	56,372,299	23,836,346
Unrestricted	<u>23,629,429</u>	<u>(1,527,263)</u>	<u>2,827,152</u>	<u>(1,763,025)</u>
TOTAL NET POSITION	<u>\$106,239,040</u>	<u>\$ 1,006,458</u>	<u>\$ 59,199,451</u>	<u>\$ 22,073,321</u>

Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.

Net Position Business-type Activities

Net internal service funds reported in the statement of net position as governmental activities

<u>Stormwater Management</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
44,764	130,561	2,780,149	473,823
-	-	-	3,546,187
4,786	3,432	56,353	-
31,858	-	188,498	-
-	82,752	1,670,978	-
-	204,513	939,859	48,944
-	3,792	27,517	-
<u>758,711</u>	<u>279,657</u>	<u>3,106,539</u>	<u>-</u>
<u>840,119</u>	<u>704,707</u>	<u>8,769,893</u>	<u>4,068,954</u>
-	-	-	1,618,244
148,388	187,564	1,904,220	-
84,554	92,417	1,047,603	-
652,794	596,591	7,911,818	81,609
57,587	954,294	1,598,282	-
1,846,020	-	10,332,585	-
7,478,433	-	9,168,242	-
-	-	4,791,163	-
<u>10,267,776</u>	<u>1,830,866</u>	<u>36,753,913</u>	<u>1,699,853</u>
<u>11,107,895</u>	<u>2,535,573</u>	<u>45,523,806</u>	<u>5,768,807</u>
7,662,497	4,648,093	177,662,567	-
<u>(7,669,167)</u>	<u>(208,901)</u>	<u>15,288,225</u>	<u>(78,663)</u>
<u>\$ (6,670)</u>	<u>\$ 4,439,192</u>	<u>\$ 192,950,792</u>	<u>\$ (78,663)</u>
		<u>(833,656)</u>	<u>833,656</u>
		<u>\$ 192,117,136</u>	
			<u>\$ 754,993</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>U.S. Cellular Coliseum</u>
OPERATING REVENUES				
Charges for services	\$ 15,559,320	\$ 6,012,621	\$ 4,809,656	\$ 3,331,795
Total Operating Revenues	<u>15,559,320</u>	<u>6,012,621</u>	<u>4,809,656</u>	<u>3,331,795</u>
OPERATING EXPENSES				
Personal services	4,761,607	2,959,523	985,112	1,611,798
Contractual services	2,845,483	2,407,646	1,063,524	2,022,455
Commodities	3,437,228	325,913	1,113,697	126,292
Depreciation	2,103,018	798,025	1,335,186	923,836
Other charges, primarily claims	719	-	-	429,984
Total Operating Expenses	<u>13,148,055</u>	<u>6,491,107</u>	<u>4,497,519</u>	<u>5,114,365</u>
Operating Income (Loss)	<u>2,411,265</u>	<u>(478,486)</u>	<u>312,137</u>	<u>(1,782,570)</u>
NONOPERATING REVENUES (EXPENSES)				
Home rule sales taxes	-	-	-	979,315
Intergovernmental	739	-	-	-
Investment income (loss)	97,062	(1,330)	17,219	(845)
Gain (loss) on sale of capital assets	3,851	-	115,524	-
Other income	187,630	141,610	512,730	-
Interest and fiscal agent fees	(158,413)	(37,367)	(250,864)	(874)
Total Nonoperating Revenues (Expenses)	<u>130,869</u>	<u>102,913</u>	<u>394,609</u>	<u>977,596</u>
Income (Loss) Before Contributions and Transfers	<u>2,542,134</u>	<u>(375,573)</u>	<u>706,746</u>	<u>(804,974)</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	361,712	-	222,629	-
Transfers in	-	1,495,913	-	1,399,652
Transfers out	(739,193)	(337,920)	(217,027)	(972,645)
Total Contributions and Transfers	<u>(377,481)</u>	<u>1,157,993</u>	<u>5,602</u>	<u>427,007</u>
Change in Net Position	2,164,653	782,420	712,348	(377,967)
NET POSITION - Beginning of Year (as restated)	<u>104,074,387</u>	<u>224,038</u>	<u>58,487,103</u>	<u>22,451,288</u>
NET POSITION- END OF YEAR	<u>\$ 106,239,040</u>	<u>\$ 1,006,458</u>	<u>\$ 59,199,451</u>	<u>\$ 22,073,321</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds
Change in Net Position of Business-type Activities

See accompanying notes to financial statements.

<u>Stormwater Management</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>\$ 2,990,570</u>	<u>\$ 2,634,248</u>	<u>\$ 35,338,210</u>	<u>\$ 16,135,098</u>
<u>2,990,570</u>	<u>2,634,248</u>	<u>35,338,210</u>	<u>16,135,098</u>
893,068	1,051,495	12,262,603	85,894
844,173	533,515	9,716,796	6,406,417
196,228	569,884	5,769,242	-
259,840	257,420	5,677,325	-
-	-	430,703	8,593,320
<u>2,193,309</u>	<u>2,412,314</u>	<u>33,856,669</u>	<u>15,085,631</u>
<u>797,261</u>	<u>221,934</u>	<u>1,481,541</u>	<u>1,049,467</u>
-	-	979,315	-
-	-	739	-
2,634	1,339	116,079	13,539
-	-	119,375	-
64,688	32,655	939,313	-
<u>(239,232)</u>	<u>(55,026)</u>	<u>(741,776)</u>	<u>-</u>
<u>(171,910)</u>	<u>(21,032)</u>	<u>1,413,045</u>	<u>13,539</u>
<u>625,351</u>	<u>200,902</u>	<u>2,894,586</u>	<u>1,063,006</u>
-	-	584,341	-
-	512,331	3,407,896	138,627
<u>(156,080)</u>	<u>(123,417)</u>	<u>(2,546,282)</u>	<u>(138,627)</u>
<u>(156,080)</u>	<u>388,914</u>	<u>1,445,955</u>	<u>-</u>
469,271	589,816	4,340,541	1,063,006
<u>(475,941)</u>	<u>3,849,376</u>	<u>188,610,251</u>	<u>(1,141,669)</u>
<u>\$ (6,670)</u>	<u>\$ 4,439,192</u>	192,950,792	<u>\$ (78,663)</u>
		47,507	
		<u>\$ 4,388,048</u>	

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2016

	Business-type Activities - Enterprise Funds			
	Water	Solid Waste	Sewer	U.S. Cellular Coliseum
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 15,420,877	\$ 5,840,327	\$ 4,449,030	\$ 3,194,484
Received from interfund services provided	-	-	-	-
Paid to suppliers for goods and services	(7,195,607)	(2,497,852)	(2,377,504)	(2,917,117)
Paid to employees for services	(4,811,346)	(3,174,724)	(997,080)	(1,611,798)
Payments to claimants	-	-	-	-
Other receipts	188,369	141,610	512,730	-
Net Cash Flows From Operating Activities	<u>3,602,293</u>	<u>309,361</u>	<u>1,587,176</u>	<u>(1,334,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	97,062	(1,330)	17,219	(845)
Net Cash Flows From Investing Activities	<u>97,062</u>	<u>(1,330)</u>	<u>17,219</u>	<u>(845)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts of intergovernmental revenues	-	-	-	979,315
Change in due from other funds	-	-	-	-
Change in due to other funds	-	(24,581)	-	1,136,083
Transfers out to other funds	(739,193)	(337,920)	(217,027)	(972,645)
Transfers in from other funds	-	1,495,913	-	1,399,652
Net Cash Flows From Noncapital Financing Activities	<u>(739,193)</u>	<u>1,133,412</u>	<u>(217,027)</u>	<u>2,542,405</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from loans issued	-	-	-	299,999
Acquisition and construction of capital assets	(2,374,307)	(236,482)	(756,374)	(1,804,940)
Principal paid on bonds	(461,270)	-	(200,000)	-
Principal paid on notes	-	-	(116,538)	-
Principal paid on loans	(553,210)	-	(95,689)	-
Principal paid on capital leases	(29,750)	(1,167,594)	(95,884)	(18,603)
Interest paid	(166,206)	(37,367)	(253,365)	(874)
Proceeds from sale of assets	6,551	-	65,000	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,578,192)</u>	<u>(1,441,443)</u>	<u>(1,452,850)</u>	<u>(1,524,418)</u>
Net Change in Cash and Cash Equivalents	(618,030)	-	(65,482)	(317,289)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>26,684,510</u>	<u>-</u>	<u>4,899,373</u>	<u>445,950</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 26,066,480</u>	<u>\$ -</u>	<u>\$ 4,833,891</u>	<u>\$ 128,661</u>

See accompanying notes to financial statements.

Stormwater Management	Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 2,805,963	\$ 2,627,839	\$ 34,338,520	\$ 8,116,215
-	-	-	8,062,010
(1,055,488)	(1,071,498)	(17,115,066)	(6,264,534)
(983,069)	(1,083,596)	(12,661,613)	(85,894)
-	-	-	(8,480,825)
<u>64,688</u>	<u>32,655</u>	<u>940,052</u>	<u>-</u>
<u>832,094</u>	<u>505,400</u>	<u>5,501,893</u>	<u>1,346,972</u>
<u>2,634</u>	<u>1,340</u>	<u>116,080</u>	<u>13,539</u>
<u>2,634</u>	<u>1,340</u>	<u>116,080</u>	<u>13,539</u>
-	-	979,315	-
-	-	-	1,073,457
-	82,752	1,194,254	(1,073,457)
(156,080)	(123,417)	(2,546,282)	(138,627)
<u>-</u>	<u>512,331</u>	<u>3,407,896</u>	<u>138,627</u>
<u>(156,080)</u>	<u>471,666</u>	<u>3,035,183</u>	<u>-</u>
-	-	299,999	-
-	(297,118)	(5,469,221)	-
-	-	(661,270)	-
(617,055)	-	(733,593)	-
(95,688)	-	(744,587)	-
(28,709)	(370,940)	(1,711,480)	-
(241,447)	(55,026)	(754,285)	-
<u>-</u>	<u>-</u>	<u>71,551</u>	<u>-</u>
<u>(982,899)</u>	<u>(723,084)</u>	<u>(9,702,886)</u>	<u>-</u>
(304,251)	255,322	(1,049,730)	1,360,511
<u>914,486</u>	<u>382,908</u>	<u>33,327,227</u>	<u>4,282,742</u>
<u>\$ 610,235</u>	<u>\$ 638,230</u>	<u>\$ 32,277,497</u>	<u>\$ 5,643,253</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>U.S. Cellular Coliseum</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,411,265	\$ (478,486)	\$ 312,137	\$ (1,782,570)
Nonoperating revenue	188,369	141,610	512,730	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	2,103,018	798,025	1,335,186	923,836
Changes in assets and liabilities				
Accounts receivable	(138,443)	(172,294)	(360,626)	(459,915)
Due from other governments	-	-	-	-
Inventory	(166,184)	-	-	(22,810)
Prepaid items	-	-	-	(33,626)
Deferred outflows related to pensions	(1,520,734)	(1,006,509)	(313,053)	-
Accounts payable	(750,068)	235,707	(199,083)	18,379
Claims payable	-	-	-	-
Ticket escrow payable	-	-	-	(300,329)
Compensated absences	241,292	(32,024)	44,568	-
Deposits payable	4,075	-	-	-
Unearned revenue	-	-	-	322,604
Net pension liability	1,192,577	797,020	250,002	-
Net OPEB obligation	<u>37,126</u>	<u>26,312</u>	<u>5,315</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 3,602,293</u>	<u>\$ 309,361</u>	<u>\$ 1,587,176</u>	<u>\$ (1,334,431)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	<u>\$ 361,712</u>	<u>\$ -</u>	<u>\$ 222,629</u>	<u>\$ -</u>
Capital leases initiated	<u>\$ 117,295</u>	<u>\$ 300,067</u>	<u>\$ -</u>	<u>\$ 89,951</u>

See accompanying notes to financial statements.

<u>Stormwater Management</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 797,261	\$ 221,934	\$ 1,481,541	\$ 1,049,467
64,688	32,655	940,052	-
259,840	257,420	5,677,325	-
(184,607)	(12,108)	(1,327,993)	(1,428)
-	-	-	(4,389)
-	14,868	(174,126)	-
-	-	(33,626)	-
(283,908)	(248,757)	(3,372,961)	(38,562)
(15,087)	19,024	(691,128)	141,883
-	-	-	123,624
-	-	(300,329)	-
(29,331)	10,231	234,736	-
-	792	4,867	-
-	5,699	328,303	48,944
219,439	200,546	2,659,584	27,433
3,799	3,096	75,648	-
<u>\$ 832,094</u>	<u>\$ 505,400</u>	<u>\$ 5,501,893</u>	<u>\$ 1,346,972</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2016

	Private Purpose Trust	Pension Trusts
ASSETS		
Cash	\$ 190,962	\$ 4,622,338
Investments		
U.S. government securities	-	3,901,439
U.S. government agencies and corporations	-	14,925,824
Annuities - fixed	-	15,973,103
Annuities - variable	-	31,972,446
Mutual funds	10,718,800	40,430,464
Corporate bonds	-	1,787,959
Receivables		
Contributions	-	36,434
Accrued interest receivable	-	99,766
Due from other governmental units	20,000	-
Prepaid items	-	10,932
Total Assets	<u>10,929,762</u>	<u>113,760,705</u>
LIABILITIES		
Accounts payable	-	3,855
Loan payable	<u>17,132</u>	<u>-</u>
Total Liabilities	<u>17,132</u>	<u>3,855</u>
NET POSITION		
Restricted for pension benefits and other purposes	<u>\$ 10,912,630</u>	<u>\$ 113,756,850</u>

See accompanying notes to financial statements.

CITY OF BLOOMINGTON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended April 30, 2016

	<u>Private Purpose Trust</u>	<u>Pension Trusts</u>
ADDITIONS		
Contributions		
Employer	\$ -	\$ 9,106,625
Plan members	-	1,848,905
Other	<u>845</u>	<u>118,936</u>
Total Contributions	<u>845</u>	<u>11,074,466</u>
Net investment income		
Net appreciation in fair value of investments	(134,735)	(3,887,536)
Investment earnings	<u>234,014</u>	<u>2,260,013</u>
Total Investment Income	99,279	(1,627,523)
Less Investment expense	-	59,241
Net Investment Income	<u>99,279</u>	<u>(1,686,764)</u>
Total Additions	<u>100,124</u>	<u>9,387,702</u>
DEDUCTIONS		
Benefits	-	9,945,345
Refunds of contributions	-	79,238
Administration	-	143,792
Health and welfare	<u>200,482</u>	<u>-</u>
Total Deductions	<u>200,482</u>	<u>10,168,375</u>
Change in Net Position	(100,358)	(780,673)
NET POSITION - Beginning of Year	<u>11,012,988</u>	<u>114,537,523</u>
NET POSITION - END OF YEAR	<u>\$ 10,912,630</u>	<u>\$ 113,756,850</u>

CITY OF BLOOMINGTON

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CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bloomington, Illinois (the City) was incorporated in 1850. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in McLean County, Illinois. The City operates under a Mayor-Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), public works services, community enrichment, and development.

The accounting policies of the City of Bloomington, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

Bloomington Public Library Foundation

The Bloomington Public Library Foundation (Foundation) encourages and manages private support for the Bloomington Public Library within the City. The Foundation's Board is separately elected. In addition, the Foundations considered to be a legally separate organization. The Foundation issues a stand-alone financial report which is available at 207 West Jefferson Street, Bloomington, Illinois 61701.

Miller Park Zoological Society

The Miller Park Zoological Society (Society) provides support and funding for capital improvements, conservation programs, and development of the Miller Park Zoo. The Society's Board is separately elected. In addition, the Society is considered to be a legally separate organization. The Society issues a stand-alone financial report which is available at 1020 S. Morris Avenue, Bloomington, Illinois 61701.

Pension Trust Funds

Police Pension

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. Separately issued financial statements of the PPERS may be obtained from the PPERS.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Firefighters' Pension

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. Separately issued financial statements of the FPERS may be obtained from the FPERS.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented May 1, 2015.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Library Fund - used to account for the property taxes levied for library purposes and other resources used to provide library services to the citizens of the City.
- Debt Service Fund - used to account for the servicing of the general long-term debt not financed by a specific source.

The City reports the following major enterprise funds:

- Water Fund - accounts for operations of the City's water treatment facilities and services.
- Solid Waste Fund - accounts for operations of the City's solid waste services.
- Sewer Fund - accounts for operations of the City's waste disposal activities.
- U.S. Cellular Coliseum Fund - accounts for the operations of the City's downtown sports and entertainment facility.
- Stormwater Management Fund - accounts for operations of the City's stormwater management activities.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Motor Fuel Tax	Board of Elections
Drug Enforcement	Foreign Fire Insurance Board
Community Development	IHDA Grant
Park Dedication	

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Empire Street TIF	Capital Improvements
Capital Lease	

Enterprise Funds - used to account for and report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Golf Operations	Parking
-----------------	---------

In addition, the City reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Employee Group Health Care
Retiree Group Health Care
Casualty Insurance

Private-Purpose Trust Fund - used to account for and report any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments.

J.M. Scott Private Purpose Trust

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Police Pension
Firefighters' Pension

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, licenses and permits, charges for services (other than utilities), and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The Police Pension Fund and Firefighters' Pension Fund investment policies allow funds to be invested in any type of security authorized by the Illinois Pension Code.

The J.M. Scott Private Purpose Trust investment policy authorizes the fund to invest in debt and equity securities of varying maturities with a high degree of marketability.

The City Council has adopted separate investment policies for the City and the J.M. Scott Private Purpose Trust. The Police Pension Fund and Firefighters' Pension Fund have separate investment policies approved by the respective pension board. The policies contain the following guidelines for allowable investments.

Interest Rate Risk

The City's investment policy limits its exposure by structuring the portfolio so that investments will have short term durations due to cash flow needs as well as avoiding the need to sell securities prior to maturity.

The J.M. Scott investment policy requires the fund's investment portfolio to remain in a position to meet promptly all demands the Trustees may make upon the assets.

The Police Pension Fund investment policy requires the portfolio to remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

The Firefighters' Pension Fund investment policy requires the pension fund to minimize the risk of large losses caused by highly volatile changes in interest rates through the use of proper diversification and to maintain cash flow adequate to meet anticipated disbursements for up to a one-year period.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Credit Risk

The City's investment policy requires that US Government Agency securities have a rating of AAA, taxable municipal bonds have a rating of AA or higher or are insured to equate to a AAA rating so long as no more than 10% of the total portfolio is invested in taxable municipal bonds, and that commercial paper have a rating of A-1, P-1, F-1, or D-1 provided that no single investment in a commercial paper exceeds \$2 million in face value with a maturity of no longer than 180 days.

The J.M. Scott investment policy limits the investment of fixed income securities having not less than an A rating from a recognized rating agency.

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

The Firefighters' Pension Fund investment policy does not specifically address credit risk for investments, except for compliance with State statutes.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Concentration of Credit Risk

The City's investment policy requires the portfolio to diversify in order to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific user, or a specific class of securities. The policy requires the portfolio maturities of securities be staggered to avoid undue concentration of assets in a specific maturity sector; maturities selected provide for stability of income and reasonable liquidity; and the average maturity of the portfolio shall never exceed one and one half years. With the exception of deposits with Illinois Funds, the City will not have more than 30% of its investible funds in any one institution or type of investment.

The J.M. Scott investment policy allows for investments in equity securities up to 80%. The policy limits investments in any one debt or equity security to no more than 5% of the portfolio, except for holdings of U.S. Treasury and U.S. Agency securities.

The Police Pension Fund policy requires the portfolio to be invested in a manner that seeks to ensure the preservation of capital and consciously diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. The policy further requires the investment in a general account of an insurance company shall not be invested in more than 10% of real estate and more than 10% of bonds with ratings less than Baa1 by Moody's or BBB+ by Standard & Poor's. Total investments in contracts and agreements of life insurance companies shall not exceed 15% of the aggregate market value of the fund and more than 5% of the fund assets may be invested in one single insurance company. Up to 5% of fund assets may be invested in nonconvertible bonds, debentures, notes, and other corporate obligations; Canadian securities; and direct obligations of Israel. Investments in notes secured by mortgages under Section 203, 207, 220, and 221 of the National Housing Act are limited to 20% of the investment portfolio. Investments in stocks and convertible debt are limited to 50% of the investment portfolio.

The Firefighters' Pension Fund investment policy requires the portfolio to invest in a manner that seeks the preservation of capital and diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. The state statutes governing the fund limits combined investments in separate accounts managed by life insurance companies (variable annuities), mutual funds, and common and preferred stocks to 55% of the fund's net position. Investments in any one issuer that represents 5% or more of the total fund's net position, excluding those investments issued by or explicitly guaranteed by the U.S. government.

Custodial Credit Risk - Deposits

The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 102% of the value of the deposit.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The J.M. Scott investment policy requires deposits of the fund to be deposited with an FDIC insured bank custodian.

The Police and Firefighters' Pension Funds investment policies do not specifically address custodial credit risk for deposits, except for the Pension Funds' compliance with State statutes.

Custodial Credit Risk - Investments

The City's investment policy require all securities to be secured through third-party custody and safekeeping procedures. The investment policy limits investments with any one financial institution to 30% of available funds.

The J.M. Scott, Police Pension Fund, and Firefighters' Pension Fund investment policies do not specifically address this risk, except for compliance with State statutes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

See Note III. A. for further information.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property taxes for the levy year 2015 attaches as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2015 tax levy, which attached as an enforceable lien on the property as of January 1, 2015, was levied in November 2015.

Tax bills for levy year 2015 are prepared by the McLean County Treasurer and are due and collectible in two installments, on or about June 1, 2016 and September 1, 2016 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2015 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal year 2016. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2016, the property taxes receivable and unearned tax revenue consisted of the estimated amount collectible from the 2015 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Capital Assets

Government-Wide Statements

Capital assets, which include land, construction, land improvements, machinery and equipment, licensed vehicles, and infrastructure are reported in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 1 year. Infrastructure capitalization thresholds are as follows:

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

All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Infrastructure	10-65 Years
Land Improvements	20-50 Years
Construction	20-50 Years
Machinery and equipment	3-75 Years
Licensed vehicles	3-20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

6. Compensated Absences

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

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

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.

7. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds, notes, and loans payable, capital leases, claims payable, net pension liabilities, net OPEB obligation, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$229,060, made up of one issue.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Government-Wide Statements (cont.)

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 123,410,647	\$ 177,662,567	\$ (26,448,736)	\$ 274,624,478
Unrestricted	(130,943,807)	14,454,569	26,448,736	(90,040,502)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal policy to maintain unrestricted fund balance in the General Fund of at least 10% of budgeted General Fund expenditures including transfers.

10. Property Held for Resale

Property 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 values are charged to expense/expenditures.

11. Trade/In-Kind Agreements

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

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER BUDGET

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Board of Elections	\$ 519,710	\$ 839,931	\$ 320,221
IHDA Grant	6,603	7,173	570

The City controls expenditures at the fund level. Some individual functions experienced expenditures which exceeded budget. The detail of those items can be found in the City's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2016, the following individual funds held a deficit balance:

Fund	Amount	Reason
Empire Street TIF	\$ (52,906)	Newly created fund for which expenditures were incurred prior to funding sources being received.
Capital Lease	(509,966)	Cumulative expenditures exceeding revenues over multiple years.
Stormwater Management	(6,670)	Cumulative expenses exceeding revenues over multiple years.
Retiree Group Health Care	(38,018)	Cumulative claims expense exceeding internal charges for services over multiple years.
Casualty Insurance	(2,712,845)	Cumulative claims expense exceeding internal charges for services over multiple years.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. The deposits and investments of the pension trust funds are held separately from those of other funds.

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
<i>City</i>			
Deposits	\$ 37,949,734	\$ 41,438,909	Custodial credit risk
Illinois Funds	24,359,866	24,359,866	Credit risk
IMET - Convenience Fund	7,432,867	7,432,867	Credit risk
IMET - 1-3 Year Fund	168,238	168,238	Credit risk, interest rate risk
U.S. Treasury obligations	2,982,516	2,982,516	Custodial credit risk, interest rate risk
U.S. Agency obligations - explicitly guaranteed	1,512,247	1,512,247	Custodial credit risk, interest rate risk
U.S. Agency obligations - implicitly guaranteed	2,671,110	2,671,110	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Municipal bonds	1,661,826	1,661,826	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Petty cash	17,260	-	N/A
<i>Pension Trusts</i>			
Deposits	4,329,746	4,262,863	Custodial credit risk
Illinois Funds	257,898	257,898	Credit risk
IMET - Convenience Fund	34,694	34,694	Credit risk
U.S. Treasury obligations	3,905,659	3,905,659	Custodial credit risk, interest rate risk
U.S. Agency obligations	14,921,604	14,921,604	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Corporate bonds	1,787,959	1,787,959	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Annuities - fixed	15,973,103	15,973,103	Credit risk, interest rate risk
Annuities - variable	31,972,446	31,972,446	Credit risk
Mutual funds - other than bond funds	40,430,464	40,430,464	N/A
<i>Private-Purpose Trust</i>			
Deposits	113,848	113,848	Custodial credit risk
Illinois Funds	77,114	77,114	Credit risk
Mutual funds - other than bond funds	<u>10,718,800</u>	<u>10,718,800</u>	N/A
 Total Deposits and Investments	 <u>\$ 203,278,999</u>	 <u>\$ 206,684,031</u>	

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments	\$ 78,483,949
Restricted cash and investments	271,715

Per statement of net position - fiduciary funds

Cash - private-purpose trust	190,962
Mutual funds - private-purpose trust	10,718,800
Cash - pension trusts	4,622,338
U.S. government securities - pension trusts	3,901,439
U.S. government agencies and corporations - pension trusts	14,925,824
Annuities - fixed - pension trusts	15,973,103
Annuities - variable - pension trusts	31,972,446
Mutual funds - pension trusts	40,430,464
Corporate bonds - pension trusts	<u>1,787,959</u>

Total Deposits and Investments	<u>\$ 203,278,999</u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of April 30, 2016, \$270,439 of the City's total bank balances were exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2016, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	A.M. Best Company
IMET	AAAf/S1	Aaa/MR1	N/A
Illinois Funds	AAAm	Aaa	N/A
U.S. Agency obligations	AA+	Aaa	N/A
Municipal bonds	A to AA	A2 to Aa3	N/A

As of April 30, 2016, the Police Pension Fund's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	A.M. Best Company
IMET	AAAf/S1	Aaa/MR1	N/A
U.S. Agency obligations	AA+	A2 to Aaa	N/A
Corporate bonds	AA+	A3	N/A
Annuities - fixed	N/A	Aa3	A+

As of April 30, 2016, the Firefighters' Pension Fund's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	A.M. Best Company
Illinois Funds	AAAm	Aaa	N/A
Annuities - fixed	Baa3 to AA3	BBB- to AA-	B++ to A+
Annuities - variable	BBB to AA+	Baa2 to Aa1	A- to A++

As of April 30, 2016, the J.M. Scott Private-Purpose Trust Fund's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services	A.M. Best Company
Illinois Funds	AAAm	Aaa	N/A

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2016, the investment portfolio was concentrated as follows:

The City and J.M. Scott Private-Purpose Trust had no applicable investments exposed to concentration of credit risk.

The Police Pension Fund had the following investments in excess of 5% of total fund investments:

Schwab Total Stock Market	\$	16,550,597
Dodge & Cox Stock Fund		6,673,486
American Funds Growth Fund of America		3,419,606
Harbor Capital Appreciation Fund		3,367,415

The Firefighters' Pension Fund had the following investments in excess of 5% of total fund investments:

Jackson National Life	\$	16,417,734
American Investors Life		7,700,549
VOYA Life Insurance Contract		6,568,980
Delaware Insurance Contract		4,989,894
American General		3,995,838

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2016, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	More than 10
IMET - 1-3 Year Fund	\$ 168,238	\$ -	\$ 168,238	\$ -	\$ -
U.S. Treasury obligations	2,982,516	995,812	1,986,704	-	-
U.S. Agency obligations	4,183,357	250,153	3,921,121	-	12,083
Municipal bonds	<u>1,661,826</u>	<u>1,661,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 8,995,937</u>	<u>\$ 2,907,791</u>	<u>\$ 6,076,063</u>	<u>\$ -</u>	<u>\$ 12,083</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

Police Pension Fund

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 3,901,439	\$ -	\$ -	\$ 1,015,625	\$ 2,885,814
U.S. Agency obligations	14,921,604	1,001,943	8,846,246	2,086,381	2,987,034
Corporate bonds	1,787,959	-	-	1,787,959	-
Annuities - fixed	<u>767,211</u>	<u>767,211</u>	-	-	-
Totals	<u>\$ 21,378,213</u>	<u>\$ 1,769,154</u>	<u>\$ 8,846,246</u>	<u>\$ 4,889,965</u>	<u>\$ 5,872,848</u>

Firefighters' Pension Fund

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury obligations	\$ 4,220	\$ -	\$ -	\$ 4,220	\$ -
Annuities - fixed	<u>15,205,892</u>	-	<u>10,467,234</u>	<u>4,738,658</u>	-
Totals	<u>\$ 15,210,112</u>	<u>\$ -</u>	<u>\$ 10,467,234</u>	<u>\$ 4,742,878</u>	<u>\$ -</u>

See Note I.D.1. for further information on deposit and investment policies.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	Totals
Accounts receivable			
Ambulance	\$ 825,413	\$ -	\$ 825,413
Food & beverage tax	461,172	-	461,172
Hotel/motel tax	195,685	-	195,685
Package liquor tax	93,318	-	93,318
Local motor fuel tax	197,065	-	197,065
Amusement tax	85,446	-	85,446
Utility tax	449,349	-	449,349
Water customers	194,276	-	194,276
Grants	-	15,771	15,771
Miscellaneous	<u>852,015</u>	<u>184,297</u>	<u>1,036,312</u>
Gross receivables	3,353,739	200,068	3,553,807
Less: Allowance for uncollectibles	<u>(608,571)</u>	<u>-</u>	<u>(608,571)</u>
Net total accounts receivable	<u>\$ 2,745,168</u>	<u>\$ 200,068</u>	<u>\$ 2,945,236</u>
	General	Nonmajor Governmental	Totals
Due from other governmental units			
State sales tax	\$ 3,850,567	\$ -	\$ 3,850,567
Home rule sales tax	6,805,536	-	6,805,536
Income tax	1,220,508	-	1,220,508
Telecommunications tax	677,949	-	677,949
Auto rental tax	18,638	-	18,638
Motor fuel tax allotments	-	174,350	174,350
Video gaming tax	132,987	-	132,987
Other	<u>13,873</u>	<u>-</u>	<u>13,873</u>
Total	<u>\$ 12,720,058</u>	<u>\$ 174,350</u>	<u>\$ 12,894,408</u>

All of the receivables on the balance sheet, except for loans receivable noted below, are expected to be collected within one year.

As of April 30, 2016, the City had loans receivable, net of allowance for uncollectible of \$290,676, in the amount of \$1,697,709, primarily related to various economic development loans issued to residents and local businesses. Of this amount, \$1,545,943 related to deferred loans, for which no payment due until the property is sold or paid by the estate, and are considered to be collectible in more than one year.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Revenues of the Water, Solid Waste, Sewer, Stormwater Management, Golf Operations, and Parking Funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to Water Fund receivables	\$ 307,996
Uncollectibles related to Solid Waste Fund receivables	185,106
Uncollectibles related to Sewer Fund receivables	74,553
Uncollectibles related to Stormwater Management Fund receivables	1,158,016
Uncollectibles related to Golf Operations Fund receivables	13,503
Uncollectibles related to Parking Fund receivables	<u>1,018</u>
 Total Uncollectibles of the Current Fiscal Year	 <u><u>\$ 1,740,192</u></u>

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 24,063,066	\$ -
Home rule sales tax	-	3,302,758
State sales tax	-	1,681,768
Telecommunications tax	-	224,362
Auto rental tax	-	6,300
Other	<u>52,735</u>	<u>26,147</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u><u>\$ 24,115,801</u></u>	 <u><u>\$ 5,241,335</u></u>
 Unearned revenue included in liabilities	 \$ 52,735	
Unearned revenue included in deferred inflows	<u>24,063,066</u>	
 Total Unearned Revenue for Governmental Funds	 <u><u>\$ 24,115,801</u></u>	

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 19,770,286	\$ 241,014	\$ -	\$ 20,011,300
Construction in progress	<u>3,349,786</u>	<u>1,776,428</u>	<u>269,502</u>	<u>4,856,712</u>
Total Capital Assets Not Being Depreciated	<u>23,120,072</u>	<u>2,017,442</u>	<u>269,502</u>	<u>24,868,012</u>
Capital assets being depreciated				
Land improvements	19,669,306	-	-	19,669,306
Construction	74,839,421	28,489	-	74,867,910
Infrastructure	238,210,484	886,540	-	239,097,024
Machinery and equipment	19,766,167	1,102,406	370,946	20,497,627
Licensed vehicles	<u>14,205,300</u>	<u>1,431,080</u>	<u>499,194</u>	<u>15,137,186</u>
Total Capital Assets Being Depreciated	<u>366,690,678</u>	<u>3,448,515</u>	<u>870,140</u>	<u>369,269,053</u>
Total Capital Assets	<u>389,810,750</u>	<u>5,465,957</u>	<u>1,139,642</u>	<u>394,137,065</u>
Less: Accumulated depreciation for				
Land improvements	5,547,773	473,649	-	6,021,422
Construction	24,477,662	1,738,638	-	26,216,300
Infrastructure	169,289,775	5,343,265	-	174,633,040
Machinery and equipment	12,778,384	1,245,717	366,924	13,657,177
Licensed vehicles	<u>8,384,845</u>	<u>867,846</u>	<u>474,234</u>	<u>8,778,457</u>
Total Accumulated Depreciation	<u>220,478,439</u>	<u>9,669,115</u>	<u>841,158</u>	<u>229,306,396</u>
Net Capital Assets Being Depreciated	<u>146,212,239</u>	<u>(6,220,600)</u>	<u>28,982</u>	<u>139,962,657</u>
 Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	 <u>\$169,332,311</u>	 <u>\$ (4,203,158)</u>	 <u>\$ 298,484</u>	 <u>\$164,830,669</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 519,370
Public safety	1,330,206
Highways and streets	5,582,063
Culture and recreation	2,043,137
Community development	49,377
Parking	<u>144,962</u>
Total Governmental Activities Depreciation Expense	<u>\$ 9,669,115</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 7,650,506	\$ -	\$ -	\$ 7,650,506
Construction in progress	<u>5,818,434</u>	<u>1,260,850</u>	<u>2,138,845</u>	<u>4,940,439</u>
Total Capital Assets Not Being Depreciation	<u>13,468,940</u>	<u>1,260,850</u>	<u>2,138,845</u>	<u>12,590,945</u>
Capital assets being depreciated				
Land improvements	958,455	-	-	958,455
Construction	55,819,822	245,265	-	56,065,087
Infrastructure	173,529,876	2,905,219	-	176,435,095
Machinery and equipment	26,179,072	3,881,626	-	30,060,698
Licensed vehicles	<u>9,199,885</u>	<u>614,538</u>	<u>311,450</u>	<u>9,502,973</u>
Total Capital Assets Being Depreciated	<u>265,687,110</u>	<u>7,646,648</u>	<u>311,450</u>	<u>273,022,308</u>
Total Capital Assets	<u>279,156,050</u>	<u>8,907,498</u>	<u>2,450,295</u>	<u>285,613,253</u>
Less: Accumulated depreciation for				
Land improvements	630,863	32,076	-	662,939
Construction	15,914,099	1,011,540	-	16,925,639
Infrastructure	43,965,581	2,435,946	-	46,401,527
Machinery and equipment	17,223,405	1,447,010	-	18,670,415
Licensed vehicles	<u>5,755,838</u>	<u>750,753</u>	<u>295,879</u>	<u>6,210,712</u>
Total Accumulated Depreciation	<u>83,489,786</u>	<u>5,677,325</u>	<u>295,879</u>	<u>88,871,232</u>
Net Capital Assets Being Depreciated	<u>182,197,324</u>	<u>1,969,323</u>	<u>15,571</u>	<u>184,151,076</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 195,666,264</u>	<u>\$ 3,230,173</u>	<u>\$ 2,154,416</u>	<u>\$ 196,742,021</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 2,103,018
Solid waste	798,025
Sewer	1,335,186
U.S. Cellular Coliseum	923,836
Stormwater management	259,840
Golf operations	167,624
Parking	<u>89,796</u>

Total Business-type Activities Depreciation Expense	<u><u>\$ 5,677,325</u></u>
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D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Library	\$ 1,767
General	Nonmajor Governmental	264,534
General	Solid Waste	212,143
General	U.S. Cellular Coliseum	1,376,083
General	Nonmajor Enterprise	82,752
Nonmajor Governmental	General	<u>18,460</u>
Total - Fund Financial Statements		1,955,739
Add: Interfund receivables created with internal service fund eliminations		833,656
Less: Government-wide eliminations		<u>(284,761)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 2,504,634</u></u>

All amounts are due within one year.

The principal purpose of these interfunds is to eliminate negative cash positions due to fund overdrafts on pooled cash and investment accounts. All remaining balances resulted from transfers approved, but unpaid, before the fiscal year-end and the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The general fund is advancing funds to nonmajor governmental funds. The advance relates to non-permanent transfers of funds that are not anticipated to be repaid within one year. As of April 30, 2016, the advances balance is \$6,722.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General	Library	\$ 36,732
General	Nonmajor Governmental	6,427
General	Water	739,193
General	Solid Waste	337,920
General	Sewer	217,027
General	Stormwater Management	156,080
General	Nonmajor Enterprise	123,417
Debt Service	General	3,454,425
Debt Service	U.S. Cellular Coliseum	972,645
Nonmajor Governmental	General	3,350,132
Nonmajor Governmental	Solid Waste	48,256
Solid Waste	General	1,495,913
Sewer	Nonmajor Governmental	3,933
U.S. Cellular Coliseum	General	1,399,652
Nonmajor Enterprise	General	512,331
Internal Service	Internal Service	<u>138,627</u>
Total - Fund Financial Statements		12,992,710
Less: Government-wide eliminations		<u>(12,131,096)</u>
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 861,614</u></u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2016, was as follows:

	Beginning Balance (as restated)	Adjustments	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities						
General Obligation Bonds						
Series 2004 demand	\$ 9,700,000	\$ -	\$ -	\$ 800,000	\$ 8,900,000	\$ 800,000
Series 2005	6,595,000	-	-	490,000	6,105,000	510,000
Series 2007	3,380,000	-	-	130,000	3,250,000	135,000
Series 2009 refunding	2,840,000	-	-	-	2,840,000	-
Series 2011 refunding	3,670,000	-	-	715,000	2,955,000	1,170,000
Series 2012 taxable	1,928,730	-	-	1,928,730	-	-
Series 2013A refunding	6,700,000	-	-	970,000	5,730,000	965,000
Series 2013C	9,225,000	-	-	930,000	8,295,000	950,000
Series 2014A refunding	14,920,000	-	-	685,000	14,235,000	415,000
Series 2014B refunding	9,700,000	-	-	355,000	9,345,000	100,000
Subtotal	<u>68,658,730</u>	<u>-</u>	<u>-</u>	<u>7,003,730</u>	<u>61,655,000</u>	<u>5,045,000</u>
Unamortized bond premium	1,213,283	-	-	135,545	1,077,738	-
Unamortized bond discount	<u>(83,691)</u>	<u>-</u>	<u>-</u>	<u>(7,903)</u>	<u>(75,788)</u>	<u>-</u>
Total General Obligation Bonds	<u>69,788,322</u>	<u>-</u>	<u>-</u>	<u>7,131,372</u>	<u>62,656,950</u>	<u>5,045,000</u>
Other Liabilities						
Capital lease payable	4,437,549	44,323	3,073,687	1,867,783	5,687,776	1,669,967
Loan payable	-	-	344,020	128,738	215,282	47,361
Claims payable	5,040,807	-	8,593,320	8,469,696	5,164,431	3,546,187
Compensated absences	10,845,594	-	1,674,613	1,593,613	10,926,594	1,351,498
Net pension liability - IMRF	10,300,580	-	7,832,821	2,616,898	15,516,503	-
Net pension liability - Police	52,482,814	-	16,797,875	4,690,359	64,590,330	-
Net pension liability - Fire	51,712,640	-	12,418,951	4,416,266	59,715,325	-
Net OPEB obligation	<u>6,680,278</u>	<u>-</u>	<u>537,667</u>	<u>-</u>	<u>7,217,945</u>	<u>-</u>
Total Other Liabilities	<u>141,500,262</u>	<u>44,323</u>	<u>51,272,954</u>	<u>23,783,353</u>	<u>169,034,186</u>	<u>6,615,013</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 211,288,584</u>	<u>\$ 44,323</u>	<u>\$ 51,272,954</u>	<u>\$ 30,914,725</u>	<u>\$ 231,691,136</u>	<u>\$ 11,660,013</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-type Activities						
General Obligation Bonds						
Series 2007	\$ 5,225,000	\$ -	\$ -	\$ 200,000	\$ 5,025,000	\$ 210,000
Series 2012 taxable	461,270	-	-	461,270	-	-
Subtotal	5,686,270	-	-	661,270	5,025,000	210,000
Unamortized bond discount	(25,327)	-	-	(1,400)	(23,927)	-
Total General Obligation Bonds	5,660,943	-	-	659,870	5,001,073	210,000
Other Liabilities						
Capital lease payable	4,184,539	(44,323)	507,313	1,711,480	2,936,049	1,337,767
Loans payable	11,586,828	-	299,999	744,587	11,142,240	809,654
Notes payable	10,650,952	-	-	733,593	9,917,359	749,116
Compensated absences	1,725,837	-	350,367	115,631	1,960,573	56,353
Net pension liability - IMRF	5,252,234	-	3,993,932	1,334,348	7,911,818	-
Net OPEB obligation	971,955	-	75,648	-	1,047,603	-
Total Other Liabilities	34,372,345	(44,323)	5,227,259	4,639,639	34,915,642	2,952,890
Total Business-type Activities Long-Term Liabilities	\$ 40,033,288	\$ (44,323)	\$ 5,227,259	\$ 5,299,509	\$ 39,916,715	\$ 3,162,890

The adjustment of capital lease payable relates to a shift in obligation due to a reassessment of how the related assets are utilized.

General obligation bonds attributable to governmental activities are paid by the Debt Service Fund. Capital leases, compensated absences, net OPEB obligation, and net pension liabilities attributable to governmental activities are generally liquidated by the General Fund. The loans payable attributable to governmental activities are paid by the Board of Elections Fund. Claims payable are liquidated by the internal service funds.

The City is a home rule municipality and, therefore, is not subject to the statutory general obligation debt limitations.

As of April 30, 2016, the City reported an unamortized deferred charge on refunding related to outstanding refunding bonds equal to \$419,536.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Bonds

General Obligation Demand Bonds, Series 2004

On October 13, 2004, the City issued \$15,600,000 in General Obligation Demand Bonds, Series 2004, for the purpose of constructing a public ice rink and parking garage, capital improvements for the cultural district, and refunding a portion of the General Obligation Bonds, Series 1994. The demand bonds are secured by an Irrevocable Bond Purchase Agreement dated October 1, 2004 with an expiration date of October 13, 2017. The demand bond are subject to purchase on the demand of the holder at a price equal to the aggregate principal amount of the bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, on 60 days' written notice and delivery to the Bond Registrar, U.S. Bank, N.A.

Principal payments are due annually on June 1 of each year, commencing June 1, 2005, and ending on June 1, 2024, in amounts ranging from \$100,000 to \$1,200,000. Interest is due annually on June 1 of each year at the lesser of 9% or 125% of the rate for the 20 Year G.O. Bonds Index of average municipal bond yields. Future interest payments on the variable rate bonds are computed using an interest rate of 3%. Principal and interest payments are made from dedicated revenues and associated property tax levies are abated.

General Obligation Bonds, Series 2005

On November 10, 2005, the City issued \$9,900,000 in General Obligation Bonds, Series 2005, for the purpose of capital improvements in the cultural district of the City. Principal payments are due annually on December 1 of each year, commencing on December 1, 2007, and ending on December 1, 2025, in amounts ranging from \$360,000 to \$725,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 3.875% to 4.10%. Principal and interest payments are made from dedicated revenues and associated property tax levies are abated.

General Obligation Bonds, Series 2007

On August 29, 2007, the City issued \$10,000,000 in General Obligation Bonds, Series 2007, for the purpose of constructing public facilities and improvements for the City. Principal payments are due annually on June 1 of each year, commencing on June 1, 2009, and ending on June 1, 2032, in amounts ranging from \$155,000 to \$670,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 4.00% to 4.50%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

General Obligation Refunding Bonds, Series 2009

On November 30, 2009, the City issued \$2,840,000 in General Obligation Refunding Bonds, Series 2009, for the purpose of refunding a portion of the General Obligation Bonds, Series 1996 and Series 2001. Principal payments are due annually on June 1 of each year, commencing on June 1, 2025, and ending on June 1, 2027, in amounts ranging from \$840,000 to \$1,000,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 4.125% to 4.250%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

General Obligation Refunding Bonds, Series 2011

On June 9, 2011, the City issued \$5,075,000 in General Obligation Refunding Bonds, Series 2011, for the purpose of refunding a portion of the Taxable General Obligation Bonds, Series 2004. Principal payments are due annually on June 1 of each year, commencing on June 1, 2013, and ending on June 1, 2018, in amounts ranging from \$645,000 to \$1,170,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 2.00% to 3.50%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

Taxable General Obligation Bonds, Series 2012

On April 4, 2012, the City issued \$7,660,000 in Taxable General Obligation Bonds, Series 2012, for the purpose of paying the City's early retirement incentive liability to the Illinois Municipal Retirement Fund. Principal payments are due annually on December 1 of each year, commencing on December 1, 2013, and ending on December 1, 2015, in amounts ranging from \$2,270,000 to \$3,000,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 0.99% to 1.57%. Principal and interest payments are made from dedicated revenues and associated property tax levies. The City made final payment on December 1, 2015.

General Obligation Refunding Bonds, Series 2013A

On October 29, 2013, the City issued \$7,800,000 in General Obligation Refunding Bonds, Series 2013A, for the purpose of refunding a portion of the General Obligation Bonds, Series 2003. Principal payments are due annually on June 1 of each year, commencing on June 1, 2014, and ending on June 1, 2023, in amounts ranging from \$330,000 to \$1,100,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 2.00% to 4.00%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

General Obligation Bonds, Series 2013C

On November 12, 2013, the City issued \$9,225,000 in General Obligation Bonds, Series 2013C, for the purpose of financing street resurfacing and sewer repairs for the City. Principal payments are due annually on December 1 of each year, commencing on December 1, 2015, and ending on December 1, 2023, in amounts ranging from \$930,000 to \$1,140,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 2.00% to 3.00%. Principal and interest payments are made from dedicated revenues and associated property tax levies.

General Obligation Refunding Bonds, Series 2014A

On September 4, 2014, the City issued \$14,920,000 in General Obligation Refunding Bonds, Series 2014A, for the purpose of refunding a portion of the Taxable General Obligation Bonds, Series 2004. Principal payments are due annually on June 1 of each year, commencing on June 1, 2015, and ending on June 1, 2034, in amounts ranging from \$415,000 to \$965,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 3.00% to 4.15%. Principal and interest payments are made from dedicated revenues and associated property tax levies are abated.

General Obligation Refunding Bonds, Series 2014B

On September 4, 2014, the City issued \$9,700,000 in General Obligation Refunding Bonds, Series 2014B, for the purpose of refunding a portion of the Taxable General Obligation Bonds, Series 2004. Principal payments are due annually on June 1 of each year, commencing on June 1, 2015, and ending on June 1, 2034, in amounts ranging from \$100,000 to \$1,050,000. Interest is due semi-annually on June 1 and December 1 of each year at rates ranging from 2.00% to 3.75%. Principal and interest payments are made from dedicated revenues and associated property tax levies are abated.

Debt service requirements to maturity for general obligation bonds are as follows:

Years	Governmental Activities General Obligation Bonds		Business-type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 5,045,000	\$ 2,031,528	\$ 210,000	\$ 213,131
2018	5,125,000	1,876,821	215,000	204,100
2019	4,865,000	1,719,746	225,000	195,031
2020	4,005,000	1,580,799	235,000	185,684
2021	4,320,000	1,445,140	245,000	175,784
2022-2026	19,775,000	5,161,579	1,385,000	713,794
2027-2031	10,845,000	2,415,998	1,715,000	377,522
2032-2035	7,675,000	617,875	795,000	36,113
Totals	<u>\$ 61,655,000</u>	<u>\$ 16,849,486</u>	<u>\$ 5,025,000</u>	<u>\$ 2,101,159</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Loans Payable

On November 23, 2015, the City entered into a loan agreement for the purchase of voting equipment totaling \$344,020. Payments are made annually on November 23 of each year until final repayment on November 23, 2019.

In April 2016, the City entered into a loan agreement with VenueWorks, the management company for the U.S. Cellular Coliseum, for equipment totaling \$299,999. Payments are made monthly beginning on July 1, 2016 and ending on June 1, 2021.

In previous years, the City entered into five separate loan agreements with the Illinois Environmental Protection Agency, all for the Drinking Water State Revolving Fund Program. The City may draw up to \$17,536,574 for the program. Payment will be required each July 1 and January 1 until final repayment on January 1, 2024 on the first agreement, each June 5 and December 5 until final repayment on June 5, 2025 on the second agreement, each June 7 and December 7 until final repayment on December 7, 2029 on the third agreement, each December 17 and June 17 until final repayment on June 17, 2033 on the fourth agreement, each December 19 and June 19 until final repayment on December 19, 2033 on the fifth agreement.

Debt service requirements to maturity for loans payable are as follows:

Years	Governmental Activities Loans Payable		Business-type Activities Loans Payable	
	Principal	Interest	Principal	Interest
2017	\$ 47,361	\$ 18,493	\$ 809,654	\$ 192,870
2018	51,429	14,425	835,057	177,467
2019	55,847	10,007	850,801	161,723
2020	60,645	5,209	866,897	145,627
2021	-	-	883,352	129,172
2034-2026	-	-	3,769,586	395,233
2027-2031	-	-	2,078,863	144,510
2032-2034	-	-	1,048,030	21,975
Totals	<u>\$ 215,282</u>	<u>\$ 48,134</u>	<u>\$ 11,142,240</u>	<u>\$ 1,368,577</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Notes Payable

In previous years, the City entered into two separate intergovernmental agreements. The first intergovernmental agreement is with Bloomington & Normal Water Reclamation District to pay a portion of two Illinois Environmental Protection Agency loans provided to the District. The City is responsible for 60% of the loans totaling \$20,474,800 paid in semi-annual installments of \$101,957 and \$313,760 through August 2026 and September 2027. The second intergovernmental agreement is with the Village of Downs to pay a portion of an Illinois Environmental Protection Agency loan provided to the Village. The City is responsible for 40% of the loan totaling \$2,272,502 paid in semi-annual installments of \$58,269 through November 2031.

Debt service requirements to maturity for notes payable are as follows:

<u>Years</u>	Business-type Activities Notes Payable	
	Principal	Interest
2017	\$ 749,116	\$ 198,846
2018	765,029	182,933
2019	781,343	166,619
2020	798,067	149,895
2021	815,211	132,751
2022-2026	4,348,708	391,102
2027-2031	1,601,616	24,309
2032	58,269	-
Totals	\$ 9,917,359	\$ 1,246,455

Capital Leases

Refer to Note III. F.

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2001, the City, along with McLean County, entered into a capital lease agreement with the Public Building Commission for an office building and parking facility. Principal and interest payments range from \$107,573 to \$668,985 and are due each October 1, until final payment on October 1, 2022. Interest rates range from 2.00% to 4.00%. Construction under the capital lease carried a cost value of \$8,343,255 and accumulated depreciation of \$2,726,108 as of April 30, 2016.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LEASE DISCLOSURES (cont.)

In 2012, the City entered into a capital lease agreement to finance the purchase of various equipment for City departments. The lease calls for monthly payments of principal and interest of \$76,865 with an interest rate of 2.79% until August 31, 2016. Equipment under the capital lease carries a cost of \$4,301,675 and accumulated depreciation of \$1,951,071 as of April 30, 2016.

In 2013, the City entered into a capital lease agreement to finance the purchase of various equipment for City departments. The lease calls for semi-annual payments of principal and interest of \$580,505 with an interest rate of 1.84% until April 4, 2017. Equipment under the capital lease carries a cost of \$5,572,610 and accumulated depreciation of \$2,213,303 as of April 30, 2016.

In 2014, the City entered into a capital lease agreement to finance the purchase of various equipment for City departments. The lease calls for monthly payments of principal and interest of \$25,839 with an interest rate of 1.85% until March 24, 2019. Equipment under the capital lease carries a cost of \$1,482,000 and accumulated depreciation of \$200,536 as of April 30, 2016.

In 2014, the City entered into an additional capital lease agreement to finance the purchase of a fire truck. The lease calls for semi-annual payments of principal and interest of \$51,158 with an interest rate of 2.1% until July 30, 2018. Equipment under the capital lease carries a cost of \$964,950 and accumulated depreciation of \$162,969 as of April 30, 2016.

On May 27, 2015, the City entered into a capital lease agreement to finance the purchase of various equipment for City departments. The lease calls for semi-annual payments of principal and interest of \$289,901 with an interest rate of 2.1% until November 22, 2019. Equipment under the capital lease carries a cost of \$2,767,142 and accumulated depreciation of \$392,773 as of April 30, 2016.

On May 27, 2015, the City entered into an additional capital lease agreement to finance the purchase of a fire truck. The lease calls for semi-annual payments of principal and interest of \$48,807 with an interest rate of 3.05% until November 22, 2024. Equipment under the capital lease carries a cost of \$813,858 and accumulated depreciation of \$25,772 as of April 30, 2016.

The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2016, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2017	\$ 1,669,967	\$ 141,003	\$ 1,810,970	\$ 1,337,767	\$ 60,708	\$ 1,398,475
2018	1,087,312	105,700	1,193,012	508,174	38,968	547,142
2019	1,057,823	76,834	1,134,657	507,234	26,875	534,109
2020	934,084	50,229	984,313	337,874	16,630	354,504
2021	483,579	26,670	510,249	245,000	7,350	252,350
2022-2025	<u>455,011</u>	<u>27,015</u>	<u>482,026</u>	-	-	-
Totals	<u>\$ 5,687,776</u>	<u>\$ 427,451</u>	<u>\$ 6,115,227</u>	<u>\$ 2,936,049</u>	<u>\$ 150,531</u>	<u>\$ 3,086,580</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LEASE DISCLOSURES (cont.)

Lessor - Operating Leases

The City of Bloomington leases a total of 227 residential lots to various individuals under agreements expiring in 2023 and 2031. Other long-term agreements involve a lake marina which is leased through November 1, 2024 and a parking area property which expires May 31, 2017. 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 \$117,926 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2016. The following is a schedule, by year, of minimum future rentals due to the City under noncancellable lease agreements in effect as of April 30, 2016:

<u>Years</u>	<u>Governmental Activities Principal</u>
2017	\$ 121,070
2018	123,641
2019	126,462
2020	129,097
2021	131,798
2022-2026	625,842
2027-2031	675,030
2032	<u>145,298</u>
Totals	<u>\$ 2,078,238</u>

The assets leased have a cost of \$3,266,482, accumulated depreciation of \$2,208,855 and net book value of \$1,057,627.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION

Net position reported on the government wide statement of net position at April 30, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Capital assets, net of accumulated depreciation	\$ 164,830,669
Less: Long-term debt outstanding	(67,558,059)
Plus: Unspent capital related debt proceeds	271,715
Plus: Noncapital long-term debt outstanding	26,535,000
Plus: Unamortized debt discount	75,788
Less: Unamortized debt premium	(691,270)
Less: Unamortized loss on refunding	<u>(53,196)</u>
Total Net Investment in Capital Assets	<u>\$ 123,410,647</u>

Business-type Activities

Net Investment in Capital Assets	
Capital assets, net of accumulated depreciation	\$ 196,742,021
Less: Long-term debt outstanding	(29,020,649)
Plus: Noncapital long-term debt outstanding	9,917,358
Plus: Unamortized debt discount	<u>23,837</u>
Total Net Investment in Capital Assets	<u>\$ 177,662,567</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension liability and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities
Net Position - April 30, 2015 (as reported)	\$ 124,997,517	\$ 192,252,574
Add: Prior year net pension obligation - IMRF	798,910	407,328
Add: Prior year net pension obligation - Police	299,926	-
Less: Prior year net pension asset - Fire	(725,093)	-
Less: Net pension liability - IMRF	(10,300,580)	(5,252,234)
Add: Deferred outflows related to pensions - IMRF	727,988	321,420
Less: Net pension liability - Police	(52,482,814)	-
Less: Net pension liability - Fire	(51,712,640)	-
Net position - April 30, 2015 (as restated)	\$ 11,603,214	\$ 187,729,088

	Water	Solid Waste	Sewer
Net Position - April 30, 2015 (as reported)	\$ 106,106,931	\$ 1,573,199	\$ 58,905,473
Add: Prior year net pension obligation - IMRF	176,685	127,740	40,770
Less: Net pension liability - IMRF	(2,355,140)	(1,573,981)	(493,713)
Add: Deferred outflows related to pensions - IMRF	145,911	97,080	34,573
Net position - April 30, 2015 (as restated)	\$ 104,074,387	\$ 224,038	\$ 58,487,103

	Stormwater Management	Nonmajor Enterprise	Internal Service
Net Position - April 30, 2015 (as reported)	\$ (87,931)	\$ 4,184,777	\$ (1,087,493)
Add: Prior year net pension obligation - IMRF	27,943	34,190	-
Less: Net pension liability - IMRF	(433,355)	(396,045)	(54,176)
Add: Deferred outflows related to pensions - IMRF	17,402	26,454	-
Net position - April 30, 2015 (as restated)	\$ (475,941)	\$ 3,849,376	\$ (1,141,669)

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS

BLOOMINGTON PUBLIC LIBRARY FOUNDATION

This report contains the Bloomington Public Library Foundation (Foundation), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Deposits and Investments

As of April 30, 2016, the Foundation held deposits with a carrying value of \$227,940 and investments, consisting of mutual funds, with a carrying value of \$1,159,557.

b. Permanently Restricted Donations

The following restricted donations have been made to the Foundation:

1. Myers Trust – \$7,029 restricted donation was made by Dora Myers for the purchase, collection and exhibition of meritorious works in sculpture and painting. Also included in this fund is the Perry-Russell Trust. The Perry-Russell Trust consists of a \$5,500 restricted donation to establish an art studio/gallery for works of art to be collected, kept, preserved, or exhibited for the advancement of education in art.

2. Churchill Trust – a \$17,500 restricted donation was made by the Estate of Helen Churchill. Income earned from the Trust is to be used for the purchase of books, which cannot be purchased with other available funds of the Bloomington Public Library.

3. Stubblefield Trust – the Foundation is the beneficiary of 50% of the Elizabeth L. Stubblefield and Louise M. Stubblefield Trust. Donations received from this trust are restricted for the purpose of supplementing and increasing the salaries of employees of the Bloomington Public Library if possible, and to benefit the Bloomington Public Library. The fair market value of the Foundation's portion of the trust is \$1,072,102 and \$1,145,119 at April 30, 2016 and 2015, respectively.

c. Beneficial Interest in Perpetual Trust

In fiscal year 2009, the Foundation was named as a beneficiary of a perpetual trust composed of cash and cash equivalents, equities, fixed income, and alternative investments. At April 30, 2016, the balance of the trust corpus was \$1,072,102. There is no provision for distribution of trust corpus. The Foundation is to receive 50% of trust income. There is no restriction on this income. Under the terms of such a trust, the Foundation has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

BLOOMINGTON PUBLIC LIBRARY FOUNDATION (cont.)

The trust corpus have been recorded as a "Beneficial Interest in Stubblefield Trust" and as permanently restricted. The value of the trust corpus is revalued each year and adjusted accordingly.

The Foundation's beneficial interest in perpetual trusts at April 30, 2016 consists of the following:

	<u>2016</u>
Cash and cash equivalents	\$ 31,748
Equities	719,922
Fixed income	<u>320,432</u>
Total	<u><u>\$ 1,072,102</u></u>

MILLER PARK ZOOLOGICAL SOCIETY

This report contains the Miller Park Zoological Society (Society), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Deposits and Investments

As of April 30, 2016, the carrying amount of the Society's deposits was \$252,815 and investments, consisting of equities, fixed income, and alternative investments, was \$247,623.

b. Support of Zoo Operations and Related Party Activity

The City owns and operates the Zoo. In September 2012, the Society entered into an agreement with the City, providing for office space and utilities to the Society. The terms of this agreement state that the Society shall remit to the City a minimum payment of \$50,000 split into two payments (April and October) and also remit \$7 per membership sold (excluding memberships above \$100) as of October 1, increasing the amount of the October payment. The Society incurred \$68,810 in operational support for the year ended April 30, 2016. As of April 30, 2016, all required payments had been made by the Society to the City.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The City contributes to three defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan issue separate reports on the pension plans. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan Description. The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Membership. At December 31, 2015, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	422
Inactive, non-retired members	418
Active members	<u>387</u>
Total	<u><u>1,227</u></u>

Contributions. As set by statute, City employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's actuarially determined contribution rate for calendar year 2015 was 17.12% of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included a 7.47% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

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

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.85 %	7.39 %
International equities	17.00 %	9.55 %	7.59 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	7.20 %	6.00 %
Alternatives	9.00 %		
Private equity		13.15 %	8.15 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.47%. The discount rate calculated using the December 31, 2014 measurement date was 7.49%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability. The year ending December 31, 2084 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.47% as well as what the net pension liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 191,566,971	\$ 169,788,790	\$ 151,929,844
Plan fiduciary net position	146,360,469	146,360,469	146,360,469
Net pension liability	<u>\$ 45,206,502</u>	<u>\$ 23,428,321</u>	<u>\$ 5,569,375</u>

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2014	\$ 162,121,822	\$ 146,569,008	\$ 15,552,814
Service cost	2,438,585	-	2,438,585
Interest on total pension liability	11,892,995	-	11,892,995
Differences between expected and actual experience of the total pension liability	2,047,317	-	2,047,317
Change of assumptions	400,338	-	400,338
Benefit payments, including refunds of employee contributions	(9,112,267)	(9,112,267)	-
Contributions - employer	-	3,951,246	(3,951,246)
Contributions - employee	-	1,032,762	(1,032,762)
Net investment income	-	722,524	(722,524)
Other (net transfer)	-	3,197,196	(3,197,196)
Balances at December 31, 2015	<u>\$ 169,788,790</u>	<u>\$ 146,360,469</u>	<u>\$ 23,428,321</u>

Plan fiduciary net position as a percentage of the total pension liability 86.20 %

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2016, the City recognized pension expense of \$1,842,174. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,502,572	\$ -
Assumption changes	293,817	-
Net difference between projected and actual earnings on pension plan investments	8,188,190	-
Contributions subsequent to the measurement date	<u>1,027,691</u>	<u>-</u>
Total	<u>\$ 11,012,270</u>	<u>\$ -</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$9,984,579) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2016	\$ 2,698,313
2017	2,698,313
2018	2,540,904
2019	<u>2,047,049</u>
Total	<u>\$ 9,984,579</u>

Police Pension

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

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or onehalf the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership. As of April 30, 2016, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries	96
Inactive, non-retired members	2
Active members	<u>126</u>
Total	<u><u>224</u></u>

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2016 was 43.25% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Summary of Significant Accounting Policies. The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	3.75% - 14.40%
Cost-of-living adjustments	2.50%

Mortality rates were based on the assumption study prepared by Lauterbach & Amen in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on the Police Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of April 30, 2016 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	42%	2.03% - 4.14%
Domestic equities	42%	5.34% - 6.55%
International equities	5%	5.84%
Real estate	3%	5.91%
Blended	5%	2.96%
Cash and cash equivalents	-%	-%

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Discount Rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 148,019,388	\$ 128,677,076	\$ 112,962,341
Plan fiduciary net position	<u>64,086,746</u>	<u>64,086,746</u>	<u>64,086,746</u>
Net pension liability	<u>\$ 83,932,642</u>	<u>\$ 64,590,330</u>	<u>\$ 48,875,595</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at May 1, 2015	\$ 116,425,624	\$ 63,942,810	\$ 52,482,814
Service cost	2,518,445	-	2,518,445
Interest on total pension liability	7,961,798	-	7,961,798
Differences between expected and actual experience of the total pension liability	3,750,208	-	3,750,208
Change of assumptions	3,392,308	-	3,392,308
Benefit payments, including refunds of employee contributions	(5,371,307)	(5,371,307)	-
Contributions - employer	-	4,690,359	(4,690,359)
Contributions - employee	-	1,039,974	(1,039,974)
Contributions - other	-	118,866	(118,866)
Net investment income	-	(245,101)	245,101
Administration	-	(88,855)	88,855
Balances at April 30, 2016	<u>\$ 128,677,076</u>	<u>\$ 64,086,746</u>	<u>\$ 64,590,330</u>

Plan fiduciary net position as a percentage of the total pension liability 49.80 %

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2016, the City recognized pension expense of \$6,838,499. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,239,975	\$ -
Assumption changes	2,930,769	-
Net difference between projected and actual earnings on pension plan investments	<u>3,787,720</u>	<u>-</u>
Total	<u>\$ 9,958,464</u>	<u>\$ -</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$9,958,464) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2017	\$ 1,918,702
2018	1,918,702
2019	1,918,702
2020	1,918,702
2021	971,772
Thereafter	<u>1,311,884</u>
Total	<u>\$ 9,958,464</u>

Firefighters' Pension

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

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 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 in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Membership. At April 30, 2016, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	89
Inactive, non-retired members	1
Active members	108
Total	198

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2016, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2016 was 52.96% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	3.75% - 18.35%
Cost-of-living adjustments	2.5

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Mortality rates were based on the assumption study prepared by Lauterbach & Amen in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on the Firefighters' Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of April 30, 2016 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	35%	1.50% - 2.00%
Equities	65%	9.00% - 10.00%

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Discount Rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 124,966,119	\$ 109,385,429	\$ 96,620,342
Plan fiduciary net position	<u>49,670,104</u>	<u>49,670,104</u>	<u>49,670,104</u>
Net pension liability	<u>\$ 75,296,015</u>	<u>\$ 59,715,325</u>	<u>\$ 46,950,238</u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at May 1, 2015	\$ 102,307,353	\$ 50,594,713	\$ 51,712,640
Service cost	2,046,451	-	2,046,451
Interest on total pension liability	6,998,650	-	6,998,650
Differences between expected and actual experience of the total pension liability	4,979	-	4,979
Change of assumptions	2,681,272	-	2,681,272
Benefit payments, including refunds of employee contributions	(4,653,276)	(4,653,276)	-
Contributions - employer	-	4,416,266	(4,416,266)
Contributions - employee	-	808,931	(808,931)
Contributions - other	-	70	(70)
Net investment income	-	(1,441,663)	1,441,663
Administration	-	(54,937)	54,937
Balances at April 30, 2016	\$ 109,385,429	\$ 49,670,104	\$ 59,715,325

Plan fiduciary net position as a percentage of the total pension liability 45.41 %

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2016, the City recognized pension expense of \$6,068,566. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,358	\$ -
Assumption changes	2,346,948	-
Net difference between projected and actual earnings on pension plan investments	3,999,148	-
Total	\$ 6,350,454	\$ -

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$6,350,454) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2017	\$ 1,334,733
2018	1,334,733
2019	1,334,733
2020	1,334,729
2021	334,945
Thereafter	<u>676,581</u>
Total	<u>\$ 6,350,454</u>

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees 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 funds for amounts which are determined based on historical claims experience.

Self Insurance

For medical claims, the uninsured risk of loss is \$155,000 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.

Self-insurance is in effect up to a stop loss of \$125,000 per occurrence for general liability, \$25,000 for property, and \$550,000 per occurrence for worker's compensation for the fire and police departments and \$450,000 for all other departments of the City. In addition, the City has an aggregate retention of \$590,000 for liability and property losses. The City has purchased commercial insurance for coverage in excess of self-insured reserve limits and for all other risks of loss. Settled claims have not exceeded the commercial coverage in any of the past three years.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

Claims Liability

	Health Insurance	Casualty Insurance	Totals
Claims payable - April 30, 2014	\$ 407,468	\$ 3,663,094	\$ 4,070,562
Current year claims and changes in estimates	6,599,870	4,109,886	10,709,756
Claim payments	(6,720,611)	(3,018,900)	(9,739,511)
Claims payable - April 30, 2015	286,727	4,754,080	5,040,807
Current year claims and changes in estimates	5,365,318	3,228,002	8,593,320
Claim payments	(5,435,937)	(3,033,759)	(8,469,696)
Claims payable - April 30, 2016	\$ 216,108	\$ 4,948,323	\$ 5,164,431

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has commitments to active construction projects to be financed primarily from capital projects and enterprise funds as of April 30, 2016. The total outstanding commitments of the City as of April 30, 2016 are \$3,618,781.

The City has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General	\$ 1,443,093
Library	66,264
Nonmajor governmental	3,150,043
Water	1,674,490
Solid Waste	14,512
Sewer	2,747,915
U.S. Cellular Coliseum	25,000
Stormwater Management	10,253
Internal Service	26,134

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES

Bloomington-Normal Public Transit System

The Bloomington-Normal Public Transit System (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 comprised of 4 City representatives and 3 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. The report may be obtained from the System at 351 Wylie Drive, Normal, IL 61761 or on-line at www.connect-transit.com.

E. OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides post-employment health care and life insurance benefits for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The City is required by State Statute to provide insurance to its retirees as long as insurance is provided to its active employees. Benefit provisions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the unions and modifications to its personnel manual for non-union employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. Until a retiree reaches age 65, \$5,000 of life insurance coverage is provided at no cost. All retirees contribute 100% of the blended premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees via the plan (pay as you go). For the fiscal year ended April 30, 2016, retirees contributed \$1,374,632 and the City contributed \$549,644. Active employees do not contribute to the plan until retirement.

All healthcare benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. Until a retiree reaches age 65, \$5,000 of life insurance coverage is provided at no cost.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	1,149,000
Interest on net OPEB obligation		305,123
Adjustment to annual required contribution		<u>(291,164)</u>
Annual OPEB cost		1,162,959
Contributions made		<u>(549,644)</u>
Increase in net OPEB obligation (asset)		613,315
Net OPEB obligation- beginning of year		<u>7,652,233</u>
Net OPEB obligation - end of year	\$	<u><u>8,265,548</u></u>

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2014	\$ 1,440,781	62.90%	\$ 6,874,108
April 30, 2015	1,638,084	52.50%	7,652,233
April 30, 2016	1,162,959	47.26%	8,265,548

The funded status of the plan as of May 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	16,496,000
Actuarial value of plan assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	16,496,000
Funded ratio (actuarial value of plan assets/AAL)		-%
Covered payroll (active plan members)	\$	41,992,230
UAAL as a percentage of covered payroll		39.28%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the May 1, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.00% investment rate of return and an annual healthcare cost trend rate of 7.50% initially, reduced by decrements to an ultimate rate of 4.50%. Both rates include a 3.00% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at April 30, 2016, was 30 years.

F. SUBSEQUENT EVENTS

In July 2016, the City entered into two capital lease agreements to finance the purchase of various equipment for City departments in the amount of \$3,981,567 million. The leases call for monthly payments of principal and interest of \$18,573 and \$35,658 with interest rates of 2.75% and 2.15%, respectively.

On July 1, 2016, the City entered into a professional management services agreement with Venuworks, Inc. to manage the U.S. Cellular Coliseum. The agreement commenced on July 1, 2016 and expires on June 30, 2021, with an option to extend for an additional five-year renewal upon mutual agreement of the parties.

CITY OF BLOOMINGTON

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

NOTE IV - OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- Statement No. 77, *Tax Abatement Disclosures*
- Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- Statement No. 79, *Certain External Investment Pools and Pool Participants*
- Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGTON

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
For the Year Ended April 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 75,482,974	\$ 75,482,974	\$ 79,116,119	\$ 3,633,145
Intergovernmental	333,514	362,045	388,147	26,102
Licenses and permits	1,166,814	1,166,814	1,260,597	93,783
Charges for services	13,088,497	13,008,497	11,613,813	(1,394,684)
Fines and forfeitures	984,550	984,550	911,545	(73,005)
Investment income (loss)	61,100	61,100	74,227	13,127
Other	<u>818,693</u>	<u>918,693</u>	<u>886,815</u>	<u>(31,878)</u>
Total Revenues	<u>91,936,142</u>	<u>91,984,673</u>	<u>94,251,263</u>	<u>2,266,590</u>
EXPENDITURES				
Current:				
General government	15,370,045	16,143,004	14,438,670	1,704,334
Public safety	50,458,187	50,498,893	48,176,798	2,322,095
Highways and streets	7,580,551	7,854,937	6,254,878	1,600,059
Culture and recreation	10,705,490	10,687,613	9,602,508	1,085,105
Parking	438,325	463,738	419,116	44,622
Capital outlay	-	598,947	182,893	416,054
Debt Service				
Principal	2,017,140	2,017,140	1,867,783	149,357
Interest and fiscal agent fees	<u>191,225</u>	<u>191,225</u>	<u>147,529</u>	<u>43,696</u>
Total Expenditures	<u>86,760,963</u>	<u>88,455,497</u>	<u>81,090,175</u>	<u>7,365,322</u>
Excess of revenues over expenditures	<u>5,175,179</u>	<u>3,529,176</u>	<u>13,161,088</u>	<u>9,631,912</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,636,673	1,636,673	1,616,796	(19,877)
Transfers out	(7,609,246)	(9,614,204)	(10,212,453)	(598,249)
Proceeds from sale of capital assets	<u>4,000</u>	<u>4,000</u>	<u>47,230</u>	<u>43,230</u>
Total Other Financing Sources (Uses)	<u>(5,968,573)</u>	<u>(7,973,531)</u>	<u>(8,548,427)</u>	<u>(574,896)</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ (793,394)</u>	<u>\$ (4,444,355)</u>	4,612,661	<u>\$ 9,057,016</u>
Change in encumbrances			391,980	
Net Change in Fund Balance - GAAP Basis			5,004,641	
FUND BALANCE - Beginning of Year			<u>16,874,271</u>	
FUND BALANCE - END OF YEAR			<u>\$ 21,878,912</u>	

See independent auditors' report.

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - LIBRARY FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,677,110	\$ 4,677,110	\$ 4,675,165	\$ (1,945)
Intergovernmental	110,000	110,000	139,513	29,513
Charges for services	83,800	83,800	85,089	1,289
Investment income (loss)	1,200	1,200	6,712	5,512
Other	420,000	420,000	438,451	18,451
Total Revenues	5,292,110	5,292,110	5,344,930	52,820
EXPENDITURES				
Current:				
Culture and recreation	5,099,574	5,103,429	4,875,905	227,524
Capital outlay	72,721	72,721	11,495	61,226
Total Expenditures	5,172,295	5,176,150	4,887,400	288,750
Excess of revenues over expenditures	119,815	115,960	457,530	341,570
OTHER FINANCING SOURCES (USES)				
Transfers out	(36,732)	(36,732)	(36,732)	-
Proceeds from sale of capital assets	1,000	1,000	12,775	11,775
Total Other Financing Sources (Uses)	(35,732)	(35,732)	(23,957)	11,775
Net Change in Fund Balance - Budgetary Basis	\$ 84,083	\$ 80,228	433,573	\$ 353,345
Change in encumbrances			62,409	
Net Change in Fund Balance - GAAP Basis			495,982	
FUND BALANCE - Beginning of Year			4,349,572	
FUND BALANCE - END OF YEAR			\$ 4,845,554	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF BLOOMINGTON

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Most Recent Fiscal Year

	2016
Total pension liability	
Service cost	\$ 2,438,585
Interest	11,892,995
Differences between expected and actual experience	2,047,317
Changes of assumptions	400,338
Benefit payments, including refunds of member contributions	<u>(9,112,267)</u>
Net change in total pension liability	7,666,968
Total pension liability - beginning	<u>162,121,822</u>
Total pension liability - ending (a)	<u>\$ 169,788,790</u>
Plan fiduciary net position	
Employer contributions	\$ 3,951,246
Employee contributions	1,032,762
Net investment income	722,524
Benefit payments, including refunds of member contributions	(9,112,267)
Other (net transfer)	<u>3,197,196</u>
Net change in plan fiduciary net position	(208,539)
Plan fiduciary net position - beginning	<u>146,569,008</u>
Plan fiduciary net position - ending (b)	<u>\$ 146,360,469</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 23,428,321</u>
Plan fiduciary net position as a percentage of the total pension liability	86.20%
Covered-employee payroll	\$ 23,076,791
Employer's net pension liability as a percentage of covered-employee payroll	101.52%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

CITY OF BLOOMINGTON

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Most Recent Fiscal Year

	<u>2016</u>
Actuarially determined contribution	\$ 3,103,828
Contributions in relation to the actuarially determined contribution	<u>(3,951,246)</u>
Contribution deficiency (excess)	<u>\$ (847,418)</u>
Covered-employee payroll	\$ 23,076,791
Contributions as a percentage of covered-employee payroll	17.12%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 4 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-Year smoothed market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

CITY OF BLOOMINGTON

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Two Fiscal Years

	2015	2016
Total pension liability		
Service cost	\$ 2,726,173	\$ 2,518,445
Interest	7,598,217	7,961,798
Differences between expected and actual experience	-	3,750,208
Changes of assumptions	-	3,392,308
Benefit payments, including refunds of member contributions	(4,889,439)	(5,371,307)
Net change in total pension liability	5,434,951	12,251,452
Total pension liability - beginning	110,990,673	116,425,624
Total pension liability - ending (a)	\$ 116,425,624	\$ 128,677,076
Plan fiduciary net position		
Employer contributions	\$ 3,758,826	\$ 4,690,359
Employee contributions	998,827	1,039,974
Other contributions	-	118,866
Net investment income	4,683,824	(245,101)
Benefit payments, including refunds of member contributions	(4,889,438)	(5,371,307)
Administration	(58,926)	(88,855)
Net change in plan fiduciary net position	4,493,113	143,936
Plan fiduciary net position - beginning	59,449,697	63,942,810
Plan fiduciary net position - ending (b)	\$ 63,942,810	\$ 64,086,746
City's net pension liability - ending (a) - (b)	\$ 52,482,814	\$ 64,590,330
Plan fiduciary net position as a percentage of the total pension liability	54.92%	49.80%
Covered-employee payroll	\$ 10,408,623	\$ 10,843,786
City's net pension liability as a percentage of covered-employee payroll	504.22%	595.64%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF BLOOMINGTON

POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	2007	2008	2009	2010
Actuarially determined contribution	\$ 1,826,840	\$ 1,889,809	\$ 2,392,466	\$ 3,156,183
Contributions in relation to the actuarially determined contribution	1,966,185	2,036,942	2,528,567	3,128,358
Contribution deficiency (excess)	\$ (139,345)	\$ (147,133)	\$ (136,101)	\$ 27,825
Covered-employee payroll	\$ 8,005,324	\$ 8,277,458	\$ 8,041,709	\$ 8,788,202
Contributions as a percentage of covered-employee payroll	24.56%	24.61%	31.44%	35.60%

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

The annual required contribution presented here represents the amount calculated using guidelines prescribed by GASB. The City is legally required to make contributions as determined by state statute which may differ from the amounts presented above. The City has made the minimum contribution required by state statute.

Change in assumptions: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.62% to 3.32% for the current year. The mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates were changed based on a study of police officers and police pension funds in Illinois to better reflect future anticipated experience.

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-Year smoothed market
Inflation	2.50%
Salary increases	3.75% - 14.40%
Investment rate of return	7.00%
Retirement age	L&A 2016 Illinois Police Retirement Rates Capped at age 65
Mortality	L&A 2016 Illinois Police Mortality Rates

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 3,843,510	\$ 3,859,645	\$ 4,057,967	\$ 3,836,673	\$ 5,065,095	\$ 4,667,258
<u>3,867,939</u>	<u>4,111,770</u>	<u>3,311,122</u>	<u>3,183,834</u>	<u>3,758,825</u>	<u>4,690,359</u>
<u>\$ (24,429)</u>	<u>\$ (252,125)</u>	<u>\$ 746,845</u>	<u>\$ 652,839</u>	<u>\$ 1,306,270</u>	<u>\$ (23,101)</u>
\$ 9,505,164	\$ 8,903,996	\$ 9,212,701	\$ 9,722,152	\$ 10,408,623	\$ 10,843,786
40.69%	46.18%	35.94%	32.75%	36.11%	43.25%

See independent auditors' report and accompanying notes to required supplementary information

CITY OF BLOOMINGTON

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Two Fiscal Years

	2015	2016
Total pension liability		
Service cost	\$ 2,332,694	\$ 2,046,451
Interest	6,681,712	6,998,650
Differences between expected and actual experience	-	4,979
Changes of assumptions	-	2,681,272
Benefit payments, including refunds of member contributions	(4,320,164)	(4,653,276)
Net change in total pension liability	4,694,242	7,078,076
Total pension liability - beginning	97,613,111	102,307,353
Total pension liability - ending (a)	\$ 102,307,353	\$ 109,385,429
Plan fiduciary net position		
Employer contributions	\$ 3,946,587	\$ 4,416,266
Employee contributions	803,646	808,931
Other contributions	75	70
Net investment income	2,891,292	(1,439,295)
Benefit payments, including refunds of member contributions	(4,320,164)	(4,653,276)
Administration	(62,719)	(57,305)
Net change in plan fiduciary net position	3,258,717	(924,609)
Plan fiduciary net position - beginning	47,335,996	50,594,713
Plan fiduciary net position - ending (b)	\$ 50,594,713	\$ 49,670,104
City's net pension liability - ending (a) - (b)	\$ 51,712,640	\$ 59,715,325
Plan fiduciary net position as a percentage of the total pension liability	49.45%	45.41%
Covered-employee payroll	\$ 8,617,171	\$ 8,338,822
City's net pension liability as a percentage of covered-employee payroll	600.11%	716.11%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF BLOOMINGTON

FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	2007	2008	2009	2010
Actuarially determined contribution	\$ 1,726,093	\$ 1,772,416	\$ 2,493,809	\$ 2,376,491
Contributions in relation to the actuarially determined contribution	1,909,591	1,904,995	2,640,429	2,364,899
Contribution deficiency (excess)	\$ (183,498)	\$ (132,579)	\$ (146,620)	\$ 11,592
Covered-employee payroll	\$ 6,586,507	\$ 5,590,814	\$ 6,379,893	\$ 6,470,110
Contributions as a percentage of covered-employee payroll	28.99%	34.07%	41.39%	36.55%

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

The annual required contribution presented here represents the amount calculated using guidelines prescribed by GASB. The City is legally required to make contributions as determined by state statute which may differ from the amounts presented above. The City has made the minimum contribution required by state statute.

Change in assumptions: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.62% to 3.32% for the current year. The mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates were changed based on a study of police officers and police pension funds in Illinois to better reflect future anticipated experience.

Valuation date: Actuarially determined contributions are calculated as of June 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-Year smoothed market
Inflation	2.50%
Salary increases	3.75% - 18.35%
Investment rate of return	7.00%
Retirement age	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Mortality	L&A 2016 Illinois Firefighters Mortality Rates

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 3,116,325	\$ 3,202,697	\$ 3,545,575	\$ 3,688,461	\$ 4,045,021	\$ 4,405,755
<u>3,140,710</u>	<u>3,460,505</u>	<u>3,115,854</u>	<u>2,910,842</u>	<u>3,941,587</u>	<u>4,416,266</u>
<u>\$ (24,385)</u>	<u>\$ (257,808)</u>	<u>\$ 429,721</u>	<u>\$ 777,619</u>	<u>\$ 103,434</u>	<u>\$ (10,511)</u>
\$ 6,729,062	\$ 7,137,776	\$ 7,359,892	\$ 7,137,776	\$ 8,617,171	\$ 8,338,822
46.67%	48.48%	42.34%	40.78%	45.74%	52.96%

CITY OF BLOOMINGTON

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS As of and for the Year Ended April 30, 2016

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>			
April 30, 2016	\$ 549,644	\$ 1,149,000	47.84%			
April 30, 2015	859,959	1,625,795	52.89%			
April 30, 2014	906,966	1,398,513	64.85%			
April 30, 2013	150,545	1,347,891	11.17%			
April 30, 2012	467,526	1,349,839	34.64%			
April 30, 2011	829,455	1,302,347	63.69%			

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
May 1, 2015	\$ -	\$ 16,496,000	\$ 16,496,000	0.00%	\$ 41,992,230	39.28%
May 1, 2014	-	23,198,380	23,198,380	0.00%	40,307,251	57.55%
May 1, 2013	-	18,890,424	18,890,424	0.00%	27,879,708	67.76%
May 1, 2012	-	18,258,810	18,258,810	0.00%	26,807,411	68.11%
May 1, 2011	-	18,839,491	18,839,491	0.00%	25,899,456	72.74%
May 1, 2010	-	18,247,629	18,247,629	0.00%	24,903,323	73.27%

The City funds its other post-employment benefit plan on a pay as you go basis by funding health claims each year and is under no obligation to contribute the ARC amount noted above to a trust for payment of future benefits.

CITY OF BLOOMINGTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2016

BUDGETARY INFORMATION

Annual budgets are legally adopted and separately reported for all funds of the City of Bloomington except for the Foreign Fire Insurance Board Fund and the Empire Street TIF Fund. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to February 1 (unless a later date is approved by the City Council), the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are adopted on a modified accrual basis except for the following modifications:

- Encumbrances are treated as expenditures in the year in which the purchase commitment is made.
- Collections of special revenue fund loans, capital project fund assessments and special assessments are budgeted as revenue in the year received.
- Special revenue fund loans are shown as expenditures when the funds are disbursed.
- Special revenue disbursements which result in increases in balances of properties held for rehabilitation or development 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 bonds reserved for enterprise projects and expenditures of such monies are accounted for in a Capital Projects Fund.
- Certain transfers between governmental funds are budgeted as revenues and expenditures. Budgeted Governmental Fund expenditures also include capital expenditures related to proprietary fund operations.
- In the Debt Service Fund, transfers from enterprise funds for payment of revenue-supported general obligation debt are reflected as revenue and payments of the debt and are shown as expenditures.
- For report presentation purposes, actual revenues and expenditures and other financing sources and uses have been adjusted to incorporate these modifications with reconciliation provided.
- Capital contributions and capital outlay from donated assets are not budgeted.

Public hearings are conducted at locations throughout the City to obtain taxpayer comments.

- Prior to May 1, the annual operating budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items.
- The annual budget can be amended by a two-thirds vote of the City Council. Various budget amendments were approved in this manner by the Council during the current year and the changes are reflected in the budgetary figures included in the accompanying financial statements.
- All appropriations lapse at year-end.

SUPPLEMENTARY INFORMATION

CITY OF BLOOMINGTON

As of and for the Year Ended April 30, 2016

NONMAJOR GOVERNMENTAL FUNDS

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.

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

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

Foreign Fire Insurance Board Fund – To account for the revenues from the 2% foreign fire insurance tax that is administered by the Foreign Fire Insurance Board.

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 a federally funded grant program for the rehabilitation of single-family, owner-occupied residences.

Park Dedication Fund – To account for collections to be used for future park developments.

Empire Street TIF Fund – To account for revenues and construction expenditures related to the Empire Street TIF redevelopment area.

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

Capital Lease Fund – To account for the purchase of equipment financed by a capital lease.

CITY OF BLOOMINGTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of April 30, 2016

	<u>Motor Fuel Tax</u>	<u>Board of Elections</u>	<u>Drug Enforcement</u>	<u>Foreign Fire Insurance Board</u>
ASSETS				
Cash and investments	\$ 9,334,895	\$ 682,823	\$ 602,828	\$ 133,030
Restricted cash	-	-	-	-
Receivables				
Loans	-	-	-	-
Accounts	-	-	-	-
Due from other governmental units	174,350	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 9,509,245</u></u>	<u><u>\$ 682,823</u></u>	<u><u>\$ 602,828</u></u>	<u><u>\$ 133,030</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 202,840	\$ 11,649	\$ 6,218	\$ 9,264
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Unearned revenues	-	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	<u>202,840</u>	<u>11,649</u>	<u>6,218</u>	<u>9,264</u>
Fund Balances (Deficit)				
Nonspendable				
Prepaid items	-	-	-	-
Property held for resale	-	-	-	-
Restricted				
Capital projects	-	-	-	-
Highways and streets	9,306,405	-	-	-
Board of elections	-	671,174	-	-
Public safety	-	-	-	123,766
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Committed				
Public safety	-	-	596,610	-
Highways and streets	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Unassigned				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (deficit)	<u>9,306,405</u>	<u>671,174</u>	<u>596,610</u>	<u>123,766</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 9,509,245</u></u>	<u><u>\$ 682,823</u></u>	<u><u>\$ 602,828</u></u>	<u><u>\$ 133,030</u></u>

<u>Community Development</u>	<u>IHDA Grant</u>	<u>Park Dedication</u>	<u>Empire Street TIF</u>	<u>Capital Improvements</u>	<u>Capital Lease</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 16,825	\$ 3,270	\$ 928,749	\$ -	\$ 3,579,330	\$ -	\$ 15,281,750
-	-	-	-	271,715	-	271,715
1,396,253	-	-	-	-	-	1,396,253
14,219	3,489	-	-	180,933	1,427	200,068
-	-	-	-	-	-	174,350
18,460	-	-	-	-	-	18,460
4,275	-	-	-	-	-	4,275
16,775	-	-	-	-	-	16,775
<u>\$ 1,466,807</u>	<u>\$ 6,759</u>	<u>\$ 928,749</u>	<u>\$ -</u>	<u>\$ 4,031,978</u>	<u>\$ 1,427</u>	<u>\$ 17,363,646</u>
\$ 22,040	\$ -	\$ -	\$ -	\$ 222,104	\$ 299,846	\$ 773,961
81	-	-	52,906	-	211,547	264,534
-	-	-	-	202,262	-	202,262
7,855	-	-	-	-	-	7,855
-	6,722	-	-	-	-	6,722
<u>29,976</u>	<u>6,722</u>	<u>-</u>	<u>52,906</u>	<u>424,366</u>	<u>511,393</u>	<u>1,255,334</u>
4,275	-	-	-	-	-	4,275
16,775	-	-	-	-	-	16,775
-	-	-	-	271,715	-	271,715
-	-	-	-	1,097,470	-	10,403,875
-	-	-	-	-	-	671,174
-	-	-	-	-	-	123,766
-	-	928,749	-	-	-	928,749
1,415,781	37	-	-	-	-	1,415,818
-	-	-	-	-	-	596,610
-	-	-	-	503,985	-	503,985
-	-	-	-	1,734,442	-	1,734,442
-	-	-	(52,906)	-	(509,966)	(562,872)
<u>1,436,831</u>	<u>37</u>	<u>928,749</u>	<u>(52,906)</u>	<u>3,607,612</u>	<u>(509,966)</u>	<u>16,108,312</u>
<u>\$ 1,466,807</u>	<u>\$ 6,759</u>	<u>\$ 928,749</u>	<u>\$ -</u>	<u>\$ 4,031,978</u>	<u>\$ 1,427</u>	<u>\$ 17,363,646</u>

CITY OF BLOOMINGTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2016

	Motor Fuel Tax	Board of Elections	Drug Enforcement	Foreign Fire Insurance Board
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 92,787
Intergovernmental	2,090,573	496,182	6,221	-
Fines and forfeitures	-	-	182,615	-
Investment income (loss)	11,583	2,941	2,064	177
Other	-	-	-	-
Total Revenues	<u>2,102,156</u>	<u>499,123</u>	<u>190,900</u>	<u>92,964</u>
EXPENDITURES				
Current				
General government	-	518,348	-	-
Public safety	-	-	33,495	102,867
Highways and streets	686,246	-	-	-
Community development	-	-	-	-
Debt Service				
Principal	-	128,738	-	-
Capital outlay	<u>210,247</u>	<u>192,845</u>	<u>21,426</u>	<u>-</u>
Total Expenditures	<u>896,493</u>	<u>839,931</u>	<u>54,921</u>	<u>102,867</u>
Excess (deficiency) of revenues over expenditures	<u>1,205,663</u>	<u>(340,808)</u>	<u>135,979</u>	<u>(9,903)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital lease and loan proceeds	-	344,020	-	-
Proceeds from sale of capital assets	-	25,600	1,425	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>369,620</u>	<u>1,425</u>	<u>-</u>
Net Change in Fund Balances	1,205,663	28,812	137,404	(9,903)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>8,100,742</u>	<u>642,362</u>	<u>459,206</u>	<u>133,669</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 9,306,405</u>	<u>\$ 671,174</u>	<u>\$ 596,610</u>	<u>\$ 123,766</u>

Community Development	IHDA Grant	Park Dedication	Empire Street TIF	Capital Improvements	Capital Lease	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,787
1,027,785	7,194	-	-	-	-	3,627,955
-	-	-	-	-	-	182,615
322	-	3,314	-	12,044	(2,160)	30,285
-	-	10,845	-	315,020	-	325,865
<u>1,028,107</u>	<u>7,194</u>	<u>14,159</u>	<u>-</u>	<u>327,064</u>	<u>(2,160)</u>	<u>4,259,507</u>
-	-	-	-	-	-	518,348
-	-	-	-	-	-	136,362
-	-	3,000	-	-	-	689,246
936,854	7,173	-	52,906	-	-	996,933
-	-	-	-	-	-	128,738
-	-	-	-	3,905,785	2,567,670	6,897,973
<u>936,854</u>	<u>7,173</u>	<u>3,000</u>	<u>52,906</u>	<u>3,905,785</u>	<u>2,567,670</u>	<u>9,367,600</u>
<u>91,253</u>	<u>21</u>	<u>11,159</u>	<u>(52,906)</u>	<u>(3,578,721)</u>	<u>(2,569,830)</u>	<u>(5,108,093)</u>
18,460	600	-	-	3,331,072	48,256	3,398,388
(6,427)	-	-	-	-	(3,933)	(10,360)
-	-	-	-	-	3,073,687	3,417,707
24,136	-	-	-	-	-	51,161
<u>36,169</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>3,331,072</u>	<u>3,118,010</u>	<u>6,856,896</u>
127,422	621	11,159	(52,906)	(247,649)	548,180	1,748,803
<u>1,309,409</u>	<u>(584)</u>	<u>917,590</u>	<u>-</u>	<u>3,855,261</u>	<u>(1,058,146)</u>	<u>14,359,509</u>
<u>\$ 1,436,831</u>	<u>\$ 37</u>	<u>\$ 928,749</u>	<u>\$ (52,906)</u>	<u>\$ 3,607,612</u>	<u>\$ (509,966)</u>	<u>\$ 16,108,312</u>

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - MOTOR FUEL TAX FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,800,000	\$ 1,800,000	\$ 2,090,573	\$ 290,573
Investment income (loss)	500	500	11,583	11,083
Total Revenues	1,800,500	1,800,500	2,102,156	301,656
EXPENDITURES				
Current:				
Highways and streets	1,540,000	2,251,594	1,410,148	841,446
Capital outlay	3,550,000	3,581,327	210,247	3,371,080
Total Expenditures	5,090,000	5,832,921	1,620,395	4,212,526
Net Change in Fund Balance - Budgetary Basis	\$ (3,289,500)	\$ (4,032,421)	481,761	\$ 4,514,182
Change in encumbrances			723,902	
Net Change in Fund Balance - GAAP Basis			1,205,663	
FUND BALANCE - Beginning of Year			8,100,742	
FUND BALANCE - END OF YEAR			\$ 9,306,405	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - BOARD OF ELECTIONS FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 510,666	\$ 510,666	\$ 496,182	\$ (14,484)
Investment income (loss)	1,690	1,690	2,941	1,251
Total Revenues	512,356	512,356	499,123	(13,233)
EXPENDITURES				
Current:				
General government	502,500	502,500	518,348	(15,848)
Capital outlay	17,210	17,210	192,845	(175,635)
Debt Service				
Principal	-	-	128,738	(128,738)
Total Expenditures	519,710	519,710	839,931	(320,221)
Excess of revenues over expenditures	(7,354)	(7,354)	(340,808)	(333,454)
OTHER FINANCING SOURCES				
Capital lease and loan proceeds	-	-	344,020	344,020
Proceeds from sale of capital assets	-	-	25,600	25,600
Total Other Financing Sources	-	-	369,620	369,620
Net Change in Fund Balance	\$ (7,354)	\$ (7,354)	28,812	\$ 36,166
FUND BALANCE - Beginning of Year			642,362	
FUND BALANCE - END OF YEAR			\$ 671,174	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - DRUG ENFORCEMENT FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 6,221	\$ (73,779)
Fines and forfeitures	66,000	66,000	182,615	116,615
Investment income (loss)	980	980	2,064	1,084
Total Revenues	146,980	146,980	190,900	43,920
EXPENDITURES				
Current:				
Public safety	116,800	116,800	94,607	22,193
Capital outlay	118,000	125,639	21,426	104,213
Total Expenditures	234,800	242,439	116,033	126,406
Excess of revenues over expenditures	(87,820)	(95,459)	74,867	170,326
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	2,500	2,500	1,425	(1,075)
Total Other Financing Sources	2,500	2,500	1,425	(1,075)
Net Change in Fund Balance - Budgetary Basis	\$ (85,320)	\$ (92,959)	76,292	\$ 169,251
Change in encumbrances			61,112	
Net Change in Fund Balance - GAAP Basis			137,404	
FUND BALANCE - Beginning of Year			459,206	
FUND BALANCE - END OF YEAR			\$ 596,610	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - COMMUNITY DEVELOPMENT FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 883,491	\$ 1,095,278	\$ 1,027,785	\$ (67,493)
Investment income (loss)	3	3	322	319
Other	20,000	20,000	-	(20,000)
Total Revenues	<u>903,494</u>	<u>1,115,281</u>	<u>1,028,107</u>	<u>(87,174)</u>
EXPENDITURES				
Current:				
Community development	<u>907,064</u>	<u>1,118,851</u>	<u>928,170</u>	<u>190,681</u>
Total Expenditures	<u>907,064</u>	<u>1,118,851</u>	<u>928,170</u>	<u>190,681</u>
Excess of revenues over expenditures	<u>(3,570)</u>	<u>(3,570)</u>	<u>99,937</u>	<u>103,507</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	18,460	18,460	-
Transfers out	(6,427)	(6,427)	(6,427)	-
Proceeds from sale of capital assets	-	-	24,136	24,136
Total Other Financing Sources (Uses)	<u>(6,427)</u>	<u>12,033</u>	<u>36,169</u>	<u>24,136</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ (9,997)</u>	<u>\$ 8,463</u>	136,106	<u>\$ 127,643</u>
Change in encumbrances			(8,684)	
Net Change in Fund Balance - GAAP Basis			127,422	
FUND BALANCE - Beginning of Year			<u>1,309,409</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,436,831</u>	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - IHDA GRANT FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 6,603	\$ 7,194	\$ 591
Total Revenues	<u>-</u>	<u>6,603</u>	<u>7,194</u>	<u>591</u>
EXPENDITURES				
Current:				
Community development	-	6,603	7,173	(570)
Total Expenditures	<u>-</u>	<u>6,603</u>	<u>7,173</u>	<u>(570)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
OTHER FINANCING SOURCES				
Transfers in	-	600	600	-
Total Other Financing Sources	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 600</u>	621	<u>\$ 21</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(584)</u>	
FUND BALANCE - END OF YEAR			<u>\$ 37</u>	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - PARK DEDICATION FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income (loss)	\$ 2,210	\$ 2,210	\$ 3,314	\$ 1,104
Other	11,000	11,000	10,845	(155)
Total Revenues	<u>13,210</u>	<u>13,210</u>	<u>14,159</u>	<u>949</u>
EXPENDITURES				
Current:				
Highways and streets	<u>325,000</u>	<u>325,000</u>	<u>6,000</u>	<u>319,000</u>
Total Expenditures	<u>325,000</u>	<u>325,000</u>	<u>6,000</u>	<u>319,000</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ (311,790)</u>	<u>\$ (311,790)</u>	8,159	<u>\$ 319,949</u>
Change in encumbrances			3,000	
Net Change in Fund Balance - GAAP Basis			11,159	
FUND BALANCE - Beginning of Year			<u>917,590</u>	
FUND BALANCE - END OF YEAR			<u>\$ 928,749</u>	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - CAPITAL IMPROVEMENTS FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 588,700	\$ 588,700	\$ -	\$ (588,700)
Investment income (loss)	20,308	20,308	12,044	(8,264)
Other	-	106,928	315,020	208,092
Total Revenues	<u>609,008</u>	<u>715,936</u>	<u>327,064</u>	<u>(388,872)</u>
EXPENDITURES				
Capital outlay	<u>2,988,700</u>	<u>5,245,430</u>	<u>2,598,644</u>	<u>2,646,786</u>
Total Expenditures	<u>2,988,700</u>	<u>5,245,430</u>	<u>2,598,644</u>	<u>2,646,786</u>
Excess of revenues over expenditures	<u>(2,379,692)</u>	<u>(4,529,494)</u>	<u>(2,271,580)</u>	<u>2,257,914</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,400,000</u>	<u>2,732,823</u>	<u>3,331,072</u>	<u>598,249</u>
Total Other Financing Sources	<u>2,400,000</u>	<u>2,732,823</u>	<u>3,331,072</u>	<u>598,249</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ 20,308</u>	<u>\$ (1,796,671)</u>	1,059,492	<u>\$ 2,856,163</u>
Change in encumbrances			(1,307,141)	
Net Change in Fund Balance - GAAP Basis			(247,649)	
FUND BALANCE - Beginning of Year			<u>3,855,261</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,607,612</u>	

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - CAPITAL LEASE FUND
 For the Year Ended April 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income (loss)	\$ 618	\$ 618	\$ (2,160)	\$ (2,778)
Total Revenues	<u>618</u>	<u>618</u>	<u>(2,160)</u>	<u>(2,778)</u>
EXPENDITURES				
Capital outlay	<u>6,119,874</u>	<u>8,099,279</u>	<u>1,633,897</u>	<u>6,465,382</u>
Total Expenditures	<u>6,119,874</u>	<u>8,099,279</u>	<u>1,633,897</u>	<u>6,465,382</u>
Excess of revenues over expenditures	<u>(6,119,256)</u>	<u>(8,098,661)</u>	<u>(1,636,057)</u>	<u>6,462,604</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	48,256	48,256
Transfers out	-	-	(3,933)	(3,933)
Capital lease and loan proceeds	<u>6,119,874</u>	<u>6,119,874</u>	<u>3,073,687</u>	<u>(3,046,187)</u>
Total Other Financing Sources (Uses)	<u>6,119,874</u>	<u>6,119,874</u>	<u>3,118,010</u>	<u>(3,001,864)</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ 618</u>	<u>\$ (1,978,787)</u>	1,481,953	<u>\$ 3,460,740</u>
Change in encumbrances			(933,773)	
Net Change in Fund Balance - GAAP Basis			548,180	
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(1,058,146)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (509,966)</u>	

CITY OF BLOOMINGTON

As of and for the Year Ended April 30, 2016

DEBT SERVICE FUND

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

CITY OF BLOOMINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - DEBT SERVICE FUND
 For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,235,143	\$ 2,235,143	\$ 2,234,339	\$ (804)
Investment income (loss)	20,183	20,183	27,851	7,668
Total Revenues	2,255,326	2,255,326	2,262,190	6,864
EXPENDITURES				
Current:				
Debt Service				
Principal	7,003,730	7,003,730	7,003,730	-
Interest and fiscal agent fees	2,303,091	2,303,091	2,026,121	276,970
Total Expenditures	9,306,821	9,306,821	9,029,851	276,970
Excess (deficiency) of revenues over (under) expenditures	(7,051,495)	(7,051,495)	(6,767,661)	283,834
OTHER FINANCING SOURCES				
Transfers in	4,427,070	4,427,070	4,427,070	-
Total Other Financing Sources	4,427,070	4,427,070	4,427,070	-
Net Change in Fund Balance	\$ (2,624,425)	\$ (2,624,425)	(2,340,591)	\$ 283,834
FUND BALANCE - Beginning of Year			10,071,799	
FUND BALANCE - END OF YEAR			\$ 7,731,208	

CITY OF BLOOMINGTON

DEBT SERVICE FUND
COMBINING BALANCE SHEET
As of April 30, 2016

	General Bond and Interest	2004 Coliseum Bond Redemption	2004 Multi-Project Bond Redemption	Total
ASSETS				
Cash and investments	\$ 4,715,014	\$ 1,318,686	\$ 1,697,508	\$ 7,731,208
Receivables:				
Taxes	<u>2,180,143</u>	-	-	<u>2,180,143</u>
TOTAL ASSETS	<u>\$ 6,895,157</u>	<u>\$ 1,318,686</u>	<u>\$ 1,697,508</u>	<u>\$ 9,911,351</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources				
Property taxes levied for future period	<u>2,180,143</u>	-	-	<u>2,180,143</u>
Total deferred inflows of resources	<u>2,180,143</u>	-	-	<u>2,180,143</u>
Fund balances				
Restricted				
Debt service	<u>4,715,014</u>	<u>1,318,686</u>	<u>1,697,508</u>	<u>7,731,208</u>
Total fund balances	<u>4,715,014</u>	<u>1,318,686</u>	<u>1,697,508</u>	<u>7,731,208</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 6,895,157</u>	<u>\$ 1,318,686</u>	<u>\$ 1,697,508</u>	<u>\$ 9,911,351</u>

CITY OF BLOOMINGTON

DEBT SERVICE FUND COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended April 30, 2016

	General Bond and Interest	2004 Coliseum Bond Redemption	2004 Multi-Project Bond Redemption	Total
REVENUES				
Taxes	\$ 2,184,339	\$ -	\$ 50,000	\$ 2,234,339
Investment income	<u>18,493</u>	<u>4,299</u>	<u>5,059</u>	<u>27,851</u>
Total Revenues	<u>2,202,832</u>	<u>4,299</u>	<u>55,059</u>	<u>2,262,190</u>
EXPENDITURES				
Debt service:				
Principal	5,163,730	1,040,000	800,000	7,003,730
Interest and fiscal agent fees	<u>1,109,423</u>	<u>833,418</u>	<u>83,280</u>	<u>2,026,121</u>
Total Expenditures	<u>6,273,153</u>	<u>1,873,418</u>	<u>883,280</u>	<u>9,029,851</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,587,866</u>	<u>972,645</u>	<u>866,559</u>	<u>4,427,070</u>
Total Other Financing Sources	<u>2,587,866</u>	<u>972,645</u>	<u>866,559</u>	<u>4,427,070</u>
Net Change in Fund Balances	(1,482,455)	(896,474)	38,338	(2,340,591)
FUND BALANCES - Beginning of Year	<u>6,197,469</u>	<u>2,215,160</u>	<u>1,659,170</u>	<u>10,071,799</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,715,014</u>	<u>\$ 1,318,686</u>	<u>\$ 1,697,508</u>	<u>\$ 7,731,208</u>

CITY OF BLOOMINGTON

As of and for the Year Ended April 30, 2016

NONMAJOR ENTERPRISE FUNDS

Golf Operations Fund – To account for the activities of operating the City's three golf courses – Highland Park, Prairie Vista, and The Den at Fox Creek.

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

CITY OF BLOOMINGTON

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
As of April 30, 2016

	<u>Golf Operations</u>	<u>Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current Assets			
Cash and investments	\$ 638,230	\$ -	\$ 638,230
Accounts receivable, net of allowance for uncollectibles	8,608	8,932	17,540
Inventory	<u>161,740</u>	<u>-</u>	<u>161,740</u>
Total Current Assets	<u>808,578</u>	<u>8,932</u>	<u>817,510</u>
Noncurrent Assets			
Capital Assets			
Land	1,907,587	-	1,907,587
Other depreciable capital assets, net of accumulated depreciation	<u>1,521,931</u>	<u>2,452,526</u>	<u>3,974,457</u>
Total Noncurrent Assets	<u>3,429,518</u>	<u>2,452,526</u>	<u>5,882,044</u>
Total Assets	<u>4,238,096</u>	<u>2,461,458</u>	<u>6,699,554</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>260,067</u>	<u>15,144</u>	<u>275,211</u>
Total Deferred Outflows of Resources	<u>260,067</u>	<u>15,144</u>	<u>275,211</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	128,913	1,648	130,561
Compensated absences	3,316	116	3,432
Due to other funds	-	82,752	82,752
Unearned revenues	129,713	74,800	204,513
Deposits	-	3,792	3,792
Current maturities of long-term debt	<u>69,657</u>	<u>210,000</u>	<u>279,657</u>
Total Current Liabilities	<u>331,599</u>	<u>373,108</u>	<u>704,707</u>
Noncurrent Liabilities			
Long-Term Debt			
Compensated absences	187,564	-	187,564
Net OPEB obligation	83,394	9,023	92,417
Net pension liability	564,290	32,301	596,591
Capital lease payable, noncurrent portion	<u>34,294</u>	<u>920,000</u>	<u>954,294</u>
Other Liabilities			
Total Noncurrent Liabilities	<u>869,542</u>	<u>961,324</u>	<u>1,830,866</u>
Total Liabilities	<u>1,201,141</u>	<u>1,334,432</u>	<u>2,535,573</u>
NET POSITION			
Net investment in capital assets	3,325,567	1,322,526	4,648,093
Unrestricted	<u>(28,545)</u>	<u>(180,356)</u>	<u>(208,901)</u>
TOTAL NET POSITION	<u>\$ 3,297,022</u>	<u>\$ 1,142,170</u>	<u>\$ 4,439,192</u>

CITY OF BLOOMINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended April 30, 2016

	<u>Golf Operations</u>	<u>Parking</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for services	\$ 2,266,795	\$ 367,453	\$ 2,634,248
Total Operating Revenues	<u>2,266,795</u>	<u>367,453</u>	<u>2,634,248</u>
OPERATING EXPENSES			
Personal services	1,012,481	39,014	1,051,495
Contractual services	469,495	64,020	533,515
Commodities	516,674	53,210	569,884
Depreciation	<u>167,624</u>	<u>89,796</u>	<u>257,420</u>
Total Operating Expenses	<u>2,166,274</u>	<u>246,040</u>	<u>2,412,314</u>
Operating Income	<u>100,521</u>	<u>121,413</u>	<u>221,934</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	887	452	1,339
Other income	32,655	-	32,655
Interest expense	<u>(4,921)</u>	<u>(50,105)</u>	<u>(55,026)</u>
Total Non-Operating Revenues (Expenses)	<u>28,621</u>	<u>(49,653)</u>	<u>(21,032)</u>
Net Income (Loss) Before Transfers	<u>129,142</u>	<u>71,760</u>	<u>200,902</u>
TRANSFERS			
Transfers in	497,748	14,583	512,331
Transfers out	<u>(123,417)</u>	<u>-</u>	<u>(123,417)</u>
Total Transfers	<u>374,331</u>	<u>14,583</u>	<u>388,914</u>
Change in Net Position	503,473	86,343	589,816
NET POSITION - Beginning of Year (as restated)	<u>2,793,549</u>	<u>1,055,827</u>	<u>3,849,376</u>
NET POSITION - END OF YEAR	<u>\$ 3,297,022</u>	<u>\$ 1,142,170</u>	<u>\$ 4,439,192</u>

CITY OF BLOOMINGTON

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended April 30, 2016

	Golf Operations	Parking	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 2,268,563	\$ 359,276	\$ 2,627,839
Paid to suppliers for goods and services	(951,485)	(120,013)	(1,071,498)
Paid to employees for services	(1,041,391)	(42,205)	(1,083,596)
Other receipts	32,655	-	32,655
Net Cash Flows From Operating Activities	<u>308,342</u>	<u>197,058</u>	<u>505,400</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	888	452	1,340
Net Cash Flows From Investing Activities	<u>888</u>	<u>452</u>	<u>1,340</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Change in due to other funds	-	82,752	82,752
Transfers out to other funds	(123,417)	-	(123,417)
Transfers in from other funds	497,748	14,583	512,331
Net Cash Flows From Noncapital Financing Activities	<u>374,331</u>	<u>97,335</u>	<u>471,666</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(51,853)	(245,265)	(297,118)
Principal paid on capital leases	(170,940)	(200,000)	(370,940)
Interest paid	(4,921)	(50,105)	(55,026)
Net Cash Flows From Capital and Related Financing Activities	<u>(227,714)</u>	<u>(495,370)</u>	<u>(723,084)</u>
Net Change in Cash and Cash Equivalents	455,847	(200,525)	255,322
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>182,383</u>	<u>200,525</u>	<u>382,908</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 638,230</u>	<u>\$ -</u>	<u>\$ 638,230</u>

	Golf Operations	Parking	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 100,521	\$ 121,413	\$ 221,934
Nonoperating revenue	32,655	-	32,655
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	167,624	89,796	257,420
Changes in assets and liabilities			
Accounts receivable	(3,931)	(8,177)	(12,108)
Inventory	14,868	-	14,868
Deferred outflows related to pensions	(234,934)	(13,823)	(248,757)
Accounts payable	19,816	(792)	19,024
Compensated absences	10,457	(226)	10,231
Deposits payable	-	792	792
Unearned revenue	5,699	-	5,699
Net pension liability	189,688	10,858	200,546
Net OPEB obligation	5,879	(2,783)	3,096
	<u>308,342</u>	<u>197,058</u>	<u>505,400</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 308,342	\$ 197,058	\$ 505,400
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

CITY OF BLOOMINGTON

As of and for the Year Ended April 30, 2016

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.

Retiree Group Healthcare Fund – To account for the premiums and medical claims of all covered City retirees and their covered dependents.

Casualty Insurance Fund – To account for the premiums and the payment of claims for insurance for the City.

CITY OF BLOOMINGTON

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of April 30, 2016

	Employee Group Health Care	Retiree Group Health Care	Casualty Insurance	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 3,263,774	\$ 72,576	\$ 2,306,903	\$ 5,643,253
Receivables				
Accounts receivable, net of allowance for uncollectibles	<u>4,995</u>	<u>3,334</u>	<u>-</u>	<u>8,329</u>
Total Current Assets	<u>3,268,769</u>	<u>75,910</u>	<u>2,306,903</u>	<u>5,651,582</u>
Total Assets	<u>3,268,769</u>	<u>75,910</u>	<u>2,306,903</u>	<u>5,651,582</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	<u>-</u>	<u>-</u>	<u>38,562</u>	<u>38,562</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>38,562</u>	<u>38,562</u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	425,201	20,244	28,378	473,823
Claims payable	171,368	44,740	3,330,079	3,546,187
Unearned revenues	<u>-</u>	<u>48,944</u>	<u>-</u>	<u>48,944</u>
Total Current Liabilities	<u>596,569</u>	<u>113,928</u>	<u>3,358,457</u>	<u>4,068,954</u>
Noncurrent Liabilities				
Claims payable	<u>-</u>	<u>-</u>	<u>1,618,244</u>	<u>1,618,244</u>
Net pension liability	<u>-</u>	<u>-</u>	<u>81,609</u>	<u>81,609</u>
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>1,699,853</u>	<u>1,699,853</u>
Total Liabilities	<u>596,569</u>	<u>113,928</u>	<u>5,058,310</u>	<u>5,768,807</u>
NET POSITION				
Unrestricted	<u>2,672,200</u>	<u>(38,018)</u>	<u>(2,712,845)</u>	<u>(78,663)</u>
TOTAL NET POSITION	<u>\$ 2,672,200</u>	<u>\$ (38,018)</u>	<u>\$ (2,712,845)</u>	<u>\$ (78,663)</u>

CITY OF BLOOMINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2016

	<u>Employee Group Health Care</u>	<u>Retiree Group Health Care</u>	<u>Casualty Insurance</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 10,088,349	\$ 2,199,060	\$ 3,847,689	\$ 16,135,098
Total Operating Revenues	<u>10,088,349</u>	<u>2,199,060</u>	<u>3,847,689</u>	<u>16,135,098</u>
OPERATING EXPENSES				
Personal services	-	-	85,894	85,894
Contractual services	4,796,420	614,175	995,822	6,406,417
Other charges, primarily claims	4,274,515	1,090,803	3,228,002	8,593,320
Total Operating Expenses	<u>9,070,935</u>	<u>1,704,978</u>	<u>4,309,718</u>	<u>15,085,631</u>
Operating Income (Loss)	<u>1,017,414</u>	<u>494,082</u>	<u>(462,029)</u>	<u>1,049,467</u>
NONOPERATING REVENUES				
Investment income (loss)	7,013	(998)	7,524	13,539
Total Nonoperating Revenues	<u>7,013</u>	<u>(998)</u>	<u>7,524</u>	<u>13,539</u>
Income (Loss) Before Transfers	<u>1,024,427</u>	<u>493,084</u>	<u>(454,505)</u>	<u>1,063,006</u>
TRANSFERS				
Transfers in	-	138,627	-	138,627
Transfers out	<u>(138,627)</u>	<u>-</u>	<u>-</u>	<u>(138,627)</u>
Total Transfers	<u>(138,627)</u>	<u>138,627</u>	<u>-</u>	<u>-</u>
Change in net position	885,800	631,711	(454,505)	1,063,006
NET POSITION - Beginning of Year (as restated)	<u>1,786,400</u>	<u>(669,729)</u>	<u>(2,258,340)</u>	<u>(1,141,669)</u>
NET POSITION - END OF YEAR	<u>\$ 2,672,200</u>	<u>\$ (38,018)</u>	<u>\$ (2,712,845)</u>	<u>\$ (78,663)</u>

CITY OF BLOOMINGTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2016

	Employee Group Health Care	Retiree Group Health Care	Casualty Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 2,846,378	\$ 1,422,148	\$ 3,847,689	\$ 8,116,215
Received from interfund services provided	7,237,582	824,428	-	8,062,010
Paid to suppliers for goods and services	(4,653,024)	(625,784)	(985,726)	(6,264,534)
Paid to employees for services	-	-	(85,894)	(85,894)
Payments to claimants	<u>(4,293,101)</u>	<u>(1,142,836)</u>	<u>(3,044,888)</u>	<u>(8,480,825)</u>
Net Cash Flows From Operating Activities	<u>1,137,835</u>	<u>477,956</u>	<u>(268,819)</u>	<u>1,346,972</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	<u>7,013</u>	<u>(998)</u>	<u>7,524</u>	<u>13,539</u>
Net Cash Flows From Investing Activities	<u>7,013</u>	<u>(998)</u>	<u>7,524</u>	<u>13,539</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Change in due from other funds	1,073,457	-	-	1,073,457
Change in due to other funds	-	(1,073,457)	-	(1,073,457)
Transfers out to other funds	(138,627)	-	-	(138,627)
Transfers in from other funds	<u>-</u>	<u>138,627</u>	<u>-</u>	<u>138,627</u>
Net Cash Flows From Noncapital Financing Activities	<u>934,830</u>	<u>(934,830)</u>	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	2,079,678	(457,872)	(261,295)	1,360,511
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,184,096</u>	<u>530,448</u>	<u>2,568,198</u>	<u>4,282,742</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,263,774</u>	<u>\$ 72,576</u>	<u>\$ 2,306,903</u>	<u>\$ 5,643,253</u>

	Employee Group Health Care	Retiree Group Health Care	Casualty Insurance	Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,017,414	\$ 494,082	\$ (462,029)	\$ 1,049,467
Changes in assets and liabilities				
Accounts receivable	-	(1,428)	-	(1,428)
Due from other governments	(4,389)	-	-	(4,389)
Deferred outflows related to pensions	-	-	(38,562)	(38,562)
Accounts payable	143,396	(11,609)	10,096	141,883
Claims payable	(18,586)	(52,033)	194,243	123,624
Unearned revenue	-	48,944	-	48,944
Net pension liability	-	-	27,433	27,433
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,137,835</u>	<u>\$ 477,956</u>	<u>\$ (268,819)</u>	<u>\$ 1,346,972</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

CITY OF BLOOMINGTON

As of and for the Year Ended April 30, 2016

PENSION TRUST FUNDS

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 based on actuarial calculations.

Firemen's Pension Fund – To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from fire department members at rates fixed by state statutes and City contributions based on actuarial calculations.

CITY OF BLOOMINGTON

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
As of April 30, 2016

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash	\$ 2,158,850	\$ 2,463,488	\$ 4,622,338
Investments			
U.S. government securities	3,901,439	-	3,901,439
U.S. government agencies and corporations	14,921,604	4,220	14,925,824
Annuities - fixed	767,211	15,205,892	15,973,103
Annuities - variable	-	31,972,446	31,972,446
Mutual funds	40,430,464	-	40,430,464
Corporate bonds	1,787,959	-	1,787,959
Receivables			
Contributions	21,152	15,282	36,434
Accrued interest receivable	99,730	36	99,766
Prepaid items	1,099	9,833	10,932
Total Assets	64,089,508	49,671,197	113,760,705
LIABILITIES			
Accounts payable	2,762	1,093	3,855
Total Liabilities	2,762	1,093	3,855
NET POSITION			
Restricted for pension benefits	\$ 64,086,746	\$ 49,670,104	\$ 113,756,850

CITY OF BLOOMINGTON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended April 30, 2016

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer	\$ 4,690,359	\$ 4,416,266	\$ 9,106,625
Plan members	1,039,974	808,931	1,848,905
Other	118,866	70	118,936
Total Contributions	5,849,199	5,225,267	11,074,466
Net investment income			
Net appreciation in fair value of investments	(2,445,651)	(1,441,885)	(3,887,536)
Investment earnings	2,257,423	2,590	2,260,013
Total Investment Income	(188,228)	(1,439,295)	(1,627,523)
Less Investment expense	56,873	2,368	59,241
Net Investment Income	(245,101)	(1,441,663)	(1,686,764)
Total Additions	5,604,098	3,783,604	9,387,702
DEDUCTIONS			
Benefits	5,292,069	4,653,276	9,945,345
Refunds of contributions	79,238	-	79,238
Administration	88,855	54,937	143,792
Total Deductions	5,460,162	4,708,213	10,168,375
 Change in Net Position	 143,936	 (924,609)	 (780,673)
 NET POSITION - Beginning of Year	 63,942,810	 50,594,713	 114,537,523
 NET POSITION, END OF YEAR	 <u>\$ 64,086,746</u>	 <u>\$ 49,670,104</u>	 <u>\$ 113,756,850</u>

CITY OF BLOOMINGTON

Statistical Section Table of Contents

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

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	145 - 154
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	155 - 162
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	163 - 166
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	167 - 170
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	171 - 177

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

CITY OF BLOOMINGTON

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 government is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property. . . (1) if its population is more than 25,000 and less than 500,000 an aggregate of one percent. . . (2) indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts".

To date, the General Assembly has set no limits for home rule municipalities.

CITY OF BLOOMINGTON

NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS (*accrual basis of accounting*) (Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 134,912,639	\$ 136,491,878	\$ 148,943,795	\$ 146,605,302
Restricted	21,217,816	25,805,238	22,297,585	23,752,833
Unrestricted	<u>13,194,642</u>	<u>(24,458,320)</u>	<u>(32,779,575)</u>	<u>(25,676,528)</u>
Total governmental activities net position	<u>\$ 169,325,097</u>	<u>\$ 137,838,796</u>	<u>\$ 138,461,805</u>	<u>\$ 144,681,607</u>
Business-type activities:				
Net investment in capital assets	\$ 137,465,199	\$ 173,090,693	\$ 178,771,230	\$ 176,370,673
Restricted	-	-	-	-
Unrestricted	<u>(1,912,857)</u>	<u>(13,609,094)</u>	<u>(16,170,178)</u>	<u>(11,160,182)</u>
Total business-type activities net position	<u>\$ 135,552,342</u>	<u>\$ 159,481,599</u>	<u>\$ 162,601,052</u>	<u>\$ 165,210,491</u>
Primary government:				
Net investment in capital assets	\$ 272,377,838	\$ 277,453,948	\$ 295,641,977	\$ 291,052,732
Restricted	21,217,816	25,805,238	22,297,585	23,752,833
Unrestricted	<u>11,281,785</u>	<u>(5,938,791)</u>	<u>(16,876,705)</u>	<u>(4,913,467)</u>
Total primary government net position	<u>\$ 304,877,439</u>	<u>\$ 297,320,395</u>	<u>\$ 301,062,857</u>	<u>\$ 309,892,098</u>

During fiscal year 2008, the Coliseum Fund and the Parking Fund transferred debt totaling \$29,455,000 and \$3,093,325, respectively, to the governmental funds as the City intends to repay those bonds with general government funds. The Net Position reported as Investment in Capital Assets, in the Governmental Activities in the Statement of Net Position does not include the debt balance as of April 30, 2009 totaling \$32,385,635, as this debt did not produce a capital asset for the governmental activities. However, the debt is included in the calculation of the Net Position Investment in Capital Assets in the total primary government column on the Statement of Net Position.

During fiscal year 2016, the City implemented GASB Statement No. 68 and No. 71. Prior years were not restated for the implementation of these standards.

2011	2012	2013	2014	2015	2016
\$ 141,998,425	\$ 136,951,012	\$ 145,487,378	\$ 140,453,350	\$ 130,290,380	\$ 123,410,647
24,047,676	21,180,702	21,970,497	22,726,819	26,535,308	25,724,683
<u>(20,669,872)</u>	<u>(28,282,415)</u>	<u>(27,244,010)</u>	<u>(29,547,035)</u>	<u>(31,828,171)</u>	<u>(130,943,807)</u>
<u>\$ 145,376,229</u>	<u>\$ 129,849,299</u>	<u>\$ 140,213,865</u>	<u>\$ 133,633,134</u>	<u>\$ 124,997,517</u>	<u>\$ 18,191,523</u>
\$ 179,044,574	\$ 180,602,114	\$ 173,334,004	\$ 173,237,434	\$ 173,157,013	\$ 177,662,567
-	731,077	1,731,542	535,256	384,676	-
<u>(5,141,805)</u>	<u>(3,234,615)</u>	<u>5,646,593</u>	<u>15,271,906</u>	<u>18,710,885</u>	<u>14,454,569</u>
<u>\$ 173,902,769</u>	<u>\$ 178,098,576</u>	<u>\$ 180,712,139</u>	<u>\$ 189,044,596</u>	<u>\$ 192,252,574</u>	<u>\$ 192,117,136</u>
\$ 288,324,761	\$ 284,888,303	\$ 286,445,538	\$ 282,447,391	\$ 271,904,847	\$ 274,624,478
24,047,676	21,911,779	23,702,039	23,262,075	26,919,984	25,724,683
<u>6,906,561</u>	<u>1,147,793</u>	<u>10,778,427</u>	<u>16,968,264</u>	<u>18,425,260</u>	<u>(90,040,502)</u>
<u>\$ 319,278,998</u>	<u>\$ 307,947,875</u>	<u>\$ 320,926,004</u>	<u>\$ 322,677,730</u>	<u>\$ 317,250,091</u>	<u>\$ 210,308,659</u>

CITY OF BLOOMINGTON

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (*accrual basis of accounting*) (Unaudited)

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
General government	\$ 12,249,314	\$ 18,338,392	\$ 21,635,391	\$ 18,403,813
Public safety	29,812,433	34,450,276	35,549,737	34,729,564
Highways and streets	10,833,763	12,575,599	13,016,483	9,183,775
Sanitation	11,774,446	9,449,458	9,740,729	9,497,778
Health and welfare	337,484	341,668	385,763	227,381
Culture and recreation	13,104,306	19,430,710	19,693,469	18,704,065
Parking	-	-	-	-
Community development	4,245,643	1,722,641	2,581,821	2,585,904
Interest on long-term debt	2,159,138	3,511,061	3,818,741	3,079,173
Total governmental activities expenses	<u>84,516,527</u>	<u>99,819,805</u>	<u>106,422,134</u>	<u>96,411,453</u>
Business-type activities:				
Water	10,816,896	12,593,489	13,304,208	11,913,635
Solid waste	-	-	-	-
Sewer	2,640,707	3,036,276	2,978,211	2,671,316
Golf operations	-	-	-	-
Parking	1,089,003	1,276,654	1,320,417	1,194,730
U.S. Cellular Coliseum	7,616,166	4,924,998	5,487,127	4,316,453
Stormwater management	1,123,667	2,569,307	1,883,729	1,421,742
Total business-type activities expenses	<u>23,286,439</u>	<u>24,400,724</u>	<u>24,973,692</u>	<u>21,517,876</u>
Total primary government expenses	<u>107,802,966</u>	<u>124,220,529</u>	<u>131,395,826</u>	<u>117,929,329</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	7,589,775	4,728,635	4,627,434	4,181,471
Public safety	3,269,733	4,176,833	4,366,710	5,287,104
Highway and streets	318,765	253,236	440,101	270,070
Sanitation	-	1,852,591	2,494,153	4,833,700
Culture and recreation	4,721,847	5,283,744	5,490,683	5,353,983
Parking	-	-	-	-
Community development	-	5,250	-	-
Operating grants and contributions:				
General government	1,321,270	776,794	827,948	747,049
Public safety	233,075	217,603	230,740	384,535
Highway and streets	2,032,365	2,158,822	2,723,520	1,953,251
Culture and recreation	123,356	134,062	179,901	284,737
Community development	903,969	932,531	1,496,741	1,081,081
Capital grants and contributions:				
General government	-	9,738	-	-
Public safety	7,997	33,563	297,303	75,900
Highway and streets	5,487,477	6,172,528	8,134,855	2,424
Sanitation	-	173,973	-	-
Health and welfare	-	-	2,500	-
Culture and recreation	28,888	666,490	125,789	1,432,241
Community development	31,782	16,875	8,142	-
Total governmental activities program revenues	<u>26,070,299</u>	<u>27,593,268</u>	<u>31,446,520</u>	<u>25,887,546</u>

2011	2012	2013	2014	2015	2016
\$ 21,269,595	\$ 18,090,767	\$ 14,421,291	\$ 14,805,106	\$ 15,619,531	\$ 17,402,473
33,941,689	44,705,349	44,463,306	46,229,840	49,672,616	51,075,108
11,035,611	17,919,414	15,780,609	19,207,031	22,497,411	18,417,951
3,407,975	-	-	-	-	-
185,254	7,009	-	-	-	-
15,635,645	17,440,404	16,077,959	16,842,698	16,936,586	15,678,909
-	-	598,649	580,795	555,875	537,924
3,006,136	844,938	821,486	954,862	1,765,786	854,320
3,091,812	2,885,111	2,960,261	3,048,823	2,950,678	2,036,963
<u>91,573,717</u>	<u>101,892,992</u>	<u>95,123,561</u>	<u>101,669,155</u>	<u>109,998,483</u>	<u>106,003,648</u>
11,417,741	14,709,029	13,618,340	13,793,431	12,871,172	13,276,164
6,420,312	5,862,358	6,240,362	6,557,550	6,982,277	6,529,308
2,519,349	3,592,333	5,731,335	3,493,445	4,535,404	4,742,762
2,940,876	2,760,286	2,705,867	2,623,429	2,577,477	2,168,430
1,365,633	1,116,163	287,004	289,365	309,688	295,461
4,745,413	4,805,847	4,430,258	5,500,304	4,138,094	5,115,442
1,969,551	2,268,299	2,242,027	1,680,889	2,511,502	2,423,371
<u>31,378,875</u>	<u>35,114,315</u>	<u>35,255,193</u>	<u>33,938,413</u>	<u>33,925,614</u>	<u>34,550,938</u>
<u>122,952,592</u>	<u>137,007,307</u>	<u>130,378,754</u>	<u>135,607,568</u>	<u>143,924,097</u>	<u>140,554,586</u>
4,406,488	4,235,809	4,073,958	4,200,014	3,959,679	7,415,052
4,490,756	5,045,013	5,779,223	5,760,420	5,765,961	6,466,873
112,721	707,684	871,572	708,805	639,292	576,931
587,510	-	-	-	-	-
2,760,663	2,856,130	2,952,864	3,318,385	3,205,570	3,102,963
-	-	540,765	466,577	401,367	432,232
3,609	1	-	-	-	-
941,168	807,945	742,693	742,297	755,341	643,844
623,262	302,575	172,588	147,284	96,774	104,463
2,283,401	2,275,072	2,214,382	2,297,161	2,608,949	2,090,573
146,574	126,590	45,875	116,023	147,823	248,680
1,311,676	826,725	965,484	857,533	1,081,285	1,034,979
16,728	-	-	-	-	-
44,211	89,015	9,856	39,692	943,110	752,118
2,391,243	2,162,696	3,403,664	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
248,879	28,142	17,202	411,520	56,000	-
-	-	-	-	-	-
<u>20,368,889</u>	<u>19,463,397</u>	<u>21,790,126</u>	<u>19,065,711</u>	<u>19,661,151</u>	<u>22,868,708</u>

CITY OF BLOOMINGTON

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (accrual basis of accounting) (Unaudited)

	2007	2008	2009	2010
Business-type activities:				
Charges for services:				
Water	\$ 12,087,513	\$ 14,291,026	\$ 13,590,410	\$ 14,166,454
Solid waste	-	-	-	-
Sewer	2,217,580	2,445,451	2,524,990	3,206,540
Golf operations	-	-	-	-
Parking	938,303	967,286	969,091	3,136,452
U.S. Cellular Coliseum	4,339,574	3,806,995	3,846,337	2,804,003
Stormwater management	2,502,706	2,801,809	2,754,972	844,666
Operating grants and contributions:				
Water	-	-	-	-
Capital grants and contributions:				
Water	1,230,049	1,527,040	2,060,678	-
Sewer	2,023,214	1,737,800	1,612,880	-
Stormwater management	40,000	58,000	83,000	-
Total business-type activities program revenues	25,378,939	27,635,407	27,442,358	24,158,115
Total primary government program revenues	51,449,238	55,228,675	58,888,878	50,045,661
Net (Expense)/Revenue				
Governmental activities	(58,446,228)	(72,226,537)	(74,975,614)	(70,523,907)
Business-type activities	2,092,500	3,234,683	2,468,666	2,640,239
Total primary government net expense	(56,353,728)	(68,991,854)	(72,506,948)	(67,883,668)
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	16,990,609	21,432,299	22,727,412	23,386,613
Franchise taxes	1,071,052	1,200,831	1,301,239	1,453,175
Sales tax	14,371,986	14,516,483	13,310,929	12,802,414
Home rule sales tax	11,606,487	11,081,893	13,438,958	13,718,465
Utility taxes	5,201,329	5,430,000	5,487,413	4,945,364
Income taxes	6,385,846	6,903,198	6,831,333	5,954,799
Food and beverage	3,547,681	3,537,421	3,790,636	3,771,842
Other taxes	4,260,465	5,696,800	6,114,645	5,689,780
Investment earnings	2,316,843	1,153,736	(3,044,846)	2,226,564
Miscellaneous	2,185,659	2,467,166	2,485,164	1,968,950
Transfers	(5,271,644)	(31,441,761)	291,739	825,743
Total governmental activities	62,666,313	41,978,066	72,734,622	76,743,709
Business-type activities:				
Home rule sales tax	-	-	-	-
Investment earnings	83,173	75,192	12,308	10,522
Miscellaneous	652,694	934,256	1,063,651	810,375
Gain (loss) on sale of assets	-	12,943	(960)	(825,743)
Transfers	5,271,644	31,441,761	(291,739)	-
Total business-type activities	6,007,511	32,464,152	783,260	(4,846)
Total primary government	68,673,824	74,442,218	73,517,882	76,738,863
Change in Net Position:				
Governmental activities	4,220,085	(30,248,471)	(2,240,992)	6,219,802
Business-type activities	8,100,011	35,698,835	3,251,926	2,635,393
Total primary government	\$ 12,320,096	\$ 5,450,364	\$ 1,010,934	\$ 8,855,195

	2011	2012	2013	2014	2015	2016
\$	15,645,249	\$ 16,661,190	\$ 17,634,395	\$ 16,715,287	\$ 15,670,011	\$ 15,559,320
	4,282,084	4,313,505	4,890,868	4,913,004	5,328,215	6,012,621
	3,854,987	4,628,747	5,353,308	5,144,926	4,827,318	4,809,656
	2,640,194	2,658,486	2,496,674	2,456,062	2,247,186	2,266,795
	821,278	732,200	344,802	498,045	430,144	367,453
	3,731,540	3,728,185	3,562,252	3,864,740	2,587,395	3,331,795
	2,780,282	2,763,912	2,730,053	2,728,131	2,660,549	2,990,570
	-	-	-	-	-	739
	58,190	481,694	772,590	738,223	296,003	361,712
	121,433	945,750	630,793	681,008	158,305	222,629
	1,500	-	-	681,008	9	-
	<u>33,936,737</u>	<u>36,913,669</u>	<u>38,415,735</u>	<u>38,420,434</u>	<u>34,205,135</u>	<u>35,923,290</u>
	<u>54,305,626</u>	<u>56,377,066</u>	<u>60,205,861</u>	<u>57,486,145</u>	<u>53,866,286</u>	<u>58,791,998</u>
	(71,204,828)	(82,429,595)	(73,333,435)	(82,603,444)	(90,337,332)	(83,134,940)
	2,557,862	1,799,354	3,160,542	4,482,021	279,521	1,372,352
	<u>(68,646,966)</u>	<u>(80,630,241)</u>	<u>(70,172,893)</u>	<u>(78,121,423)</u>	<u>(90,057,811)</u>	<u>(81,762,588)</u>
	25,465,406	23,954,699	23,733,551	23,318,742	23,214,696	23,709,180
	1,840,488	1,880,327	1,975,390	2,031,681	2,038,485	2,057,918
	12,967,729	13,376,536	15,014,025	13,599,481	13,463,414	14,213,470
	13,711,320	14,251,763	12,147,780	12,884,341	12,578,389	17,116,537
	3,026,589	2,892,668	2,972,863	3,181,207	4,199,502	6,837,815
	5,845,551	6,225,737	6,904,133	7,465,350	7,502,770	8,164,515
	3,805,477	3,960,486	4,184,431	4,227,203	4,323,168	4,462,657
	7,988,053	8,561,867	10,864,287	9,538,733	13,006,938	12,160,846
	989,986	82,170	65,877	168,227	31,440	152,614
	1,665,977	1,589,103	1,771,832	1,841,407	1,441,162	1,709,311
	(5,407,126)	(921,878)	3,296,836	(1,620,659)	(893,249)	(861,614)
	<u>71,899,450</u>	<u>75,853,478</u>	<u>82,931,005</u>	<u>76,635,713</u>	<u>80,906,715</u>	<u>89,723,249</u>
	-	-	1,309,531	1,665,044	1,451,196	979,315
	62,633	23,508	17,545	12,299	621	116,079
	664,659	463,639	783,928	706,115	583,391	939,313
	-	-	-	-	-	119,375
	5,407,126	921,878	(3,296,836)	1,620,659	893,249	861,614
	<u>6,134,418</u>	<u>1,409,025</u>	<u>(1,185,832)</u>	<u>4,004,117</u>	<u>2,928,457</u>	<u>3,015,696</u>
	<u>78,033,868</u>	<u>77,262,503</u>	<u>81,745,173</u>	<u>80,639,830</u>	<u>83,835,172</u>	<u>92,738,945</u>
	694,622	(6,576,117)	9,597,570	(5,967,731)	(9,430,617)	6,588,309
	8,692,280	3,208,379	1,974,710	8,486,138	3,207,978	4,388,048
\$	<u>9,386,902</u>	<u>\$ (3,367,738)</u>	<u>\$ 11,572,280</u>	<u>\$ 2,518,407</u>	<u>\$ (6,222,639)</u>	<u>\$ 10,976,357</u>

CITY OF BLOOMINGTON

**FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
General fund:				
Reserved	\$ 6,512,511	\$ 3,487,978	\$ 1,979,663	\$ 1,077,903
Unreserved	2,053,859	(108,628)	2,143,575	9,666,497
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 8,566,370</u>	<u>\$ 3,379,350</u>	<u>\$ 4,123,238</u>	<u>\$10,744,400</u>
All other governmental funds:				
Reserved	\$ 17,130,213	\$ 17,709,194	\$ 22,141,631	\$22,183,539
Unreserved, reported in:				
Special revenue funds	4,648,525	3,149,423	4,309,132	4,548,701
Debt service funds	8,975,001	10,410,502	-	-
Capital projects funds	(2,437,466)	215,166	(3,263,396)	(1,463,076)
Permanent funds	3,250,226	2,997,312	860,349	2,366,709
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 31,566,499</u>	<u>\$ 34,481,597</u>	<u>\$ 24,047,716</u>	<u>\$27,635,873</u>
 Total fund balance	 <u>\$ 40,132,869</u>	 <u>\$ 37,860,947</u>	 <u>\$ 28,170,954</u>	 <u>\$38,380,273</u>

Note: GASB 54 was implemented for the fiscal year ended April 30, 2012.

2011	2012	2013	2014	2015	2016
\$ 1,137,339	\$ -	\$ -	\$ -	\$ -	\$ -
14,472,349	-	-	-	-	-
-	3,033,252	999,277	751,816	681,823	866,382
-	567,069	-	-	-	991,845
-	-	-	-	1,887,372	3,694,295
-	1,600,094	2,890,988	3,204,897	3,062,217	3,019,496
-	11,005,484	15,996,257	14,065,579	11,242,859	13,306,894
<u>\$ 15,609,688</u>	<u>\$ 16,205,899</u>	<u>\$ 19,886,522</u>	<u>\$ 18,022,292</u>	<u>\$ 16,874,271</u>	<u>\$ 21,878,912</u>
\$ 19,742,871	\$ -	\$ -	\$ -	\$ -	\$ -
6,490,469	-	-	-	-	-
-	-	-	-	-	-
162,454	-	-	-	-	-
3,218,845	-	-	-	-	-
-	1,552,882	1,276,843	1,245,957	1,297,951	21,325
-	16,457,650	16,287,019	27,615,987	24,911,820	26,391,584
-	3,784,010	4,950,203	5,351,066	1,443,141	1,100,595
-	3,010,072	2,968,527	677,451	2,186,698	1,734,442
-	(9,218)	(15,314)	(194,156)	(1,058,730)	(562,872)
<u>\$ 29,614,639</u>	<u>\$ 24,795,396</u>	<u>\$ 25,467,278</u>	<u>\$ 34,696,305</u>	<u>\$ 28,780,880</u>	<u>\$ 28,685,074</u>
<u>\$ 45,224,327</u>	<u>\$ 41,001,295</u>	<u>\$ 45,353,800</u>	<u>\$ 52,718,597</u>	<u>\$ 45,655,151</u>	<u>\$ 50,563,986</u>

CITY OF BLOOMINGTON

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 64,695,140	\$ 70,029,067	\$ 73,000,976	\$ 71,720,876
Intergovernmental	4,614,035	4,858,283	7,557,309	5,498,859
Licenses and permits	1,323,956	1,299,784	1,159,244	1,096,428
Charges for services	12,498,842	14,037,630	15,201,644	17,680,232
Fines and forfeitures	1,140,217	962,875	1,058,196	1,149,668
Investment income	2,056,537	685,728	(1,796,445)	1,719,064
Other	2,185,659	2,467,166	2,480,562	1,964,350
Total revenues	<u>88,514,386</u>	<u>94,340,533</u>	<u>98,661,486</u>	<u>100,829,477</u>
Expenditures				
Current:				
General government	12,108,930	16,787,245	20,301,571	17,547,660
Public safety	29,544,586	31,251,494	32,027,770	31,467,245
Highways and streets	5,543,205	5,331,028	8,427,235	6,323,406
Sanitation	11,294,366	8,932,278	8,994,956	9,045,286
Health and welfare	337,589	337,607	375,591	219,711
Culture and recreation	18,245,813	17,063,156	16,969,886	16,264,050
Community development	4,244,130	2,069,292	2,889,084	3,042,173
Parking	-	-	-	-
Capital outlay	7,879,489	12,268,293	10,430,629	3,943,966
Debt service:				
Principal	3,747,517	3,494,506	5,640,125	3,665,785
Bond issuance costs	-	-	-	59,573
Interest and fiscal agent fees	1,838,008	2,893,378	3,433,882	3,056,065
Total expenditures	<u>94,783,633</u>	<u>100,428,277</u>	<u>109,490,729</u>	<u>94,634,920</u>
Excess of revenues over (under) expenditures	<u>(6,269,247)</u>	<u>(6,087,744)</u>	<u>(10,829,243)</u>	<u>6,194,557</u>
Other financing sources (uses)				
Transfers in	10,374,894	9,284,990	7,728,999	9,144,555
Transfers out	(14,318,798)	(8,783,275)	(7,437,260)	(8,318,812)
Bonds issued, at par	128,362	3,740,000	-	-
Refunding bonds	-	-	-	2,840,000
Capital leases	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium (discount) on long-term debt	-	11,698	-	(46,282)
Proceeds from sale of property	73,426	411,022	109,909	395,301
Unrealized loss on sale of investment	-	-	-	-
Total other financing sources (uses)	<u>(3,742,116)</u>	<u>4,664,435</u>	<u>401,648</u>	<u>4,014,762</u>
Net change in fund balances	<u><u>\$(10,011,363)</u></u>	<u><u>\$ (1,423,309)</u></u>	<u><u>\$(10,427,595)</u></u>	<u><u>\$ 10,209,319</u></u>
Debt service as a percentage of noncapital expenditures	7.2%	7.1%	9.3%	7.7%

2011	2012	2013	2014	2015	2016
\$ 74,643,879	\$ 74,983,554	\$ 77,800,146	\$ 76,274,505	\$ 80,035,386	\$ 86,118,410
7,695,144	4,980,530	4,168,080	4,598,509	4,757,092	4,155,615
1,017,742	1,120,226	1,280,698	1,205,523	1,141,389	1,260,597
10,458,645	10,642,257	11,745,246	11,928,834	12,455,491	11,698,902
900,787	1,031,879	1,192,438	1,319,845	1,169,989	1,094,160
970,231	76,208	65,667	168,318	140,138	139,075
1,661,377	1,584,503	1,767,232	1,841,407	1,441,162	1,651,131
<u>97,347,805</u>	<u>94,419,157</u>	<u>98,019,507</u>	<u>97,336,941</u>	<u>101,140,647</u>	<u>106,117,890</u>
20,710,593	16,685,623	13,823,919	14,488,616	15,065,960	14,904,843
31,223,244	42,026,078	41,102,503	42,650,202	46,020,034	48,233,671
4,831,185	9,452,467	9,484,042	7,686,292	7,063,810	6,699,493
3,707,985	-	-	-	-	-
224,099	-	-	-	-	-
13,337,386	14,686,438	13,821,831	14,461,038	14,730,562	14,373,638
3,016,860	785,577	773,068	906,444	1,069,537	996,933
-	-	439,483	409,150	446,857	445,797
6,184,117	8,415,354	9,055,786	10,076,492	13,232,556	7,092,361
3,911,487	1,507,216	4,415,866	14,897,145	30,346,574	9,000,251
-	165,794	-	124,468	440,550	-
3,112,038	2,912,844	2,947,855	2,877,396	3,571,873	2,173,650
<u>90,258,994</u>	<u>96,637,391</u>	<u>95,864,353</u>	<u>108,577,243</u>	<u>131,988,313</u>	<u>103,920,637</u>
7,088,811	(2,218,234)	2,155,154	(11,240,302)	(30,847,666)	2,197,253
8,496,107	10,543,930	9,996,417	10,655,277	10,880,246	9,442,254
(9,005,355)	(11,965,808)	(10,977,001)	(12,515,117)	(11,773,495)	(10,259,545)
-	6,181,620	-	9,780,000	-	-
-	5,075,000	-	7,800,000	24,620,000	-
-	1,594,476	2,592,610	1,422,956	-	3,417,707
-	(5,182,083)	-	-	(237,800)	-
-	196,695	-	856,258	356,198	-
264,491	172,368	63,664	605,725	45,954	111,166
-	-	-	-	(106,883)	-
<u>(244,757)</u>	<u>6,616,198</u>	<u>1,675,690</u>	<u>18,605,099</u>	<u>23,784,220</u>	<u>2,711,582</u>
<u>\$ 6,844,054</u>	<u>\$ 4,397,964</u>	<u>\$ 3,830,844</u>	<u>\$ 7,364,797</u>	<u>\$ (7,063,446)</u>	<u>\$ 4,908,835</u>

8.2%

4.9%

8.4%

17.0%

26.4%

11.2%

CITY OF BLOOMINGTON

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (Unaudited)

Fiscal Year	Tax Year	Residential Property	Commercial Property	Industrial Property	Farm Property
2008	2006	\$ 978,715,852	\$ 569,998,938	\$ 9,928,152	\$ 382,422
2009	2007	1,045,491,797	610,915,300	10,537,721	283,509
2010	2008	1,096,691,125	620,940,813	10,383,824	295,521
2011	2009	1,138,287,680	622,816,511	10,247,265	393,358
2012	2010	1,152,480,233	636,484,972	9,098,042	447,824
2013	2011	1,161,010,532	629,450,497	8,368,378	614,629
2014	2012	1,135,803,071	616,446,829	8,088,718	626,174
2015	2013	1,127,217,408	619,594,728	13,294,216	654,109
2016	2014	1,155,580,583	625,651,790	12,738,347	674,550
2017	2015	1,171,670,602	626,317,035	11,989,029	690,292

Source: County of McLean Tax Extension Office

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

	<u>Railway Property</u>	<u>Total Taxable Assessed Value</u>	<u>Percent Growth</u>	<u>Total Direct Tax Rate</u>	<u>Actual Value</u>	<u>Value as a Percentage of Actual Value</u>
\$	415,532	\$ 1,559,440,896	4.71%	1.2683	\$ 4,678,322,688	33.33%
	434,478	1,667,662,805	6.94%	1.2727	5,002,988,415	33.33%
	476,611	1,728,787,894	3.67%	1.2565	5,186,363,682	33.33%
	582,005	1,772,326,819	2.52%	1.3308	5,316,980,457	33.33%
	653,488	1,799,164,559	1.51%	1.3112	5,397,493,677	33.33%
	690,246	1,800,134,282	0.05%	1.3103	5,400,402,846	33.33%
	739,773	1,761,704,565	-2.13%	1.3161	5,285,113,695	33.33%
	811,342	1,761,571,803	-0.01%	1.3181	5,284,715,409	33.33%
	830,183	1,795,475,453	1.92%	1.3211	5,386,426,359	33.33%
	951,400	1,811,618,358	0.90%	1.3283	5,434,855,074	33.33%

CITY OF BLOOMINGTON

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Fiscal Years

Levy Year	City Direct Rates								
	General Fund	Fire Pension Fund	Police Pension Fund	Illinois Municipal Retirement Fund	Judgment Fund	Bond and Interest Fund	Public Benefit Fund	Public Library Fund	Audit Fund
2006	0.50389	0.11366	0.12119	0.10243	0.00962	0.13146	0.00994	0.27099	0.00511
2007	0.44664	0.15129	0.14515	0.09960	0.00607	0.14342	0.00940	0.26601	0.00508
2008	0.41939	0.13747	0.18257	0.11137	0.00578	0.12610	0.00897	0.26108	0.00376
2009	0.41474	0.17583	0.21686	0.14122	-	0.12300	-	0.25467	0.00451
2010	0.38496	0.18942	0.22558	0.13914	-	0.12118	-	0.25090	-
2011	0.44285	0.17285	0.18370	0.13904	-	0.12111	-	0.25073	-
2012	0.44838	0.16509	0.18060	0.14207	-	0.12376	-	0.25620	-
2013	0.35680	0.22400	0.21333	0.14208	-	0.12376	-	0.25811	-
2014	0.35006	0.23370	0.22323	0.13940	-	0.12143	-	0.25323	-
2015	0.36593	0.23162	0.22124	0.13816	-	0.12034	-	0.25098	-

Source: County of McLean Tax Extension Office

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

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

*Rate presented is for Bloomington School District #87. City of Bloomington taxpayers in other school districts will have different rates. Other school districts that overlap with the City include: Normal School District #5, Tri-Valley Community Unit School District #3, and Olympia Unit #16.

Overlapping Rates

Total Direct	School District*	McLean County	Township	Water Reclamation District	Airport Authority	Heartland Community College	Total Overlapping Rates	Total All Rates
1.26829	4.48221	0.91927	0.22972	0.15303	0.11621	0.40655	6.30699	7.57528
1.27266	4.51459	0.90098	0.22080	0.15871	0.10781	0.44423	6.34712	7.61978
1.25649	4.58085	0.89659	0.18683	0.16036	0.11008	0.45473	6.38944	7.64593
1.33083	4.69289	0.90687	0.18217	0.16476	0.08546	0.45910	6.49125	7.82208
1.31118	4.76383	0.91673	0.17309	0.16391	0.09855	0.47361	6.58972	7.90090
1.31028	4.65741	0.91571	0.12829	0.16390	0.15486	0.47584	6.49601	7.80629
1.31610	4.72322	0.91165	0.14145	0.16402	0.12745	0.48255	6.55034	7.86644
1.31808	4.83486	0.90375	0.12243	0.17011	0.12736	0.50667	6.66518	7.98326
1.32105	4.95303	0.90133	0.12541	0.17216	0.13655	0.50469	6.79317	8.11422
1.32827	5.15877	0.91836	0.13366	0.17446	0.13572	0.54046	7.06143	8.38970

CITY OF BLOOMINGTON

**PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)**

2015

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Assessed Value</u>
State Farm Insurance Company	\$ 172,614,579	1	8.82%
Eastland Mall	16,951,118	2	0.87%
Country Life Insurance Company	12,956,762	3	0.66%
Wingover Apartments	9,275,820	4	0.47%
Illinois Agricultural Association	9,179,192	5	0.47%
Brookridge Apartments	7,167,182	6	0.37%
Bromenn Healthcare	6,250,285	7	0.32%
US REIF Parkway Fee LLC	6,166,667	8	0.32%
Westminister Village	5,963,773	9	0.30%
Snyder Brickyard Apartment	4,800,271	10	0.25%
Turneberry Village	-		-
Wal-Mart	-		-
M & J/LJP Parkway LP	-		-
Verizon North	-		-
Totals	\$ 251,325,649		12.84%

Note: Total 2006 Assessed Valuation

Note: Total 2015 Assessed Valuation \$ 1,957,353,041

Source: City of Bloomington Township Assessor's Office

2006

<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Assessed Value</u>
\$ 160,421,713	1	9.46%
18,109,401	2	1.07%
13,699,870	3	0.81%
-	-	-
9,485,941	4	0.56%
-	-	-
-	-	-
-	-	-
5,452,075	8	0.32%
7,873,022	5	0.46%
5,200,200	9	0.31%
5,982,093	6	0.35%
5,464,597	7	0.32%
4,787,325	10	0.28%
<u>\$ 236,476,237</u>		<u>13.94%</u>
<u>\$ 1,696,281,022</u>		

CITY OF BLOOMINGTON

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended April 30	Tax Year	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year Levied for		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2006	\$ 19,728,090	\$ 19,710,873	99.91%	\$ 4,940	\$ 19,715,813	99.94%
2009	2007	20,976,683	20,926,602	99.76%	5,036	20,931,638	99.79%
2010	2008	21,721,837	21,591,843	99.40%	-	21,591,843	99.40%
2011	2009	23,586,675	23,583,507	99.99%	-	23,583,507	99.99%
2012	2010	23,586,905	23,572,329	99.94%	-	23,572,329	99.94%
2013	2011	23,586,905	23,544,567	99.82%	-	23,544,567	99.82%
2014	2012	23,185,833	23,163,713	99.90%	-	23,163,713	99.90%
2015	2013	23,219,066	23,214,696	99.98%	-	23,214,696	99.98%
2016	2014	23,719,128	23,709,179	99.96%	-	23,709,179	99.96%
2017**	2015	24,063,364	-	-	-	-	-

Source: County of McLean Tax Extension Office

Note:

There is no personal property tax (on cars or jewelry); only real property is taxed.
 The above information presents the information for each period for which it is levied.
 A tax levy provides taxes remitted in the following year.

* Includes Library

** 2015 levy to be collected in fiscal year 2017

CITY OF BLOOMINGTON

SALES TAX REVENUE Last Ten Fiscal Years (Unaudited)

Fiscal Year	State Sales Tax	Tax Rate*	Home Rule Sales Tax	Tax Rate**	Total Sales Taxes
2007	\$ 13,419,819	1.00%	\$ 12,320,596	1.25%	\$ 25,740,415
2008	13,149,421	1.00%	11,766,331	1.25%	24,915,752
2009	12,915,142	1.00%	13,438,958	1.50%	26,354,100
2010	12,499,420	1.00%	13,718,466	1.50%	26,217,886
2011	12,687,593	1.00%	13,711,320	1.50%	26,398,913
2012	13,055,794	1.00%	14,251,763	1.50%	27,307,557
2013	14,716,743	1.00%	15,357,311	1.50%	30,074,054
2014	13,599,481	1.00%	14,549,385	1.50%	28,148,866
2015	13,463,414	1.00%	14,029,585	1.50%	27,492,999
2016	13,698,690	1.00%	16,000,560	1.50%/2.50%	29,699,250

Notes: Due to the City's Home Rule status, there are no rate restrictions for the home rule sales tax.

* Overall rate is 6.25% of which the City receives 1% while the state retains 5% and the County receives 0.25%.

** Effective January 1, 2016 the City's Home Rule Sales Tax Rate is 2.50%

CITY OF BLOOMINGTON

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities				General Obligation Bonds (3)
	General Obligation Bonds (3)	Loan Payable	Capital Lease Payable (2)	Developer Agreements	
2007	\$ 43,875,855	\$ -	\$ 111,587	\$ 1,128,000	\$ 32,548,325
2008	77,002,965	-	102,081	728,000	6,260,000
2009	71,825,000	-	91,956	328,000	6,260,000
2010	71,010,000	-	81,171	-	6,105,000
2011	67,110,000	-	69,684	-	5,945,000
2012	71,837,022	-	4,661,944	-	7,223,583
2013	68,613,251	-	6,124,603	-	7,050,073
2014	73,782,612	-	5,652,233	-	6,287,563
2015	69,788,322	-	4,437,549	-	5,660,943
2016	62,656,950	215,282	5,687,776	-	5,001,073

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
- (2) In FY2013 it was determined that the PBC lease should be reported as a capital lease rather than an operating lease. FY 2012 amounts were restated for this change but previous years do not reflect the PBC lease as a capital lease.
- (3) Presented net of original issuance discounts and premiums.

Business Activities

<u>Loan Payable</u>	<u>Capital Lease Payable(2)</u>	<u>Note Payable</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$ 6,498,655	\$ -	\$ -	\$ 84,162,422	3.253%	\$ 1,122.54
6,667,215	-	12,076,536	102,836,797	3.859%	1,371.61
6,353,679	-	11,849,815	96,708,450	3.629%	1,289.88
7,154,597	-	11,341,614	95,692,382	3.591%	1,276.32
6,898,161	-	11,048,535	91,071,380	3.139%	1,214.69
6,501,727	4,266,193	10,489,855	104,980,324	3.277%	1,370.32
12,547,689	5,908,123	12,073,084	112,316,823	3.485%	1,457.32
12,201,064	5,876,355	11,369,404	115,169,231	3.412%	1,481.60
11,586,828	4,184,540	10,650,952	106,309,134	2.978%	1,350.30
11,142,240	2,936,049	9,917,359	97,556,729	2.791%	1,239.13

CITY OF BLOOMINGTON

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds (1)	Less Amount Available in Debt Service	Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita
2007	\$ 76,424,180	\$ 9,086,299	\$ 67,337,881	1.44%	\$ 898.14
2008	83,262,965	10,523,803	72,739,162	1.45%	970.18
2009	78,085,000	7,710,167	70,374,833	1.36%	938.64
2010	77,115,000	10,873,990	66,241,010	1.25%	883.51
2011	73,055,000	10,766,874	62,288,126	1.15%	830.79
2012	79,060,605	11,359,661	67,700,944	1.25%	883.71
2013	75,663,324	11,727,679	63,935,645	1.21%	829.57
2014	80,070,175	10,543,660	69,526,515	1.32%	894.43
2015	74,977,100	10,071,799	64,905,301	1.20%	824.40
2016	67,658,023	7,731,208	59,926,815	1.10%	761.17

Note:

basic financial statements.

debt limit.

CITY OF BLOOMINGTON

DIRECT AND OVERLAPPING DEBT For the Year Ended December 31, 2015 (Payable in 2016) (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Bloomington Normal Airport Authority	\$ 38,757,021	67.93%	\$ 26,327,644
Bloomington Schools District #87	24,391,237	99.67%	24,310,746
Normal School District #5	165,323,387	46.04%	76,114,887
Tri-Valley Community Unit School District #3	3,726,355	0.62%	23,103
Olympia Unit #16	13,526,855	53.00%	7,169,233
Heartland Community College #540	92,654,075	59.79%	55,397,871
County of McLean	16,749	48.40%	8,107
McLean County PBC	4,095,000	48.40%	<u>1,981,980</u>
Subtotal, Overlapping Debt			191,333,572
City direct debt	62,656,950		<u>62,656,950</u>
Total direct and overlapping debt			<u><u>\$ 253,990,522</u></u>

Source: McLean County Clerk

Debt outstanding based on amounts reported by McLean County as of December 31, 2015.

Overlapping debt percentages based on McLean County 2015 EAV

CITY OF BLOOMINGTON

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years (Unaudited)

Calendar Year	Population (1)	Per Capita (2) Personal Income	Total Personal Income (thousands) (3)	Median Age (1)	School Enrollment (1)
2006	74,975	\$ 34,511	\$ 2,587,462	30	7,589
2007	74,975	35,546	2,665,061	31	7,685
2008	74,975	36,082	2,705,248	31	7,324
2009	74,975	38,985	2,922,900	31	5,304*
2010	74,975	38,695	2,901,158	31	5,250*
2011	76,610	41,816	3,203,524	32	5,414 *
2012	77,071	41,816	3,222,801	32.3	5,338*
2013	77,733	43,429	3,402,995	32.3	5,428 *
2014	78,730	45,342	3,569,776	32.2	5,415 *
2015	78,730	44,397	3,495,376	33	5,455 *

Sources:

- (1) Bloomington-Normal 2016 Economic Development Council Demographic Profile.
- (2) US Commerce Department - Bureau of Economic Analysis. Data gathered for Bloomington/Normal region, as separate information is not disclosed.
- * Private school enrollment is no longer provided as of calendar year 2009

	<u>Median House Costs (1)</u>	<u>Unemployment Rate (1)</u>	<u>Annual Airport Usage (1)</u>
\$	167,963	3.50%	262,409
	171,859	4.00%	269,839
	177,194	5.00%	268,860
	166,533	7.10%	250,135
	176,909	7.70%	280,974
	169,413	7.20%	290,974
	171,991	6.90%	243,848
	173,539	7.30%	215,889
	169,318	5.50%	204,523
	170,899	4.90%	185,452

CITY OF BLOOMINGTON

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago (Unaudited)

<u>Employer</u>	2016			2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
State Farm Insurance Company	14,282	1	15.7%	14,653	1	16.0%
Illinois State University	3,320	2	3.6%	3,121	2	3.4%
Country Insurance and Financial Services	1,910	3	2.1%	2,158	3	2.4%
Unit 5 Schools	1,654	4	1.8%	1,785	5	2.0%
Advocate BroMenn Medical Center	1,402	5	1.5%	1,514	6	1.7%
OSF-St. Joseph Medical Center	1,364	6	1.5%	956	8	1.0%
McLean County Government	829	7	0.9%	870	9	1.0%
Afni, Inc.	765	8	0.8%	1,217	7	1.3%
District 87 Schools	657	9	0.7%	675	10	0.7%
Heritage Enterprises	596	10	0.7%			
Mitsubishi Motor Manufacturing				1,800	4	2.0%
Total top 10 employers	<u>26,779</u>		29.4%	<u>28,749</u>		31.5%
Total Labor Force	91,110			91,382		

Source: Bloomington-Normal 2016 Economic Development Demographic Profile

Note: Data includes employers throughout the Bloomington-Normal Metropolitan Statistical Area.

CITY OF BLOOMINGTON

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>
General Government:										
City Manager	14	14	14	8	8	9	4	7	7	6
City Clerk	4	4	4	3	3	3	3	4	4	4
Personnel	10	10	8	8	7	9	8	8	8	9
Finance	15	15	12	9	9	10	11	13	13	13
Information Services	15	15	15	10	10	10	10	12	12	10
Legal	5	5	6	5	5	6	6	6	6	4
Building Safety	15	15	15	11	11	11	12	12	12	12
Planning	3	3	3	1	1	1	1	1	1	1
Facility Management	4	4	3	3	3	3	3	3	3	3
Community Development	3	3	2	-	-	-	1	-	-	-
Code Enforcement	11	11	13	11	11	12	11	11	11	12
Economic Development	-	-	-	-	-	-	-	1	1	1
Parks and Recreation:										
General and Administration	39	39	38	37	37	43	27	27	27	27
SOAR	7	7	7	6	6	6	2	2	2	2
Recreation	26	26	23	16	16	15	5	5	5	4
Pool(s)	8	8	9	8	8	7	1	-	-	-
Zoo	18	18	16	15	15	14	9	9	9	9
Golf Course(s)	39	39	38	34	34	30	7	8	8	8
Public Ice Rink	12	12	11	11	11	11	3	3	3	3
Police:										
Officers and Civilians	163	163	178	157	160	162	158	160	160	160
Fire:										
Firefighters, Officers and Civilians	117	117	117	109	109	109	109	113	113	117
Public Works:										
Administration	4	4	4	3	3	4	3	3	3	3
Street Maintenance	16	16	16	32	32	22	17	17	17	19
Street Sweeping	1	1	1	-	-	-	-	-	-	-
Snow and Ice Control	4	4	4	-	-	-	-	-	-	-
Refuse Collection	50	50	50	59	59	58	-	-	-	-
Weed Control	2	2	2	-	-	-	-	-	-	-
Fleet Management	11	12	11	9	9	9	9	9	9	9
Street Lighting	2	2	2	-	-	-	-	-	-	-
Traffic Control	12	13	13	1	1	-	-	-	-	-
Water:										
Administration	9	9	9	5	5	4	5	9	9	9
Transmission	25	25	27	17	17	18	16	14	14	16
Purification	18	18	18	14	14	16	15	16	16	15
Lake Bloomington Park	8	8	8	8	8	7	5	3	3	3
Water Meter Billing Services	-	-	-	10	1	10	10	8	8	7
Sewer Maintenance	18	18	18	5	5	15	14	14	14	13
Stormwater	11	11	11	10	10	14	12	11	11	9
Other Programs/Functions:										
Solid Waste Management	-	-	-	-	-	-	39	40	40	40
Engineering	19	19	19	15	15	11	9	9	9	9
Library	59	59	61	63	63	65	45	44	44	45
General Fund Parking	9	9	8	7	7	7	7	5	5	5
Abraham Lincoln Parking	-	-	-	-	-	-	-	-	-	1
Casualty Insurance	-	-	-	-	-	-	-	-	-	1
JM Scott	3	3	3	-	-	-	-	-	-	-
Board of Elections	-	-	-	-	-	-	1	1	1	1
BCPA	53	53	19	19	19	17	10	11	11	11
Total	862	864	836	739	732	750	608	619	619	621

Source: City of Bloomington Human Resource Department

* Beginning in 2013, the amounts reported represent full-time budgeted positions rather than full-time equivalents.

CITY OF BLOOMINGTON

OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Calendar/Fiscal Years (Unaudited)

Function/Program	2006	2007	2008	2009
Police:				
Calls for service (Calendar 2015)	50,725	62,050	60,308	62,322
Adult arrest (Calendar 2015)	2,048	1,554	1,975	1,932
Juvenile arrest (Calendar 2015)	183	208	356	303
Speeding citations only (Calendar 2015)	3,626	1,848	2,492	2,597
Traffic citations (Calendar 2015)	10,475	13,369	9,939	7,675
Fire:				
Total fire runs (Calendar 2015)	1,586	1,919	2,310	2,041
Total rescue runs (Calendar 2015)	6,793	7,565	7,743	7,212
Property loss (Calendar 2015)	\$ 2,032,950	\$ 994,650	\$ 1,668,885	\$ 921,800
Building safety:				
Total building permits (Calendar 2015)	2,459	2,486	2,747	2,921
Total value all permits (Calendar 2015)	\$ 219,159,856	\$ 185,771,533	\$ 109,373,823	\$ 151,953,680
Library:				
Visitors (Fiscal Year 2015)	361,683	250,806	328,485	335,994
Total circulation (Fiscal Year 2015)	732,396	754,878	877,432	1,008,316
Public service:				
Garbage collected (ton) (Calendar 2015)	20,641	20,393	19,933	19,782
Recycle collected (ton) (Calendar 2015)	2,805	2,837	2,857	2,808
Bulk Waste (ton) (Calendar 2015)	8,426	8,192	10,413	9,044
Brush (cubic yard) (Calendar 2015)	33,468	22,860	35,136	26,000
Parks and Recreation:				
Recreation program attendance (FY 2016)	214,927	215,811	184,047	163,414
Aquatics program attendance (FY 2016)	34,253	58,745	51,397	40,849
Pepsi Ice Center (FY 2016)	43,976	89,011	84,439	145,000
Golf rounds played (Calendar 2015)	82,404	81,489	77,000	75,200
Miller Park Zoo attendance (Calendar 2015)	93,183	104,905	111,357	112,133
Street trees maintained (Calendar Year 2015)	3,724	1,890	3,297	4,552
Cultural District:				
Events (Calendar 2015)	227	390	460	463
Attendance (Calendar 2015)	55,000	81,953	90,794	98,388
US Cellular Coliseum:				
Events (Fiscal Year 2016)	103	210	166	219
Attendance (Fiscal Year 2016)	306,000	289,374	319,932	328,815

Source: Various City Departments

Note: N/A - Indicator not available

Library door counter not working during part of FY 2007 due to renovation

	2010	2011	2012	2013	2014	2015
	58,931	66,284	73,861	74,835	81,662	71,905
	1,690	1,800	2,211	2,415	2,557	2,066
	317	323	287	289	255	247
	2,492	2,209	1,331	931	634	658
	9,939	4,310	6,774	6,357	6,662	5,510
	2,038	2,126	2,317	2,020	2,529	2,625
	7,414	7,600	7,993	8,025	7,933	8,247
\$	824,738	\$ 2,235,790	\$ 954,575	\$ 1,450,380	\$ 1,886,895	\$ 1,458,195
	2,763	2,334	2,590	2,732	2,765	2,147
\$	89,134,038	\$ 87,049,482	\$ 108,932,734	\$ 103,804,778	\$ 89,957,848	\$ 102,374,800
	367,116	422,705	412,892	463,042	411,492	354,786
	1,154,024	1,339,740	1,483,853	1,570,410	1,442,572	1,430,682
	19,331	17,479	17,710	17,487	15,631	15,835
	2,957	3,001	3,735	4,593	4,902	4,847
	4,821	7,164	4,552	5,601	5,282	4,631
	23,982	26,101	22,308	29,174	32,397	30,768
	148,857	146,140	139,320	129,355	128,378	130,883
	48,695	57,091	57,861	53,272	55,281	61,120
	133,616	165,000	168,000	163,000	1,482,220	1,541,509
	76,337	68,367	72,349	62,283	57,627	60,993
	101,182	111,863	107,082	103,544	104,215	106,139
	6,012	8,590	7,488	8,549	7,827	3,822
	498	469	534	578	541	525
	86,227	82,880	83,345	90,730	82,523	80,693
	201	216	237	207	232	199
	300,494	300,533	292,217	286,101	173,382	206,265

CITY OF BLOOMINGTON

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

Function/Program	2007	2008	2009	2010
Police:				
Stations	1	1	1	1
Fire, Fire Stations	4	4	4	4
Refuse Collection:				
Collection Trucks	11	11	11	11
Other Public Works	37	37	37	51
Streets (Miles)	300	311	320	321
Traffic Signals	134	138	141	153
Parks & Recreation:				
Acreage	594	594	594	594
Parks	52	62	52	52
Golf Course	3	3	3	3
Baseball/Softball Diamonds	26	26	26	26
In-line Hockey Rinks	1	1	1	1
Soccer/Football Fields	22	22	22	22
Basketball Courts	45	45	45	45
Tennis Courts	20	20	20	20
Swimming pools	2	2	2	2
Parks with Playground Equipment	31	31	31	31
Picnic Shelters	37	37	37	37
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	240,869	243,635	258,982	272,237
Water:				
Lakes	2	2	2	2
Storage Capacity (MGD)	21	21	21	21
Average Daily Consumption (MGD)	12	12	11	11
Peak Consumption (MGD)	24	20	16	16
Wastewater:				
Sanitary Sewers (miles)	250	250	293	295
Storm Sewers (miles)	200	200	240	246
Combination Sanitary and Storm (miles)	100	100	88	88

Source: Various City Departments

Note: MGD - Millions Gallons per Day

2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
4	5	5	5	5	5
11	11	10	21	18	18
51	51	51	52	62	65
321	321	321	322	323	324
145	145	145	145	145	145
594	594	640	640	640	640
52	52	46	46	46	46
3	3	3	3	3	3
26	26	27	28	24	24
1	1	1	1	1	1
22	22	22	23	23	23
45	45	52	53	31	31
20	20	26	26	26	26
2	2	2	2	2	2
31	31	31	32	32	32
37	37	42	43	44	44
1	1	1	1	1	1
1	1	1	1	1	1
283,576	295,496	291,406	299,628	307,261	316,319
2	2	2	2	2	2
21	21	21	21	21	21
11	11	11	11	11	10
16	16	16	16	16	15
297	297	299	301	264	265
248	248	316	317	255	256
88	88	88	88	85	85

CITY OF BLOOMINGTON

Supplemental Disclosure Requirements Set Forth In \$10,000,000 2003 and \$10,000,000 2007 Bond Issues

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

CITY OF BLOOMINGTON

Exhibit A - Direct General Obligation Bonded Debt (Principal Only) ¹ As of April 30, 2016

Year Ending December 31	Total Existing Debt	Less Abated Amount ²	Net Tax Levied Amount
2016	\$ 5,255,000	\$ 4,155,000	\$ 1,100,000
2017	5,340,000	3,739,244	1,600,756
2018	5,090,000	3,175,044	1,914,956
2019	4,240,000	2,514,726	1,725,274
2020	4,565,000	2,769,476	1,795,524
2021	4,730,000	2,770,000	1,960,000
2022	4,625,000	3,010,000	1,615,000
2023	4,780,000	3,130,000	1,650,000
2024	3,590,000	3,405,000	185,000
2025	3,435,000	2,400,000	1,035,000
2026	3,035,000	1,830,000	1,205,000
2027	3,195,000	1,985,000	1,210,000
2028	2,365,000	2,145,000	220,000
2029	1,905,000	1,675,000	230,000
2030	2,060,000	1,820,000	240,000
2031	2,210,000	1,960,000	250,000
2032	2,390,000	2,125,000	265,000
2033	1,855,000	1,855,000	-
2034	2,015,000	2,015,000	-
	<u>\$ 66,680,000</u>	<u>\$ 48,478,490</u>	<u>\$ 18,201,510</u>

¹ Does not include revenue bonds.

² General Obligation Demand Bonds, Series 2004; General Obligation Bonds, Series 2005; General Obligation Refunding Bonds, Series 2009; General Obligation Refunding Bonds, Series 2011; Taxable General Obligation Bonds, Series 2013C; Taxable Refunding Bonds, Series 2014A; General Obligation Bonds, Series 2014B and a portion of the General Obligation Bonds, Series 2007 that the city has historically and plans to continue to pay from other revenue sources.

CITY OF BLOOMINGTON

Exhibit A-1 - Debt Service Requirements As of April 30, 2016

Tax Year	Total Debt Service ¹	Less Annually Abated Debt Service ²	Total Tax Levied Debt Service
2015	\$ 7,556,602	\$ 5,376,460	\$ 2,180,142
2016	7,129,559	4,949,415	2,180,144
2017	6,101,909	3,921,765	2,180,144
2018	6,270,242	4,090,100	2,180,142
2019	6,278,745	4,098,602	2,180,143
2020	6,012,720	4,107,308	1,905,412
2021	6,002,756	4,107,181	1,895,575
2022	5,821,939	4,272,664	1,549,275
2023	4,370,973	3,136,660	1,234,313
2024	4,594,418	3,233,286	1,361,132
2025	3,899,893	2,583,980	1,315,913
2026	2,948,680	2,674,455	274,225
2027	2,403,668	2,129,343	274,325
2028	2,485,518	2,211,543	273,975
2029	2,551,970	2,278,795	273,175
2030	2,640,895	2,363,970	276,925
2031	2,007,685	2,007,685	-
2032	2,094,423	2,094,423	-

¹ - Does not include revenue bonds.

² - General Obligation Demand Bonds, Series 2004; General Obligation Bonds, Series 2005; General Obligation Refunding Bonds, Series 2009; General Obligation Refunding Bonds, Series 2011; General Obligation Bonds, Series 2013C; Taxable Refunding Bonds, Series 2014A; General Obligation Bonds, Series 2014B and a portion of the General Obligation Bonds, Series 2007 that the city has historically and plans to continue to pay from other revenue sources.