

CITY OF BLOOMINGTON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended April 30, 2007

Prepared by:
Brian J. Barnes, Director of Finance

Contents

Introductory Section

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

Financial Section

Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 17
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	18 – 19
Statement of activities	20 – 21
Fund financial statements:	
Balance sheet - governmental funds	22 – 23
Reconciliation of total governmental fund balances to net assets of governmental activities	24
Statement of revenues, expenditures and changes in fund balances - governmental funds	25 – 26
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	27
Balance sheet - proprietary funds	28 – 29
Reconciliation of enterprise funds net assets to the statement of net assets	30
Statement of revenues, expenses and changes in fund net assets (deficits) - proprietary funds	31 – 32
Reconciliation of the change in net assets of enterprise funds to the statement of activities	33
Statement of cash flows - proprietary funds	34 – 37
Statement of fiduciary net assets - pension trust funds	38
Statement of changes in fiduciary net assets - pension trust funds	39
Notes to basic financial statements	40 – 71
Required Supplementary Information:	
Illinois Municipal Retirement Plan	72
Police Pension Plan	73
Firemen's Pension Plan	74
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual - General Fund	75
Note to required supplementary information	76

Contents

Financial Section (continued)

Supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	77 – 81
Combining statement of revenues, expenditures and changes in fund balances (deficits)	82 – 86
Combining schedule of revenues, expenditures and changes in fund balances (deficits) - nonmajor governmental funds - budgetary basis - budget to actual	87 – 94
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual - Debt Service Fund	95
Schedule of revenues, expenditures and changes in fund balance - budgetary basis - budget to actual – U.S. Cellular Coliseum Capital Project Fund	96
Nonmajor enterprise funds:	
Combining balance sheet	97
Combining statement of revenues, expenses and changes in fund net assets	98
Combining statement of cash flows	99
Internal service funds:	
Combining statement of net assets	100
Combining statement of revenues, expenses and changes in fund net assets (deficits)	101
Combining statement of cash flows	102
Pension trust funds:	
Combining statement of fiduciary net assets	103
Combining statement of changes in fiduciary net assets	104

Statistical Section (unaudited)

Contents	105
Comments relative to statistical section	106
Net assets by component	107 – 108
Changes in net assets	109 – 112
Fund balances, governmental funds	113 – 114
Changes in fund balances, governmental funds	115 – 116
Assessed value and estimated actual value of taxable property	117 – 118
Direct and overlapping property tax rates	119 – 120
Principal property taxpayers	121
Property tax levies and collections	122 – 123
Ratios of net general bonded debt outstanding by type	124 – 125
Direct and overlapping governmental activities debt	126
Demographic and economic statistics	127
Principal employers	128
Full-time equivalent city government employees by functions/programs	129 – 130
Operating indicators by function/program	131 – 132
Capital asset statistics by function/program	133 – 134
Exhibit – supplemental disclosure requirements	135
Exhibit A – direct general obligation bonded debt (principal only)	136
Exhibit A-1 – debt service requirements	137

Contents

Compliance Section	
Schedule of expenditures of federal awards	138
Notes to schedule of expenditures of federal awards	139
Summary schedule of prior audit findings	140
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards	141 – 142
Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133	143 – 144
Schedule of findings and questioned costs	145 – 154
Corrective action plan	155

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September 27, 2007

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

State law requires that all general purpose, local governments, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm or licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bloomington, Illinois for the year ended April 30, 2007.

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 that 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.

McGladrey & Pullen, 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 30, 2007, is free of material misstatement. The independent audit involved the examination, on a test basis, evidence to support the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bloomington's financial statements for the fiscal year ended April 30, 2007, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's 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 general purpose financial statements, whether internal control is sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditor's report relative to the Federal Single Audit Act is reported separately.

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

Profile of Government

The City of Bloomington, chartered 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. Bloomington is the County Seat of McLean County, the largest county in Illinois (approximately 762,240 acres). According to the 2000 Census, the City had a population of 64,808. In the summer of 2006, a Special Census was conducted by the United States Census Bureau. The Special Census resulted in an increase in population of 10,167, for a total population of 74,975. The City of Bloomington is a twin city with the Town of Normal.

The City is governed by a City council elected on a nonpartisan basis composed of eight Council members and a Mayor. The City Council is responsible to enact ordinances, resolutions and regulations governing the City, adopt the annual budget, as well as appoint members of various statutory and ordinance boards. 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 Council is elected to four-year staggered terms, while the Mayor is elected to a four-year term. The Mayor is elected at large, the Council members by ward.

The City provides a full range of services such as police and fire protection, emergency communications center, public works services, water distribution services, public library services, parks and recreation services, the operation of public parking facilities, and the option of the Cultural District and the US Cellular Coliseum.

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

The annual budget serves as the foundation for the City's financial planning and control. The City of Bloomington operates under a five-year Budget Program. Every City department is required to submit budget requests to Finance by November 15th of each year. The Finance Director in cooperation with the City Manager and individual Department directors refine the budget request, and the proposed budget is presented to the City Council before March 31st of each year. The City Council is required to hold a public hearing on the proposed budget and 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 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 has been successful to the point where the City completes the year within 3 percent of the budget. For the General Fund, the 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 nonmajor governmental fund subsection of this report.

Major Initiatives

The City staff, following specific directives of the City Council and the City Manager, has been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensure citizens live and work in a desirable environment. The most significant of these projects are discussed more thoroughly below:

US Cellular Coliseum: The construction of the \$35 million Downtown Sports Entertainment Center, also known as the US Cellular Coliseum, was finished within budget and in time to commence operations in April 2006. The Coliseum hosts the Bloomington Extreme indoor football team of the United Indoor Football League and the Bloomington Prairie Thunder of the International Hockey League. The arena's seating capacity is approximately 6,000 for hockey and indoor football games. Although the Coliseum held #103 events and had a first year attendance of 306,000, the coliseum incurred approximately a \$2.0 million deficit in the first year of operations.

Bloomington Center for the Performing Arts: The renovation of the \$14.5 million former Scottish Rite temple, also known as the Bloomington Center for the Performing Arts, was completed in September 2006. The Bloomington Center for the Performing Arts is the main anchor of the Cultural District in the north end of Bloomington's downtown, offering performing, visual arts and arts education facilities as well as additional green space and improved parking. The Cultural District held 227 events with first year attendance of 55,000. In 2000, the City Council approved a ¼-cent sales tax increase to fund this project. That tax initially provided \$1.5 million annually through 2010 to the Cultural District. In 2003, the City Council authorized an extension of sales tax support to the Cultural District through 2025 to enable the expansion of the initial project and a funding source to finance the issuance of 20-year bonds to pay for the expansion and renovation project.

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

Other Projects:

- The shift of Code Enforcement from Community Development to the General Fund to maintain services in light of the decreasing fund distributions from HUD grants. This included the addition of a clerical staff position and a supervisor of inspections to assist with the rental inspection program.
- The Pepsi Ice Center began operations during the fiscal year with the addition of eight positions to oversee the operations at this new Parks & Recreation facility attached to the US Cellular Coliseum.
- The relocation of engineering department from the City Hall complex to the Government Center located in Downtown Bloomington. This relocation has allowed the department to move from an overcrowded facility to the Government Center that has ample room for expansion.
- The Holiday Pool renovation was completed in time for the facility to open to the general public on Memorial Day.
- Additional positions were added in the sewer, stormwater, water, and parking areas to deal with the continual City growth and increased demand for City services.
- Three new sergeant positions were incorporated within the police department.
- Firefighters began paramedic training so the City would be prepared to offer paramedic services City wide in response to the phase out of these services by Lifeline Mobile Medics.

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: The economic strength of the Bloomington-Normal metropolitan area is well diversified with no single dominating industry, although there are many substantial medium sized businesses and institutions. Diverse and stable employment sources include State Farm, Illinois State University, Country Insurance & Financial Services, Mitsubishi Motor of America and OSF St. Joseph and many others have insulated the Bloomington-Normal economy from severe economic swings experienced in other communities and have allowed the community to maintain steady, prosperous growth.

The Bloomington-Normal area has become nationally known as a strong distribution point. Bloomington-Normal is 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 Amtrack that connect Bloomington-Normal to most major cities within the continental United States with three days or less of freight time. Also, the Central Illinois Regional Airport has the distinction as one of the nation's fastest growing airports for the past consecutive seven years. Five airliners serve the airport with approximately 519,818 air travelers passing through this location in 2006. This is a 13 percent increase in air travelers from the prior year.

There are approximately 17 major shopping areas located within the Bloomington-Normal area serving a large retail trading area covering a radius of 50 miles or more. One enclosed and one outside shopping mall accounts for 947,470 square feet of leasable retail area in addition to eight major anchor stores. The City enjoys the presence of several major retailers such as Lowe's and Wal-Mart, in addition to numerous restaurants. Major employers have, for the most part, remained stable and the issuance of commercial building permits remained strong. New projects and renovation remain abundant within the downtown around the US Cellular Coliseum to enhance this area's appeal to citizens, visitors and future employers. The opening of the Cultural District will serve to augment the redevelopment of Downtown Bloomington. The Veterans Parkway widening compiled with the infrastructure along Towanda Barnes Road will continue to enhance expansion and development into the future growth on the west side of the City.

Bloomington-Normal home sales for 2006 still reflect a healthy 2,918 sales with the average price of a \$167,863 per residence. The average household effective buying income (EBI) for Bloomington-Normal was 7.26 percent above the United State's EBI of \$49,200, 17 percent above Champaign-Urbana's EBI of \$45,100, 11.63 percent above Peoria's EBI of \$47,270 and 5.32 percent above Springfield's EBI of \$50,104. The healthy economic conditions have been a basis for Bloomington-Normal's continual low unemployment rate of 3.5 percent. Please refer to the Management Discussion and Analysis section of this document to refer to additional information pertaining to the City's economic condition and bond rating status.

Long-Term Financial Planning: With the completion of several major projects, the upcoming years will see the City Council refocus it priority on infrastructure maintenance, public safety and development of an alternative water supply for the City. City Council remains focused on the dedication of additional resources to repair and maintain existing infrastructure, while providing the resources to accommodate the City's continual expansion. In regards to public safety, Council is currently in the planning stages to build a new fire station, expand the police station and absorb paramedic service for McLean County. These projects not only include the construction or expansion of relevant facilities, but the training and hiring of additional staff and personnel. Finally, the City Council remains committed upon the development of a secondary water supply for the City. This includes the detection of additional water resources plus the development of infrastructure to incorporate these resources into existing City systems.

Cash Management Policies and Practices: Cash which is temporarily idle throughout the year in the City's operating funds was invested in the Illinois State Treasurer's Pool (Illinois Fund), the Metropolitan Investment Fund (IMET), the Financial Investors Trust (FIT), and certificates of deposit. The maturities of these investments vary from immediate accessibility (Illinois Funds and FIT) to accessibility of six months (CDs) to 2 to 3 years (IMET). The average yield of these investments tracks close to the return of the Illinois Funds which as of April 30, 2007 is 5.16 percent. The Police Pension and Fire Pension funds are managed by their respective boards. For fiscal year, May 1, 2006 to April 30, 2007, the rate of return for the Fire Pension Fund was 9.47 percent, while the rate of return for the Police Pension Fund was 11.3 percent partially due to better performance in the stock market. Normally, both pensions rate of returns are higher than the City since the pension funds may invest in long term securities and equities.

Pension and Other Post Employment Benefits: The City sponsors a single-employer defined benefit pension plan for its police officers and firefighters. Each year, an independent actuary engaged by the City and the pension board calculates the annual contribution the City must contribute to each pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to each pension plan as determined by the actuary. However, the City has no control over the State Legislature which continues to enhance benefits received by these groups of employees through state statute. Historically, these new benefits have increased the amount of pension and/or post employment benefits due to this limited group of employees. As a result of the City's conservative funding policy, the City has succeeded as of April 30, 2006 to fund 58.3 percent of the Police Pension and 55.5 percent of the Fire Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary.

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

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

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

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

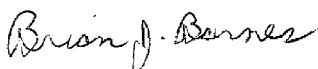
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2006. This was the 30th 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. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA this year to determine its eligibility for another certificate.

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

Respectfully submitted,



Brian J. Barnes,
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bloomington
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2006

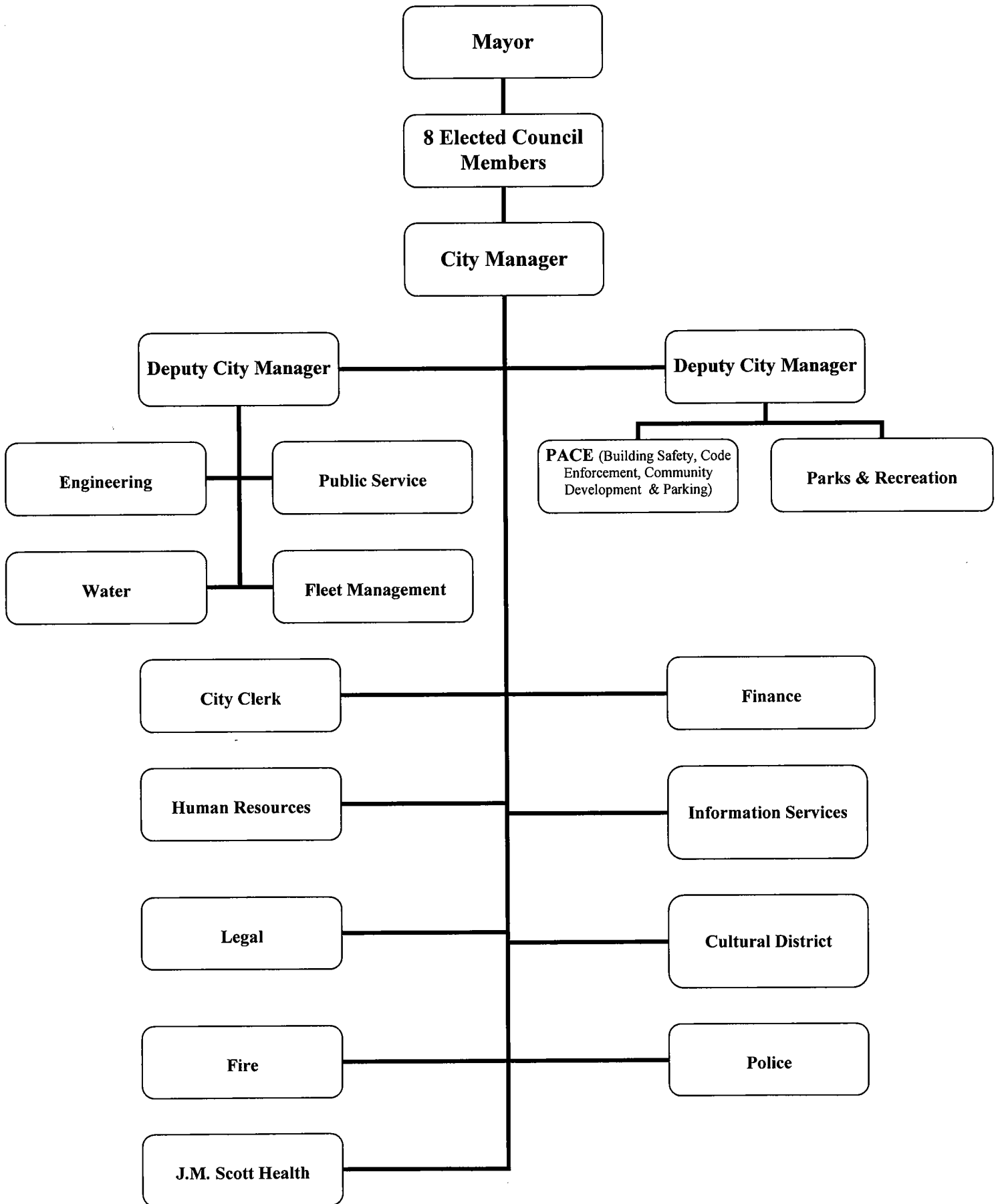
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Bloomington Organization Chart



City of Bloomington, Illinois

Officers and Officials
Year Ended April 30, 2007

Elected Officials

Mayor

Stephen Stockton

Aldermen

Allen Gibson - Ward 1

Michael Matejka - Ward 2

Kevin Huette - Ward 3

J.E. "Skip" Crawford III - Ward 4

Jim Finnegan - Ward 5

Karen Schmidt - Ward 6

Steven Purcell - Ward 7

John Hanson - Ward 8

Administrative Officials

City Manager

Thomas Hamilton

Deputy City Manager

Barbara Adkins

Deputy City Manager

Brian Brakebill

City Clerk

Tracey Covert

Corporate Counselor

Todd Greenburg

Engineering Director

Doug Grovesteen

Finance Director

Brian Barnes

Fire Chief

Keith Ranney

Fleet Management Director

Dan Augstin

Human Resources Director

Emily Bell

Information Services Director

Scott Sprouls

Library Director

Georgia Bouda

Parks and Recreation Director

Dean Kohn

Planning and Code Enforcement Director

Mark Huber

Police Chief

Roger J. Aikin

Public Service Director

Rick Clem

Scott Health Resource Director

Ruth Ann Sikora

Water Director

Craig Cummings

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bloomington, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Central Illinois Risk Pooling Authority, which represent 11 percent and 30 percent, respectively, of the assets and revenues of the aggregate remaining fund information and represents 2 percent of the governmental activities assets and none of the governmental activities revenues. We also did not audit the financial statements of the Police Pension, which represents 53 percent and 53 percent, respectively, of the assets and revenue of the fiduciary funds of the City of Bloomington, Illinois. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Central Illinois Risk Pooling Authority and Police Pension, is based on the reports of the other auditors.

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

As discussed in Note 15 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 46, *Net Assets Restricted by Enabling Legislation*. As a result, \$13,394,960 previously reported as unrestricted net assets was reclassified to restricted.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2007 on our consideration of the City of Bloomington, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 17 and budgetary comparison information on pages 75 and 76 and the Pension Plans Schedule of Funding Progress and Schedule of Employer Contributions on pages 72 through 74 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

McGladrey & Pullen, LLP

Davenport, Iowa
September 27, 2007

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

As management of the City of Bloomington, we offer readers of these City of Bloomington's financial statements this narrative analysis and overview of the City's financial statements for the fiscal year ended April 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal which may be found on pages iv thru viii of this report.

Financial Highlights:

Overview of the Financial Statements

The 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 four primary components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements, and
- Required supplementary information

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.

- The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, unused accrued vacation leave).
- Under GASB Statement No. 34 reporting requirements, 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 their costs through user fees and charges (business-type activities). The primary governmental activities of the City include activities such as general government, public safety, parks & recreation, and community development, while the business-type activities of the City include water, sewer, parking and the US Cellular Coliseum.

The government-wide financial statements may be found on pages 18-21 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. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bloomington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

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 better 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 revenues, expenditures and changes in fund balance present a reconciliation to facilitate comparison between governmental funds and governmental activities.

The City of Bloomington has presented 23 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 Fund, Debt Service Fund, and US Cellular Coliseum Capital Project Fund, all of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation termed nonmajor governmental funds. Individual fund data for each non-major governmental fund is provided in the form of combining statements elsewhere in this report.

Basic governmental fund financial statements can be found on pages 22-27 of this report.

- **Proprietary funds:** Proprietary 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 five proprietary funds to account for activities that include water, sewer, US Cellular Coliseum, parking and stormwater management operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Bloomington uses internal service funds to account for employee group health care and the Central Illinois Risk Pooling Authority. Because both of these services predominately benefit governmental rather than business-type functions, these services have been included within governmental activities in the government-wide financial statements. Individual fund data for the 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 28-37 of this report.

- **Fiduciary funds:** Fiduciary funds are used to 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 the procedures used by proprietary funds. The City has two fiduciary funds, the police pension and firefighter's pension funds. The City is the trustee for these two pensions and it is responsible to ensure the assets reported in these funds are used only for the purpose intended.

The basic fiduciary fund financial statements can be found on pages 38 and 39 of this report.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

Notes to basic financial statements: These 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 basic financial statements can be found on pages 40-71 of this report.

Other 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 and progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on pages 72-104 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, side walks, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 required these assets are valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year) measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation.

The City of Bloomington has chosen the first option where assets are depreciated over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. Thus an "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Government-Wide Financial Analysis

Net Assets: As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$305 million at the year ended April 30, 2007. Bear in mind, as mentioned in the previous section, a significant portion of the assets reflects investments in capital assets.

A significant portion of the City's total assets, 81.8 percent, features capital assets (e.g. land, buildings, equipment and infrastructure). The City of Bloomington uses these capital resources to provide services to citizens. Thus, these resources are not available for future spending. Although the City's investment in capital assets is reported net of related debt in the net assets section, the reader must bear in mind the resources to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's combined net assets increased by \$12.3 million or 4.17 percent from the prior year. In monetary terms, this is an increase from \$292.6 million to \$304.8 million. The key element of this increase was the \$13 million increase in invested of capital assets, net of related debt. The following table reflects the condensed Statement of Net Assets of the current year as compared to the previous year. There will be some minor variations due to rounding.

City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2007

Table 1 - Statement of Net Assets as of April 30, 2007 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current assets and other	\$ 74.6	\$ 89.5	\$ 3.5	\$ 5.5	\$ 78.1	\$ 95.0
Capital assets	175.4	172.9	175.9	167.6	351.3	340.5
Total assets	250.0	262.4	179.4	173.1	429.4	435.5
Current liabilities	34.1	47.7	5.0	6.3	39.1	54.0
Noncurrent liabilities	46.5	49.6	38.8	39.3	85.3	88.9
Total liabilities	80.6	97.3	43.8	45.6	124.4	142.9
Net assets:						
Invested in capital assets, net of related debt	134.9	129.6	137.4	129.7	272.3	259.3
Restricted	21.2	18.7	-	-	21.2	5.4
Unrestricted	13.2	16.8	(1.9)	(2.2)	11.3	27.9
Total net assets	\$ 169.3	\$ 165.1	\$ 135.5	\$ 127.5	\$ 304.8	\$ 292.6

Restricted net assets represent resources subject to external usage restrictions. The City's total primary governmental \$11.3 million balance for unrestricted net assets represents additional future resources available to fulfill municipal government's obligations to citizens and creditors.

At the end of the fiscal year, the City of Bloomington was able to report positive balances in all categories of net assets, both for government as a whole, as well as for governmental and business-type activities. The situation was true for last fiscal year as well.

For more detailed information, see the Statement of Net Assets (pages 18 and 19).

Normal Impacts

There are six basic (normal) transactions that affect the comparability of the Statement of Net Assets summary presentation.

- Net results of activities: These activities will impact (increase/decrease) current assets and unrestricted net assets.
- Borrowing for capital: Borrowing for capital will increase current assets and long-term debt.
- Spending borrowed proceeds on new capital: Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. A second impact will be an increase in "invested in capital assets" and an increase of "invested in capital assets, net of debt".
- Spending of nonborrowed current assets on new capital: Spending of nonborrowed current assets on new capital will reduce current assets and increase capital assets plus reduce unrestricted net assets and increase invested in capital assets, net of debt.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

- Principal payment on debt: A principal payment of debt will reduce current assets and long-term debt plus reduce unrestricted net assets and increase invested in capital assets, net of debt.
- Reduction of capital assets through depreciation: Reducing capital assets through depreciation will reduce capital assets and increase invested in capital assets, net of debt.

The subsequent table will spotlight the changes in net assets of the governmental and business-type activities.

Changes in Net Assets

See the table below to compare revenues and expenditures for the current and previous fiscal year:

Table 2 - Changes in Net Assets For Fiscal Year Ended April 30, 2007 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 15.9	\$ 13.3	\$ 22.1	\$ 19.2	\$ 38.0	\$ 32.5
Operating grants	4.6	5.6	-	-	4.6	5.6
Capital grants	5.6	4.8	3.3	2.0	8.9	6.8
General revenues:						
Property taxes	16.9	16.6	-	-	16.9	16.6
Franchise taxes	1.1	1.0	-	-	1.1	1.0
Sales taxes	14.4	15.3	-	-	14.4	15.3
Other taxes	31.0	31.6	-	-	31.0	31.6
Investment earnings	2.3	2.6	0.1	0.1	2.4	2.7
Miscellaneous	2.2	2.7	0.6	0.7	2.8	3.4
Total revenues	94.0	93.5	26.1	22.0	120.1	115.5
Expenses:						
Governmental activities:						
General government	12.2	8.5	-	-	12.2	8.5
Public safety	29.9	26.3	-	-	29.9	26.3
Highways and streets	10.8	9.4	-	-	10.8	9.4
Sanitation	11.8	10.2	-	-	11.8	10.2
Health and welfare	0.3	0.3	-	-	0.3	0.3
Culture and recreation	13.1	18.3	-	-	13.1	18.3
Community development	4.2	6.8	-	-	4.2	6.8
Interest	2.2	3.0	-	-	2.2	3.0
Business-type activities:						
Water	-	-	10.8	10.6	10.8	10.6
Sewer	-	-	2.6	2.6	2.6	2.6
Parking	-	-	1.1	1.0	1.1	1.0
Sports Center	-	-	7.6	3.1	7.6	3.1
Stormwater management	-	-	1.1	1.7	1.1	1.7
Total expenses	84.5	82.8	23.2	19.0	107.7	101.8
Excess before transfers	9.5	10.7	2.9	3.0	12.4	13.7
Transfers	(5.3)	2.7	5.3	(2.7)	-	-
Changes in net assets	\$ 4.2	\$ 13.4	\$ 8.2	\$ 0.3	\$ 12.4	\$ 13.7

City of Bloomington, Illinois

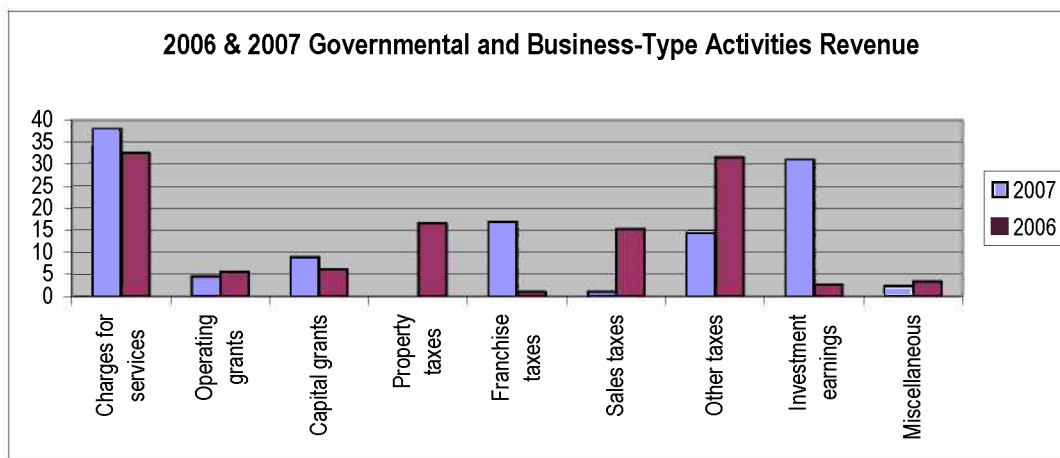
Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

Current Year Impacts - Overall Government Financial Position

As noted in the previous chart, the net assets from governmental activities increased by \$4.2 million, while the net assets from business-type activities increased by \$8.2 million. Bear in mind, the City transferred approximately \$5.3 million from the governmental to the business-type activities to offset various expenses.

Revenues for the City's governmental activities increased 0.5 percent, while business activities increased by 18.6 percent. The leading factors are as follows:

- Governmental activities: Charges for services increased by \$2.6 million or 19.54 percent during the current year compared to 13.7 percent for the prior year. This is due to the strategy undertaken by past City Councils to place additional reliance upon user fees to lower the impact upon property taxes. Capital grants increased approximately 16.6 percent due to the receipt by the City of several large grants from the state to undertake construction and maintenance of various infrastructure projects. The City has seen a decrease of tax revenue of 1.73 percent during the current year as compared to 9.8 percent for the prior year. This can be attributed to the lower consumer spending seen throughout the state of Illinois.
- Business-type activities: Charges for services increased by \$2.9 million or 15.10 percent, while capital grants increased by \$1.3 million or 65 percent. In regards to charges for services, increases in revenues were noted in the following two activities in comparison to the previous fiscal year: parking (6.4 percent) and US Cellular Coliseum (first year of operations), while decreases in revenue were noted in the following three activities, water (6.0 percent), sewer (4.3 percent), and stormwater (5.9 percent). The decrease in revenue may be attributed to the lower amount of water usage in the current year as compared to the previous year. These three activities are based upon overall water consumption which is directly impacted by the weather conditions.



Expenses for the City's governmental activities increased 2.0 percent, while business-type activities increased by 22.1 percent. The leading factors are as follows:

- Governmental activities: For the most part, the approximate 1.7 million increases in governmental activities paralleled inflation with a few noteworthy exceptions.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

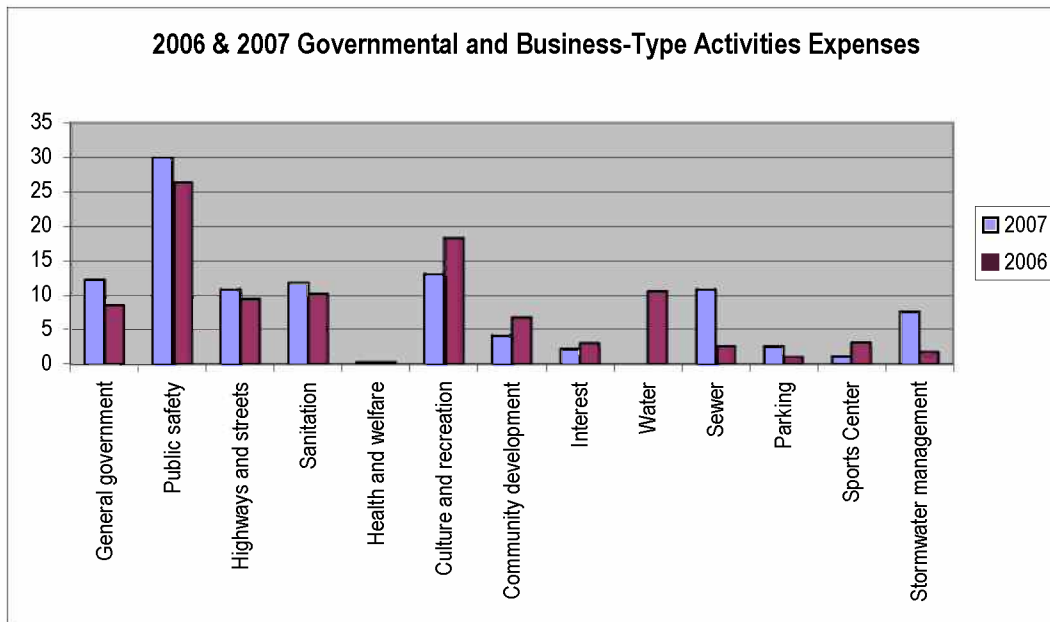
- Expenses for the City general government function were up 44 percent for the year due to several factors. First, the code enforcement division was shifted from the community development function to the general government function to maintain services in light of decreasing HUD Grant receipts. This is reflected in the decline in expenses within the community development function. Second, the one time costs to relocate the City's engineering department to the Government Center located in Downtown Bloomington. Third, the costs of 20 full time positions or an increase of 3.34 percent were absorbed by this function. The majority of these positions were added within the Code Enforcement division and various administration departments to support operations within multiple operation departments. Finally, the City upgraded the telephone system for multiple City facilities and the costs required to complete this project are reflected in the general government function.
- Expenses for the City's public safety function were up 14 percent due to a combination of factors. First, this is the first year where the City absorbed the full costs of operations of the centralized dispatch system for the fire and police departments. Second, the City is in the process of upgrading the emergency response of the fire department to the paramedic level in addition to the purchasing and hiring of personnel to man a fifth fire station to cover the southwest portion of the City. Finally, general operating costs continue to increase in regards to this function which operates 24 hours per day 7 days per week.
- Expenses for the City's Cultural and Recreation have decreased by 25 percent as a result of the completion of several major projects. For example, the renovation of the Cultural District has been completed and this is the first year where an entire year of operations is reflected in the financial statements. Furthermore, the Holiday Pool renovation in addition to the construction of parks and Pepsi Ice Center has been completed. The majority of the renovation and construction costs for these projects were reflected in the prior year.

Business-type activities: For the most part, the approximate \$4.2 million increases in business-type activities reflect the full year operations of the US Cellular Coliseum plus inflation.

- Expenses for the City's business-type activities have increased by 22 percent from the prior year. The majority of the increased occurred as a result of the operations within the US Cellular Coliseum. Expenses increased from \$3.1 million in the prior year to \$7.6 million in the current year. Bear in mind, the expenses in the current year reflect an entire year of operations for the US Cellular Coliseum. The remaining expenses within these activities may be attributed to inflation and other operating costs.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007



Normal Impacts

There are eight basic factors that can impact revenues and expenses. These factors are described below:

Revenues:

- **Economic condition:** This can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.
- **Increase/decrease in City approved rates:** While certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, parking, fees, home rule sales tax, food and beverage tax, utility taxes, etc.).
- **Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring):** Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.
- **Market impacts on investment income:** The City's investment portfolio is managed using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer-term options.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

Expenses:

- **Introduction of new programs:** Within the functional expense categories (Public Safety, Public Works, General Government, etc.), individual programs may be added or deleted to meet changing community needs or unfunded mandates from other governmental levels.
- **Increasing authorized personnel:** Changes in service demand may cause the City Council to increase/decrease authorized staffing levels; staffing costs (salary and related benefits) represent approximately 65 percent of the City's General Fund operating costs.
- **Salary increases (annual adjustments and merit):** The ability to attract and retain human and intellectual resources requires the City to strive for a competitive salary range position in the marketplace. In addition, the City has 10 separate bargaining units representing and negotiating for various segments of the employee population.
- **Inflation:** While overall inflation appears to be reasonably low, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some specific areas may experience unusually high price increases.

Financial Analysis of the City's Funds

Governmental Funds

As of April 30, 2007, the governmental funds reported a combined total fund balance of \$40.1 million, which is a decrease of \$10.1 million or 20.2 percent over the prior year total of \$50.1 million. Of the total fund balance of \$40.1 million, \$16.5 million is unreserved which indicates the funds availability to support the continued operations of City services. Reserved fund balances of \$23.6 million includes \$0.4 million in inventory, \$1.6 million in loans, \$6.1 million in interfund advances, \$9.9 million in encumbrances from the prior year, \$5.4 million in trust corpus, and \$0.2 million in property held for resale. Additional information may be found within the Governmental Funds Balance Sheet presented on pages 22-23.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased \$8.2 million or 49 percent from \$16.8 million in FY 06 to \$8.6 million in FY 07 as presented within the Statement of Revenues, Expenditures and Changes in Fund Balances on pages 25 and 26. This drawdown of fund balance was expected and planned since the City has increased fund balance in past years to cover the costs of several major projects that have reached conclusion. Total revenue from the General Fund increased by \$2.1 million or 3.1 percent, while General Fund expenditures increased by 3.9 million or 3.9 percent. Overall, total revenues less total expenditures for the current year were a positive \$3.2 million for the General Fund. A net other financing use of \$11.5 million reduced the net fund balance change for the General Fund during the current year to a negative \$8.2 million. Transfers are used to move revenue from a fund that collects the revenue to the fund that expends the funds (e.g. debt service) or use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds (e.g. US Cellular Coliseum).

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

The fund balance for the Debt Service Fund increased \$1.7 million or 22.3 percent from \$7.4 million to \$9.1 million. Total revenues for Debt Service increased \$0.6 million or 19.2 percent as the City collected additional taxes from a growing equalized assessed valuation to distribute for bond payments. Total expenditures for debt service decreased \$1.2 million or 21.1 percent as a result of lower interest from the City undertaking refunding issues in past years and fiscal agent fees.

Capital Project - U.S. Cellular Coliseum

The fund balance for the U.S. Cellular Coliseum Capital Project increased \$0.262 million or 11.5 percent from a beginning fund balance of negative \$2.3 million to a negative \$2.0 million. This fund was established to deal with all resources used in the construction of the US Cellular Coliseum. Total expenditures paid by the City to complete the construction phase of the U.S. Cellular Coliseum during the current year were \$0.9 million. The US Cellular Coliseum opened in April 2006 and has operated throughout the current fiscal year.

Nonmajor Governmental Funds

The fund balance for the nonmajor governmental funds decreased \$3.7 million or 13.1 percent from \$28.2 million to \$24.5 million. Total revenues for the nonmajor governmental funds slightly decreased by \$0.2 million or 0.7 percent. Total expenditures for the nonmajor governmental funds decreased by \$14.1 million or 38.7 percent as expenditures incurred within the Motor Fuel Tax and Cultural District capital projects significantly dropped from the previous year. A transfer of \$4.3 million was made from the General Fund to the capital fund to pay for major capital projects.

General Fund Budgetary Highlights

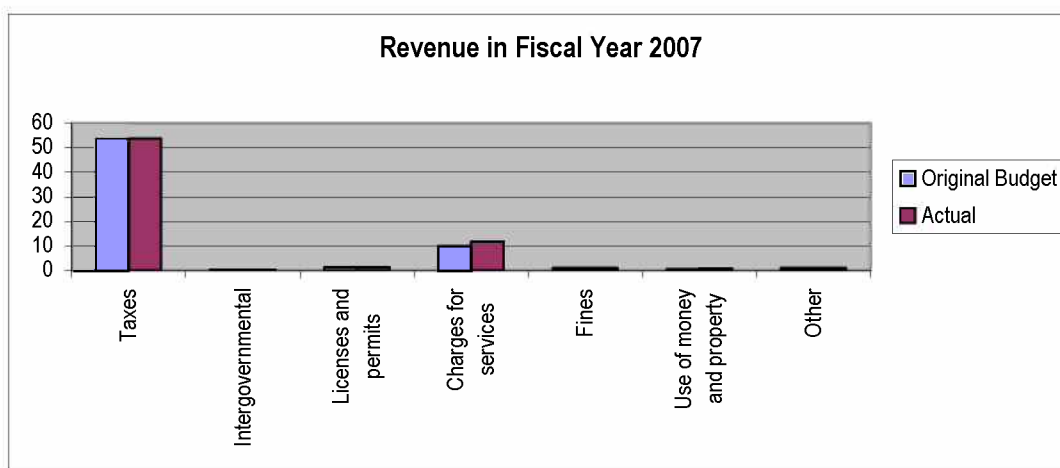
Over the course of the year, the City amended the budget once. It is City policy not to continually amend the budget throughout the year as new projects are authorized. A few projects may not happen due to uncontrollable events and so it could be confusing to repetitively amend the budget during the fiscal year. Instead, the City waits until the end of the year, processes the late bills as they come in and then undergoes a series of budget amendments to cover overages that become apparent. Usually the budget is amended at least once and generally only the expenditures are amended. Below is a table which reflects the original and revised budget plus the actual revenues and expenditures for the General Fund. This corresponds to page 75 in the audit. There has been some slight rounding in the below table.

Fiscal Year 2007 (in millions)				
General Fund	Original Budget	Amended Budget	Actual	
Revenues:				
Taxes	\$ 53.5	\$ 53.5	\$	53.8
Intergovernmental	0.4	0.4		0.4
Licenses and permits	1.4	1.4		1.3
Charges for services	10.0	10.0		11.8
Fines	1.1	1.1		1.1
Use of money and property	0.7	0.7		0.9
Other	1.0	1.0		1.0
Total	68.1	68.1		70.3
Expenditures and transfers:				
Expenditures	64.3	65.2		66.4
Transfers	4.6	12.2		11.5
Total	68.9	77.4		77.9
Change in fund balance	\$ (0.8)	\$ (9.3)	\$	(7.6)

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

The General Fund actual revenues were \$2.0 million more than the original budgeted amount. The overall net taxes collected during the current year increased slightly during the current year with the most significant impact upon General Fund revenues deriving from charges for services. Charges for services were over budget as the City collected \$1.8 million more than budgeted due to a combination of garbage fees, ambulance fees, plus fees generated from parks and recreation and the cultural district. Generally, the City budgets revenues very conservatively, rarely projecting any revenue item to increase by more than 3 percent in a given year.



The General Fund actual expenditures were \$2.1 million more than the original budgeted amount. Actual expenditures exceeded the original budgeted amount within the general government by \$0.6 million and public safety by \$2.4 million. The increase in expenditures in public safety may be attributed to many factors such as the first year's costs of the operation of the Bloomington centralized dispatch center and the general increased costs of operations within the police and fire department. Other activities expenditures were lower than budgeted as a result of a general restraint upon expenditures.

The overall other financing sources and uses was less than the amended budget by \$0.6 million.

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 \$351.3 million. This is an increase of \$19.0 million or 5.7 percent over the prior year total of \$332.3 million. A majority of the increase occurred within construction of road and streets, the renovation of the cultural district and library, and the addition of infrastructure for parks and recreation.

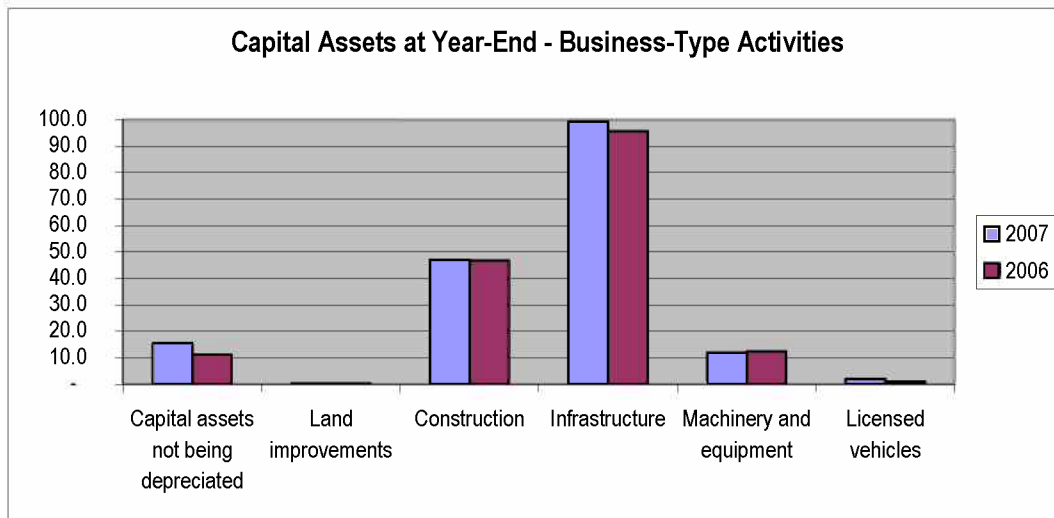
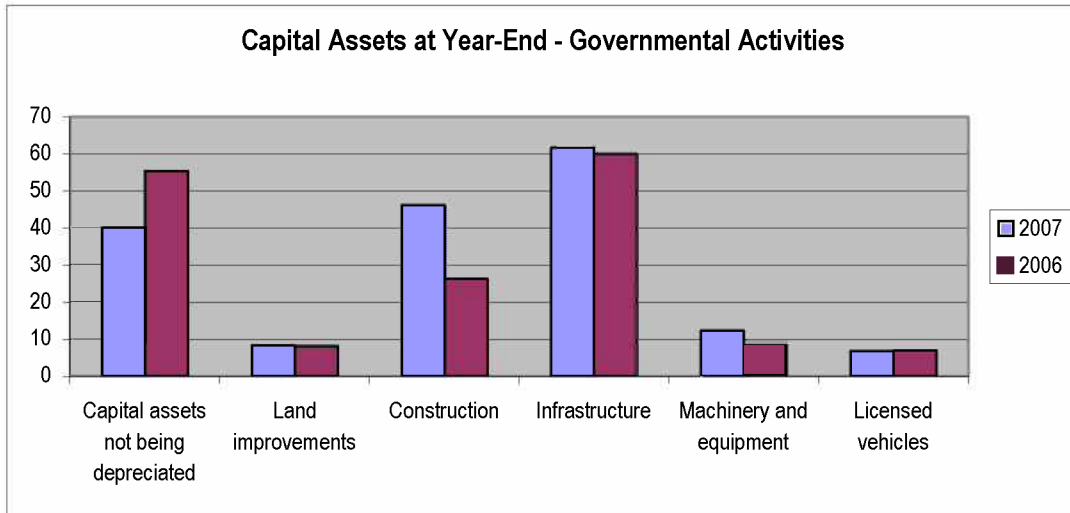
Table 3 - Capital Assets at Year-End Net of Depreciation (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Capital assets not being depreciated	\$ 40.1	\$ 55.4	\$ 15.5	\$ 11.1	\$ 55.6	\$ 66.5
Land improvements	8.3	8.2	0.2	0.2	8.5	8.4
Construction	46.2	26.3	47.0	46.7	93.2	73.0
Infrastructure	61.7	60.0	99.2	95.6	160.9	155.6
Machinery and equipment	12.3	8.5	11.9	12.3	24.2	20.8
Licensed vehicles	6.8	6.9	2.1	1.1	8.9	8.0
Total net capital assets	\$ 175.4	\$ 165.3	\$ 175.9	\$ 167.0	\$ 351.3	\$ 332.3

City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2007

Additional information on capital assets may be found in Note 3 in the Notes to Basic Financial Statements.



City of Bloomington, Illinois

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2007

Table 4 - Change in Capital Assets (in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance	\$ 165.3	\$ 167.0	\$ 332.3
Additions:			
Nondepreciation	11.3	7.6	18.9
Depreciation	25.7	4.5	30.2
Retirements:			
Nondepreciation	26.7	3.2	29.9
Depreciation	0.1	-	0.1
Total	\$ 175.5	\$ 175.9	\$ 351.4

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

Governmental activities:

Bloomington Center for Performing Arts-Renovation	3.1
Design & Construction-McGraw Park Phase II	0.2
Library Expansion-Construction	1.1
Multi-Purpose Community Center Infrastructure Improvements	0.3
Holiday Pool-Renovation	1.6
Fell Avenue Bridge	0.1
Hamilton Rd (Greewood to Timberlake)	0.3
Airport Rd @ College Ave. Traffic Signals	0.1
Design of Fire Station #5	0.2
Constitution Trail (Grove to Hamilton)	0.1
Mitsubishi Motorway Design & Specifications	0.2
Euclid Ave (Oakland to Washington)	0.9
Miller Park Playground-Renovation	0.1
New membrane court surface for BHS Tennis Courts	0.2
Fox Creek Road & Scottsdale Ave Improvements	0.3
1108 Woodbury-AVC Built house	0.1
1110 Woodbury-AVC Built House	0.1

Business-type activities:

U.S. Cellular Coliseum	0.9
Division Street CSO Elimination & Sewer Separation	0.5
Euclid Ave (Oakland to Washington)	0.5
Lafayette-Maple Sanitary Relief Sewer	0.9
Kickapoo Force Main Prop & Brokaw Rd. Surveys	0.2
Sewerage Improvements Project-Village of Downs	0.1
Locust-Colton CSO Study	0.1
West Side Parking Deck	0.1
Hamilton Rd (Greewood to Timberlake)	0.7
Design 36" water main (Lake Blm to Ft. Jesse)	0.1
Fox Creek Rd 16" Water Main: Beich to Old Cabintown	0.6
Fox Creek Road & Scottsdale Ave Improvements	0.4
The Grove on Kickapoo Creek Subd-West Trunk Sewer Extension	0.2
City's share of construction cost of 20" W.M. to the Grove on Kickap	0.5
Ireland Grove Road Trunk Sewer at Kickapoo Creek	0.6

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

The governmental activities net capital assets increased from the prior year to the current year by \$10.2 million or 6.1 percent because additions were larger than the amount of depreciation expensed this year. The business-type activities net capital assets increased from the prior year to the current year by \$8.9 million or 5.32 percent because additions were also larger than the amount of depreciation expensed this year. The most significant additions to both categories are listed above.

Debt Administration

The City of Bloomington's long term debt, capital lease payables, agreement with developers, and compensated absences of \$52.1 million for governmental activities and \$39.4 million for business-type activities as of April 30, 2007 is as follows:

Table 4 - Long-Term Debt (in millions)

	Beginning Balance			Ending Balance
	April 30, 2006	Additions	Deletions	April 30, 2007
Governmental activities:				
General obligation debt	\$ 46.233	\$ 0.297	\$ (2.654)	\$ 43.876
Capital lease payable	-	0.128	(0.017)	0.111
Agreements with developers	3.584	-	(1.077)	2.507
Compensated absences	5.512	1.668	(1.595)	5.585
Governmental activities, long-term liabilities	\$ 55.329	\$ 2.093	\$ (5.343)	\$ 52.079
Business-type activities:				
Loans payable	\$ 6.764	\$ -	\$ (0.265)	\$ 6.499
General obligation bonds	32.609	-	(0.061)	32.548
Compensated absences	0.393	0.153	(0.161)	0.385
Business-type activities, long-term liabilities	\$ 39.766	\$ 0.153	\$ (0.487)	\$ 39.432

Additional information on long term debt may be found in Note 5 in the Notes to Basic Financial Statements.

During the year, \$2.7 million of the general obligation debt was retired while no new debt was issued. In addition, approximately \$1.0 million of the developer's agreements was retired while no new agreements were made with developers. The compensated absence liability increased by \$72,807 (thousands) for the governmental activities and decreased \$8,605 (thousands) for the business activities. The loan payable (Illinois Environmental Protection Agency loan to fund construction of upgraded water main from Lake Bloomington to the City of Bloomington) decreased by \$265.5 thousand to a balance of \$6.5 million.

The City of Bloomington maintains an AA rating from Standard and Poor's, an AA rating from Fitch, and an Aa2 rating from Moody's Investor Services as of April 30, 2007. As a home rule authority, the City of Bloomington does not have a legal debt limit. The City issued \$10 million in debt subsequent to the release of the financial statements to finance capital improvements (sewer) of the Kickapoo Creek Basin, McGraw Park, and the initial planning cost of a fifth fire station. The debt service for this issuance will be paid through dedicated sewer revenue for the sewer portion and property taxes for the portion dedicated to parks and recreation and the fire station. The City may issue further debt in the upcoming year to complete the construction of the fifth fire station.

City of Bloomington, Illinois

Management's Discussion and Analysis For Fiscal Year Ended April 30, 2007

Economic Factor's and Next Year's Budget

The City's assessed value grew by an average of 6.38 percent over the last 10 years. The majority of this increase has been due to growth through new development, so this should be a sign of a growing economy in Bloomington. Property taxes comprise 27.1 percent of general revenues (see pages 20-21). The City of Bloomington has seen the continual expansion within the health care community as well as construction of hotels. Residential and commercial growth has slowed down from the prior year. Such growth activities have not been reflected within the sales and home rule sales tax within the community for the current year. The City's portion of state sales tax decreased by \$0.924 million in comparison of 2007 to the prior year, while the home rule sales tax decreased by \$0.253 million. Increase tax collections were observed within the property tax, franchise tax, income and food and beverage taxes. The largest components of general revenue are composed of property taxes, sales taxes and home rule sales taxes. Clearly, the City economy has not experienced the growth demonstrated in previous years. Taxes comprise 70.6 percent of general revenues. Thus even though multiple housing developments continue to develop around the community, the City may have to examine and utilize additional sources of revenue to supplement expenses derived from continual growth and to maintain the current service level provided to residents. Bear in mind, the City has absorbed the costs of several major projects that include the US Cellular Coliseum, Pepsi Ice Center, the Bloomington Center for the Performing Arts, and the Bloomington dispatch communication center. In prior years the City enhanced fund balance to assist in the construction or renovation of these facilities and now the costs of operation of these facilities are being reflected within the General Fund. For additional details on the information above, refer to the statistical section from pages 105 through 124.

Unemployment for the City was 3.5 percent countywide (down from 4.1 percent last year), 4.8 percent for the state and 4.5 percent for the United States as of April 30, 2007. The City unemployment rate is less than the state wide and national rate. The decrease in the local rate is partly due to the continual absorption of the employees from the Mitsubishi layoff into other positions within the community plus the large number of jobs available within the local community. This shows that the employment environment in the Bloomington area is very strong in comparison to the state.

The 2007-08 budget shows the General Fund revenues increasing 8.16 percent and expenses increasing 8.42 percent for a balanced budget. Currently, City Council has directed staff to review the budget to identify items which can be reduced or eliminated to lower expenses to offset expenses in other parts of the budget rather than raise revenue to offset the additional expenses.

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 Brian Barnes, City Finance Director, City of Bloomington, 109 East Olive St., Bloomington, Illinois 61702.

City of Bloomington, Illinois

Statement of Net Assets

April 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 32,635,949	\$ 3,281,375	\$ 35,917,324
Receivables, net of allowances for uncollectibles of \$327,613:			
Taxes	16,415,985	-	16,415,985
Loans	1,544,600	-	1,544,600
Accounts	3,540,093	1,975,100	5,515,193
Accrued interest	15,204	-	15,204
Due from other governmental units	8,815,411	-	8,815,411
Internal balances	2,441,564	(2,441,564)	-
Inventory	408,756	72,200	480,956
Prepaid items and other assets	589,244	10,981	600,225
Properties held for resale	198,087	-	198,087
Total current assets	66,604,893	2,898,092	69,502,985
Noncurrent assets:			
Land	19,113,991	5,521,794	24,635,785
Construction-in-progress	20,880,038	9,976,981	30,857,019
Other depreciable capital assets, net of accumulated depreciation	135,416,298	160,408,555	295,824,853
Total capital assets, net of depreciation	175,410,327	175,907,330	351,317,657
Pension assets	2,324,602	-	2,324,602
Bond issuance costs	206,739	266,492	473,231
Bond discounts	56,683	338,357	395,040
Restricted investments	5,402,151	-	5,402,151
Total noncurrent assets	183,400,502	176,512,179	359,912,681
Total assets	\$ 250,005,395	\$ 179,410,271	\$ 429,415,666

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities and Net Assets			
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 4,697,155	\$ 2,229,403	\$ 6,926,558
Ticket escrow payable	-	61,138	61,138
Claims payable	3,938,207	-	3,938,207
Compensated absences	1,607,487	165,686	1,773,173
Accrued interest payable	1,038,738	832,385	1,871,123
Unearned revenue	2,276,968	1,278,516	3,555,484
Deferred revenue, property taxes	16,394,492	-	16,394,492
Deposits	51,641	25,480	77,121
Current portion of capital lease payable	9,505	-	9,505
Current portion of developer agreements	1,077,000	-	1,077,000
Current portion of loan payable	-	294,654	294,654
Current portion of general obligation bonds payable	3,039,110	122,105	3,161,215
Total current liabilities	34,130,303	5,009,367	39,139,670
Noncurrent liabilities:			
Compensated absences	3,976,975	218,341	4,195,316
Bond premium	203,722	-	203,722
Capital lease payable, noncurrent portion	102,082	-	102,082
Developer agreements, noncurrent portion	1,430,471	-	1,430,471
Loan payable, noncurrent portion	-	6,204,001	6,204,001
General obligation bonds payable, noncurrent portion	40,836,745	32,426,220	73,262,965
Total noncurrent liabilities	46,549,995	38,848,562	85,398,557
Total liabilities	80,680,298	43,857,929	124,538,227
Net assets:			
Invested in capital assets, net of related debt	134,912,639	137,465,199	272,377,838
Permanently restricted, nonexpendable	5,402,151	-	5,402,151
Restricted for:			
Debt service	9,086,298	-	9,086,298
Library	1,290,183	-	1,290,183
Tax increment financing districts	389,001	-	389,001
Motor fuel tax projects	3,159,182	-	3,159,182
Board of elections	185,462	-	185,462
Cultural district	1,570,448	-	1,570,448
Drug enforcement	135,091	-	135,091
Unrestricted	13,194,642	(1,912,857)	11,281,785
Total net assets	169,325,097	135,552,342	304,877,439
Total liabilities and net assets	\$ 250,005,395	\$ 179,410,271	\$ 429,415,666

City of Bloomington, Illinois

Statement of Activities
For the Year Ended April 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ (12,249,314)	\$ 7,589,775	\$ 1,321,270	\$ -
Public safety	(29,812,433)	3,269,733	233,075	7,997
Highways and streets	(10,833,763)	318,765	2,032,365	5,487,477
Sanitation	(11,774,446)	-	-	-
Health and welfare	(337,484)	-	-	-
Culture and recreation	(13,104,306)	4,721,847	123,356	28,888
Community development	(4,245,643)	-	903,969	31,782
Interest on long-term debt	(2,159,138)	-	-	-
Total governmental activities	(84,516,527)	15,900,120	4,614,035	5,556,144
Business-type activities:				
Water	(10,816,896)	12,087,513	-	1,230,049
Sewer	(2,640,707)	2,217,580	-	2,023,214
Parking	(1,089,003)	938,303	-	-
U.S. Cellular Coliseum	(7,616,166)	4,339,574	-	-
Stormwater management	(1,123,667)	2,502,706	-	40,000
Total business-type activities	(23,286,439)	22,085,676	-	3,293,263
Total government	\$ (107,802,966)	\$ 37,985,796	\$ 4,614,035	\$ 8,849,407

General Revenues and Transfers

Taxes:

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

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net assets

Net assets, beginning of year

Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,338,269)	\$ -	\$ (3,338,269)
(26,301,628)	-	(26,301,628)
(2,995,156)	-	(2,995,156)
(11,774,446)	-	(11,774,446)
(337,484)	-	(337,484)
(8,230,215)	-	(8,230,215)
(3,309,892)	-	(3,309,892)
(2,159,138)	-	(2,159,138)
(58,446,228)	-	(58,446,228)
-	2,500,666	2,500,666
-	1,600,087	1,600,087
-	(150,700)	(150,700)
-	(3,276,592)	(3,276,592)
-	1,419,039	1,419,039
-	2,092,500	2,092,500
(58,446,228)	2,092,500	(56,353,728)
16,990,609	-	16,990,609
1,071,052	-	1,071,052
14,371,986	-	14,371,986
11,606,487	-	11,606,487
5,201,329	-	5,201,329
6,385,846	-	6,385,846
3,547,681	-	3,547,681
4,260,465	-	4,260,465
2,316,843	83,173	2,400,016
2,185,659	652,694	2,838,353
(5,271,644)	5,271,644	-
62,666,313	6,007,511	68,673,824
4,220,085	8,100,011	12,320,096
165,105,012	127,452,331	292,557,343
\$ 169,325,097	\$ 135,552,342	\$ 304,877,439

City of Bloomington, Illinois

Balance Sheet
Governmental Funds
April 30, 2007

	General	Debt Service	U.S. Cellular Coliseum Capital Project Fund
Assets			
Cash and investments	\$ 4,126,303	\$ 5,794,579	\$ 27,092
Receivables, net of allowance for uncollectibles:			
Taxes	10,139,989	2,050,076	-
Loans	371,864	-	-
Accounts	1,771,581	-	-
Due from other governmental units	8,425,037	212,224	-
Due from other funds	133,221	3,524,426	-
Interfund advances	4,381,595	111,297	-
Inventory	408,756	-	-
Prepaid items	6,883	-	-
Properties held for resale	-	-	-
Total assets	\$ 29,765,229	\$ 11,692,602	\$ 27,092
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued expenditures	\$ 3,490,580	\$ 23,396	\$ -
Due to other funds	4,993,034	-	2,050,000
Deposits	-	-	-
Unearned income	198,134	-	-
Deferred revenue	12,517,111	2,141,785	-
Interfund advance	-	441,123	-
Total liabilities	21,198,859	2,606,304	2,050,000
Fund balances:			
Reserved for:			
Inventory	408,756	-	-
Loans	371,864	-	-
Interfund advances	4,381,595	111,297	-
Prepaid items	6,883	-	-
Encumbrances	1,343,413	-	943
Trust corpus	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated reported in:			
General Fund	2,053,859	-	-
Special revenue funds	-	-	-
Debt Service Fund	-	8,975,001	-
Capital projects funds	-	-	(2,023,851)
Permanent Fund	-	-	-
Total fund balances	8,566,370	9,086,298	(2,022,908)
Total liabilities and fund balances	\$ 29,765,229	\$ 11,692,602	\$ 27,092

See Notes to Basic Financial Statements.

Nonmajor Governmental Funds		Total	
\$	23,857,716	\$	33,805,690
	4,225,920		16,415,985
	1,172,736		1,544,600
	589,690		2,361,271
	178,150		8,815,411
	2,111,340		5,768,987
	1,651,168		6,144,060
	-		408,756
	87,500		94,383
	198,087		198,087
\$	<u>34,072,307</u>	\$	<u>75,557,230</u>

\$	1,112,767	\$	4,626,743
	3,540,379		10,583,413
	51,641		51,641
	-		198,134
	4,268,316		18,927,212
	596,095		1,037,218
	<u>9,569,198</u>		<u>35,424,361</u>

	-		408,756
	1,172,736		1,544,600
	1,651,168		6,144,060
	87,500		94,383
	8,506,331		9,850,687
	5,402,151		5,402,151
	198,087		198,087
	-		2,053,859
	4,648,525		4,648,525
	-		8,975,001
	(413,615)		(2,437,466)
	3,250,226		3,250,226
	<u>24,503,109</u>		<u>40,132,869</u>
\$	<u>34,072,307</u>	\$	<u>75,557,230</u>

City of Bloomington, Illinois

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities
April 30, 2007

Total governmental fund balances		\$ 40,132,869
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		175,410,327
Unearned revenue from capital lease agreement, not reported in the funds.		(23,000)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,532,720
Internal service funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net asset:		
Current assets	\$ 5,921,297	
Internal balances	1,807,085	
Current liabilities	<u>(6,064,453)</u>	1,663,929
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds.		2,324,602
Internal service funds allocated to business-type activities.		342,063
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(5,584,462)	
Bond premium	(203,722)	
Bond discount	56,683	
Bond issuance costs	206,739	
Accrued interest payable	(1,038,738)	
Developer agreements	(2,507,471)	
Capital lease payable	(111,587)	
General obligation bonds payable	<u>(43,875,855)</u>	(53,058,413)
Net assets of governmental activities		<u><u>\$ 169,325,097</u></u>

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended April 30, 2007

	General	Debt Service	U.S. Cellular Coliseum Capital Project Fund
Revenues:			
Taxes	\$ 53,882,541	\$ 3,769,246	\$ -
Intergovernmental	411,717	-	-
Licenses and permits	1,323,956	-	-
Charges for services	11,769,682	-	-
Fines and forfeitures	1,083,369	-	-
Use of money and property	916,598	47,822	41,163
Other	969,408	-	-
Total revenues	70,357,271	3,817,068	41,163
Expenditures:			
Current:			
General government	8,378,910	-	-
Public safety	29,544,586	-	-
Highways and streets	3,998,479	-	-
Sanitation	11,294,366	-	-
Health and welfare	-	-	-
Culture and recreation	9,130,059	-	877,518
Community development	630	-	-
Debt service:			
Principal	403,439	2,653,948	-
Interest and fiscal agent fees	-	1,838,008	-
Capital outlay	4,336,334	-	-
Total expenditures	67,086,803	4,491,956	877,518
Excess (deficiency) of revenues over (under) expenditures	3,270,468	(674,888)	(836,355)
Other financing sources (uses):			
Transfers in	685,824	3,261,586	1,098,429
Issuance of long-term debt	-	-	-
Proceeds from sale of capital assets	71,490	-	-
Transfers out	(12,261,697)	(926,566)	-
Total other financing sources (uses)	(11,504,383)	2,335,020	1,098,429
Net change in fund balances	(8,233,915)	1,660,132	262,074
Fund balances, beginning of year	16,800,285	7,426,166	(2,284,982)
Fund balances, end of year	\$ 8,566,370	\$ 9,086,298	\$ (2,022,908)

See Notes to Basic Financial Statements.

Nonmajor			
Governmental Funds		Total	
\$ 7,043,353	\$	64,695,140	
4,202,318		4,614,035	
-		1,323,956	
729,160		12,498,842	
56,848		1,140,217	
1,050,954		2,056,537	
1,216,251		2,185,659	
<u>14,298,884</u>		<u>88,514,386</u>	
3,730,020		12,108,930	
-		29,544,586	
1,544,726		5,543,205	
-		11,294,366	
337,589		337,589	
8,238,236		18,245,813	
4,243,500		4,244,130	
690,130		3,747,517	
-		1,838,008	
3,543,155		7,879,489	
<u>22,327,356</u>		<u>94,783,633</u>	
<u>(8,028,472)</u>		<u>(6,269,247)</u>	
5,329,055		10,374,894	
128,362		128,362	
1,936		73,426	
<u>(1,130,535)</u>		<u>(14,318,798)</u>	
<u>4,328,818</u>		<u>(3,742,116)</u>	
(3,699,654)		(10,011,363)	
28,202,763		50,144,232	
<u>\$ 24,503,109</u>	<u>\$</u>	<u>40,132,869</u>	

City of Bloomington, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2007**

Net change in fund balances - governmental funds	\$ (10,011,363)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
The following is the amount by which capital outlays exceeded depreciation in the current year:	
Capital outlay	16,721,754
Depreciation	(10,699,327)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:	
Loss on the sale of capital assets	(42,245)
Proceeds from sale of capital assets	(73,426)
Transfer of capital assets to business-type activities	(1,327,740)
Contributions of capital assets	5,556,144
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, change in compensated absences	(72,807)
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.	
The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:	
Repayment of long-term debt	3,747,517
Issuance of long-term debt	(128,362)
Amortization of issuance costs, bond premium and bond discount	(3,140)
Interest	(317,990)
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	2,108,110
Change in internal service fund allocation to business-type activities.	(281,054)
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.	(1,259,685)
The increase in pension asset resulting from contributions in excess of the annual required contribution is not a financial resource and is not reported in the funds.	303,699
Change in net assets of governmental activities	<u>\$ 4,220,085</u>

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Balance Sheet
Proprietary Funds
April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	US Cellular Coliseum
Assets			
Current assets:			
Cash and investments	\$ 1,354,054	\$ 150,353	\$ 1,212,563
Accounts receivable, net of allowance for uncollectibles	1,149,038	154,810	356,063
Accrued interest receivable	-	-	-
Due from other funds	3,370,000	-	4,993,034
Inventory	72,200	-	-
Prepaid items and other assets	-	-	10,981
Total current assets	5,945,292	305,163	6,572,641
Noncurrent assets:			
Interfund advances	-	-	-
Capital assets:			
Land	4,283,672	257,987	448,524
Construction-in-progress	5,037,731	4,151,440	-
Other depreciable capital assets, net of accumulated depreciation	72,552,322	49,306,686	29,420,302
Total capital assets, net of depreciation	81,873,725	53,716,113	29,868,826
Bond issuance costs	-	-	253,170
Bond discounts	-	-	322,110
Total noncurrent assets	81,873,725	53,716,113	30,444,106
Total assets	\$ 87,819,017	\$ 54,021,276	\$ 37,016,747
Liabilities and net assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 753,339	\$ 724,193	\$ 446,526
Ticket escrow payable	-	-	61,138
Claims payable	-	-	-
Compensated absences	128,158	22,255	-
Accrued interest payable	60,247	-	772,138
Due to other funds	4,536	3,323,402	-
Unearned revenue	-	-	1,278,516
Deposits	13,087	-	-
Current maturities of long-term debt	294,654	-	-
Total current liabilities	1,254,021	4,069,850	2,558,318
Noncurrent liabilities:			
Interfund advances	-	-	6,695,544
Compensated absences	203,313	-	-
Loan payable, noncurrent portion	6,204,001	-	-
General obligation bonds payable, noncurrent portion	-	-	29,455,000
Total noncurrent liabilities	6,407,314	-	36,150,544
Total liabilities	7,661,335	4,069,850	38,708,862
Net assets (deficit):			
Invested in capital assets, net of related debt	75,375,070	53,716,113	989,106
Unrestricted	4,782,612	(3,764,687)	(2,681,221)
Total net assets (deficit)	80,157,682	49,951,426	(1,692,115)
Total liabilities and net assets (deficit)	\$ 87,819,017	\$ 54,021,276	\$ 37,016,747

See Notes to Basic Financial Statements.

				Governmental Activities	
Nonmajor Enterprise Funds		Total Enterprise Funds		Internal Service Funds	
\$	564,405	\$	3,281,375	\$	4,232,410
	315,189		1,975,100		1,178,822
	-		-		15,204
	360,000		8,723,034		7,085
	-		72,200		-
	-		10,981		494,861
	<u>1,239,594</u>		<u>14,062,690</u>		<u>5,928,382</u>
	-		-		1,800,000
	531,611		5,521,794		-
	787,810		9,976,981		-
	9,129,245		160,408,555		-
	<u>10,448,666</u>		<u>175,907,330</u>		-
	13,322		266,492		-
	16,247		338,357		-
	<u>10,478,235</u>		<u>176,512,179</u>		<u>1,800,000</u>
\$	<u>11,717,829</u>	\$	<u>190,574,869</u>	\$	<u>7,728,382</u>
\$	305,345	\$	2,229,403	\$	70,412
	-		61,138		-
	-		-		3,938,207
	15,273		165,686		-
	-		832,385		-
	587,755		3,915,693		-
	-		1,278,516		2,055,834
	12,393		25,480		-
	122,105		416,759		-
	<u>1,042,871</u>		<u>8,925,060</u>		<u>6,064,453</u>
	211,298		6,906,842		-
	15,028		218,341		-
	-		6,204,001		-
	2,971,220		32,426,220		-
	<u>3,197,546</u>		<u>45,755,404</u>		-
	<u>4,240,417</u>		<u>54,680,464</u>		<u>6,064,453</u>
	7,384,910		137,465,199		-
	92,502		(1,570,794)		1,663,929
	<u>7,477,412</u>		<u>135,894,405</u>		<u>1,663,929</u>
\$	<u>11,717,829</u>	\$	<u>190,574,869</u>	\$	<u>7,728,382</u>

City of Bloomington, Illinois

Reconciliation of Enterprise Funds Net Assets to the Statement of Net Assets
April 30, 2007

Total enterprise funds net assets \$ 135,894,405

Amounts reported for enterprise activities in the statement of net
assets are different because:

Internal service funds are used by management to charge the costs of certain services to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in
the statement of net assets.

(342,063)

Net assets of business-type activities

\$ 135,552,342

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)
 Proprietary Funds
 For the Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	U.S. Cellular Coliseum
Operating revenues, charges for services	\$ 12,087,513	\$ 2,217,580	\$ 4,339,574
Operating expenses:			
Personal services	4,306,364	1,221,057	1,648,039
Contractual services	2,566,387	355,478	3,001,848
Commodities	1,986,939	78,576	154,616
Depreciation	1,889,187	1,057,292	915,619
Amortization of bond issuance costs and bond discount	-	-	21,306
Other charges, primarily claims	191,987	-	55,763
Total operating expenses	10,940,864	2,712,403	5,797,191
Operating income (loss)	1,146,649	(494,823)	(1,457,617)
Nonoperating revenues (expenses):			
Investment earnings	15,561	-	62,284
Loss on disposal of capital assets	(3,772)	-	-
Other income	252,823	348,544	-
Other expense	-	-	(1,853,130)
Total nonoperating revenues (expenses)	264,612	348,544	(1,790,846)
Income (loss) before transfers and capital contributions	1,411,261	(146,279)	(3,248,463)
Transfers in	-	945,066	6,008,505
Transfers out	(920,005)	(1,046,167)	(1,098,429)
Capital contributions	1,230,049	2,023,214	1,327,740
Total transfers and capital contributions	310,044	1,922,113	6,237,816
Change in net assets	1,721,305	1,775,834	2,989,353
Total net assets (deficits), beginning of year	78,436,377	48,175,592	(4,681,468)
Total net assets (deficits), end of year	\$ 80,157,682	\$ 49,951,426	\$ (1,692,115)

See Notes to Basic Financial Statements.

		Governmental Activities	
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 3,441,009	\$ 22,085,676	\$ 12,669,937	
1,053,652	8,229,112	-	
543,702	6,467,415	2,863,027	
261,188	2,481,319	-	
286,057	4,148,155	-	
-	21,306	-	
-	247,750	7,959,106	
2,144,599	21,595,057	10,822,133	
1,296,410	490,619	1,847,804	
5,328	83,173	260,306	
(494)	(4,266)	-	
51,327	652,694	-	
(115,040)	(1,968,170)	-	
(58,879)	(1,236,569)	260,306	
1,237,531	(745,950)	2,108,110	
178,465	7,132,036	-	
(123,531)	(3,188,132)	-	
40,000	4,621,003	-	
94,934	8,564,907	-	
1,332,465	7,818,957	2,108,110	
6,144,947	128,075,448	(444,181)	
\$ 7,477,412	\$ 135,894,405	\$ 1,663,929	

City of Bloomington, Illinois

**Reconciliation of the Change in Net Assets of Enterprise Funds to the Statement of Activities
For the Year Ended April 30, 2007**

Net change in net assets in enterprise funds \$ 7,818,957

Amounts reported for proprietary activities in the statement of activities
are different because:

Internal service funds are used by management to charge the costs of
various activities internally to individual funds. The net expense of certain
activities of internal service funds is reported with business-type activities.

Change in net assets of business-type activities

281,054
\$ 8,100,011

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	U.S. Cellular Coliseum
Cash flows from operating activities:			
Receipts from customers and users	\$ 12,717,950	\$ 2,628,349	\$ 4,044,918
Payments to suppliers	(4,097,541)	133,754	(5,293,243)
Payments to claimants	-	-	-
Payments to employees	(4,279,663)	(1,204,044)	(1,697,514)
Net cash provided by (used in) operating activities	4,340,746	1,558,059	(2,945,839)
Cash flows from noncapital financing activities:			
Payments to interfund accounts	(2,060,036)	-	(6,091,463)
Proceeds from interfund accounts	-	1,896,229	7,930,261
Net cash provided by (used in) noncapital financing activities	(2,060,036)	1,896,229	1,838,798
Cash flows from capital and related financing activities:			
Purchase of capital assets	(3,106,994)	(3,490,765)	(153,880)
Payments on loan and general obligation bonds	(265,453)	-	-
Net cash (used in) capital and related financing activities	(3,372,447)	(3,490,765)	(153,880)
Cash flows from investing activities:			
Interest and dividends received	15,561	-	62,284
Purchase of investments	-	-	-
Proceeds from sale and maturity of investments	-	-	-
Net cash provided by (used in) investing activities	15,561	-	62,284
Increase (decrease) in cash and cash equivalents	(1,076,176)	(36,477)	(1,198,637)
Cash and cash equivalents, beginning of year	2,430,230	186,830	2,411,200
Cash and cash equivalents, end of year	\$ 1,354,054	\$ 150,353	\$ 1,212,563

(Continued)

		Governmental Activities	
Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 3,569,771	\$ 22,960,988	\$ 12,910,998	
(784,589)	(10,041,619)	(4,503,343)	
-	-	(6,810,194)	
(1,063,465)	(8,244,686)	-	
1,721,717	4,674,683	1,597,461	
(217,382)	(8,368,881)	(769,650)	
376,180	10,202,670	-	
158,798	1,833,789	(769,650)	
(1,690,582)	(8,442,221)	-	
(61,052)	(326,505)	-	
(1,751,634)	(8,768,726)	-	
5,328	83,173	132,050	
-	-	(4,859,032)	
331,911	331,911	3,924,673	
337,239	415,084	(802,309)	
466,120	(1,845,170)	25,502	
98,285	5,126,545	443,715	
\$ 564,405	\$ 3,281,375	\$ 469,217	

City of Bloomington, Illinois

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	US Cellular Coliseum
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,146,649	\$ (494,823)	\$ (1,457,617)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,889,187	1,057,292	915,619
Amortization	-	-	21,306
Other income (expense)	252,823	348,544	(1,853,130)
Change in assets and liabilities:			
Receivables	375,912	62,225	876,318
Inventory	(7,013)	-	-
Prepaid items and other assets	683,352	122,404	419,372
Accounts payable and accrued expenses	(11,526)	464,099	(696,733)
Ticket escrow payable	-	-	(583,652)
Claims payable	-	-	-
Unearned revenue	-	-	(587,322)
Deposits	1,702	-	-
Compensated absences	9,660	(1,682)	-
Net cash provided by (used in) operating activities	\$ 4,340,746	\$ 1,558,059	\$ (2,945,839)
Reconciliation of cash and cash equivalents to specific assets on the statement of net assets:			
Cash and investments	\$ 1,354,054	\$ 150,353	\$ 1,212,563
Less items not meeting the definition of cash equivalents	-	-	-
Cash and cash equivalents at end of year	\$ 1,354,054	\$ 150,353	\$ 1,212,563
Schedule of noncash items:			
Capital and related financing activities:			
Contribution of capital assets	\$ 1,230,049	\$ 2,023,214	\$ 1,327,740
Transfer of capital assets from business-type activities	(472,556)	472,556	-
Investing activities, net appreciation in fair value of investments	-	-	-

See Notes to Basic Financial Statements.

				Governmental Activities
				Internal
Nonmajor Enterprise Funds	Total Enterprise Funds			Service Funds
\$ 1,296,410	\$ 490,619			\$ 1,847,804
				-
286,057	4,148,155			-
-	21,306			-
(61,973)	(1,313,736)			-
77,372	1,391,827			(214,250)
-	(7,013)			-
170,771	1,395,899			907
(30,400)	(274,560)			55,719
-	(583,652)			-
-	-			(369,685)
-	(587,322)			276,966
63	1,765			-
(16,583)	(8,605)			-
<u>\$ 1,721,717</u>	<u>\$ 4,674,683</u>			<u>\$ 1,597,461</u>

\$ 564,405	\$ 3,281,375			\$ 4,232,410
-	-			3,763,193
<u>\$ 564,405</u>	<u>\$ 3,281,375</u>			<u>\$ 469,217</u>

\$ 40,000	\$ 4,621,003			\$ -
-	-			-
-	-			23,196

City of Bloomington, Illinois

Statement of Fiduciary Net Assets

Pension Trust Funds

April 30, 2007

Assets:

Cash	\$	2,542,204
Investments:		
Illinois metropolitan investment fund		75,076
U.S. government securities		11,231,198
U.S. government agencies and corporations		5,793,520
IPPFA real estate		693,993
Annuities - fixed		9,480,064
Annuities - variable		8,603,407
Money market mutual funds		9,220,662
Mutual funds		20,421,165
Stocks		8,036,132
Receivables:		
Employer		3,662,225
Employee		1,070
Accrued interest		127,437
Total assets		<u>79,888,153</u>

Liabilities, accounts payable

31,792

Net assets, held in trust for pension benefits

\$ 79,856,361

See Notes to Basic Financial Statements.

City of Bloomington, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended April 30, 2007

Additions:

Contributions:

Employer	\$	3,938,745
Active members		1,372,383
Other sources		1,890
Total contributions		<u>5,313,018</u>

Net investment:

Net appreciation in fair value of investments		5,182,573
Interest		1,998,726
Dividends		301,821
Total investment income		<u>7,483,120</u>
Less investment expense		53,465
Net investment income		<u>7,429,655</u>
Total additions		<u>12,742,673</u>

Deductions:

Benefits		5,175,004
Refund of contributions		43,956
Administrative expenses		120,747
Total deductions		<u>5,339,707</u>

Change in net assets 7,402,966

Net assets held in trust for benefits, beginning of year		72,453,395
Net assets held in trust for benefits, end of year	\$	<u>79,856,361</u>

See Notes to Basic Financial Statements.

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City of Bloomington, Illinois

Notes to Basic Financial Statements

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

Reporting entity:

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

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

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations. The Central Illinois Risk Pooling Authority (CIRPA) is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, CIRPA is treated as a blended component unit because its sole purpose is to provide insurance coverage to the City. CIRPA is reported as an internal service fund. The audited financial information included is for the 12 months ended December 31, 2006. CIRPA issues a separate audited financial report which may be obtained from the administrative offices at 2203 E. Empire Street, Bloomington, Illinois 61701.

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

Basis of presentation:

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

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

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

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

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

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

The U.S. Cellular Coliseum Capital Project Fund and Debt Service Fund are presented as major funds for public interest purposes.

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

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

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

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

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

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

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

City of Bloomington, Illinois

Notes to Basic Financial Statements

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

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

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represents an estimate of the 2006 levy. Property taxes are levied each year on all taxable real property in the City. The City passes a property tax levy ordinance, usually in the second calendar quarter of each year, for the fiscal year beginning on May 1 of such calendar year. The tax becomes a lien as of the following January 1, on the assessed value listed as of the day prior (December 31) for all real property located in the City. In the year following the levy, the County bills the property taxes in two installments, generally in May and August. The taxes become delinquent approximately 40 days after the dates billed. The County collects the taxes and remits them to the City. The City receives these remittances approximately one month after the collection dates.

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

Summary of significant accounting policies:

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

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

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

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

Notes to Basic Financial Statements

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

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

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

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

Capital assets: including land, construction, land improvements, machinery and equipment, licensed vehicles, zoo animals and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an initial useful life of one year or greater. Infrastructure capitalization thresholds are as follows:

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

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the current fiscal year.

City of Bloomington, Illinois

Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Net assets: represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the governmental activities, were \$3,430,054. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted through enabling legislation consist of \$9,086, 298 for debt service, \$1,290,183 for library, \$389,001 for tax increment financing, \$3,159,182 for highway and streets, \$185,462 for board of elections, \$1,570,448 for cultural district and \$135,091 for drug enforcement.

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

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

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

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

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

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

Note 2. Cash and Investments

As of April 30, 2007, the City's cash and investments were as follows:

Cash on hand and deposits with financial institutions	\$ 13,950,290
Investments	27,369,185
Deposits with financial institutions, fiduciary funds	1,433,441
Investments, fiduciary funds	74,663,980
	<u>\$ 117,416,896</u>

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

Note 2. Cash and Investments (Continued)

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

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

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

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

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

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

	Fair Value	< 1 Year	1-5 Years	6-10 Years	> 10 Years
City of Bloomington					
U.S. Government Securities	\$ 731,607	\$ 731,607	\$ -	\$ -	\$ -
Mutual Fund	10,121,597	10,121,597	-	-	-
Money Market Mutual Fund	16,515,981	16,515,981	-	-	-
Total City of Bloomington	27,369,185	27,369,185	-	-	-
Police Pension Fund					
Illinois Metropolitan Investment Fund	\$ 75,076	\$ 75,076	\$ -	\$ -	\$ -
Mutual Funds	11,373,494	11,373,494	-	-	-
U.S. Government Securities	5,016,678	233,787	3,498,347	1,284,544	-
U.S. Government Agencies and Corporations	3,204,670	-	2,327,663	859,114	17,893
IPPFA Real Estate	693,993	693,993	-	-	-
Annuities	2,060,839	-	-	2,060,839	-
Money Market Mutual Funds	9,220,662	9,220,662	-	-	-
Stocks	8,036,132	8,036,132	-	-	-
Total Police Pension Fund	39,681,544	29,633,144	5,826,010	4,204,497	17,893
Fire Pension Fund					
U.S. Government Treasury Strip	6,214,520	-	-	-	6,214,520
U.S. Government Agencies and Corporations	2,588,850	-	-	-	2,588,850
Annuities	16,022,632	3,279,044	7,584,463	5,159,125	-
Money Market Mutual Funds	1,108,763	1,108,763	-	-	-
Mutual Funds	9,047,671	9,047,671	-	-	-
Total Fire Pension Fund	34,982,436	13,435,478	7,584,463	5,159,125	8,803,370
Total Primary Government	\$ 102,033,165	\$ 70,437,807	\$ 13,410,473	\$ 9,363,622	\$ 8,821,263

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

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

The state statutes limit the Firemen's Pension Fund's investment in conventional mortgage pass-through securities to those having not less than an "A" rating from at least one national securities rating service.

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

As of April 30, 2007, the City's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's	A.M Best Company*
City of Bloomington			
US Treasury Strips	Aaa	AAA	N/A
American Freedom Funds - U.S. Govt Class I	Not Rated	AAAm	N/A
Vanguard Short-Term Bond Index Adm	Aaa	AAA	N/A
Vanguard Inflation-Protect Sec Adm	Aaa	AAA	N/A
Vanguard -Total Stock Market Index Fund	Not Rated	Not rated	N/A
Illinois Metropolitan Investment Fund	Aaa	AAA	N/A
Illinois Funds Money Market Fund	Not Rated	AAAm	N/A
Police Pension Fund			
Money Market Mutual Funds:			
JP Morgan U.S. Treasury Plus Fund	Not Rated	Not Rated	N/A
Schwab Government Money Fund	Not Rated	Not Rated	N/A
Schwab U.S. Treasury Money Fund	Not Rated	Not Rated	N/A
Annuities:			
Prosaver Platinum 8-Year Annuity	Aa3	N/A	A+
Prosaver Platinum 7-Year Annuity	Aa3	N/A	A+
IPPFA Real Estate Fund	Aaa	AAA	N/A
Mutual Funds:			
Schwab Government Money Fund	Not Rated	Not Rated	N/A
Schwab U.S. Treasury Money Fund	Not Rated	Not Rated	N/A
American Funds Europacific Growth Fund	Not Rated	Not Rated	N/A
American Funds Growth Fund of America	Not Rated	Not Rated	N/A
Baron Small Cap Fund	Not Rated	Not Rated	N/A
DFA U.S. Small Cap Value Portfolio	Not Rated	Not Rated	N/A
Dodge & Cox Stock Fund	Not Rated	Not Rated	N/A
Royce Special Equity Fund	Not Rated	Not Rated	N/A
Thornburg Value Fund	Not Rated	Not Rated	N/A
William Blair International Growth Fund	Not Rated	Not Rated	N/A
Stocks, SPDR Trust Unit SR1 Stock	Not Rated	Not Rated	N/A

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

Investment Type	Moody's Investors Service	Standard & Poor's	A.M Best Company*
Firemen's Pension Fund			
Money Market Mutual Funds:			
Illinois Funds	Not Rated	AAAm	N/A
American Funds Freedom U.S. Government	Not Rated	Not Rated	N/A
Broadcourt Money Plus Fund	Not Rated	Not Rated	N/A
United States Treasury Strip	Aaa	AAA	N/A
U.S. Government Agencies and Corporations:			
GNMA Pools	Aaa	AAA	N/A
Federal Home Loan Mortgage Corporation	Aaa	AAA	N/A
Federal Home Loan Banks	Aaa	AAA	N/A
Annuities:			
Protective Life Insurance - Prosaver Platinum	Aa3	AA	A+
Sun Life Financial - Sun Life Assurance Co.	Aa2	AA+	A++
Sun Life Financial - Key Port Annuities	Aa2	AA+	A++
Sun Life Financial - MFS Investment Management	Aa2	AA+	A++
OM Financial/Fidelity and Guaranty Insurance Company	A3	N/A	A+
EquiTrust Life Insurance Company	N/A	A	A
Mutual Funds:			
Mass Investors Growth Stock Fund-A	Not Rated	Not Rated	N/A
MFS Capital Opportunities Fund-A	Not Rated	Not Rated	N/A
MFS Value Fund-A	Not Rated	Not Rated	N/A
Van Kampen Emerging Growth Class A	Not Rated	Not Rated	N/A
Fidelity Dividend Growth Fund	Not Rated	Not Rated	N/A
American Funds Growth Fund of America Class A	Not Rated	Not Rated	N/A

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

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

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

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

The Police Pension Fund further requires the investment in a general account of an insurance company shall not be invested in more than 10 percent of real estate and more than 10 percent of bonds with rating of less than Baa1 by Moody's or BBB+ by Standard & Poor's. Total investments in contracts and agreements of life insurance companies shall not exceed 15 percent of the aggregate market value of the Police Pension Fund and no more than 5 percent of the Police Pension Fund assets may be invested in one single insurance company. Up to 5 percent of the assets of the Police Pension Fund may be invested in nonconvertible bonds, debenture, notes and other corporate obligations; Canadian securities; and direct obligations of Israel. Investments in notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act are limited to 20 percent of the investment portfolio. Investments in stocks and convertible debt are limited to 50 percent of the investment portfolio. Investments in any one issuer that represent more than 5 percent or more of the total Pension Fund's investments are as follows:

American Funds Growth Fund of America	\$ 2,511,220
Dodge & Cox Stock Fund	2,564,181
Thornburg Value Fund	2,659,283
SPDR Trust Unit SR1 Stock	8,036,132

It is the policy of the Firemen's Pension Fund to invest in a manner that seeks to ensure the prudent and consistent management of the investments of the Firemen's Pension Fund. The state statutes governing the Firemen's Pension Fund limit combined investments in separate accounts managed by life insurance companies (variable annuities), mutual funds and common and preferred stocks to 45 percent of the Firemen's Pension Fund's net assets.

Investments in any one issuer that represents 5 percent or more of the total Firemen's Pension Fund's net assets as of April 30, 2007 (excluding those investments issued by or explicitly guaranteed by the U.S. government) are as follows:

Issuer	Investment Type	Fair Value
Firemen's Pension Fund		
Sun Life Financial	Annuity Contracts - variable	\$ 8,603,407
American Funds	Mutual Fund	3,548,120
MFS Investments	Mutual Funds	2,896,168
Fidelity Investments	Mutual Fund	2,516,508
Sun Life Financial	Annuity Contracts - fixed	2,421,649
Equitrust	Annuity Contracts - fixed	2,200,000

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

As of April 30, 2007, the Firemen's Pension Fund exceeded its 45 percent limit of net assets for combined investments in variable annuities, mutual funds and common and preferred stocks. Total investments in these types of assets were \$17,651,077 or 46.8 percent for the year ended April 30, 2007.

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

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

As of April 30, 2007, none of the City's deposits, \$1,544,103 of the pension trust funds deposits and \$17,893 of the pension trust funds investments were exposed to custodial credit risk, as they were uninsured and uncollateralized.

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended April 30, 2007:

	Balance April 30, 2006	Additions	Deletions	Balance April 30, 2007
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 18,594,020	\$ 519,971	\$ -	\$ 19,113,991
Construction-in-progress	36,821,794	10,777,257	26,719,013	20,880,038
Total capital assets, not being depreciated	55,415,814	11,297,228	26,719,013	39,994,029
Capital assets, being depreciated:				
Land improvements	10,538,054	476,480	101,552	10,912,982
Construction	35,069,145	20,959,130	-	56,028,275
Infrastructure	180,253,295	7,594,418	-	187,847,713
Machinery and equipment	18,805,682	6,143,202	655,593	24,293,291
Licensed vehicles	14,301,700	1,221,713	365,782	15,157,631
Zoo animals	15,200	-	-	15,200
Total capital assets, being depreciated	258,983,076	36,394,943	1,122,927	294,255,092

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

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

Governmental Activities

General government	\$ 842,187
Public safety	1,306,570
Highways and streets	6,078,898
Sanitation	530,650
Health	315
Culture and recreation	1,885,698
Community development	55,009
	<u>\$ 10,699,327</u>

Business-Type Activities

Water	\$ 1,889,187
Sewer	1,057,292
Parking	208,457
Stormwater management	77,600
U.S. Cellular Coliseum	915,619
	<u>\$ 4,148,155</u>

Note 4. Individual Fund Disclosures

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2007:

Fund	Deficit Fund Balance/ Net Assets
Nonmajor Governmental Funds:	
Capital Projects Funds:	
Market Square TIF Redevelopment	\$ (596,095)
Cultural District	(35,836)
Library Expansion	(2,256,933)
Major Enterprise Fund; U.S. Cellular Coliseum	(1,692,115)
Major Governmental Fund; U.S. Cellular Coliseum Capital Project Fund	(2,022,908)

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 4. Individual Fund Disclosures (Continued)

The following is a summary of expenditures in excess of budget as of April 30, 2007:

	Amount in Excess
General Fund	\$ 1,158,914

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

Note 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended April 30, 2007:

	Balance April 30, 2006	Additions	Retirements	Balance April 30, 2007	Due Within One Year	Range of Interest Rates
Governmental activities:						
General Obligation Bonds:						
Series 1991	\$ 1,217,144	\$ 297,036	\$ 695,000	\$ 819,180	\$ 371,215	5.35% to 6.70%
Series 1993	385,000	-	385,000	-	-	4.10% to 6.10%
Series 1995	2,975,000	-	925,000	2,050,000	1,000,000	5.20% to 5.70%
Series 1996	3,260,000	-	350,000	2,910,000	770,000	4.70% to 6.20%
Series 2001	6,150,000	-	60,000	6,090,000	60,000	3.50% to 4.05%
Series 2003	10,000,000	-	-	10,000,000	-	3.50% to 4.05%
Series 2004	12,345,623	-	238,948	12,106,675	477,895	variable
Series 2005	9,900,000	-	-	9,900,000	360,000	3.875% to 4.10%
	<u>46,232,767</u>	<u>297,036</u>	<u>2,653,948</u>	<u>43,875,855</u>	<u>3,039,110</u>	
Other liabilities:						
Capital lease payable	-	128,362	16,775	111,587	9,505	6.40%
Agreements with developers	3,584,265	-	1,076,794	2,507,471	1,077,000	
Compensated absences	5,511,655	1,667,853	1,595,046	5,584,462	1,607,487	
Governmental activities, long-term liabilities	<u>\$ 55,328,687</u>	<u>\$ 2,093,251</u>	<u>\$ 5,342,563</u>	<u>\$ 52,079,375</u>	<u>\$ 5,733,102</u>	
Business-type activities:						
Loan payable	\$ 6,764,108	\$ -	\$ 265,453	\$ 6,498,655	\$ 294,654	2.50%
General obligation bonds:						
Series 2004 taxable	29,455,000	-	-	29,455,000	-	5.50% to 6.38%
Series 2004	3,154,377	-	61,052	3,093,325	122,105	variable
Compensated absences	392,632	152,857	161,462	384,027	165,686	
Business-type activities, long-term liabilities	<u>\$ 39,766,117</u>	<u>\$ 152,857</u>	<u>\$ 487,967</u>	<u>\$ 39,431,007</u>	<u>\$ 582,445</u>	

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

The outstanding general obligation bonds mature as follows:

	Principal	Interest	Total
April 30, 2008	\$ 3,161,215	\$ 3,894,530	\$ 7,055,745
April 30, 2009	5,177,965	6,087,042	11,265,007
April 30, 2010	3,655,000	3,456,369	7,111,369
April 30, 2011	3,900,000	3,198,589	7,098,589
April 30, 2012	1,295,000	3,038,283	4,333,283
April 30, 2013 - 2017	12,185,000	13,841,252	26,026,252
April 30, 2018 - 2022	14,440,000	11,186,049	25,626,049
April 30, 2023 - 2027	12,700,000	7,850,061	20,550,061
April 30, 2028 - 2032	10,510,000	4,807,598	15,317,598
April 30, 2033 - 2035	9,400,000	937,451	10,337,451
	<u>\$ 76,424,180</u>	<u>\$ 58,297,224</u>	<u>\$ 134,721,404</u>

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

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

- The City will rebate to the redevelopers of a bank project in downtown Bloomington, the cost of improvements based on the annual real estate revenue resulting from the redevelopment. The maximum liability to the City is \$400,000. The outstanding liability as of April 30, 2007 is \$305,840.
- The City will rebate to developers the cost of improvements for various downtown projects. The maximum liability to the City for these projects is \$2,695,610. The outstanding liability as of April 30, 2007 is \$530,336.
- The City will rebate to redevelopers of the Ensenberger Building tax increment financing (TIF) revenues with an initial payment of \$300,000 and the remaining paid annually over five years. The maximum liability to the City is \$2,228,000. The outstanding liability as of April 30, 2007 is \$1,128,000.
- The City will rebate to the developers for various economic development projects the cost of specific improvements and incremental sales tax revenue generated by the businesses on the property annually. The maximum liability to the City is \$1,318,479. The outstanding liability as of April 30, 2007 is \$543,295.

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Debt (Continued)

The City entered into two separate loan agreements with the Illinois Environmental Protection Agency both for the Drinking Water State Revolving Fund Program. The City may draw up to \$7,447,292 for the program. Payment will be required each May 1 and November 1 until final repayment on April 1, 2025 on the first agreement and each June 5 and December 5 until final repayment on June 5, 2025 on the second agreement. The outstanding loan payable as of April 30, 2007 matures as follows:

	Principal	Interest	Total
April 30, 2008	\$ 294,954	\$ 162,922	\$ 457,876
April 30, 2009	304,423	155,391	459,814
April 30, 2010	310,209	147,667	457,876
April 30, 2011	318,130	139,746	457,876
April 30, 2012	326,253	131,623	457,876
April 30, 2013 - 2017	1,760,567	528,901	2,289,468
April 30, 2018 - 2022	1,997,129	292,249	2,289,378
April 30, 2023 - 2026	1,186,990	51,633	1,238,623
	<u>\$ 6,498,655</u>	<u>\$ 1,610,132</u>	<u>\$ 8,108,787</u>

In 2007, the City entered into a capital lease agreement to finance the purchase of musical equipment for the cultural district. The lease calls for annual payments of principal and interest of \$16,775 with interest at 6.40 percent through 2016. Equipment under the capital lease has a cost of \$171,362 and accumulated depreciation of \$1,523 as of April 30, 2007.

The outstanding capital lease matures as follows:

	Principal	Interest	Total
April 30, 2008	\$ 9,505	\$ 7,270	\$ 16,775
April 30, 2009	10,125	6,650	16,775
April 30, 2010	10,784	5,991	16,775
April 30, 2011	11,487	5,288	16,775
April 30, 2012	12,235	4,540	16,775
April 30, 2013 - 2016	57,451	9,649	67,100
	<u>\$ 111,587</u>	<u>\$ 39,388</u>	<u>\$ 150,975</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 6. Interfund Receivables and Payables

The individual fund interfund receivable and payable balances as of April 30, 2007 are as follows:

	Interfund Receivable	Interfund Payable
Governmental activities:		
General	\$ 133,221	\$ 4,993,034
Debt service	3,524,426	-
U.S. Cellular Coliseum Capital Project	-	2,050,000
Nonmajor governmental funds	2,111,340	3,540,379
Internal service	7,085	-
Total governmental activities	<u>5,776,072</u>	<u>10,583,413</u>
Business-type activities:		
Water	3,370,000	4,536
Sewer	-	3,323,402
U.S. Cellular Coliseum	4,993,034	-
Nonmajor enterprise funds	360,000	587,755
Total business-type activities	<u>8,723,034</u>	<u>3,915,693</u>
Total	<u>\$ 14,499,106</u>	<u>\$ 14,499,106</u>

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

	Interfund Advance Receivable	Interfund Advance Payable
Governmental activities:		
General	\$ 4,381,595	\$ -
Debt service	111,297	441,123
Nonmajor governmental funds	1,651,168	596,095
Internal service	1,800,000	-
Total governmental activities	<u>7,944,060</u>	<u>1,037,218</u>
Business-type activities:		
Water	-	-
U.S. Cellular Coliseum	-	6,695,544
Nonmajor enterprise funds	-	211,298
Total business-type activities	<u>-</u>	<u>6,906,842</u>
Total	<u>\$ 7,944,060</u>	<u>\$ 7,944,060</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 7. Interfund Transfers

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

	Transfers In	Transfers Out
Governmental activities:		
General	\$ 685,824	\$ 12,261,697
Debt service	3,261,586	926,566
U.S. Cellular Coliseum	1,098,429	-
Nonmajor governmental funds	5,329,055	1,130,535
Total governmental activities	10,374,894	14,318,798
Business-type activities:		
Water	-	920,005
Sewer	945,066	1,046,167
U.S. Cellular Coliseum	6,008,505	1,098,429
Nonmajor enterprise funds	178,465	123,531
Total business-type activities	7,132,036	3,188,132
Total	\$ 17,506,930	\$ 17,506,930

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

Note 8. Defined Benefit Pension Plans

Plan Descriptions and Provisions:

Illinois Municipal Retirement Fund

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 10.83 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2006 was 26 years.

Note 8. Defined Benefit Pension Plans (Continued)

For December 31, 2006, the City's annual pension cost of \$2,349,425 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses) (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 percent per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

Actuarial Valuation Date	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2006	\$ 2,349,425	100%	\$ -
December 31, 2005	2,000,572	100	-
December 31, 2004	1,769,297	100	-

Police Pension

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

The Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of fifty or more with 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 on the last day of service, or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by 2.5 percent of such monthly salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such monthly salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent simple interest annually thereafter.

Covered employees are required to contribute 9.91 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the Plan is provided by a property tax levy. These tax levies are required to be of an amount necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset: The City's annual pension cost and net pension asset to the Police Pension Plan for the most current year (April 30, 2005) were as follows:

Annual required contributions	\$ 1,826,840
Interest on net pension asset	(77,533)
Adjustments to annual required contribution	51,014
Annual pension cost	<u>1,800,321</u>
Annual contributions made	<u>1,953,492</u>
Increase in net pension asset	153,171
Net pension asset, beginning of year	<u>1,033,770</u>
Net pension asset, end of year	<u><u>\$ 1,186,941</u></u>

The annual required contribution was determined as part of the May 1, 2005 actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at the May 1, 2005 actuarial valuation date was 28 years.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2006	\$ 1,800,321	108.51%	\$ 1,186,941
April 30, 2005	1,494,299	108.12	1,033,770
April 30, 2004	1,501,995	107.92	912,461

Firemen's Pension

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

The Plan provides retirement as well as death and disability benefits. Employees attaining the age of 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 on the last date of service. The monthly pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years through 30 years, to a maximum of 75 percent of such monthly salary. Employees with at least 10 years of service but less than 20 years of service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 9.455 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City's annual contribution to the Plan is provided by a property tax levy. These tax levies are required to be of an amount necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

Annual Pension Cost and Net Pension Asset: The City's annual pension cost and net pension asset to the Firefighters' Pension Plan for the most current year (April 30, 2005) were as follows:

Annual required contributions	\$ 1,726,093
Interest on net pension asset	(74,035)
Adjustments to annual required contribution	48,713
Annual pension cost	<u>1,700,771</u>
Annual contributions made	1,851,299
Increase in net pension asset	<u>150,528</u>
Net pension asset, beginning of year	987,133
Net pension asset, end of year	<u><u>\$ 1,137,661</u></u>

The annual required contribution for the current year was determined as part of the May 1, 2005, actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period as of May 1, 2005 actuarial valuation date was 28 years.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
April 30, 2006	\$ 1,700,771	108.85%	\$ 1,137,661
April 30, 2005	1,413,101	108.52	987,133
April 30, 2004	1,377,427	108.57	866,786

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 9. Leases

The City of Bloomington leases a total of 266 residential lots to various individuals under agreements expiring in 2023 and 2031. Other long-term agreements involve a lake marina which is leased through April 15, 2017 and a parking area property which is leased indefinitely. In addition, certain parking lots, parking garage spaces and various other properties are rented on a monthly or other short-term basis. All of these agreements are accounted for as operating leases.

A total of \$78,645 in lease revenue relating to these leases was received by the City during the fiscal year ended April 30, 2007. The following is a schedule by years of minimum future rentals due to the City under noncancellable lease agreements in effect as of April 30, 2007:

<u>Fiscal Year Ending April 30:</u>	<u>Operating</u>
2008	\$ 81,969
2009	86,059
2010	90,394
2011	82,340
2012	86,061
2013-2017	514,244
2018-2021	688,174
2022-2026	920,932
2027-2031	956,405
	<u>\$ 3,506,578</u>

The assets leased have a cost of \$4,933,302, accumulated depreciation of \$2,138,609 and net book value of \$2,794,693.

The City is a lessee for office space and a parking area. The lease was amended on October 4, 2005 requiring the City to pay \$633,180 on October 1, 2006, then beginning October 1, 2007 payments of \$719,509 each October 1 until October 1, 2022. A total of \$633,180 in lease expense relating to these leases was paid by the City during the fiscal year ended April 30, 2007. The future minimum lease obligation is as follows:

<u>Fiscal Year Ending April 30:</u>	
2008	\$ 818,593
2009	719,509
2010	719,509
2011	719,509
2012	719,509
2013-2017	3,597,545
2018-2022	3,597,545
2023	719,509
	<u>\$ 11,611,228</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 10. Deferred Compensation Plan

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

Note 11. Joint Venture

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

Summarized financial information of the Bloomington-Normal Public Transit System, for the year ended June 30, 2006, is presented below:

Balance Sheet as of June 30, 2006

Current assets:		
Cash and cash equivalents	\$ 3,730,872	
Accounts receivable	3,119,960	
Inventory	6,237	
Prepaid expenses	95,787	
Total current assets		\$ 6,952,856
Capital assets, net		4,934,115
Total assets		<u>\$ 11,886,971</u>
Current liabilities:		
Advances from City of Bloomington and Town of Normal	121,459	
Accounts payable, accrued expenses and other	2,052,057	
Total current liabilities		\$ 2,173,516
Net assets:		
Investment in capital assets, net	4,934,115	
Unrestricted	4,779,340	
Total fund equity		<u>9,713,455</u>
Total liabilities and net assets		<u>\$ 11,886,971</u>

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 11. Joint Venture (Continued)

Operations for Year Ended June 30, 2006 - General Fund and Capital Project Fund

Revenues:	
General revenues	\$ 163,783
Charges for services	835,495
Operating grants and contributions	4,013,634
Capital grants and contributions	800,981
Total revenues	<u>5,813,893</u>
Expenses	<u>5,504,083</u>
Change in net assets	309,810
Net assets, beginning of year	9,403,645
Net assets, end of year	<u>\$ 9,713,455</u>

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

Note 12. Risk Management and Self Insurance

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

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

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

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 12. Risk Management and Self Insurance (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The changes in the aggregate liabilities for claims for the years ended April 30, 2007 and 2006 are as follows:

	Employee Health Insurance		CIRPA	
	2007	2006	2007	2006
Claims payable, beginning of the year	\$ 622,362	\$ 700,000	\$ 3,685,530	\$ 3,599,219
Claims incurred and changes in accrual	3,877,974	3,693,926	2,562,535	2,627,440
Claim payments	(4,052,687)	(3,771,564)	(2,757,507)	(2,541,129)
Claims payable, end of the year	<u>\$ 447,649</u>	<u>\$ 622,362</u>	<u>\$ 3,490,558</u>	<u>\$ 3,685,530</u>

Note 13. Management Agreement

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

Amounts paid to CIAM under this agreement totaled \$367,442 during the year ended April 30, 2007.

Note 14. Commitments and Contingent Liabilities

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

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

The City has several construction contract commitments to be financed from capital projects and enterprise funds. The total outstanding construction commitments of the City as of April 30, 2007 is \$2,762,624.

City of Bloomington, Illinois

Notes to Basic Financial Statements

Note 15. New Pronouncements

The City adopted the following statements during the year ended April 30, 2007:

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB Statement No. 34. This Statement is to help governments determine when net assets have been restricted to a particular use by the passage of enabling legislation and to specify how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The effect of adopting this Statement was to reclassify \$13,394, 960 previously reported as unrestricted to restricted assets.

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

As of April 30, 2007, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

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

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

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, is effective for the City beginning with its year ending April 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November 2006, will be effective for the City beginning with its year ending April 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

Note 15. New Pronouncements (Continued)

GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statement Nos. 25 and 27, issued May 2007, will be effective for the City beginning with its year ending April 30, 2009. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2007, will be effective for the City beginning with its year ending April 30, 2011. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents and trademarks. This standard provides that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard, such as capital leases). Relevant authoritative guidance for capital assets should be applied to these intangible assets.

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

Note 16. Subsequent Events

On July 23, 2007, the City authorized the issuance of \$10,000,000 fixed interest rate General Obligation Bonds. The bonds will be issued to finance capital improvements of the Kickapoo Creek Basin and McGraw Park and also to begin construction of the new fire station.

City of Bloomington, Illinois

Required Supplementary Information
Illinois Municipal Retirement Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	12/31/2006	\$ 48,475,641	\$ 57,383,499	\$ 8,907,858	84.48%	\$ 21,713,728	41.02%
2006	12/31/2005	47,313,518	56,931,419	9,617,901	83.11	20,289,781	47.40
2005	12/31/2004	46,926,424	54,147,215	7,220,791	86.66	19,086,271	37.83
2004	12/31/2003	47,554,724	51,689,356	4,134,632	92.00	18,492,199	22.36
2003	12/31/2002	47,237,555	49,278,243	2,040,688	95.86	17,808,742	11.46
2002	12/31/2001	46,247,843	45,386,955	(860,888)	101.90	16,789,700	-

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Total Contributions (b)	Percentage of ARC Contributed (b/a)
12/31/2006	\$ 2,349,425	\$ 2,349,425	100.00%
12/31/2005	2,000,572	2,000,572	100.00
12/31/2004	1,769,297	1,769,297	100.00
12/31/2003	1,486,797	1,486,797	100.00
12/31/2002	1,487,030	1,487,030	100.00
12/31/2001	1,512,752	1,512,752	100.00

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

The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit and (d) post-retirement benefit increases of 3% per year. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of December 31, 2006 was 26 years.

Digest of changes: The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002 – 2004 experience study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.
- SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

City of Bloomington, Illinois

Required Supplementary Information
Police Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	05/01/2006	\$ 38,044,418	\$ 65,285,667	\$ 27,241,249	58.27%	\$ 8,005,324	340.29%
2006	05/01/2005	33,939,624	56,756,291	22,816,667	59.80	6,987,972	326.51
2005	05/01/2004	32,352,495	53,449,052	21,096,557	60.53	6,498,943	324.62
2004	05/01/2003	28,557,244	49,554,943	20,997,699	57.63	5,993,055	350.37
2003	05/02/2002	28,841,069	46,529,753	17,688,684	61.99	6,037,774	292.97
2002	05/03/2001	29,004,064	42,383,076	13,379,012	68.43	5,444,299	245.74

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

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5% and salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2005 actuarial valuation date was 28 years.

City of Bloomington, Illinois

Required Supplementary Information
Firemen's Pension Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) * (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2007	05/01/2006	\$ 34,408,977	\$ 61,968,657	\$ 27,559,680	55.53%	\$ 6,586,507	418.43%
2006	05/01/2005	31,579,001	52,474,118	20,895,117	60.18	5,163,224	404.69
2005	05/01/2004	30,547,302	49,675,449	19,128,147	61.49	4,889,807	391.18
2004	05/01/2003	28,280,545	44,545,200	16,264,655	63.49	4,733,615	343.60
2003	05/01/2002	28,367,668	42,134,932	13,767,264	67.33	4,514,155	304.98
2002	05/01/2001	29,351,692	39,154,645	9,802,953	74.96	4,301,614	227.89

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of May 1, 2006. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: inflation rate of 3%, investment return rate of 7.5% and salary increase of 5.0%.
4. The amortization method is a closed period, level percentage of payroll. The remaining amortization period as of the May 1, 2004 actuarial valuation date was 28 years.

City of Bloomington, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
 General Fund
 For the Year Ended April 30, 2007

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Taxes	\$ 53,553,617	\$ 53,553,617	\$ 53,882,541	\$ 328,924
Intergovernmental	452,539	452,539	411,717	(40,822)
Licenses and permits	1,431,398	1,431,398	1,323,956	(107,442)
Charges for services	9,975,254	9,975,254	11,769,682	1,794,428
Fine and forfeitures	1,140,250	1,140,250	1,083,369	(56,881)
Use of money and property	737,223	737,223	916,598	179,375
Other	1,056,312	1,056,312	969,408	(86,904)
Total revenues	68,346,593	68,346,593	70,357,271	2,010,678
Expenditures:				
Current:				
General government	8,361,486	8,411,486	9,024,834	(613,348)
Public safety	27,115,312	27,115,312	29,466,145	(2,350,833)
Highways and streets	3,928,691	3,928,691	3,368,004	560,687
Sanitation	10,431,050	10,431,050	10,689,383	(258,333)
Culture and recreation	9,282,478	9,282,478	9,095,789	186,689
Community development	-	-	630	(630)
Debt service, principal	750,000	750,000	403,439	346,561
Capital outlay	4,451,628	5,306,628	4,336,335	970,293
Total expenditures	64,320,645	65,225,645	66,384,559	(1,158,914)
Excess of revenues over expenditures	4,025,948	3,120,948	3,972,712	851,764
Other financing sources (uses):				
Transfers in	4,543,978	4,543,978	685,824	(3,858,154)
Proceeds from sale of capital assets	2,675	2,675	71,490	68,815
Transfers out	(9,182,492)	(16,737,302)	(12,261,697)	4,475,605
Total other financing sources and (uses)	(4,635,839)	(12,190,649)	(11,504,383)	686,266
Net change in fund balance	\$ (609,891)	\$ (9,069,701)	(7,531,671)	\$ 1,538,030
Fund balance, beginning of year			16,800,285	
Fund balance, end of year, budgetary basis			9,268,614	
Change in encumbrances			(702,244)	
Fund balance, end of year			<u>\$ 8,566,370</u>	

See Note to Required Supplementary Information.

City of Bloomington, Illinois

Required Supplementary Information Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

- Prior to February 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are adopted on a modified accrual basis except for the following modifications:
 - ✓ Encumbrances are treated as expenditures in the year in which the purchase commitment is made.
 - ✓ Collections of special revenue fund loans, capital project fund assessments and special assessments are budgeted as revenue in the year received.
 - ✓ Special revenue fund loans are shown as expenditures when the funds are disbursed.
 - ✓ Special revenue fund disbursements which result in increases in balances of properties held for rehabilitation or development and transfers to savings accounts used for property rehabilitation purposes are shown as expenditures. Receipts from sales of these properties or transfers from the savings accounts are treated as revenues.
 - ✓ The proceeds of general obligation bond proceeds reserved for enterprise fund projects and expenditures of such monies are accounted for in a Capital Projects Fund.
 - ✓ Certain operating transfers between governmental funds are budgeted as revenues and expenditures. Budgeted Governmental Fund expenditures also include capital expenditures related to proprietary fund operations.
 - ✓ In the Debt Service Fund, transfers from enterprise funds for payment of revenue-supported general obligation debt are reflected as revenue and payments of the debt and are shown as expenditures.
 - ✓ For report presentation purposes, actual revenues and expenditures and other financing sources and uses have been adjusted to incorporate these modifications with reconciliation provided.
 - ✓ Capital contributions and capital outlay from donated assets are not budgeted.
- Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
- Prior to May 1, the annual operating budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items.
- The annual budget can be amended by a two-thirds vote of the City Council. Various budget amendments were approved in this manner by the Council during the current year and the changes are reflected in the budgetary figures included in the accompanying financial statements. The budget expenditure adjustments for the year ended April 30, 2007 were \$30,178,571 in total with \$905,000 of the adjustments charged to the General Fund.
- All appropriations lapse at year-end.
- Expenditures exceeded the final budget by \$1,158,914 of the General Fund.

City of Bloomington, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2007

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Assets			
Cash and investments	\$ 3,047,824	\$ 72,806	\$ 211,614
Receivables, net of allowance for uncollectibles:			
Taxes	-	-	-
Loans	-	-	-
Accounts	-	-	-
Due from other governmental units	178,150	-	-
Due from other funds	-	-	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	\$ 3,225,974	\$ 72,806	\$ 211,614
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	\$ 66,792	\$ 9,465	\$ 26,152
Due to other funds	-	-	-
Deposits	-	-	-
Deferred revenue	-	-	-
Interfund advance	-	-	-
Total liabilities	66,792	9,465	26,152
Fund balances (deficits):			
Reserved for:			
Encumbrances	1,028,578	-	-
Trust corpus	-	-	-
Loans	-	-	-
Interfund advances	-	-	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	2,130,604	63,341	185,462
Total fund balances (deficits)	3,159,182	63,341	185,462
Total liabilities and fund balances (deficits)	\$ 3,225,974	\$ 72,806	\$ 211,614

(Continued)

Special Revenue					
Sister City Program	Cultural District	Drug Enforcement	Community Development	IHDA Grant	
\$ 74,840	\$ 1,866,729	\$ 142,451	\$ 44,744	\$ 561	
-	-	-	-	-	-
-	-	-	1,172,736	-	-
-	9,485	-	20,368	-	-
-	-	-	-	-	-
-	100,000	-	11,340	-	-
-	-	-	355,619	-	-
-	87,500	-	-	-	-
-	-	-	198,087	-	-
<u>\$ 74,840</u>	<u>\$ 2,063,714</u>	<u>\$ 142,451</u>	<u>\$ 1,802,894</u>	<u>\$ 561</u>	
\$ 1,823	\$ 121,304	\$ 7,360	\$ 42,887	\$ -	
-	354,114	-	26,232	-	-
-	16,341	-	-	-	-
-	1,507	-	-	-	-
-	-	-	-	-	-
<u>1,823</u>	<u>493,266</u>	<u>7,360</u>	<u>69,119</u>	<u>-</u>	
-	718,731	-	4,503	-	-
-	-	-	-	-	-
-	-	-	1,172,736	-	-
-	-	-	355,619	-	-
-	87,500	-	-	-	-
-	-	-	198,087	-	-
<u>73,017</u>	<u>764,217</u>	<u>135,091</u>	<u>2,830</u>	<u>561</u>	
<u>73,017</u>	<u>1,570,448</u>	<u>135,091</u>	<u>1,733,775</u>	<u>561</u>	
<u>\$ 74,840</u>	<u>\$ 2,063,714</u>	<u>\$ 142,451</u>	<u>\$ 1,802,894</u>	<u>\$ 561</u>	

City of Bloomington, Illinois

Combining Balance Sheet (Continued)
 Nonmajor Governmental Funds
 April 30, 2007

	Special Revenue		Capital Projects
	Library	Park Dedication	Market Square TIF Redevelopment
Assets			
Cash and investments	\$ 1,251,402	\$ 39,228	\$ -
Receivables, net of allowance for uncollectibles:			
Taxes	4,225,920	-	-
Loans	-	-	-
Accounts	158,220	-	-
Due from other governmental units	-	-	-
Due from other funds	-	-	-
Interfund advances	-	875,000	-
Prepaid items	-	-	-
Properties held for resale	-	-	-
Total assets	\$ 5,635,542	\$ 914,228	\$ -
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	\$ 109,671	\$ -	\$ -
Due to other funds	9,768	-	-
Deposits	-	-	-
Deferred revenue	4,225,920	-	-
Interfund advance	-	-	596,095
Total liabilities	4,345,359	-	596,095
Fund balances (deficits):			
Reserved for:			
Encumbrances	36,009	-	-
Trust corpus	-	-	-
Loans	-	-	-
Interfund advances	-	875,000	-
Prepaid items	-	-	-
Property held for resale	-	-	-
Unreserved, undesignated	1,254,174	39,228	(596,095)
Total fund balances (deficits)	1,290,183	914,228	(596,095)
Total liabilities and fund balances (deficits)	\$ 5,635,542	\$ 914,228	\$ -

(Continued)

Capital Projects						
Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	2003 Bond Projects	Pepsi Ice Center	Cultural District	Capital Improvements	
\$ 388,400	\$ 10,099	\$ 3,018,747	\$ 423,197	\$ 64,164	\$ 3,791,776	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,617	-	-	-	-	400,000	
-	-	-	-	-	-	
-	-	-	-	-	2,000,000	
-	-	-	-	-	420,549	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 390,017</u>	<u>\$ 10,099</u>	<u>\$ 3,018,747</u>	<u>\$ 423,197</u>	<u>\$ 64,164</u>	<u>\$ 6,612,325</u>	
\$ 1,016	\$ -	\$ 384,393	\$ -	\$ -	\$ 330,978	
-	-	50,000	-	100,000	-	
-	-	-	-	-	35,300	
-	-	-	-	-	40,889	
-	-	-	-	-	-	
<u>1,016</u>	<u>-</u>	<u>434,393</u>	<u>-</u>	<u>100,000</u>	<u>407,167</u>	
1,404,736	-	2,205,513	3,310	6,518	3,095,934	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	420,549	
-	-	-	-	-	-	
-	-	-	-	-	-	
(1,015,735)	10,099	378,841	419,887	(42,354)	2,688,675	
<u>389,001</u>	<u>10,099</u>	<u>2,584,354</u>	<u>423,197</u>	<u>(35,836)</u>	<u>6,205,158</u>	
\$ 390,017	\$ 10,099	\$ 3,018,747	\$ 423,197	\$ 64,164	\$ 6,612,325	

City of Bloomington, Illinois

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

April 30, 2007

	Capital Projects Library Expansion	Permanent J.M. Scott	Total
Assets			
Cash and investments	\$ 743,067	\$ 8,666,067	\$ 23,857,716
Receivables, net of allowance for uncollectibles:			
Taxes	-	-	4,225,920
Loans	-	-	1,172,736
Accounts	-	-	589,690
Due from other governmental units	-	-	178,150
Due from other funds	-	-	2,111,340
Interfund advances	-	-	1,651,168
Prepaid items	-	-	87,500
Properties held for resale	-	-	198,087
Total assets	\$ 743,067	\$ 8,666,067	\$ 34,072,307
Liabilities and Fund Balances (Deficits)			
Liabilities:			
Accounts payable and accrued expenditures	\$ -	\$ 10,926	\$ 1,112,767
Due to other funds	3,000,000	265	3,540,379
Deposits	-	-	51,641
Deferred revenue	-	-	4,268,316
Interfund advance	-	-	596,095
Total liabilities	3,000,000	11,191	9,569,198
Fund balances (deficits):			
Reserved for:			
Encumbrances	-	2,499	8,506,331
Trust corpus	-	5,402,151	5,402,151
Loans	-	-	1,172,736
Interfund advances	-	-	1,651,168
Prepaid items	-	-	87,500
Property held for resale	-	-	198,087
Unreserved, undesignated	(2,256,933)	3,250,226	7,485,136
Total fund balances (deficits)	(2,256,933)	8,654,876	24,503,109
Total liabilities and fund balances (deficits)	\$ 743,067	\$ 8,666,067	\$ 34,072,307

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City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the Year Ended April 30, 2007

	Special Revenue		
	Motor Fuel Tax	Special Olympics and Recreation	Board of Elections
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,032,366	113,121	537,064
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	85,748	-	-
Other, primarily contributions	75,340	37,998	5
Total revenues	2,193,454	151,119	537,069
Expenditures:			
Current:			
General government	-	-	585,268
Highways and streets	1,544,726	-	-
Health and welfare	-	-	-
Culture and recreation	-	293,864	-
Community development	-	-	-
Debt service, principal retirement	-	-	-
Capital outlay	-	-	-
Total expenditures	1,544,726	293,864	585,268
Excess of revenues over (under) expenditures	648,728	(142,745)	(48,199)
Other financing sources (uses):			
Transfers in	-	169,682	-
Issuance of long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	169,682	-
Net change in fund balances	648,728	26,937	(48,199)
Fund balances (deficits), beginning of year	2,510,454	36,404	233,661
Fund balances (deficits), end of year	\$ 3,159,182	\$ 63,341	\$ 185,462

(Continued)

Special Revenue						
Sister City Program	Cultural District	Drug Enforcement	Residential/ Rehabilitation Escrow	Community Development	IHDA Grant	
\$ -	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -
12,037	33,470	7,872	-	903,969	-	-
-	645,509	30,837	-	3,500	-	-
-	-	56,848	-	-	-	-
-	105,419	-	-	2,284	-	-
18,114	170,706	751	-	5,002	-	-
30,151	2,555,104	96,308	-	914,755	-	-
26,028	2,984,218	134,506	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	450	-	-	-	-	-
-	-	-	-	975,832	-	-
-	16,775	-	-	-	-	-
-	-	-	-	-	-	-
26,028	3,001,443	134,506	-	975,832	-	-
4,123	(446,339)	(38,198)	-	(61,077)	-	-
12,038	-	-	-	460,567	-	-
-	128,362	-	-	-	-	-
-	-	-	-	-	-	-
-	(350,073)	-	(460,567)	-	-	-
12,038	(221,711)	-	(460,567)	460,567	-	-
16,161	(668,050)	(38,198)	(460,567)	399,490	-	-
56,856	2,238,498	173,289	460,567	1,334,285	561	561
\$ 73,017	\$ 1,570,448	\$ 135,091	\$ -	\$ 1,733,775	\$ 561	\$ 561

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
 Nonmajor Governmental Funds
 For the Year Ended April 30, 2007

	Special Revenue		Capital Projects
	Library	Park Dedication	Market Square TIF Redevelopment
Revenues:			
Taxes	\$ 4,312,117	\$ -	\$ -
Intergovernmental	106,883	2,373	-
Charges for services	49,314	-	-
Fines and forfeitures	-	-	-
Use of money and property	95,689	-	-
Other, primarily contributions	299,502	70,215	-
Total revenues	4,863,505	72,588	-
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Culture and recreation	4,056,131	11,581	-
Community development	-	-	-
Debt service, principal retirement	-	-	-
Capital outlay	-	-	-
Total expenditures	4,056,131	11,581	-
Excess of revenues over (under) expenditures	807,374	61,007	-
Other financing sources (uses):			
Transfers in	-	-	-
Issuance of long-term debt	-	-	-
Proceeds from sale of capital assets	1,936	-	-
Transfers out	(319,895)	-	-
Total other financing sources (uses)	(317,959)	-	-
Net change in fund balances	489,415	61,007	-
Fund balances (deficits), beginning of year	800,768	853,221	(596,095)
Fund balances (deficits), end of year	\$ 1,290,183	\$ 914,228	\$ (596,095)

(Continued)

Capital Projects					
Central Bloomington TIF Redevelopment	1991 Southeast Improvement Bond	2003 Bond Projects	Pepsi Ice Center	Cultural District	
\$ 1,131,236	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
19,401	-	225,389	34,647	38,058	
1,150,637	-	225,389	34,647	38,058	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	206,739	2,487,734	
100,405	-	3,167,263	-	-	
673,355	-	-	-	-	
-	-	-	-	-	
773,760	-	3,167,263	206,739	2,487,734	
376,877	-	(2,941,874)	(172,092)	(2,449,676)	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
376,877	-	(2,941,874)	(172,092)	(2,449,676)	
12,124	10,099	5,526,228	595,289	2,413,840	
\$ 389,001	\$ 10,099	\$ 2,584,354	\$ 423,197	\$ (35,836)	

City of Bloomington, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
 Nonmajor Governmental Funds
 For the Year Ended April 30, 2007

	Capital Projects		Permanent	Total
	Capital Improvements	Library Expansion	J.M. Scott	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 7,043,353
Intergovernmental	453,163	-	-	4,202,318
Charges for services	-	-	-	729,160
Fines and forfeitures	-	-	-	56,848
Use of money and property	-	-	463,720	1,050,954
Other, primarily contributions	71,057	-	448,160	1,216,251
Total revenues	524,220	-	911,880	14,298,884
Expenditures:				
Current:				
General government	-	-	-	3,730,020
Highways and streets	-	-	-	1,544,726
Health and welfare	-	-	337,589	337,589
Culture and recreation	-	1,181,737	-	8,238,236
Community development	-	-	-	4,243,500
Debt service, principal retirement	-	-	-	690,130
Capital outlay	3,543,155	-	-	3,543,155
Total expenditures	3,543,155	1,181,737	337,589	22,327,356
Excess of revenues over (under) expenditures	(3,018,935)	(1,181,737)	574,291	(8,028,472)
Other financing sources (uses):				
Transfers in	4,366,873	319,895	-	5,329,055
Issuance of long-term debt	-	-	-	128,362
Proceeds from sale of capital assets	-	-	-	1,936
Transfers out	-	-	-	(1,130,535)
Total other financing sources (uses)	4,366,873	319,895	-	4,328,818
Net change in fund balances	1,347,938	(861,842)	574,291	(3,699,654)
Fund balances (deficits), beginning of year	4,857,220	(1,395,091)	8,080,585	28,202,763
Fund balances (deficits), end of year	\$ 6,205,158	\$ (2,256,933)	\$ 8,654,876	\$ 24,503,109

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City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual
 For the Year Ended April 30, 2007

	Special Revenue			
	Motor Fuel Tax		Special Olympics and Recreation	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,793,000	2,032,366	113,121	113,121
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	85,748	-	-
Other, primarily contributions	104,000	75,340	40,375	37,998
Total revenues	2,897,000	2,193,454	153,496	151,119
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	4,080,000	730,167	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	323,104	292,039
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	4,080,000	730,167	323,104	292,039
Excess (deficiency) of revenues over (under) expenditures	(1,183,000)	1,463,287	(169,608)	(140,920)
Other financing sources (uses):				
Transfers in	-	-	169,682	169,682
Issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	169,682	169,682
Net change in fund balances	\$ (1,183,000)	1,463,287	\$ 74	28,762
Fund balances (deficits), beginning of year		2,510,454		36,404
Fund balances (deficits), end of year, budgetary basis		3,973,741		65,166
Change in encumbrances		(814,559)		(1,825)
Fund balances (deficits), end of year		<u>\$ 3,159,182</u>		<u>\$ 63,341</u>

(Continued)

Special Revenue					
Board of Elections		Sister City Program		Cultural District	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000
343,200	537,064	12,037	12,037	15,000	33,470
-	-	-	-	1,333,000	645,509
-	-	-	-	-	-
-	-	-	-	10,000	105,419
500	5	30,085	18,114	116,500	170,706
343,700	537,069	42,122	30,151	3,074,500	2,555,104
596,700	585,268	54,160	26,028	3,895,641	2,570,171
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	450
-	-	-	-	-	-
-	-	-	-	-	16,775
-	-	-	-	-	-
596,700	585,268	54,160	26,028	3,895,641	2,587,396
(253,000)	(48,199)	(12,038)	4,123	(821,141)	(32,292)
-	-	12,038	12,038	15,973	-
-	-	-	-	-	128,362
-	-	-	-	-	-
-	-	-	-	(15,973)	(350,073)
-	-	12,038	12,038	-	(221,711)
<u>\$ (253,000)</u>	<u>(48,199)</u>	<u>\$ -</u>	<u>16,161</u>	<u>\$ (821,141)</u>	<u>(254,003)</u>
	233,661		56,856		2,238,498
	185,462		73,017		1,984,495
	-		-		(414,047)
	<u>\$ 185,462</u>		<u>\$ 73,017</u>		<u>\$ 1,570,448</u>

City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
 For the Year Ended April 30, 2007

	Special Revenue			
	Drug Enforcement		Residential/Rehabilitation Escrow	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,500	7,872	-	-
Charges for services	18,540	30,837	-	-
Fines and forfeitures	30,400	56,848	-	-
Use of money and property	-	-	-	-
Other, primarily contributions	-	751	-	-
Total revenues	50,440	96,308	-	-
Expenditures:				
Current:				
General government	135,540	133,786	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	135,540	133,786	-	-
Excess (deficiency) of revenues over (under) expenditures	(85,100)	(37,478)	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	(460,567)
Total other financing sources (uses)	-	-	-	(460,567)
Net change in fund balances	\$ (85,100)	(37,478)	\$ -	(460,567)
Fund balances (deficits), beginning of year		173,289		460,567
Fund balances (deficits), end of year, budgetary basis		135,811		-
Change in encumbrances		(720)		-
Fund balances (deficits), end of year		<u>\$ 135,091</u>		<u>\$ -</u>

(Continued)

Special Revenue					
Community Development		Library		Park Dedication	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ 4,199,141	\$ 4,312,117	\$ -	\$ -
1,107,793	903,969	96,010	106,883	100,000	2,373
5,000	3,500	48,200	49,314	-	-
-	-	-	-	-	-
2,000	2,284	36,396	95,689	-	-
60,100	5,002	299,200	299,502	-	70,215
1,174,893	914,755	4,678,947	4,863,505	100,000	72,588
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,789,904	4,092,140	190,000	1,863
1,182,395	980,335	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,182,395	980,335	4,789,904	4,092,140	190,000	1,863
(7,502)	(65,580)	(110,957)	771,365	(90,000)	70,725
7,500	460,567	236,391	-	-	-
-	-	-	-	-	-
-	-	1,500	1,936	-	-
-	-	(236,391)	(319,895)	-	-
7,500	460,567	1,500	(317,959)	-	-
<u>\$ (2)</u>	<u>394,987</u>	<u>\$ (109,457)</u>	<u>453,406</u>	<u>\$ (90,000)</u>	<u>70,725</u>
	1,334,285		800,768		853,221
	1,729,272		1,254,174		923,946
	4,503		36,009		(9,718)
	<u>\$ 1,733,775</u>		<u>\$ 1,290,183</u>		<u>\$ 914,228</u>

City of Bloomington, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
For the Year Ended April 30, 2007**

	Capital Projects			
	Central Bloomington TIF Redevelopment		1991 Southeast Improvement Bond	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ 1,100,000	\$ 1,131,236	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Other, primarily contributions	39,286	19,401	-	-
Total revenues	1,139,286	1,150,637	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Community development	365,000	-	-	-
Debt service, principal retirement	774,286	555,400	-	-
Capital outlay	-	-	-	-
Total expenditures	1,139,286	555,400	-	-
Excess (deficiency) of revenues over (under) expenditures	-	595,237	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	595,237	\$ -	-
Fund balances (deficits), beginning of year		12,124		10,099
Fund balances (deficits), end of year, budgetary basis		607,361		10,099
Change in encumbrances		(218,360)		-
Fund balances (deficits), end of year		<u>\$ 389,001</u>		<u>\$ 10,099</u>

(Continued)

2003 Bond Projects		Pepsi Ice Center	
Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	225,389	-	34,647
-	-	-	-
-	225,389	-	34,647
-	-	-	-
-	-	-	-
-	-	-	-
-	-	700,000	-
4,737,591	2,585,200	-	-
-	-	-	-
-	-	-	-
4,737,591	2,585,200	700,000	-
(4,737,591)	(2,359,811)	(700,000)	34,647
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ (4,737,591)</u>	<u>(2,359,811)</u>	<u>\$ (700,000)</u>	34,647
	5,526,228		595,289
	3,166,417		629,936
	(582,063)		(206,739)
	<u>\$ 2,584,354</u>		<u>\$ 423,197</u>

City of Bloomington, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds - Budgetary Basis - Budget to Actual (Continued)
 For the Year Ended April 30, 2007

	Capital Projects			
	Cultural District		Capital Improvements	
	Final Budget	Actual	Final Budget	Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,566,000	453,163
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	38,058	-	-
Other, primarily contributions	-	-	470,000	71,057
Total revenues	-	38,058	3,036,000	524,220
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	2,487,735	-	-	-
Community development	-	-	-	-
Debt service, principal retirement	-	-	-	-
Capital outlay	-	-	9,814,500	5,235,794
Total expenditures	2,487,735	-	9,814,500	5,235,794
Excess (deficiency) of revenues over (under) expenditures	(2,487,735)	38,058	(6,778,500)	(4,711,574)
Other financing sources (uses):				
Transfers in	-	-	4,366,873	4,366,873
Issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	4,366,873	4,366,873
Net change in fund balances	\$ (2,487,735)	38,058	\$ (2,411,627)	(344,701)
Fund balances (deficits), beginning of year		2,413,840		4,857,220
Fund balances (deficits), end of year, budgetary basis		2,451,898		4,512,519
Change in encumbrances		(2,487,734)		1,692,639
Fund balances (deficits), end of year		<u>\$ (35,836)</u>		<u>\$ 6,205,158</u>

Capital Projects		Permanent	
Library Expansion		J.M. Scott	
Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	50,000	463,720
-	-	362,000	448,160
-	-	412,000	911,880
-	-	-	-
-	-	-	-
-	-	412,000	337,589
1,181,737	47,241	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,181,737	47,241	412,000	337,589
(1,181,737)	(47,241)	-	574,291
-	319,895	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	319,895	-	-
<u>\$ (1,181,737)</u>	272,654	<u>\$ -</u>	574,291
	(1,395,091)		8,080,585
	(1,122,437)		8,654,876
	(1,134,496)		-
	<u>\$ (2,256,933)</u>		<u>\$ 8,654,876</u>

City of Bloomington, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
Debt Service Fund
For the Year Ended April 30, 2007

	Final Budget	Actual
Revenues:		
Taxes	\$ 3,286,640	\$ 3,769,246
Use of money and property	-	47,822
Miscellaneous	10,000	-
Total revenues	<u>3,296,640</u>	<u>3,817,068</u>
Expenditures:		
Debt Service:		
Principal	2,415,000	2,653,948
Interest and fiscal agent fees	4,046,800	1,838,008
Total expenditures	<u>6,461,800</u>	<u>4,491,956</u>
(Deficiency) of revenues over expenditures	<u>(3,165,160)</u>	<u>(674,888)</u>
Other financing sources (uses):		
Transfers in	3,867,520	3,261,586
Payment to refunded bond escrow agent	(300,000)	-
Transfers out	-	(926,566)
Total other financing sources (uses)	<u>3,567,520</u>	<u>2,335,020</u>
Net change in fund balance	<u><u>\$ 402,360</u></u>	1,660,132
Fund balance, beginning of year		<u>7,426,166</u>
Fund balance, end of year, budgetary basis		9,086,298
Change in encumbrances		-
Fund balance, end of year		<u><u>\$ 9,086,298</u></u>

City of Bloomington, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget to Actual
 U.S. Cellular Coliseum Capital Project Fund
 For the Year Ended April 30, 2007

	Final	Actual
Revenues, use of money and property	\$ -	\$ 41,163
Expenditures, culture and recreation	878,460	-
(Deficiency) of revenues over expenditures	(878,460)	41,163
Other financing sources (uses), transfer in	-	1,098,429
Net change in fund balance	<u>\$ (878,460)</u>	1,139,592
Fund balance, beginning of year		(2,284,982)
Fund balance, end of year, budgetary basis		(1,145,390)
Change in encumbrances		(877,518)
Fund balance, end of year		<u>\$ (2,022,908)</u>

City of Bloomington, Illinois

Combining Balance Sheet
 Nonmajor Enterprise Funds
 April 30, 2007

Assets	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Current assets:			
Cash and investments	\$ 167,011	\$ 397,394	\$ 564,405
Accounts receivable, net of allowance for uncollectibles	50,772	264,417	315,189
Due from other funds	-	360,000	360,000
Total current assets	217,783	1,021,811	1,239,594
Noncurrent assets:			
Land	290,440	241,171	531,611
Construction-in-progress	-	787,810	787,810
Other depreciable capital assets, net of accumulated depreciation	6,125,976	3,003,269	9,129,245
Total capital assets, net of depreciation	6,416,416	4,032,250	10,448,666
Bond issuance costs	13,322	-	13,322
Bond discounts	16,247	-	16,247
Total noncurrent assets	6,445,985	4,032,250	10,478,235
Total assets	\$ 6,663,768	\$ 5,054,061	\$ 11,717,829
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	\$ 26,006	\$ 279,339	\$ 305,345
Compensated absences	11,074	4,199	15,273
Due to other funds	584,353	3,402	587,755
Deposits	12,393	-	12,393
Current maturities of long-term debt	122,105	-	122,105
Total current liabilities	755,931	286,940	1,042,871
Noncurrent liabilities:			
Interfund advances	211,298	-	211,298
Compensated absences	15,028	-	15,028
General obligation bonds payable	2,971,220	-	2,971,220
Total noncurrent liabilities	3,197,546	-	3,197,546
Total liabilities	3,953,477	286,940	4,240,417
Net assets (deficits):			
Invested in capital assets, net of related debt	3,352,660	4,032,250	7,384,910
Unrestricted	(642,369)	734,871	92,502
Total net assets	2,710,291	4,767,121	7,477,412
Total liabilities and net assets	\$ 6,663,768	\$ 5,054,061	\$ 11,717,829

City of Bloomington, Illinois

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended April 30, 2007**

	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Operating revenues, charges for services	\$ 938,303	\$ 2,502,706	\$ 3,441,009
Operating expenses:			
Personal services	396,214	657,438	1,053,652
Contractual services	277,434	266,268	543,702
Commodities	105,755	155,433	261,188
Depreciation	208,457	77,600	286,057
Total operating expenses	987,860	1,156,739	2,144,599
Operating income (loss)	(49,557)	1,345,967	1,296,410
Nonoperating revenues (expenses):			
Investment earnings	5,328	-	5,328
Loss on disposal of capital assets	-	(494)	(494)
Other income	1,044	50,283	51,327
Other expense, primarily interest expense	(115,040)	-	(115,040)
Total nonoperating revenues (expenses)	(108,668)	49,789	(58,879)
Income (loss) before transfers and capital contributions	(158,225)	1,395,756	1,237,531
Transfers in	178,465	-	178,465
Transfers out	(35,371)	(88,160)	(123,531)
Capital contributions	-	40,000	40,000
Total transfers and capital contributions	143,094	(48,160)	94,934
Change in net assets	(15,131)	1,347,596	1,332,465
Total net assets, beginning of year	2,725,422	3,419,525	6,144,947
Total net assets, end of year	<u>\$ 2,710,291</u>	<u>\$ 4,767,121</u>	<u>\$ 7,477,412</u>

City of Bloomington, Illinois

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended April 30, 2007

	Parking	Stormwater Management	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 929,060	\$ 2,640,711	\$ 3,569,771
Payments to suppliers	(755,483)	(29,106)	(784,589)
Payments to employees	(408,942)	(654,523)	(1,063,465)
Net cash provided by (used in) operating activities	(235,365)	1,957,082	1,721,717
Cash flows from noncapital financing activities:			
Proceeds from interfund accounts	315,551	60,629	376,180
Payments to interfund accounts	-	(217,382)	(217,382)
Net cash provided by (used in) noncapital financing activities	315,551	(156,753)	158,798
Cash flows from capital and related financing activities:			
Purchase of capital assets	(207,621)	(1,482,961)	(1,690,582)
Payments on long-term debt	(61,052)	-	(61,052)
Net cash (used in) capital and related financing activities	(268,673)	(1,482,961)	(1,751,634)
Cash flows from investing activities:			
Interest and dividends received	5,328	-	5,328
Proceeds from sale and maturity of investments	331,911	-	331,911
Net cash provided by investing activities	337,239	-	337,239
Increase in cash and cash equivalents	148,752	317,368	466,120
Cash and cash equivalents, beginning of year	18,259	80,026	98,285
Cash and cash equivalents, end of year	\$ 167,011	\$ 397,394	\$ 564,405
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (161,813)	\$ 1,396,250	\$ 1,234,437
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, depreciation	208,457	77,600	286,057
Change in assets and liabilities:			
Receivables	(10,350)	87,722	77,372
Prepaid items and other assets	38,146	132,625	170,771
Accounts payable and accrued expenses	(296,685)	266,285	(30,400)
Deposits	63	-	63
Compensated absences	(13,183)	(3,400)	(16,583)
Net cash provided by (used in) operating activities	\$ (235,365)	\$ 1,957,082	\$ 1,721,717
Schedule of noncash items, capital and related financing activities, contribution of capital assets	\$ -	\$ 40,000	\$ 40,000

City of Bloomington, Illinois

Combining Statement of Net Assets
Internal Service Funds
April 30, 2007

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Assets			
Cash and investments	\$ 79,294	\$ 4,153,116	\$ 4,232,410
Accounts receivable, net of allowance for uncollectibles	-	1,178,822	1,178,822
Accrued interest	-	15,204	15,204
Due from other funds	7,085	-	7,085
Interfund advances	1,800,000	-	1,800,000
Prepaid items and other assets	-	494,861	494,861
Total assets	\$ 1,886,379	\$ 5,842,003	\$ 7,728,382
Liabilities and Net Assets			
Accounts payable and accrued expenses	\$ -	\$ 70,412	\$ 70,412
Claims payable	447,649	3,490,558	3,938,207
Unearned revenue	305,834	1,750,000	2,055,834
Total liabilities	753,483	5,310,970	6,064,453
Net assets, unrestricted	1,132,896	531,033	1,663,929
Total liabilities and net assets	\$ 1,886,379	\$ 5,842,003	\$ 7,728,382

City of Bloomington, Illinois

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)
Internal Service Funds
For the Fiscal Year Ended April 30, 2007

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Operating revenues, charges for services	\$ 7,583,687	\$ 5,086,250	\$ 12,669,937
Operating expenses:			
Contractual services	2,863,027	-	2,863,027
Other charges, claims	3,877,974	4,081,132	7,959,106
Total operating expenses	6,741,001	4,081,132	10,822,133
Operating income	842,686	1,005,118	1,847,804
Nonoperating income, investment earnings	-	260,306	260,306
Change in net assets	842,686	1,265,424	2,108,110
Net assets (deficit), beginning	290,210	(734,391)	(444,181)
Net assets, ending	\$ 1,132,896	\$ 531,033	\$ 1,663,929

City of Bloomington, Illinois

Combining Statement of Cash Flows
Internal Service Funds
For The Fiscal Year Ended April 30, 2007

	Employee Group Health Care	Central Illinois Risk Pooling Authority	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 7,696,903	\$ 5,214,095	\$ 12,910,998
Payments to claimants	(4,052,687)	(2,757,507)	(6,810,194)
Payments for contractual services	(2,868,763)	(1,634,580)	(4,503,343)
Net cash provided by operating activities	775,453	822,008	1,597,461
Cash flows from noncapital financing activities, payments from interfund accounts			
	(769,650)	-	(769,650)
Cash flows from investing activities:			
Interest and dividends received	-	132,050	132,050
Purchase of investments	-	(4,859,032)	(4,859,032)
Sale of investments	-	3,924,673	3,924,673
Net cash (used in) investing activities	-	(802,309)	(802,309)
Increase in cash and cash equivalents	5,803	19,699	25,502
Cash and cash equivalents, beginning of year	73,491	370,224	443,715
Cash and cash equivalents, end of year	<u>\$ 79,294</u>	<u>\$ 389,923</u>	<u>\$ 469,217</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 842,686	\$ 1,005,118	\$ 1,847,804
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Receivables	-	(214,250)	(214,250)
Prepaid items and other assets	-	907	907
Accounts payable and accrued expenses	(5,736)	61,455	55,719
Claims payable	(174,713)	(194,972)	(369,685)
Unearned revenue	113,216	163,750	276,966
Net cash provided by operating activities	\$ 775,453	\$ 822,008	\$ 1,597,461
Schedule of noncash items, investing activities, net appreciation in fair value of investments			
	\$ -	\$ 23,196	\$ 23,196

City of Bloomington, Illinois

Combining Statement of Fiduciary Net Assets
 Pension Trust Funds
 April 30, 2007

	Police Pension	Firemen's Pension	Total
Assets:			
Cash	\$ 451,714	\$ 2,090,490	\$ 2,542,204
Investments:			
Illinois metropolitan investment fund	75,076	-	75,076
U.S. government securities	5,016,678	6,214,520	11,231,198
U.S. government agencies and corporations	3,204,670	2,588,850	5,793,520
IPPPA real estate	693,993	-	693,993
Annuities - fixed	2,060,839	7,419,225	9,480,064
Annuities - variable	-	8,603,407	8,603,407
Money market mutual funds	9,220,662	-	9,220,662
Mutual funds	11,373,494	9,047,671	20,421,165
Stocks	8,036,132	-	8,036,132
Receivables:			
Employer	1,889,809	1,772,416	3,662,225
Employee	-	1,070	1,070
Accrued interest	106,543	20,894	127,437
Total assets	42,129,610	37,758,543	79,888,153
Liabilities, accounts payable	5,822	25,970	31,792
Net assets, held in trust for pension benefits	\$ 42,123,788	\$ 37,732,573	\$ 79,856,361

City of Bloomington, Illinois

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Fiscal Year Ended April 30, 2007

	Police Pension	Firemen's Pension	Total
Additions:			
Contributions:			
Employer	\$ 2,029,154	\$ 1,909,591	\$ 3,938,745
Active members	852,599	519,784	1,372,383
Other sources	1,790	100	1,890
Total contributions	2,883,543	2,429,475	5,313,018
Net investment income:			
Net appreciation in fair value of investments	2,196,089	2,986,484	5,182,573
Interest	1,703,261	295,465	1,998,726
Dividends	-	301,821	301,821
Total investment income	3,899,350	3,583,770	7,483,120
Less investment expense	53,434	31	53,465
Net investment income	3,845,916	3,583,739	7,429,655
Total additions	6,729,459	6,013,214	12,742,673
Deductions:			
Benefits	2,556,889	2,618,115	5,175,004
Refund of contributions	14,528	29,428	43,956
Administrative expenses	78,672	42,075	120,747
Total deductions	2,650,089	2,689,618	5,339,707
Change in net assets	4,079,370	3,323,596	7,402,966
Net assets held in trust for benefits, beginning of year	38,044,418	34,408,977	72,453,395
Net assets held in trust for benefits, end of year	\$ 42,123,788	\$ 37,732,573	\$ 79,856,361

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City of Bloomington, Illinois

**Statistical Section
Contents**

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

Contents	Page
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.	107 - 116
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).	117 - 123
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.	124 - 126
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.	127 - 128
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.	129 - 134

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

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City of Bloomington, Illinois

Statistical Section

Comments Relative to Statistical Section

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

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

City of Bloomington, Illinois

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

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 101,340,822	\$ 102,956,350	\$ 80,134,161
Restricted	16,518,373	15,357,846	19,826,638
Unrestricted	13,457,746	26,665,486	55,337,694
Total governmental activities net assets	\$ 131,316,941	\$ 144,979,682	\$ 155,298,493
Business-type activities:			
Invested in capital assets, net of related debt	\$ 115,691,264	\$ 121,523,887	\$ 121,814,898
Unrestricted	3,596,404	1,366,819	5,338,425
Total business-type activities net assets	\$ 119,287,668	\$ 122,890,706	\$ 127,153,323
Primary government:			
Invested in capital assets, net of related debt	\$ 217,032,086	\$ 224,480,237	\$ 201,949,059
Restricted	16,518,373	15,357,846	19,826,638
Unrestricted	17,054,150	28,032,305	60,676,119
Total primary government net assets	\$ 250,604,609	\$ 267,870,388	\$ 282,451,816

GASB Statement No. 34 Implemented in Fiscal Year 2003
GASB Statement No. 46 Implemented in Fiscal Year 2007

		Fiscal Year	
		2006	2007
\$	129,599,203	\$	134,912,639
	18,797,111		21,217,816
	16,708,698		13,194,642
\$	165,105,012	\$	169,325,097
\$	129,681,276	\$	137,465,199
	(2,228,945)		(1,912,857)
\$	127,452,331	\$	135,552,342
\$	259,280,479	\$	272,377,838
	18,797,111		21,217,816
	14,479,753		11,281,785
\$	292,557,343	\$	304,877,439

City of Bloomington, Illinois

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

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

(Continued)

		Fiscal Year	
		2006	2007
\$	8,522,974	\$	12,249,314
	26,344,845		29,812,433
	9,384,880		10,833,763
	10,195,565		11,774,446
	321,696		337,484
	18,305,653		13,104,306
	6,756,891		4,245,643
	2,966,747		2,159,138
	82,799,251		84,516,527
	10,531,819		10,816,896
	2,607,931		2,640,707
	1,054,418		1,089,003
	3,084,480		7,616,166
	1,708,820		1,123,667
	18,987,468		23,286,439
	101,786,719		107,802,966
	6,889,902		7,589,775
	2,269,302		3,269,733
	302,484		318,765
	3,849,409		4,721,847
	1,541,092		1,321,270
	430,063		233,075
	2,355,285		2,032,365
	108,909		123,356
	1,183,180		903,969
	9,375		7,997
	4,807,027		5,487,477
	-		28,888
	19,011		31,782
	23,765,039		26,070,299
	12,864,096		12,087,513
	2,317,337		2,217,580
	881,386		938,303
	484,031		4,339,574
	2,661,831		2,502,706
	-		-
	-		-
	-		-
	775,909		1,230,049
	1,036,379		2,023,214
	200,451		40,000
	21,221,420		25,378,939
	44,986,459		51,449,238

City of Bloomington, Illinois

Changes In Net Assets (Continued)

Last Five Fiscal Years

(accrual basis of accounting)

(Unaudited)

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

Fiscal Year	
2006	2007
\$ (59,034,212)	\$ (58,446,228)
-	2,092,500
(59,034,212)	(56,353,728)

16,628,517	16,990,609
984,688	1,071,052
15,296,099	14,371,986
11,859,024	11,606,487
5,492,035	5,201,329
5,012,999	6,385,846
3,330,564	3,547,681
5,734,824	4,260,465
2,625,417	2,316,843
2,741,346	2,185,659
2,719,148	(5,271,644)
-	-
72,424,661	62,666,313

59,570	83,173
724,634	652,694
(2,719,148)	5,271,644
-	-
(1,934,944)	6,007,511
70,489,717	68,673,824

13,390,449	4,220,085
299,008	8,100,011
\$ 13,689,457	\$ 12,320,096

City of Bloomington, Illinois

**Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	2003	2004	2005
General Fund:			
Reserved	\$ 965,733	\$ 1,511,498	\$ 5,822,565
Unreserved	6,994,367	12,919,082	13,698,432
Total General Fund	\$ 7,960,100	\$ 14,430,580	\$ 19,520,997
All Other Governmental Funds:			
Reserved	\$ 14,556,265	\$ 11,124,746	\$ 46,294,843
Unreserved, reported in:			
Special revenue funds	8,634,687	7,112,627	3,863,304
Debt service funds	2,019,564	3,127,926	6,717,153
Capital project funds	(1,766,307)	6,246,353	(1,215,142)
Permanent funds	1,281,183	2,004,717	2,170,063
Total all other government funds	\$ 24,725,392	\$ 29,616,369	\$ 57,830,221
Total Fund Balance	\$ 32,685,492	\$ 44,046,949	\$ 77,351,218

2006	2007
\$ 8,755,940	\$ 6,512,511
8,044,345	2,053,859
<u>\$ 16,800,285</u>	<u>\$ 8,566,370</u>
\$ 25,493,780	\$ 17,130,213
3,605,494	4,648,525
7,426,166	8,975,001
(5,857,428)	(2,437,466)
2,675,935	3,250,226
<u>\$ 33,343,947</u>	<u>\$ 31,566,499</u>
<u>\$ 50,144,232</u>	<u>\$ 40,132,869</u>

City of Bloomington, Illinois

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

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

	2006	2007
\$	63,076,831	\$ 64,695,140
	5,618,529	4,614,035
	1,226,067	1,323,956
	10,189,033	12,498,842
	1,035,756	1,140,217
	2,464,821	2,056,537
	2,673,437	2,185,659
	86,284,474	88,514,386
	9,066,044	12,108,930
	26,886,389	29,544,586
	8,693,929	5,543,205
	10,279,429	11,294,366
	324,525	337,589
	46,786,617	18,245,813
	7,099,653	4,244,130
	9,226,688	7,879,489
	4,369,554	3,747,517
	127,674	-
	3,278,319	1,838,008
	126,138,821	94,783,633
	(39,854,347)	(6,269,247)
	9,139,667	10,374,894
	(9,212,666)	(14,318,798)
	12,128,000	128,362
	-	-
	-	-
	93,628	-
	-	-
	498,732	73,426
	12,647,361	(3,742,116)
\$	(27,206,986)	\$ (10,011,363)

10.1%

11.7%

City of Bloomington, Illinois

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property
1997	\$ 525,861,741	\$ 371,968,219	\$ 10,535,988	\$ 484,983
1998	557,628,895	381,687,795	10,268,125	527,701
1999	592,165,145	397,767,921	11,671,392	689,064
2000	644,500,805	425,046,288	11,676,370	803,163
2001	705,893,866	467,457,141	12,281,963	692,227
2002	761,108,215	504,737,694	9,639,734	703,867
2003	822,313,319	519,140,108	9,420,399	487,499
2004	861,824,156	543,262,723	9,692,733	509,803
2005	922,457,891	556,329,628	9,728,391	425,377
2006	978,715,852	569,998,938	9,928,152	382,422

Source: County of McLean Tax Extension Office

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

Railway Property	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
\$ 321,845	\$ 909,172,776	8.09%	\$ 1.3952	\$ 2,727,518,328	33.33%
312,279	950,424,795	4.54	1.4008	2,851,274,385	33.33
316,489	1,002,610,011	5.49	1.3850	3,007,830,033	33.33
269,430	1,082,296,056	7.95	1.3380	3,246,888,168	33.33
273,554	1,186,598,751	9.64	1.2744	3,559,796,253	33.33
311,403	1,276,500,913	7.58	1.2935	3,829,502,739	33.33
334,688	1,351,696,013	5.89	1.2839	4,055,088,039	33.33
381,264	1,415,670,679	4.73	1.2807	4,247,012,037	33.33
380,315	1,489,321,602	5.20	1.2719	4,467,964,806	33.33
415,532	1,559,440,896	4.71	1.2683	4,678,322,688	33.33

City of Bloomington, Illinois

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Tax Year Levied	City Direct Rates							
	General Fund	Fire Pension Fund	Police Pension Fund	Illinois Municipal Retirement Fund	Judgment Fund	Bond and Interest Fund	Public Benefit Fund	Public Library Fund
1997	\$ 0.46180	\$ 0.12990	\$ 0.13930	\$ 0.18700	\$ 0.07710	\$ 0.14670	\$ 0.01710	\$ 0.23260
1998	0.44660	0.13280	0.13740	0.18600	0.07380	0.17070	0.01630	0.23360
1999	0.53574	0.12713	0.13406	0.10209	0.06981	0.16058	0.01545	0.23650
2000	0.52079	0.12285	0.12705	0.10538	0.06467	0.14723	0.01432	0.23223
2001	0.50007	0.11092	0.12858	0.09996	0.05899	0.13403	0.01306	0.22462
2002	0.50007	0.10440	0.11872	0.09664	0.05483	0.12563	0.01214	0.27621
2003	0.50788	0.10346	0.11276	0.09240	0.05178	0.12605	0.01146	0.27325
2004	0.52874	0.10147	0.10729	0.08406	0.04945	0.12003	0.01095	0.27359
2005	0.50133	0.11590	0.12266	0.08310	0.02241	0.13810	0.01041	0.27284
2006	0.50389	0.11366	0.12119	0.10243	0.00962	0.13146	0.00994	0.27099

Source: County of McLean Tax Extension Office

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

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

Overlapping rates are those of local and county governments that apply to property owners within the City.

Not all overlapping rates apply to all City property owners, although the County property tax rates

apply to all City property owners; the Airport Authority rates apply to the property owners within that Authority's geographic boundaries.

Overlapping Rates

Audit Fund	Total Direct	School District	McLean County	Township	Water Reclamation District	Airport Authority	Cemetery	Heartland Community College
\$ 0.00360	\$ 1.39510	\$ 4.47790	\$ 0.97070	\$ 0.17150	\$ 0.09200	\$ 0.11700	\$ 0.02490	\$ 0.29120
0.00360	1.40080	4.48080	0.98200	0.23680	0.09260	0.11270	0.02510	0.28390
0.00361	1.38497	4.43060	0.92510	0.22000	0.12870	0.10590	0.02500	0.27960
0.00351	1.33803	4.42150	0.91520	0.22060	0.12180	0.09900	0.02430	0.28410
0.00421	1.27444	4.40540	0.93720	0.14470	0.11240	0.09190	0.02330	0.30960
0.00489	1.29353	4.43750	0.93060	0.13440	0.10770	0.08320	0.02270	0.33850
0.00485	1.28389	4.43450	0.93690	0.15620	0.14310	0.10920	0.02190	0.35260
0.00511	1.28069	4.47014	0.93874	0.18862	0.15014	0.10680	-	0.38752
0.00510	1.27185	4.48075	0.93885	0.23686	0.14835	0.05202	-	0.39291
0.00511	1.26829	4.48221	0.91927	0.22972	0.15303	0.11621	-	0.40655

City of Bloomington, Illinois

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

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
State Farm Insurance Company	\$ 160,321,624	1	10.28%	\$ 114,116,366	1	12.55%
Eastland Mall	18,109,401	2	1.16	7,696,526	4	0.85
Country Life Insurance Company	13,699,870	3	0.88	9,587,781	2	1.05
Illinois Agricultural Association	9,485,941	4	0.61	9,425,156	3	1.04
Brickyard Complex	7,873,022	5	0.50	-		-
Wal-Mart	5,982,093	6	0.38	-		-
Capital #16762/3	5,464,597	7	0.35	-		-
Westminister Village	5,452,075	8	0.35	3,814,896	9	0.42
Tumberry	5,200,200	9	0.33	-		-
Verizon North, Inc.	4,787,325	10	0.31	6,540,816	5	0.72
M & J/LJP Parkway LP	-		-	4,361,695	6	0.48
First of America	-		-	4,348,988	7	0.48
OSF Healthcare	-		-	3,964,662	8	0.44
Jumers	-		-	3,621,653	10	0.40
Total	\$ 236,376,148		15.15%	\$ 167,478,539		18.42%

Source: City of Bloomington Township

Note: Total 1998 Assessed Valuation \$909,172,776
Total 2006 Assessed Valuation \$1,559,440,896

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City of Bloomington, Illinois

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

Fiscal Year Ended April 30:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1998	1997	\$ 12,659,567	\$ 12,561,253	99.22%
1999	1998	13,313,650	13,216,952	99.27
2000	1999	13,886,258	13,795,251	99.34
2001	2000	14,481,723	14,126,852	97.55
2002	2001	15,456,251	14,985,365	96.95
2003	2002	16,510,246	16,334,789	98.93
2004	2003	17,354,447	17,226,781	99.26
2005	2004	18,129,927	18,018,303	99.38
2006	2005	18,942,004	18,364,818	96.95
2007 **	2006	19,728,090	9,835,553	49.85

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.
- ** 2007 - collections as of August 13, 2007 - second installment due on September 5, 2007

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 81,104	\$ 12,642,357	99.86%
88,908	13,305,860	99.94
74,809	13,870,060	99.88
88,655	14,214,369	98.16
174,181	15,159,546	98.08
139,394	16,474,183	99.78
97,884	17,324,665	99.82
78,525	18,096,828	99.81
906,209	19,271,026	101.74
-	9,835,553	49.85

City of Bloomington, Illinois

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

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
1998	\$ 36,370,511	\$ (495,005)	\$ 36,865,516	4.01%	\$ 638.84
1999	32,489,864	(446,150)	32,936,014	3.47	570.75
2000	30,015,916	(62,594)	30,078,510	0.30	521.23
2001	27,622,239	157,916	27,464,323	2.54	423.78
2002	25,972,946	837,992	25,134,954	2.12	387.84
2003	23,718,860	2,019,564	21,699,296	1.70	325.60
2004	31,428,719	3,127,926	28,300,793	2.09	424.65
2005	67,931,484	6,717,153	61,214,331	5.02	893.55
2006	46,232,767	7,426,166	38,806,601	2.61	566.46
2007	43,875,855	7,426,166	36,449,689	2.34	486.16

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

		Business-Type Activities			
Loan Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capita Income	Per Capita
\$ -	\$ -	\$ 3,692,788	\$ 40,063,299	0.065%	\$ 694.25
-	-	2,376,360	34,866,224	0.077	604.19
-	-	992,036	31,007,952	0.090	537.33
-	-	-	27,622,239	0.104	426.22
-	-	-	25,972,946	0.111	400.77
1,568,767	-	-	25,287,627	0.124	355.90
2,659,006	-	-	34,087,725	0.094	471.58
4,884,567	3,174,728	-	75,990,779	0.039	1,109.24
6,764,108	32,609,377	-	85,606,252	0.035	1,249.60
6,496,716	32,548,325	-	82,920,896	0.051	1,105.98

City of Bloomington, Illinois

**Direct and Overlapping Governmental Activities Debt
For the Year Ended April 30, 2007
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Bloomington Normal Airport Authority	\$ 7,580,000	69.26%	\$ 5,249,756
Bloomington Schools District #87	29,670,000	99.63	29,559,331
Heartland Community College #540	20,115,000	41.90	8,428,185
County of McLean	23,224,964	49.47	11,489,390
Normal Schools District #5	122,145,000	42.70	52,155,915
Subtotal, overlapping debt			<u>106,882,577</u>
City Direct Debt	\$ 82,920,896		<u>82,920,896</u>
Total direct and overlapping debt			<u><u>\$ 189,803,473</u></u>

Sources: Debt outstanding provided by each governmental unit.

City of Bloomington, Illinois

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended April 30	Population (3)	Personal Income (3) (thousands)	Per Capita Income (3) (thousands)	Median Age (3)	School Enrollment	Median House Costs	Unemployment Rate	Annual Airport Usage (3) (thousands)
1998	57,707	\$ 25,959	*	31	7,555 (1)	\$ 120,645	2.5% (2)	142,961
1999	57,707	26,843	*	31	7,787 (1)	126,927	2.8 (2)	194,333
2000	57,707	27,840	\$ 30,587	30	7,829 (3)	131,768	2.1 (3)	220,827
2001	57,707	28,801	32,888	30	7,651 (3)	134,351	1.9 (3)	242,280
2002	64,808	28,926	34,226	30	7,520 (3)	139,322	1.9 (3)	223,080
2003	66,645	29,313	35,106	30	7,557 (3)	144,641	2.4 (3)	207,014
2004	66,645	29,451	36,116	31	7,544 (3)	153,422	2.7 (3)	211,828
2005	68,507	29,769	34,910	31	7,777 (3)	161,135	4.6 (3)	224,655
2006	68,507	29,769	36,798	30	7,139 (3)	166,274	4.1 (3)	232,089
2007	74,975	31,555	42,120	30	7,589 (3)	167,963	3.5 (3)	262,409

Sources:

- (1) Regional Office of Education for the McLean County-Dewitt County Education Service Region.
- (2) State of Illinois Department of Employment Security as of May of the current year.
- (3) Bloomington Normal Economic Development Council Demographic Profile.

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

City of Bloomington, Illinois

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State Farm Insurance Company	14,653	1	19.54%	10,212	1	17.70%
COUNTRY Insurance & Financial Services	2,158	2	2.88	1,668	3	2.89
Mitsubishi Motor Manufacturing	1,800	3	2.40	4,216	2	7.31
Anderson Financial Network, Inc.	1,217	4	1.62	596.00	8	1.03
OSF - St Joseph Medical Center	956	5	1.28	880	4	1.52
McLean County Government	870	6	1.16	638	7	1.11
School District #87	675	7	0.90	656	5	1.14
City of Bloomington	631	8	0.84	-	-	-
Nestle USA	525	9	0.70	536	9	0.93
Illinois Wesleyan University	513	10	0.68	505	10	0.88
Verizon Communications	-	-	-	651	6	1.13

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

Note: The estimated population in 2007 is 74,975.
The estimated population in 1998 is 57,707.

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City of Bloomington, Illinois

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

Functions/Program	Full-Time Equivalent Employees as of April 30			
	2007	2006	2005	2004
General Government:				
Legislative	-	-	9	9
City Manager	14	13	4	4
City Clerk	4	4	4	3
Personnel	10	10	10	9
Finance	15	17	15	14
Information Services	15	14	10	9
Legal	5	6	5	5
Building Safety	15	16	21	19
Planning	3	3	3	3
Facility Mgmt	4	3	2	2
Community Development	3	3	7	7
Code Enforcement	11	11	-	-
Parks and Recreation:				
General & Administrative	39	38	34	32
SOAR	7	7	6	6
Recreation	26	25	24	23
Pool(s)	8	4	8	9
Zoo	18	17	16	15
Forestry	-	6	4	4
Golf Course(s)	39	40	40	40
Public Ice Rink	12	8	-	-
Police:				
Officers	122	126	120	114
Civilians (a)	41	44	26	27
Fire:				
Firefighters and Officers	114	94	93	88
Civilians	3	4	9	9
Public Works:				
Administration	4	4	4	4
Street Maintenance	16	16	16	16
Street Sweeping	1	1	1	4
Snow and Ice Control	4	4	4	4
Refuse Collection	50	50	50	47
Weed Control	2	2	2	3
Fleet Management	11	10	9	7
Street Lighting	2	2	1	1
Traffic Control	12	11	11	10
Water:				
Administration	9	9	6	6
Transmission	25	27	21	21
Purification	18	20	19	19
Lake Bloomington Park	8	6	6	6
Sewer Maintenance	18	17	15	16
Stormwater	11	11	9	-
Other Programs/Functions:				
Engineering	19	20	19	23
Library	59	61	64	60
Parking	9	9	8	8
JM Scott	3	3	3	3
Cultural District	53	53	6	5
Total	862	849	744	714

Source: City of Bloomington Human Resource Department

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

Full-Time Equivalent Employees as of April 30

2003	2002	2001	2000	1999	1998
9	9	9	9	9	9
4	4	4	3	3	3
4	3	3	3	3	3
10	12	11	11	8	8
14	14	13	13	13	11
10	9	8	8	6	6
5	5	5	4	4	4
18	18	16	14	14	14
3	3	3	2	2	2
2	2	2	2	1	1
8	8	8	8	8	9
-	-	-	-	-	-
35	33	32	31	30	30
5	5	5	5	5	5
24	24	24	24	24	24
10	10	10	10	12	12
16	15	15	15	13	13
4	4	4	4	4	4
39	38	37	37	36	36
-	-	-	-	-	-
108	109	103	99	99	94
25	18	24	21	21	21
89	89	89	88	88	89
8	8	7	7	7	6
4	4	4	4	4	4
16	16	14	11	11	11
3	3	3	3	3	3
4	4	4	4	4	4
47	47	47	47	47	48
3	3	3	3	3	3
7	7	7	6	6	6
1	1	1	1	1	1
10	11	11	11	11	11
6	6	6	4	4	4
21	20	22	20	20	20
19	19	18	15	15	15
6	6	6	6	6	6
16	16	16	14	14	14
-	-	-	-	-	-
22	22	21	20	20	20
62	55	51	49	47	44
8	8	8	8	8	8
3	3	3	3	3	3
5	5	-	-	-	-
713	696	677	647	637	629

City of Bloomington, Illinois

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

Function/Program	Calendar Year			
	1997	1998	1999	2000
Police:				
Calls for service	37,784	42,198	44,201	47,988
Adult arrest	1,709	2,001	2,144	2,048
Juvenile arrest	373	306	298	246
Speeding citations only	2,245	2,188	3,688	7,706
Traffic citations	8,517	10,243	13,245	17,426
Fire:				
Total fire runs	1,359	1,338	1,354	1,508
Total rescue runs	3,784	4,093	4,260	4,606
Property loss	\$ 639,705	\$ 549,139	\$ 727,875	\$ 738,140
Building safety:				
Total building permits	2,683	2,554	2,277	2,709
Total value all permits	\$ 116,330,850	\$ 134,057,741	\$ 264,287,318	\$ 155,369,125
Library, volumes in collection	179,217	183,067	225,623	251,980
Public service:				
Garbage collected (ton)	16,322	17,149	18,027	17,776
Recycle collected (ton)	1,726	2,363	2,083	2,143
Bulk Waste (ton)	N/A	N/A	N/A	N/A
Brush (cubic yard)	N/A	N/A	N/A	N/A
Parks and Recreation:				
Recreation program attendance	161,032	171,770	198,394	202,931
Aquatics program attendance	75,325	72,750	73,479	70,361
Pepsi Ice Center	N/A	N/A	N/A	N/A
Golf rounds played	94,293	94,651	94,454	98,698
Miller Park Zoo attendance	111,881	105,090	111,803	99,001
Street trees maintained	N/A	12,866	13,466	13,830
Cultural District:				
Events	N/A	N/A	N/A	N/A
Attendance	N/A	N/A	N/A	N/A
US Cellular Coliseum:				
Events	N/A	N/A	N/A	N/A
Attendance	N/A	N/A	N/A	N/A

Note: ** Indicator not available

Calendar Year						
2001	2002	2003	2004	2005	2006	
51,185	54,507	54,916	51,775	53,375	50,725	
1,783	1,895	2,083	1,984	2,410	2,048	
214	257	221	252	294	183	
8,514	6,205	3,699	2,720	4,060	3,626	
16,582	14,512	13,783	10,907	12,370	10,475	
1,630	1,794	2,106	2,492	1,587	1,586	
5,269	5,620	5,427	5,235	2,894	6,793	
\$ 832,481	\$ 1,219,642	\$ 1,749,600	\$ 1,114,600	\$ 281,325	\$ 2,032,950	
2,458	2,579	3,001	3,017	2,685	2,459	
\$ 189,573,800	\$ 154,261,448	\$ 185,562,460	\$ 156,392,339	\$ 206,139,496	\$ 219,159,856	
254,470	250,240	248,280	241,240	239,651	234,589	
17,729	17,865	18,601	18,537	20,263	20,641	
2,243	2,010	2,338	2,420	2,341	2,805	
N/A	N/A	N/A	N/A	10,752	8,426	
N/A	N/A	N/A	N/A	25,005	33,468	
190,723	199,257	218,243	227,437	234,791	214,927	
72,798	68,361	55,058	53,296	54,894	34,253	
N/A	N/A	N/A	N/A	N/A	43,976	
95,788	87,528	89,844	92,303	90,850	82,404	
107,055	98,262	90,389	113,641	99,321	93,183	
14,003	14,212	14,385	14,494	14,688	3,724	
N/A	N/A	N/A	N/A	N/A	227	
N/A	N/A	N/A	N/A	N/A	55,000	
N/A	N/A	N/A	N/A	N/A	103	
N/A	N/A	N/A	N/A	N/A	306,000	

City of Bloomington, Illinois

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

Function/Program	1998	1999	2000	2001
Police:				
Stations	1	1	1	1
Zone Offices	-	-	-	-
Fire, Fire Stations	4	4	4	4
Refuse Collection:				
Collection Trucks	8	9	9	10
Other Public Works	33	35	36	35
Streets (Miles)	253	258	263	271
Traffic Signals	102	105	111	112
Parks & Recreation:				
Acreage	407	409	418	589
Parks	40	41	38	39
Golf Course	3	3	3	3
Baseball/Softball Diamonds	17	17	17	17
In-line Hockey Rinks	-	-	1	1
Soccer/Football Fields	13	13	13	13
Basketball Courts	9	9	9	9
Tennis Courts	20	20	20	20
Swimming pools	2	2	2	2
Parks with Playground Equipment	20	20	21	21
Picnic Shelters	20	20	20	20
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	179,217	183,067	225,623	251,980
Water:				
Lakes	2	2	2	2
Storage Capacity (MGD)	18	18	18	18
Average Daily Consumption (MGD)	11	11	11	11
Peak Consumption (MGD)	15	15	17	17
Wastewater:				
Sanitary Sewers (miles)	235	238	238	243
Storm Sewers (miles)	173	176	185	189
Combination Sanitary and Storm (miles)	100	100	100	100

Source: Various City Departments

Note: MGD - Millions Gallons per Day

2002	2003	2004	2005	2006	2007
1	1	1	1	1	1
-	-	-	1	1	-
4	4	4	4	4	4
10	11	11	11	11	11
36	36	37	37	37	37
272	274	276	276	276	300
114	115	121	127	127	134
589	589	595	602	602	594
43	44	44	52	52	52
3	3	3	3	3	3
17	17	17	24	24	26
1	1	1	1	1	1
13	13	13	14	14	22
9	9	10	13	13	45
20	20	20	20	20	20
2	2	2	2	2	2
21	21	21	31	31	31
20	20	20	28	28	37
1	1	1	1	1	1
1	1	1	1	1	1
254,470	250,240	248,280	241,240	239,651	240,869
2	2	2	2	2	2
18	18	18	18	18	21
11	11	11	11	11	12
17	17	20	20	20	24
245	248	250	250	250	250
192	194	197	200	200	200
100	100	100	100	100	100

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City of Bloomington, Illinois

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

Exhibit	Page
Exhibit A	
Direct general obligation bonded debt (principal only)	136
Exhibit A-1	
Debt service requirements	137
Exhibit B	
Overlapping general obligation bonded debt	126
Exhibit C	
Composition of equalized assessed value	117 - 118
Exhibit D	
City tax rates by purpose-direct and overlapping property tax rates	119 - 120
Exhibit E	
Representative total tax rates	119 - 120
Exhibit F	
Top ten largest taxpayers	121
Exhibit G	
Combined statement of revenue, expenditures and changes in general fund balances	109 - 110

Note: Exhibit labels match exhibits required in the bond covenant

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City of Bloomington, Illinois

Exhibit A - Direct General Obligation Bonded Debt (Principal Only) (1)
As of April 30, 2007

Year Ending December 31:	Total Existing Debt	Less Abated Amount (2)	Net Tax Levied Amount
2007	\$ 3,034,008	\$ 2,003,000	\$ 1,031,008
2008	5,023,544	4,093,000	930,544
2009	3,655,000	2,109,000	1,546,000
2010	3,900,000	2,285,000	1,615,000
2011	1,295,000	1,295,000	-
2012	2,325,000	1,325,000	1,000,000
2013	2,410,000	1,410,000	1,000,000
2014	2,425,000	1,425,000	1,000,000
2015	2,465,000	1,465,000	1,000,000
2016	2,560,000	1,560,000	1,000,000
2017	2,755,000	1,755,000	1,000,000
2018	2,870,000	1,870,000	1,000,000
2019	2,735,000	1,985,000	750,000
2020	2,970,000	2,220,000	750,000
2021	3,110,000	2,360,000	750,000
2022	2,985,000	2,610,000	375,000
2023	3,150,000	2,775,000	375,000
2024	3,045,000	3,045,000	-
2025	2,035,000	2,035,000	-
2026	1,485,000	1,485,000	-
2027	1,675,000	1,675,000	-
2028	1,880,000	1,880,000	-
2029	2,080,000	2,080,000	-
2030	2,310,000	2,310,000	-
2031	2,565,000	2,565,000	-
2032	2,835,000	2,835,000	-
2033	3,125,000	3,125,000	-
2034	3,440,000	3,440,000	-
	<u>\$ 76,142,552</u>	<u>\$ 61,020,000</u>	<u>\$ 15,122,552</u>

(1) Does not include revenue bonds.

(2) Includes General Obligation Corporate Purpose Bonds, Series 1994; General Obligation Corporate Purpose Bonds, Series 1995; a portion of General Obligation Refunding Bonds, Series 2001; General Obligation Bonds, Series 2004; General Obligation Demand Bonds, Series 2004 and General Obligation Bonds, Series 2005 that the City has historically and plans to continue to pay from other revenue sources and abate property tax levies for.

City of Bloomington, Illinois

Exhibit A-1 - Debt Service Requirements
As of April 30, 2007

Tax Year	Total Debt Service (1)	Less Annually Abated Debt Service (2)	Total Tax Levied Debt Service
2006	\$ 7,135,931	\$ 5,085,585	\$ 2,050,346
2007	9,103,811	7,054,078	2,049,733
2008	7,039,233	5,020,780	2,018,453
2009	7,195,883	5,182,395	2,013,488
2010	5,322,253	3,956,065	1,366,188
2011	5,300,528	3,979,340	1,321,188
2012	5,219,588	3,942,400	1,277,188
2013	5,165,142	3,918,954	1,246,188
2014	5,169,070	3,954,382	1,214,688
2015	5,264,698	4,083,010	1,181,688
2016	5,269,830	4,122,142	1,147,688
2017	5,016,655	4,153,967	862,688
2018	5,130,163	4,294,475	835,688
2019	5,140,060	4,332,122	807,938
2020	4,881,860	4,477,422	404,438
2021	4,898,815	4,509,002	389,813
2022	4,650,909	4,650,909	-
2023	3,488,305	3,488,305	-
2024	3,582,494	3,582,494	-
2025	2,939,819	2,939,819	-
2026	3,040,131	3,040,131	-
2027	3,122,631	3,122,631	-
2028	3,220,031	3,220,031	-
2029	3,327,769	3,327,769	-
2030	3,434,250	3,434,250	-
2031	3,543,519	3,543,519	-
2032	3,659,300	3,659,300	-

(1) Includes General Obligation Corporate Purpose Bonds, Series 1994; General Obligation Corporate Purpose Bonds, Series 1995; a portion of General Obligation Refunding Bonds, Series 2001; Taxable General Obligation Bonds, Series 2004; General Obligation Demand Bonds, Series 2004 and General Obligation Bonds, Series 2005 that the City has historically and plans to continue to pay from other revenue sources and abate property tax levies for. Variable rate for General Obligation Demand Bonds, Series 2004 estimated at 4.00%.

City of Bloomington, Illinois

Schedule of Expenditures of Federal Awards
Year Ended April 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant (Direct)	14.218	B-05-MC-17-0004	\$ 422,421
Supportive Housing Program (Direct)	14.235	IL-01B51-2004	17,388
	14.235	IL-01B51-2003	42,257
	14.235	IL-01B51-2005	145,370
	14.235	IL-01B51-2008	12,807
	14.235	IL-01B51-2006	144,185
	14.235	IL-01B41-2004	33,693
	14.235	IL-01B41-2009	181
	14.235	IL-01B41-2006	20,627
	14.235	IL-01B41-2007	5,796
	14.235	IL-01B41-2008	40,343
Shelter Plus Care (Direct)	14.238	IL-01C91-2002	9,055
	14.238	IL-01C61-2013	4,093
			<u>898,216</u>
U.S. Department of Justice:			
Bulletproof Vest Program (Direct)	16.607	2004-BU-BX-04024805	1,408
	16.607	2005-BU-BX-05029215	3,100
COPS Universal Hiring Program Grant (Direct)	16.710	2004-UM-WX-0126	148,989
			<u>153,497</u>
(Passed through Illinois Criminal Justice Information Authority)			
Domestic Violence Multi-Disciplinary Team Program	16.710	602173	43,680
	16.710	602473	25,754
			<u>69,434</u>
(Passed through State of Illinois, McClean County)			
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	5,823
Federal Emergency Management Agency:			
(Passed through the Illinois Emergency Management Agency)			
Emergency Management Preparedness Grant	97.042	N/A	24,725
U.S. Department of Homeland Security:			
(Passed through the Illinois Law Enforcement Alarm System)			
Weapons of Mass Destruction	97.073	N/A	19,335
US Department of Transportation:			
(Passed through the State of Illinois, Department of Transportation)			
State and Community Highway Safety	20.600	AL6-0540-309	17,124
	20.600	AL6-0540-309	7,350
			<u>24,474</u>
National Endowment for the Arts:			
Regional Touring Program (Direct)	45.025	FY07-6472	4,300
	45.025	FY07-7444	3,870
Promotion of the Art (Direct)	45.025	2006NEA01CAFT	10,000
			<u>18,170</u>
Environmental Protection Agency:			
(Passed through Illinois Environmental Protection Agency)			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	L17127000	68,713
	66.468	L17225200	42,333
			<u>111,046</u>
Total expenditures of federal awards			<u>\$ 1,324,720</u>

See Notes to Schedule of Expenditures of Federal Awards.

City of Bloomington, Illinois

**Notes to Schedule of Expenditures of Federal Awards
Year Ended April 30, 2007**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bloomington, Illinois for the year ended April 30, 2007. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

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

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant	14.218	\$ 24,059
Supportive Housing Program	14.235	437,550

Note 4. Federal Loan Program

Under the Community Development Block Grant program, the City administers loan programs which are accounted for in the Community Development Block Grant Fund, a special revenue fund, and in the General Fund. As of April 30, 2007, the loans outstanding under these programs total \$1,544,600 net of \$115,000 of allowance for uncollectible accounts.

City of Bloomington, Illinois

**Summary Schedule of Prior Audit Findings
Year Ended April 30, 2007**

	Comment	Status	Corrective Action or Other Explanation
Significant Deficiencies in Internal Control Over Financial Reporting:			
06-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf courses, pool and zoo locations.	Not corrected.	Similar finding at 07-II-A.
06-II-B	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash receipts transaction cycle.	Not corrected.	Similar finding at 07-II-B.
06-II-C	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash disbursement transaction cycle.	Not corrected.	Similar finding at 07-II-C.
06-II-D	There is no formal review of nonstandard journal entries at the U.S. Cellular Coliseum.	Not corrected.	Similar finding at 07-II-D.
06-II-E	The U.S. Cellular Coliseum has an inadequate segregation of duties over the payroll transaction cycle.	Not corrected.	Similar finding at 07-II-E.
06-II-F	Approvals of U.S. Cellular Coliseum expenditures are not properly documented.	Not corrected.	Similar finding at 07-II-C.
06-II-G	There is an inadequate system to identify trade/in-kind agreement activity for the U.S. Cellular Coliseum.	Not corrected.	Similar finding at 07-II-F.
06-II-H	There is an inadequate system over hiring U.S. Cellular Coliseum employees and setting payroll rates.	Not corrected.	Similar finding at 07-II-E.
06-II-I	There is an inadequate system over U.S. Cellular Coliseum employee terminations.	Not corrected.	Similar finding at 07-II-E.
06-II-J	U.S. Cellular Coliseum information technology internal/security controls are not formalized.	Not corrected.	Similar finding at 07-II-G.
Significant Deficiencies in Administering Federal Awards:			
06-III-A	The City does not have an adequate system in place to obtain audit reports from its subrecipients when required.	Corrected.	
Findings and Questioned Costs for Federal Awards:			
06-III-B	The City did not obtain audit reports from subrecipients to ensure they were meeting their monitoring responsibilities required under OMB Circular No. A-133.	Corrected.	

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McGladrey & Pullen

Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomington, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 27, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Central Illinois Risk Pooling Authority and the Police Pension Fund, as described in our report on the City's financial statements. The financial statements of the Central Illinois Risk Pooling Authority, Police Pension Fund and Firemen's Pension Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 07-II-A through 07-II-H to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that, of the significant deficiencies described above, 07-II-B through 07-II-F are material weaknesses.

Compliance and Other Matters

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

The City of Bloomington, Illinois' response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on it.

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

McGladrey & Pullen, LLP

Davenport, Iowa
September 27, 2007

McGladrey & Pullen

Certified Public Accountants

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

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

Scope of this Report

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

Compliance

We have audited the compliance of the City of Bloomington, Illinois with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that are applicable to its major federal programs for the year ended April 30, 2007. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2007.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

McGladrey & Pullen, LLP

Davenport, Iowa
September 27, 2007

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs
Year Ended April 30, 2007

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant
14.235	Supportive Housing Program

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

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

A. Significant deficiencies in internal control over financial reporting:

07-II-A

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

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

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

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

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

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

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

07-II-B

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

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected

Context/Condition: In gaining an understanding of the U.S. Cellular Coliseum's internal control, we noted there was some segregation of duties in that the Administrative Assistant enters bank deposits for miscellaneous and box office receipts into the system, the Coliseum Finance Manager reconciles the bank statements, and the Coliseum Finance Director reviews the bank reconciliations. However, all three of these employees may at times collect cash for miscellaneous receipts, have access to post nonstandard journal entries into Quickbooks and post receipts into the system. In addition to collecting cash and having the ability to post entries to the system, the Coliseum Finance Director also creates the deposits for miscellaneous receipts and takes these funds to the bank and signs checks. We also noted the April 2007 bank reconciliation was not formally signed off by the Coliseum Finance Director providing evidence it was approved.

Effect: Potential misappropriation of assets.

Recommendation: We recommend collection of or handling of cash through deposits, receipting into the system, bank reconciliation, and billing functions be segregated and performed by different employees. In addition, the review of the bank reconciliations by the Coliseum Finance Director should include documentation that the review has taken place.

Response and Corrective Action Plan: The actual bank deposit for the box office checking account is created in the box office and delivered to the bank by Loomis. The administrative assistant enters the bank deposits into Quickbooks.

The administrative assistant "receives" payments for miscellaneous receipts and the director of finance creates the bank deposits. The director of finance delivers the bank deposits to the box office and the bank deposits are delivered to the bank by Loomis. On occasion, but not typically, a bank deposit may be hand delivered to the bank in a secured bank bag. If a bank deposit is hand delivered, the deposit is placed in the bank bag and secured in the presence of the administrative assistant.

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

It is not economically feasible nor is it cost effective at this time for CIAM to add additional personnel to enable additional segregation of duties. Also, Quickbooks does not easily allow for segregation of duties with regard to cash receipts.

The finance department will continue with the segregation of duties as per the 2006-2007 audit response.

07-II-C

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

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Context/Condition: In gaining an understanding of the U.S. Cellular Coliseum's internal control, we noted that departments complete their own purchasing and receiving of goods and then submit bill payment forms to management for approval of the payment of the bills. Currently, the Coliseum Administrative Assistant enters invoices and print checks, the Coliseum Finance Manager prepares the bank reconciliations and the Coliseum Finance Director reviews the bank reconciliations and signs the checks. However, all finance staff have the ability to create new vendors, enter invoices, print checks and post nonstandard journal entries. The Coliseum Finance Director is also an authorized check signer and monitors check sequence. The approved bill payment forms and invoices are not matched to the check register after the checks have been printed. In addition, there is not a formal procedure in place for following up on unmatched invoices.

Effect: Potential misappropriation of assets.

Recommendation: We recommend the Coliseum adopt the City's purchasing policy which would include implementing a master vendor list. We further recommend segregating the entering of invoices, the printing of checks, and the bank reconciliation process or the ability or access into the system to do these functions. Matching of the invoices, approved bill payment forms and signed checks should be performed and compared with the check register from the system. A process should be put in place for following up on unmatched invoices. The Coliseum should consider central purchasing or, at a minimum, segregating the receiving of goods from purchasing. The Coliseum should also consider dual check signing and placing dollar limits on this control.

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

Response and Corrective Action Plan: Bill payment forms and invoices are matched to the check register. In addition, no bill is paid and no check is printed without first pulling the invoice and bill payment form. Therefore, there are no unmatched invoices.

It is not economically feasible nor is it cost effective at this time for CIAM to add additional personnel to enable additional segregation of duties. Also, Quickbooks does not easily allow for segregation of duties with regard to cash disbursements.

The finance department will continue with the segregation of duties as per the 2006-2007 audit response.

With regard to adopting the City's purchasing policy which would include a master vendor list, CIAM has an established list of vendors through which purchases are made. Although there is no formal list in writing, after discussing this with the Director of Operations, he verbally gave the Director of Finance a list of approved vendors that CIAM has made purchases from since the Coliseum has opened. If necessary, we will put this list in writing.

Also, with the upcoming year, a detail of each department's expenses are given monthly to the department heads for review.

07-II-D

Finding: There is not an adequate system over the recording and reporting of the entity's financial transactions. In addition, there is no formal review of nonstandard journal entries prior to them being posted.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Context/Condition:

- The Coliseum and/or the City do not reconcile interfund balances and transfers as well as charges and reimbursements between the Coliseum and the City on a monthly basis.
- The CIAM employee entering nonstandard journal entries into the system also initiates the journal entries. There are no standard forms for these entries as they are entered directly into QuickBooks from the back-up documentation received. CIAM's management and the Coliseum Finance Director review a Detail Transaction List on a monthly basis which includes adjusting journal entries; however, there is no formal documentation this review has taken place.

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

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

Recommendation:

- We recommend the Coliseum and/or the City reconcile interfund balances and transfers as well as charges and reimbursements between the Coliseum and the City on a monthly basis to ensure transactions are appropriate. Any duplication of entries should be eliminated.
- We recommend the Coliseum implement a system that would include a supervisory review of all nonstandard journal entries prior to them being posted to the system. In addition, there should be documentation that a review of the Detail Transaction List was reviewed each month.

Response and Corrective Action Plan: The Coliseum's finance department will work with the City of Bloomington's finance department to balance the interfund balances and transfers, as well as charges and reimbursements between the Coliseum and the City.

All journal entries are being reviewed and approved by CIAM Management (Mike Nelson, John Butler or Jerry McBurney). Mike Nelson and the director of finance will review the Profit and Loss Detail Report on a monthly basis and sign off on it at the time of review.

07-II-E

Finding: There is an inadequate segregation of duties over the payroll transaction cycle.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Context/Condition: CIAM's finance department employees have the ability to adjust their time in the ABI system and/or the ADP interface file and the ability to make changes to the original pay rates set by the department heads. The same employees can enter new employees into the ABI system and terminate employees. In addition, the payroll checks are first brought to the finance department before being distributed. The review of time reports, changes to employee master files and bank reconciliations are performed by the same employees. We also noted through our sample selection of payroll testing that proper documentation was not maintained in an employee's personnel file supporting an employee's wage rate.

Effect: Potential misappropriation of assets could occur.

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

Recommendation: We recommend CIAM limit rights to the ABI system to segregate the functions of time entry, the ability to edit employee master files including changing of pay rates and creating new employees in ABI and handling of the payroll checks before distribution. Changes to the employee master files should be reviewed and documented by appropriate supervisory personnel.

Response and Corrective Action Plan: As per audit point 06-II-G from the 2005-2006 Audit, McGladrey recommended that the Coliseum should establish an internal control system over the hiring of employees which would include human resource involvement, establishing pay rates, performing annual reviews and establishing merit increases. As per your recommendation, the human resource department now, with department head approval, establishes pay rates in ABI. No new employee is entered in ABI without the proper documentation and identification received from the department head, along with a new hire information form that includes the pay rate and approval from the department head.

Also, the existing payroll procedures requires new employees to be entered into ABI by Finance since the employee ID is based on the ADP employee ID and only Finance can enter new employees into ADP. An employee entered into ABI by someone other than Finance will not have a legitimate employee ID and cannot be paid by ADP.

With regard to payroll checks, they are delivered from a carrier (in a sealed plastic bag) contracted from ADP and delivered to the receptionist. Typically, the bag is opened and reports are removed by the Finance Manager and the receptionist files the checks in alphabetical order. The checks are then distributed at the box office. All employees picking up their checks must sign for their check.

We will continue to work with the department heads to make sure all personnel files are complete prior to entering a new employee.

It is not economically feasible nor is it cost effective at this time for CIAM to add additional personnel to enable additional segregation of duties. At this time, the finance department will continue to only have access to ADP and will continue with the above mentioned procedures until such time where it warrants adding additional personnel to further segregate payroll functions.

07-II-F

Finding: There is not a system in place to identify and reconcile trade/in-kind agreement activity including trade payables and expenditures, trade receivables and revenues. In addition, deferred revenues, including deferred suites and sponsorships, are not being accounted for properly and reconciled to the general ledger.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

Context/Condition: The trade/in-kind agreements and related transactions, as well as deferred revenue for suites and sponsorships, are not being reconciled to the general ledger on a monthly basis.

Effect: Potential material misstatement of the financial statements.

Recommendation: A system should be established to track all trade/in-kind activity as well as proper recognition of deferred revenue/revenue for suites and sponsorships. This system should provide the information necessary to evaluate or record the transaction in the accounting system and should provide information as the trade is used. A reconciliation of these transactions to the general ledger should be performed on a monthly basis.

Response and Corrective Action Plan: Signed trade agreements with values are currently submitted to the Finance department as they are established. On a monthly basis the V.P. of Marketing provides the finance department with a master list of all sponsorship agreements. This list includes trade values, cash sponsorships and tickets, and is matched to the agreements and reviewed for accuracy by the Director of finance and the administrative assistant.

We will request, on a quarterly basis, information from those trades the dollar value of expenses incurred.

07-II-G

Finding: Information technology internal/security controls such as password management, documentation of operational procedures and incident management and resolution procedures are not formalized. In addition, there is no real physical security controls over computing facilities and communications equipment housed at the Coliseum.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

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

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

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

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

Response and Corrective Action Plan: The U.S. Cellular Coliseum's I.T. infrastructure is managed by the City Information Services Department. All Coliseum employees are required to sign the same communications policy as City employees.

Password management has not been implemented at the Coliseum to date, but is planned in the near future. Coliseum employees will be required to change their password on a 90 day schedule, similar to City employees.

Physical access to the main server room at the Coliseum will be addressed within the coming months. Although the exact means has yet to be determined, City I.T. staff is working with Coliseum management to implement some form of physical security for this room. Although the door is currently always locked, the idea would be to install some form of keypunch or card access system to increase security.

07-II-H

Finding: The Firemen's Pension Fund does not have an adequate system in place for a formal review and oversight of the accounting transactions and journal entries prepared by an outside accountant.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

Context/Condition: The Board of Trustees relies on an outside accountant to perform all the accounting functions for the Pension Fund including posting of recurring and nonstandard journal entries, reconciliation of accounts, and preparation of quarterly financial statements for the Pension Fund. Although members of the Board of Trustees review the quarterly compilations provided by the accountant, there is no indication of this review or discussion of these statements in the minutes of the Trustee meetings and no review of journal entries posted by the accountant or of the account reconciliations they perform quarterly. During the audit of the Pension Fund, there were adjustments posted for the employer contribution receivable and net appreciation in fair value of investments that were not identified during the review performed by the Trustees.

Effect: General ledger transactions are not formally approved and errors may not be timely identified.

Recommendation: We recommend a member of the Board of Trustees be designated to review the work performed by the accountant each quarter, including review of journal entries posted and reconciliations completed by them, and that this review be discussed as part of the Board's quarterly meetings.

Response and Corrective Action Plan: The Firemen's Pension Board will review current procedures and determine additional procedures to include a review of the journal entries and reconciliations. The review will be discussed at the quarterly meetings.

(Continued)

City of Bloomington, Illinois

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2007

III. Findings and Questioned Costs for Federal Awards

None

City of Bloomington, Illinois

**Corrective Action Plan
Year Ended April 30, 2007**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Significant Deficiencies in Internal Control Over Financial Reporting				
07-II-A	The City has an inadequate segregation of duties over the receipts transaction cycle at the golf courses, pool, zoo and cultural district locations.	See response and corrective action plan at 07-II-A.	N/A	Judy Whikehart
07-II-B	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash receipts transaction cycle.	See response and corrective action plan at 07-II-B.	2007	Kelly Klein, CIAM
07-II-C	The U.S. Cellular Coliseum has an inadequate segregation of duties over the cash disbursement transaction cycle.	See response and corrective action plan at 07-II-C.	2007	Kelly Klein, CIAM
07-II-D	There is an inadequate system over the recording and reporting of the entity's financial transactions at the U.S. Cellular Coliseum.	See response and corrective action plan at 07-II-D.	2007	Kelly Klein, CIAM
07-II-E	The U.S. Cellular Coliseum has an inadequate segregation of duties over the payroll transaction cycle.	See response and corrective action plan at 07-II-E.	2007	Kelly Klein, CIAM
07-II-F	There is an inadequate system to identify trade/in-kind agreement activity for the U.S. Cellular Coliseum.	See response and corrective action plan at 07-II-F.	2007	Kelly Klein, CIAM
07-II-G	U.S. Cellular Coliseum information technology internal/security controls are not formalized.	See response and corrective action plan at 07-II-G.	2007	Scott Sprouls
07-II-H	The Firemen's Pension Fund does not have an adequate system for review and oversight of accounting transactions and journal entries.	See response and corrective action plan at 07-II-H.	2007	Firemen's Pension Fund Board

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