



CITY OF SPRINGFIELD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ending February 28, 2011

CITY OF SPRINGFIELD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended February 28, 2011

Prepared By:
William D. McCarty, Director
Office of Budget and Management

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INTRODUCTORY SECTION



OFFICE OF BUDGET AND MANAGEMENT
CITY OF SPRINGFIELD, ILLINOIS

WILLIAM D. McCARTY II
DIRECTOR

August 31, 2011

Honorable Mayor J. Michael Houston,
Members of the City Council, and
Citizens of the City of Springfield

The Comprehensive Annual Financial Report of the City of Springfield, Illinois, for the year ended February 28, 2011, is hereby submitted. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 positions and result of operations of various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter and an addendum to the transmittal letter that includes a list of principal officials, the City's organizational chart and the descriptions of departmental functions. The financial section includes the basic financial statements and notes to financial statement, as well as the auditors' opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The City of Springfield, Illinois, is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on internal controls and compliance and other matters, with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single report.

This report includes all funds of the City. The City provides a full range of services, including police and fire protections; the construction and maintenance of highways, streets and infrastructure; cultural events; parking facilities and structures; electric generation; and water and sewer services. In addition to general government activities, the City is financially accountable for the police and fire pensions; therefore, these activities are included in the reporting entity. However, the Springfield Public School District, the Springfield Park District, the Springfield Sanitary District, Springfield Housing Authority, the Springfield Mass Transit District, Springfield Airport Authority, and the Springfield Metropolitan Exposition and Auditorium Authority have not met the established criteria for inclusion in the reporting entity, and accordingly, are excluded from the report.



Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the police and fire pension plans are reported as fiduciary funds.

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

Local Economy

The City has a diversified economy with the principal sectors being State and local government, retail and wholesale trade, medical, finance, rail and motor transportation. The City also is the headquarters for many national, regional and state trade associations, as well as ten insurance companies. The historical significance of the Springfield area has been a major factor in promoting tourism in the local economy.

The City serves as the retail and wholesale center for an 11-county area with a population in excess of 536,000.

Springfield's employed workforce totaled 58,957 as of February 2011 with an unemployment level of 8.1 percent. (Source: Illinois Department of Employment Security)

The Springfield Metro Sanitary District began a \$175 million dollar construction project to build its new Spring Creek Wastewater Treatment Plant. The project is funded through sewer rates and issuance of revenue bonds. The new plant will allow the district to meet stricter Illinois Environmental Protection Agency ammonia limits and newly introduced phosphorus limits. The project represents a significant increase in construction activity to the local economy.

Following are lists of the largest manufacturers and service providers located in the City and in the surrounding area.

Major City Employers⁽¹⁾

Company	Product/Service	Employees
State of Illinois	Government	17,100
Memorial Health System	Healthcare	5,965
St. John's Hospital	Healthcare	3,267
Springfield School District #186	Education	2,100
Springfield Clinic	Healthcare	1,943
Illinois National Guard	Government	1,819
SIU School of Medicine	Education/Healthcare	1,587
City of Springfield	Government	1,558
University of Illinois Springfield	Education	1,166
Blue Cross Blue Shield	Insurance	1,146

Note: (1) Source: Greater Springfield Chamber of Commerce

Lincoln-era sites, the Abraham Lincoln Presidential Library and Museum, Route 66 and other area attractions continue to make Springfield a regional, national and international tourism destination. Further, the City's ample inventory of rooms and convention space ensures its competitiveness in attracting meetings and conventions from all over the country. In January, 2011, the City Council signaled its desire to see an increase in this activity through the commitment of \$5 million toward a planned \$16 million renovation of the Prairie Capital Convention Center.

Springfield offers a diverse selection of cultural and recreational activities. The City provides Lincoln Library, a 393,000 volume public library. The Springfield Park District provides 30 community parks, public swimming pools, 48 tennis courts, four golf courses and camping facilities. The Park District opened their newest park, Edwin Watts Southwind Park, in the summer of 2010. The park serves as a national model of a community-wide effort promoting a practice of including all residents "without boundaries."

A number of athletic teams, cultural organizations and entertainment venues offer a wide variety of amusement opportunities for residents and visitors. These include the Illinois Symphony Orchestra, Springfield Municipal Band, Springfield Ballet Company, Springfield Muni Opera, Springfield Theatre Centre, Sangamon Auditorium, Hoogland Center for the Arts, Prairie Capital Convention Center, the Springfield Community Concert Association, university sports teams, Springfield Sliders baseball team and the Junior Blues Junior Class A hockey team.

Major transportation routes in and around Springfield include Interstates 55 and 72 and State Routes 4, 29, 54, 97, 124 and 125. Springfield and Sangamon County are served by thirty-five (35) intrastate and seventy-four (74) interstate trucking companies. The area is further served by the Norfolk and Southern Railroad, the Canadian National, the Kansas City Southern, the Illinois Central Railroad, the Union Pacific Railroad, and the Illinois Midland Railroad, all of which provide truck line rail service. Passenger rail and bus services are provided by Amtrak and Greyhound respectively.

The Abraham Lincoln Capital Airport provides air service to approximately 125,000 annually. Direct Air, American Eagle and United Express provide flights to various destinations including Chicago's O'Hare International Airport, Dallas/Fort Worth, Texas, Myrtle Beach, South Carolina, Ft. Myers/Punta Gorda, Florida, and Lakeland, Florida. The airport is home to a Federal Aviation Administration control tower, many private businesses and the Illinois Air National Guard's 183rd Fighter Wing.

Long-Term Financial Planning

In fiscal year 2011, the City of Springfield continued to be impacted by a weakened economy. Dubbed by national economists as a "Black Swan," economic and fiscal events continued to hamper most municipalities. The decrease in revenues combined with the increase in personnel and operating costs presented many challenges to City leaders.

As a result, the City instituted the following cost containment measures:

- Fifty-five positions were eliminated from the fiscal year 2011 budget;
- Continued internal hiring freeze to minimize personal services expenses;
- Eliminated nonunion salary increases;
- Equipment purchases were eliminated or deferred unless absolutely necessary for operations;
- Employees were asked to participate in six furlough days;
- Travel was restricted;
- A deferment of a transfer from hotel-motel tax revenues from infrastructure to the General Fund of \$1.13M; and
- Delayed repayment of a \$1.5 million outside note.

Further negative impacts were felt and continue to be felt from the State of Illinois' economic condition. An abnormal delay in the distribution of the municipal share of state income tax negatively impacted the City's cash position throughout the year.

In an effort to aggressively manage economic events, the City of Springfield continued to have wide-ranging dialogues with employee labor groups. It is important that employee groups recognize the current fiscal pressures in the hopes that it will foster a deeper understanding of the decision-making process. Department directors were cautioned to actively manage the limited resources so that service levels are not affected.

In addition, the Labor-Management Health Committee has voted to make some significant changes in how health care is delivered to employees after leaving a cooperative in the prior year and entering into new contracts with providers. The committee's elevated level of control and its decision making garnered positive financial results for the first time in many years.

Accomplishments

- The Office of Public Utilities (commonly known as City Water, Light and Power) substantially completed construction of a new \$4.6 million chemical feed building and electrical upgrade project at its water filtration plant.
- A zero-interest EPA loan funded through ARRA was utilized to complete a large meter replacement program. These automated meters increase accuracy, reduce waste and improve reading and billing efficiency.
- CWLP's Transmission and Distribution Department invested significant funds into various projects aimed at improving electrical service reliability for its customers. Enhanced tree trimming, for example, became a point of emphasis in working to increase distribution reliability.
- The Office of Planning and Economic Development (OPED) assisted in numerous projects aimed at affordable housing and neighborhood rehabilitation. In FY 2011, OPED funded repairs for 84 low income homeowners, committed \$900,000 for the construction of affordable single-family homes and provided funds to modify 10 elderly and disabled households.
- The first half of the Capitol Avenue improvement project (between 11th Street and the capitol complex) was completed. Financed by "Artistic Elements" funding from the Capital Development Board, improvements include street resurfacing, lighting, sidewalks and planting to improve the avenue leading the state capitol complex.
- The Office of Public Works substantially completed a significant overhaul of the intersection at Old Jacksonville Road and Veterans Parkway.
- The Office of Public Works also completed overlay programs on portions of Robbins Road, First Street, Fifth Street, Sixth Street, Lawrence Avenue and Oakridge Cemetery.
- The Streetscape Program continued with the completion of various areas along Jefferson Street, Fifth Street and Sixth Street.
- The Springfield Convention and Visitors Bureau assisted in hosting nearly 140,000 motor coach visitors, secured a \$325,000 tourism grant, and provided convention services to 334 meetings and events.
- On June 25, 2010, the City of Springfield issued \$7.5M in Special Service Area Ad Valorem Tax Bonds for the Legacy Pointe Area. The Legacy Pointe Town Center is approximately 277 acres in size and is located at the northwest corner of the intersection of I-72 and the MacArthur Boulevard extension and highway interchange in Springfield, Illinois. Legacy Pointe Town Center is a mixed-use development located on the City's southwest side. The Development has been zoned PUD-1, a Planned Unit Development which allows for planning flexibility but requires a commitment to a mix of uses and significant amount of open space. The Development will have a mix of general and specialty retail shops, restaurants with indoor and seasonal outdoor seating, hotels, entertainment facilities, local commercial uses, office facilities, along with green space and a network of walking and bicycle trails incorporated throughout the Development. The focal point of the Development will be the "Lifestyle Center" which is proposed to combine large anchor retailers with retail boutique, specialty stores, restaurants, entertainment facilities and a hotel in an outdoor setting with street-front locations that reflect the City's rich history of varied architectural influences.

Challenges

- Not unlike other enterprises around the country, CWLP was adversely affected by the economic recession. The utility was forced to operate at lower staffing levels and defer much needed maintenance into the future.
- Budgetary constraints caused the Office of Public Works to experience a reduction in available manpower, equipment and financial resources even as the City continued to expand its boundaries.
- The Office of Human Resources was forced to delay essential entry and promotional testing for the police and fire departments.

- The Springfield Fire Department was compelled to reduce daily minimum manning and endure temporary fire station closures. Additionally, planned fleet replacement was deferred.
- At a time when economic conditions led to an increase in crime, the Springfield Police Department found that it was unable to backfill departures within its sworn ranks.
- The City's lack of funds continued to delay progress toward a citywide electronic workflow system supported by the City Clerk's office. Similarly, the Treasurer's Office was unable to accelerate a planned transference of paper records to electronic data storage.
- The Library was required to close its West Branch and reduce hours at the main branch. Also, it continued to see a reduction in its workforce to the point that it could no longer provide the level of service its customers had been accustomed to.
- The combination of increased personnel costs and diminished state grant funding applied pressure to the Springfield Convention and Visitors Bureau's budget, leading to staff and service reductions.

Relevant Financial Policies

The City's Comprehensive Annual Financial Report has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Significant accounting policies are described in the accompanying notes to the financial statements.

The Office of Budget and Management is responsible for assuring that a system of internal controls exists to safeguard the City's assets and preserve financial integrity and for the fair presentation of the City's financial position and results of operations.

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control indicates the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records, and consequently, are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization;
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or any other criteria such as finance related legal issues and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets; and
- Access to assets is permitted only in accordance with management's authority.

The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any difference.

The definition of accounting control means reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluation occurs within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Cash Management

During the fiscal year ended February 28, 2011, the City invested in public funds (a) in bonds, notes, Treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest; (b) in obligations guaranteed by other United States Government agencies; (c) in interest-bearing savings accounts; (d) in the Illinois Funds Pool; and (e) in state and local asset management accounts.

Temporarily available cash, as determined by cash flow projections, is invested in time deposits ranging from 7 to 360 days in maturity and in United States Treasury Obligations ranging from 1 to 360 days. Reserve funds established in conformance with bond covenants were invested in United States Treasury Obligations and agency issues with maturities ranging from one to ten years in accordance with applicable bond indentures.

The City uses the concept of working funds that integrates various funds into one bank account for investment purposes. This pooled cash concept helps to efficiently manage funds and maximize investment yield in two ways. First, it facilitates the placement of all cash balances enabling the City to maximize investment dollars. In other words, all available dollars are invested daily. Second, pooling cash balances provides for investing greater amounts of money at more favorable interest rates.

The City's investment policy is based upon the premise that safety of principal and interest is the highest consideration when evaluating investment options. Because of this, the City maintains a policy to further ensure safety of public funds by establishing a Federal Reserve Pledge Account for the purpose of holding pledged collateral. The custodial account protects the City's interest in these investment instruments.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reports to the City of Springfield, Illinois for its Comprehensive Annual Financial Report for the fiscal year ending February 28, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Office of Budget and Management selected McGladrey and Pullen, LLP to perform the annual audit for fiscal year 2011. The auditors' report on the basic financial statements, individual fund statements and required supplementary information is included in the financial section of this report.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the work of the Office of Budget and Management. Each member of the Office of Budget and Management has our sincere appreciation for the contributions made in preparation of this report. The leadership and support of the City Council made the timely preparation of this report possible.

Sincerely,



William D. McCarty II
Director, Office of Budget and Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
February 28, 2010

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

**ADDENDUM
TO
TRANSMITTAL LETTER**

**A
SYNOPSIS
OF THE
CITY OF SPRINGFIELD'S
ORGANIZATION STRUCTURE
INCLUDING
DEPARTMENTAL FUNCTIONAL DESCRIPTIONS**

ELECTED CITY OFFICIALS

MAYOR

J. Michael Houston

ALDERMEN

Ward 1 – Frank Edwards

Ward 2 – Gail Simpson

Ward 3 – Doris Turner

Ward 4 – Frank Lesko

Ward 5 – Sam Cahnman

Ward 6 – Cory Jobe

Ward 7 – Joe McMenamin

Ward 8 – Kristofer Theilen

Ward 9 – Steven Dove

Ward 10 – Tim Griffin

CITY CLERK

Cecilia Tumulty

CITY TREASURER

James O. Langfelder

City Council

The City Council of Springfield, Illinois currently consists of eleven members; the Mayor, who is elected at-large, and one alderman elected from each of the City's ten geographic wards. Candidates must be qualified electors of the municipality and must be a resident of the City, and in the case of a candidate for alderman, a resident of their respective ward for at least one year immediately preceding the election.

The City Council administers its legislative powers through passage of ordinances and resolutions. All proposed ordinances and resolutions are placed on the City Council agenda for "first reading" by the City Clerk at the Council meeting. The Committee of the Whole meets the week prior to the Council meeting to assign ordinances and resolutions to the City Council agenda.

At the Council meeting, when the City Council votes, all ayes and nays taken upon passage of all ordinances and resolutions are entered upon the official record of the City Council by the City Clerk. The Mayor may veto any ordinance or resolution within ten days of passage by the City Council.

The City Council meets in session every first and third Tuesday of the month at 5:30 p.m. in the City Council chambers located on the third floor of the Municipal Center West. At 5:30 p.m. on the third Tuesday of the month, the City Council hears all zoning cases. The Mayor and/or the City Council may also call special council meetings or public hearings as warranted. Under the State's Open Meeting Act, all meetings of the City Council are open to the public unless certain subjects such as litigation and personnel matters are being discussed.

Ordinance #392-07-09 passed July 2009 established the Committee of the Whole currently used by the City of Springfield. The Committee of the Whole shall consist of all members then holding office on the Council except the Mayor. All ordinances or resolutions scheduled for "first reading" on the agenda shall be assigned to the Committee of the Whole for review at its next regularly scheduled meeting. The Chairman and Vice-Chairman of the Committee of the Whole rotates consecutively on a monthly basis beginning with the alderman of Ward 1 as Chairman and the alderman of Ward 2 as the Vice-Chairman with every alderman eventually having an opportunity to head the Committee.

Office of the City Clerk

The City Clerk serves as the official record keeper of all documents for the City of Springfield.

Agenda, Ordinance and Resolution processing is the responsibility of the Office of the City Clerk. Notices of all meetings as well as preparation of the agendas of the City Council, Aldermanic Committees, and any special meetings that may be called are prepared by and posted by the Office of the City Clerk. The City Clerk attends all of these meetings and maintains a written and audio record of all proceedings as well as a systematic method to file all ordinances and resolutions that have been passed by the City Council. A two (2) year history of agendas, minutes and audio recordings prepared by the City Clerk, are published on the website www.springfieldcityclerk.com.

The City Clerk maintains an electronic system for records retention and records disposal. This is done with the authorization of the Office of the Secretary of State, Archives Division pursuant to the Local Records Act (50 ILCS 205). Disposal of all outdated material and/or records for all City departments is handled through the coordinated efforts of this office and the Secretary of State's Archives Division.

As the Local Registrar, the City Clerk processes all birth and death record requests. An archive of vital records is maintained in the Office of the City Clerk which allows for reporting of vital records statistics to the State of Illinois Department of Vital Records. During fiscal year 2009, the City of Springfield was one of 12 pilot sites for the State of Illinois Electronic Death Registration System (EDRS). After training and implementation of the new system, the City Clerk's Office began processing Death Certificates electronically. During calendar year 2010, the State of Illinois rolled out the Electronic Birth Registration module allowing processing of births occurring during calendar year 2010. The City Clerk's office maintains written records of births occurring in the City of Springfield for a ten-year period.

Requests for public records pursuant to the Freedom of Information Act (FOIA), (5 ILCS 140/1 et seq.; P.A. 83-1013), are also submitted through the Office of the City Clerk. The City Clerk's Office supports the policy of providing public access to the public records in the possession of the City while, at the same time, protecting legitimate privacy concerns, and maintaining administrative efficiency and operational priorities. Freedom of Information requests are accepted, properly routed via intranet notification, and processed through this office. This allows interested individuals to obtain specific information relative to the operation of municipal government not specifically prohibited from disclosure.

The City Clerk acts as Administrative Court Clerk for the City of Springfield preparing and maintaining files, statements, reports and preserving an audio record of all proceedings that are required by law. All files and audio recordings are stored, according to City Code, by the City Clerk's office in order to preserve a defendant's right to appeal a ruling by the Administrative Court Hearing Officer.

The City Clerk's Office provides clerical support service to the Office of Business Licensing. Business licenses include taxicab and taxi driver permitting, as well as liquor and business licenses issued by the City of Springfield. The City Clerk's Office also accepts applications for and issues many other business related permits and licenses, processes property annexations, files and maintains reports and/or statements required by law, and maintains the corporate seal of the City of Springfield.

Office of the City Treasurer

The City Treasurer serves as an Executive Officer of the City and is custodian of the public funds. The Treasurer is responsible for the receipting, depositing and recording of all revenues. The Treasurer also provides financial reports on the status of City revenues to the City Council on a weekly basis.

Responsibility for the management of the City's investment program is delegated to the City Treasurer. Investment activities are conducted daily through a system of controls and written procedures that are consistent with the City Investment Policy. Investments are purchased with maturity dates that will match anticipated cash flow requirements. The Investment Portfolio is actively managed following written performance standards. The primary objectives of the Investment Policy in priority order are safety, liquidity and rate of return.

In addition, the City Treasurer administers the collection and processing of traffic violation fines. Accounts are maintained, monitored and may be referred to the Credit Bureau for collection and driver's license suspension for nonpayment. A hearing process for violators is also administered by the Treasurer's Office.

The City Treasurer serves by statute as Treasurer of the Fire and Police Pension Boards.

Office of the Mayor

The Mayor is the presiding officer of the City Council and the Chief Executive Officer of the City. The Mayor appoints, with the approval of the City Council, the following department and agency heads:

- ◆ Corporation Counsel (part of the Office of the Mayor)
- ◆ Fire Chief
- ◆ Police Chief
- ◆ Director of Office of Planning and Economic Development
- ◆ Director of Human Resources
- ◆ Director of Public Works
- ◆ Director of the Convention and Visitors Bureau
- ◆ General Manager of Public Utilities
- ◆ Director of Communication (part of the Office of the Mayor)
- ◆ Director of Community Relations (part of the Office of the Mayor)
- ◆ Director of the Lincoln Library

The Mayor appoints the Director of the Office of Budget and Management and the Executive Assistant to the Mayor, neither of which require the consent of the City Council. The Mayor has the sole right and power to appoint and discharge all secretarial and administrative staff in the Office of the Mayor. The Mayor also originates nearly all appointments to various boards and commissions. Most appointments require Council approval.

The Mayor signs all bonds issued by the City and all contracts on behalf of the City and assures the preparation of all published statements and reports as required by law, ordinance or resolution of the Council. The Mayor also grants and signs all commissions, licenses, and permits granted by authority of the Council except as otherwise provided and performs other acts and deeds as prescribed by law or ordinance that may require an official signature. By nature of the office, the Mayor possesses other duties and powers as prescribed by state law or ordinances.

The Mayor has charge and supervision over all property, buildings and equipment owned by the City of Springfield.

As the Local Liquor Commissioner, the Mayor appoints subordinate personnel to assist the Commission in its regulatory functions. These duties include, but are not limited to, reviewing license applications and providing recommendations for approval or denial, conducting public hearings and disposition of complaints, and conducting disciplinary hearings for suspension or revocation of licenses.

The following Boards and Commissions provide special advice or perform specific tasks for, or on behalf of, the Office of the Mayor:

<i>Civil Service Commission</i>	<i>International Visitors Commission</i>
<i>Historic Sites Commission</i>	<i>Liquor Control Commission</i>
<i>Lincoln Library Board</i>	<i>Oak Ridge Cemetery Board</i>
<i>Municipal Band Commission</i>	<i>Bicycle Advisory Board</i>
<i>Senior Citizens Commission</i>	<i>Springfield Disabilities Commission</i>
<i>Springfield Tree Commission</i>	<i>Building Code Board of Appeals</i>
<i>Electrical Commission</i>	<i>Veterans Commission</i>
<i>Mechanical Commission</i>	<i>Plumbing Commission</i>
<i>Community Relations Commission</i>	<i>Springfield Planning and Zoning Commission</i>
<i>Homeless Roundup Committee</i>	<i>Springfield Waste and Recycling Commission</i>
<i>Police Community Review Commission</i>	<i>Motor Vehicle Parking Board</i>

The Mayor also makes appointments to the Springfield Housing Authority, the Mid-Illinois Medical District, Springfield Fire Pension Board, Springfield Police Pension Board, Springfield Sangamon County Regional Planning Commission, the Springfield Airport Authority, the Capitol Historic Preservation Board, the Sanitary District, Mass Transit Authority, and County Board of Review.

Divisions under the Office of the Mayor include:

Director of Communication: The Communications Division is responsible for coordinating the communication functions of the City of Springfield, including those of the police and fire departments as well as the City's public electric and water utility. Those efforts include broadcasting meetings and other informational programming and managing the public access and government access channels on the City's cable television access channel. The Division also maintains and updates a variety of internet-related sites including the official City of Springfield website, a City blog page, Facebook, and a Twitter component. Printed materials including news releases are also produced on a regular basis for dissemination to the public through the news media.

Office of Corporation Counsel: The Office of Corporation Counsel represents the City in all matters in which the City is a party or has an interest. Corporation Counsel furnishes legal advice to the Mayor, Aldermen, City Clerk, City Treasurer, Fire Chief, Police Chief, agency directors, and other City officers, and boards and commissions concerning their legal duties and responsibilities. In addition, Corporation Counsel drafts ordinances and resolutions upon the request of City officials, reviews all contracts and written agreements as required, and conducts all litigation pertaining to the City.

Risk Management: The Risk Management Division administers the City's property and casualty risk exposures, including workers' compensation. This division focuses on prevention of loss through risk avoidance, and property and casualty responsibilities are managed through a loss control approach. The division also coordinates the self-funded program through the assessment of agency premiums, actuarial and usage review, and departmental safety/loss prevention training. All loss investigation, which includes property, casualty and workers' compensation, are conducted through this division.

Department Of Business Licensing: The Department of Business Licensing is responsible for ensuring that all businesses within the corporate limits of Springfield, under its jurisdiction, comply with the rules, regulations and resolutions of the City.

Homeland Security - Emergency Communications Division: Because of budget restrictions, the function of Homeland Security Coordinator remains housed within the Police Department and is not yet a stand-alone division within the Mayor's Office. The Assistant Police Chief has been assigned the task of coordinating the City's efforts with those of other local, state and national agencies to better secure our community.

The Emergency Communications Division has been assigned to Homeland Security and provides all communication equipment for the Fire and Police Departments. The division serves as liaison with the Sangamon County Combined Dispatched System (SCCDS-911) and with local and state law enforcement agencies to ensure compatibility of communication equipment and systems. The division also assists all other City departments in the selection, maintenance and training of radio and cellular telephone communication systems.

Office of Human Resources

The Office of Human Resources oversees the departments of personnel administration, employee benefits, labor relations and training. Functions of this office include development and administration of employment-related programs and policies for City employees, administration of employee benefits and retirement plans, negotiation and administration of collective bargaining agreements, and development and coordination of employee training programs.

Office of Budget and Management

The Office of Budget and Management is responsible for all financial transaction of the City and presents the City's annual appropriation ordinance and Comprehensive Annual Financial Report. The following divisions are contained within the agency:

The **Accounting Division** is responsible for maintaining the City's financial records, facilitating the City's accounts payables, preparation of revenue projections, administering the collection of all City-imposed taxes, preparing the City's annual external audit and financial reports, and maintaining the City's fixed asset inventory. This division also oversees all grant activity throughout the City.

The **Budget Division** is responsible for assessing the City's anticipated revenue and expenditure needs and preparing and presenting the annual appropriation request. The division reviews all proposed legislation for fiscal impact, monitors all current and future financial trends and prepares position and policy papers on all financial matters. The division provides a variety of research and analysis on an on-going basis.

The **Purchasing Division** administers the procurement of goods and services for the City under the direction of the Purchasing Agent. The Purchasing Agent serves as chairman of the Specifications Committee and offers technical advice on the preparation of detailed specifications for formal bid documents. The Purchasing Agent also presides over the awarding of bids from formal quotes received from vendors. The division also compiles and monitors the activities of several large Citywide purchasing contracts as well as constantly monitors City purchasing trends for possible streamlining and cost reduction policies. Purchases over \$100,000 must be approved by the City Council.

The **Payroll Division** is responsible for preparing the City's weekly payroll and for maintaining all payroll records for City employees. The division manages and maintains the City's Section 125 Cafeteria Plan to ensure compliance with the Internal Revenue Service Code. The division is also the official record keeper of all accrued leave records.

Fire Department

The Fire Department is dedicated to protecting lives and property from fire and other emergencies by providing fire suppression and prevention, emergency medical services, rescue and disaster response, hazardous materials incident mitigation, and public education of citizens. The Fire Department provides these services to all citizens of Springfield, as well as the eleven contracted fire protection districts that surround the City. The Fire Department also has mutual aid agreements with many of the fire departments in the towns that surround Springfield. The Springfield Fire Department is also a member of the Mutual Aid Box Alarm System (MABAS), which is a statewide mutual aid system divided into districts. Springfield is district 48. The Springfield Fire Department (SFD) has a Hazardous Materials Response Team and a Technical Rescue Team that is part of a statewide system.

The Fire Department is separated into four divisions: Operations, Fire Safety, Training and Technical Services:

The **Operations Division** consists of a Division Chief, two Battalion Chiefs, twelve engine companies and three ladder companies. There are also twelve fire stations and additional support vehicles are provided for particular incidents including brush trucks, a fuel truck, hazardous material vehicles, a technical rescue vehicle, a fire boat and maintenance vehicles.

The primary mission of the **Fire Safety Division** is fire prevention through code enforcement, plan review, fire investigation and public education. The Division Chief in charge of this division serves as the Fire Marshal for the City of Springfield. Other personnel in this division include one senior arson investigator, one public education officer and seven fire inspectors/investigators. This division sponsors fire safe programs like Fire Safe Families, a juvenile fire setter program designed to get help to children involved in fire play; Risk Watch, an all hazards education program taught in local elementary schools; and Remembering When, a home safety education program for seniors 65 and older.

The **Training Division** is responsible for keeping all fire personnel trained in the most current techniques available. A Division Chief heads the division, and two Battalion Chiefs assist in this division. One serves as a Training Officer, the other as the Department Safety Officer. This division trains all new firefighters entering the SFD. The Training Division coordinates all continuing education programs. These programs include classes from the University of Illinois, the National Fire Academy, Lincoln Land Community College and various other venues. The Training Division is also responsible for medical training and assisting all members in keeping their various certifications current.

The **Technical Service Division** consists of a Division Chief. The Technical Service Division oversees the implementation and maintenance of all computers, radios, pagers, map plotters, software programs including tornado siren systems and fire records. The Technical Service Division is responsible for the fire hydrant testing in coordination with the Water Department for the City of Springfield. This Division also works with the Training Division for the instruction of personnel on new and updated software programs, computers, radios, pagers etc.

The **Fire Department** is lead by the Fire Chief. He is assisted by the Assistant Fire Chief who is responsible for helping all four of the aforementioned Division Chiefs.

Office of Public Works

The Office of Public Works, through planning, permitting, construction, reconstruction, and repair, is responsible for all public works improvements unless otherwise designated by ordinance. Examples include streets, boulevards, alleys, sidewalks, bridges, viaducts and sewers. The Office administers the subdivision and annexation ordinances and traffic regulations. It also operates the municipal parking facilities and Oak Ridge Cemetery. The Office is comprised of the following departments; Engineering, Traffic Engineering; Motor Vehicle Parking; Streets; Sewer; Oak Ridge Cemetery; Solid Waste; Building and Zoning and Facility Maintenance.

The **City Engineering Division** oversees the planning, design, construction and maintenance of the City's infrastructure. Whether it is in-house maintenance or new construction, the department ensures that engineering and construction specifications are met. The contracts for street resurfacing, sidewalk repairs and sewer improvements are the responsibility of the Engineering Department. The department reviews proposals for the subdivision and annexation petitions. Land use planning efforts include attention to drainage, sewer and transportation needs.

The **Traffic Engineering Division** promotes the safe and orderly flow of traffic, operates the municipal parking system and enforces parking rules and regulations. The department installs and maintains control devices including signs, pavement markings and signals. The department also is responsible for transportation plans, specifications for construction of traffic signal improvements and street closing petitions.

The **Motor Vehicle Parking Division** reviews parking utilization and monitors revenues. Parking meters are maintained and relocated as necessary to reflect changes in sidewalks, driveways and development activities. The division manages the parking enforcement staff for downtown district meters and enforcement of parking permits. The division provides current needs assessment for downtown parking as well as parking ramp management for all City-owned structures.

The **Streets Division** (Public Works Garage) maintains streets, alleys and sidewalks. The division also maintains and operates a fleet of trucks and heavy equipment for use in construction and repair work. Specialty crews within the division work in diverse areas such as forestry, sidewalk repair, backfill and street patching. The entire division is responsible for safety of City streets during inclement weather as they clear and monitor over 656 lane miles of City streets.

The **Sewer Division** maintains the City sewer system including sanitary, combined and storm sewers and all manholes, catch basin and inlets. Specialized television equipment and flow monitoring equipment allow the division to monitor the conditions of the sewer system in order to prevent costly problems through early detection.

Oak Ridge Cemetery, home of the Lincoln Tomb, is a national historic site. The tomb is the second most visited cemetery in the nation, with Arlington National Cemetery ranked as number one. In addition to being the final resting place of our 16th president, the site is home to the Illinois Vietnam Memorial, the Korean War Memorial and the World War II Memorial.

The **Solid Waste Division** facilitates the collection and disposal of solid waste in a manner consistent with state, county and federal regulations as well as encouraging and monitoring recycling efforts in the community.

The **Building and Zoning Division** administers and enforces building, mechanical, plumbing, electrical, elevator and zoning regulations and provides inspection services for each of the codes. The division conducts investigations of all zoning complaints. The division schedules public hearings for the Planning and Zoning Commission, docket all cases and serves as technical advisor to the commission. The division maintains the City's official zoning map and provides such information to the public. The division also issues all building permits and conducts plan reviews of permit applications.

The **Facility Maintenance Division** was created during fiscal year 2004 as a result of the reorganization ordinance. Prior to fiscal year 2004 the City of Springfield contracted with the Public Building Commission for the maintenance and management of the Municipal Center Complex including the downtown branch of Lincoln Library. The division is responsible for routine janitorial and maintenance activities of the complex and provides repair and preventative maintenance advice for the City.

Lastly, the Office of Public Works provides valuable support for various community activities such as First Night Springfield, Old Capitol Art Fair, Route 66 Festival and numerous parades and events.

Office of Planning and Economic Development

The Office of Planning and Economic Development (OPED) is committed to improving the quality of life for all Springfield residents by: addressing the strategic planning and long-term development needs of the City; encouraging the retention and expansion of existing businesses as well as the attraction of new ones by providing pertinent data base information as requested; maintaining and improving Springfield's neighborhoods as well as protecting and preserving its historic places and structures; encouraging and supporting home ownership and housing redevelopment; assisting community service providers in their work to help those in need.

OPED administers programs to improve the living and working environment of the City. Funding is primarily provided by the U.S. Department of Housing and Urban Development's Community Development Block Grant, HOME funds, and by Tax Increment Financing. Programs focus on the rehabilitation of commercial and residential structures and areas, the development of new job opportunities, assistance to third party community service providers, and the development of plans and strategies to address these focus areas.

The Office works closely with financial institutions, contractors, developers, businesses, not-for-profit agencies, volunteers, and other governmental units and agencies. As part of its work, OPED administers the City's Enterprise Zone and Tax Increment Financing Districts. The agency provides direct staffing to the Springfield Historic Sites Commission, the Regional/Urban Design Assistance Team Follow-Up Committee, and provides staff assistance and direction to the Mid-Illinois District Commission and the Q5 Partnership.

Police Department

The Police Department is organized to protect the Constitutional Rights of all citizens and to serve the public by preserving civil order, protecting public and private property, reducing crime and aiding individuals who are in danger of harm or in need of assistance.

The Police are under the direction of the Chief of Police, who is responsible for the duties of establishing goals and objectives for the department. The Police Department's table of organization and command structure is organized to effectively and efficiently carry out the daily responsibilities of the department. An Assistant Chief of Police reports directly to the Chief of Police and is responsible for the daily and ongoing performance of duties of all staff management personnel. Four Deputy Chiefs manage the four Divisions in the department: Field Operations, Criminal Investigations, Administrative Services and Professional Standards.

The Field Operations Division is the largest division within the Police Department. It is comprised of the Patrol Section, Neighborhood Patrol Officers (NPO's), Field Training Program, Boat Patrol, Traffic Services, Canine Unit, and the School Resource Officers (SRO's). In addition, the Hostage Negotiations Team (HNT), the Emergency Response Team (ERT), the Crisis Intervention Team (CIT) and the Bike Patrol are all within this Division.

- The **Patrol Section** is comprised of seven (7) Watch Lieutenants and twenty (20) Sergeants who directly supervise the patrol officers assigned to one of the three watches within the Division. The watches facilitate our round the clock coverage. The patrol officer's responsibilities include preliminary criminal investigations, community policing, traffic crash investigations, lake patrol and the enforcement of state statutes and city ordinances.
- The **Neighborhood Patrol Officers** work as a liaison with the citizens of our communities to address and resolve neighborhood crime. Their pro-active role in the community builds respect and comradery between the community and police.
- The **Field Training and Evaluation Process** is designed to assist new officers to make the transition from the classroom training academy environment to the direct application of knowledge and skills while executing job responsibilities. Field Training Officers (FTO's) are assigned to a specific probationary officer throughout the training. These officers have received special training and evaluation assignments.
- The **Boat Patrol** is responsible for any and all of the duties as described above under the patrol section. Additional officers are assigned from Memorial Day to Labor Day Week-end; otherwise, only the Neighborhood Patrol Officer is on duty with access to a boat when needed.
- The **Traffic Services Section** administers and coordinates all traffic related activities within the department. The section is involved with the planning of, as well as being active in, numerous special events throughout the year. On a daily basis, some of the activities they oversee are the adult school crossing guard program; hit and run accident investigations; impounded/abandoned vehicles; and personal injury/fatality accident reconstruction unit. They plan and coordinate special details for special events such as child safety checkpoints, State Fair parade, and the Route 66 Mother Road Festival just to mention a few.
- The **Canine Unit** provides services to the Emergency Response Team, the Sangamon County Sheriff's Office, the Illinois State Police, the Federal Bureau of Investigations and various other law enforcement agencies. The handlers are members of the United States Police Canine Association and are certified annually. The dogs and handlers are called on throughout the school year to conduct reasonable searches of school grounds and lockers for illegal drugs.
- The **School Resource Unit** consists of four major components: law enforcement, education, counseling and mentoring. These officers are active and visible figures on the school grounds. They are members of the school administrative teams working hand-in-hand to solve problems in the school community. They also work with youth having problems with mainstream classes, helping them to develop life skills that will enable them for the possible return to regular classes. All officers are members of the National Association and are certified to teach DARE, Gang Awareness and many other safety issues to students at all grade levels.
- The **Emergency Response Team** is a specialty unit highly trained in apprehension, containment and rescue tactics. A firefighter from the SFD serves as the emergency medical component. Team members are still permanently assigned to various divisions. Being part of this team is in addition to their full time duties. All members must pass a rigorous selection process to be considered for the team.
- The **Hostage Negotiation Team** responds to suicidal, barricaded or hostage situations to negotiate and bring about a safe and peaceful conclusion. The FBI trains team members. They train monthly to keep current with recent events and bi-annually train jointly with the Emergency Response Team.
- The **Crisis Intervention Team** was initiated in May 2003 to train officers to deal with the mentally ill, particularly in a crisis situation. The officers complete a forty (40) hour Crisis Intervention Team training and have attained state certification. They are trained to recognize signs and symptoms of problems and begin communication to facilitate a resolution. The Team is a cooperative partnership with the Sangamon County Sheriff's Office and the Springfield Mental Health Center.

- The **Bike Patrol** enhances the maneuverability of patrol officers in both heavy vehicular and pedestrian traffic. The goal is to bridge the gap between foot and vehicle patrol. The patrol was developed in 1994 as a pilot program and has continued to grow and be an intricate part of the Patrol Section.

The **Criminal Investigations Division** is comprised of two sections, the General Investigations Section and the Special Investigations Section. Each section is commanded by a lieutenant, with a crime analyst assigned to each section.

- The **General Investigations Section** consists of the following units:
 - ✓ The Property Crimes Unit is responsible for burglary, thefts, motor vehicle thefts, arson and financial related crimes.
 - ✓ The Crime Scene Services Unit is responsible for the collection of all physical evidence related to all crime scenes. In addition, they analyze and preserve the evidence for future criminal court testimony related to their findings.
 - ✓ The Juvenile Records Unit is responsible for maintaining all juvenile offender records and fingerprints. Juvenile records must be separated from adult offenders. Once juvenile offenders become adults, this Unit is responsible for the destruction of juvenile records.
- The **Special Investigations Section** consists of the following units:
 - ✓ The Person Crimes Unit is responsible for homicides, criminal sexual assaults, armed robberies, home invasions and assaults.
 - ✓ The Sex Offender Registration Unit is responsible for the registration of all sex offenders legally mandated to do so.
 - ✓ The Narcotics Unit is responsible for short and/or long-term narcotics investigations and conducts street level narcotics investigations which assist in the eradication of neighborhood drug houses.
 - ✓ The Task Force Unit consists of patrol officers and detectives assigned to the various state and federal investigative agencies. Currently there are officers assigned to the ISP Central Illinois Enforcement Group (CIEG), FBI Joint Terrorism Task Force (JTTF), the Drug Enforcement Administration (DEA) and the US Marshal's Violent Fugitive Task Force (USMS). In addition there are talks with the Alcohol, Tobacco, Firearms and Explosives (ATF) in hopes of assigning personnel to that task force.

Administrative Services Divisions

The **Administrative Services Division** is comprised of the following sections:

- **Records Section** - Maintains all police reports, traffic crashes and related reports. These reports are gathered, separated, distributed, input and available for further investigation.
- **Fleet Maintenance Section** - Oversees all aspects of the City's fleet. This includes routine preventative maintenance to insure the quality of the City's fleet.
- **Evidence & Property Section** - Is responsible for the custody of all evidence collected at crime scenes. It must be maintained from recovery through any court proceedings.
- **Supply Section** - Handles all ordering and stocking of office supplies for the Department, along with all forms, reports and uniforms.
- **Planning & Research Section** - Is responsible for special projects assigned by the Chief. In addition, it maintains all Department Written Directives, administers the CityWatch system for the City, the I-CLEAR program for the Department, and the Honor Guard.
- **Payroll & Fiscal Section** - Maintains all payroll records and is responsible for paying all invoices that come into the Department.
- **Grants Section** - Maintains files on all state and federal grants. This section also oversees the billing and accounting for all grant reimbursements due the Department.

- **Messenger Section** handles routine inter-office mail for the Department at its various locations.
- **Personnel Section** maintains all personnel records, FMLA and tracks all department vacancies. The Personnel Section handles all light duty assignments and workers compensation.
- **Computer Section** is responsible for purchase, installation, maintenance of all Department computers and the Department network.

The **Professional Standards Division** is divided into four distinct sections: the Academy, Crime Prevention, Public Information Officer and Internal Affairs. Although the four sections are very distinct, they all work together.

- The **Academy** provides continuous training and education programs for Springfield Police Officers and other law enforcement agencies throughout Illinois and surrounding states. The Springfield Police Academy personnel utilize a need-oriented approach to training in order to assure quality instruction and education.
- The **Crime Prevention Section** coordinates, develops and presents public awareness programs. This section also includes the D.A.R.E. program; Fleet Watch; Beat Cop; Neighborhood Watch; CrimeStoppers; Elder Abuse; and Residential and Commercial Surveys.
- The **Public Information Officer** section maintains constant contact with local media outlets to answer questions, provide information and coordinate information dissemination at major incidents.
- The **Internal Affairs Section** investigates complaints from citizens and internal department sources when they involve employees of the Springfield Police Department. The Internal Affairs Section also acts as the central repository for all complaints and policy violations, even those that were handled internally by other division supervisors.

Convention and Visitors Bureau

The **Springfield Convention and Visitors Bureau (SCVB)** works to enhance the economy and quality of life in the Springfield area by attracting and servicing conventions and visitors to our city. The Bureau's programs are driven by a yearly marketing strategy based on statistical research and program analysis.

The SCVB serves as the marketing arm for the industry in our city. They develop and implement the strategic marketing and sales programs that convince travelers and convention planners to choose Springfield over other destinations.

The **Administration Department** provides the policy direction, fiscal management and administrative support necessary for the successful implementation of a Bureau-wide marketing plan. This includes the promotion of local tourism issues and events and the procurement of grant funding for future programs and projects. The Bureau is funded solely through local hotel/motel taxes and state grant funding (also generated through visitor taxes). The Bureau receives 3 percent of the local hotel/motel tax each year as its operating budget. Additionally, the Executive Director works closely with key local, state and national leaders in the tourism industry and is the voice of Springfield's tourism product.

The **Convention and Tourism Departments** have a staff of 17 professional employees. The Convention Department solicits convention and meeting business through active participation in national association trade shows, regional sales efforts, telemarketing, bid presentations, local awareness campaigns and an active convention services program. The Tourism Department publishes promotional materials, supervises a yearly tourism advertising campaign, coordinates all local visitor services and solicits national and regional press coverage of the City by various components of the travel press. In addition, special itineraries and programming are planned for adult and school groups touring the historical sites.

Office of Public Utilities

The Office of Public Utilities, known as City, Water, Light and Power (CWLP), provides water and electricity to the greater Springfield area. The mission of CWLP is to provide its customers with the highest quality, most reliable water and electric service at the lowest possible rates, while preserving the continued financial and operating integrity of both utility systems.

CWLP, the largest municipally owned electric system in Illinois, provided power to 68,978 electric customers during fiscal year 2011. The water system provided water to 50,749 customers both inside and outside the City of Springfield, and seven wholesale water customers (five villages and two water districts). Lake Springfield, a 4,300-acre man-made reservoir, serves as the present source of water supply.

The overall management of the Office of Public Utilities is the responsibility of the General Manager. The General Manager is assisted by a number of senior managers who are in turn responsible for supervising one of the divisions discussed within. In addition to the senior division managers, the Public Information Office also reports directly to the General Manager. The Public Information Office coordinates utility interaction with the news media and the public. It provides customers with information on emergency situations and addresses general inquiries on utility operations.

The Engineering/Operations Division is the largest within the agency. More than half of all utility employees are associated with this division, which is comprised of two branches – the Electric Department and the Water Department.

Electric production facilities consist of the Dallman Generating Station (base load), Interstate Turbine (intermediate load) and the Factory and Reynolds Gas Turbine Stations (for peak demand periods). System operations are controlled through the Miller Street Dispatch Center that is staffed 24 hours a day. With the aid of the computerized system called SCADA (System Control and Data Acquisition), the Dispatch Center works to minimize electric service interruptions by constantly monitoring load conditions in the transmission and distribution network. In addition to power generation, the Electric Department also completes engineering design, construction and maintenance projects.

The Water Filtration Plant on the shore of Lake Springfield is also staffed 24 hours a day to provide continuous monitoring of the quality of water delivered to consumers. From the Water Distribution Center, located on Mason Street, engineering staff and maintenance crews complete the construction of new water distribution facilities, as well as maintenance of existing mains, valves, meters and fire hydrants.

The Administrative Service Division performs the property service, security, vehicle maintenance, information technology, energy services, personnel and risk management functions of the Utility.

The Property Services Department's responsibilities are embodied in a number of program areas. They operate and maintain 342 acres of dedicated and undedicated parks, along with 30 miles of lake roads and lanes. Each year thousands of people enjoy activities at Center Park, the Lake Park Beach and Beach House, Bridgeview Beach and a number of boat launching facilities. Property Services also supervises in-house craft personnel (painters, carpenters, plumbers and laborers) who are used for repair and construction duties throughout the utility. The division is responsible for the Vehicle Maintenance Facility that maintains a fleet of over 300 vehicles and equipment. Security services are provided around the clock for all property owned by the Utility. Security also provides registration of watercraft on Lake Springfield, the enforcement of Lake Springfield ordinances, and security for the Municipal Complex. The Training Office is responsible for maintaining a pool of competent personnel. The Property and Liability Office works with the Risk Management Division of the Office of the Mayor to administer damage claims against the utility. The Information Systems Division provides information technology services for offices throughout the Utility and all other city agencies. The office operates the local area network and software programs that support both Utility and City functions. The CWLP Energy Services Office offers a number of programs to help customers understand Utility services and use them more efficiently. These include energy audits, energy education and rebates to encourage the efficient use of energy.

The Finance Division is responsible for all the Utilities' customer billing and collecting activities, financial record keeping, reporting, debt issuance and financial planning functions. The Commercial Office processes all customer billings and responds to requests for service connections, disconnections and complaints. This office also administers community assistance programs, such as Project Relief and Hand Up, which help to defray the cost of utilities for those citizens with fixed or limited resources. The General Accounting Office controls payments made with utility funds, controls inventory, and prepares monthly and annual financial reports on utility operations. The Fiscal Services Office directs the preparation and monitoring of the Water and Electric Fund budgets, administers the utility rates, and performs financial planning, including bonded debt issuance. The Utility's Purchasing Office coordinates the acquisition of materials and services for the offices within Public Utilities.

The Regulatory Affairs Division is responsible for the Utility's relations with other city, county, state and federal government agencies and employee groups. This division also establishes and maintains internal policies, procedures and controls.

The Environmental Health and Safety Office establishes and monitors standards to ensure safe working conditions for all utility employees. This office also conducts several tests at each stage of the electric and water processes to ensure the City's compliance with state and federal regulations. In addition, it assists in developing projects and procedures that will further reduce the potential negative impacts of energy production and discharged wastewater effluent on the environment.

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

The Honorable Mayor
and Members of the City Council
City of Springfield, 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 Springfield, Illinois as of and for the year ended February 28, 2011, 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 Springfield's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds which represents \$202,739,392 (61 percent), \$202,700,315 (69 percent) and \$40,161,268 (37 percent), respectively, of the assets, net assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust funds, 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 the pension trust funds were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the 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 Springfield, Illinois, as of February 28, 2011, 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 August 31, 2011, on our consideration of the City of Springfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and other required supplementary information as described in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We 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 Springfield's basic financial statements. The introductory section, combining and individual fund financial statements and other schedules, and statistical section, 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. The combining and individual fund financial statements and other schedules 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 introductory section and statistical section, 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
August 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Springfield, Illinois

**Management's Discussion and Analysis
Year Ended February 28, 2011**

The City of Springfield's ("the City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify the individual fund issues or concerns.

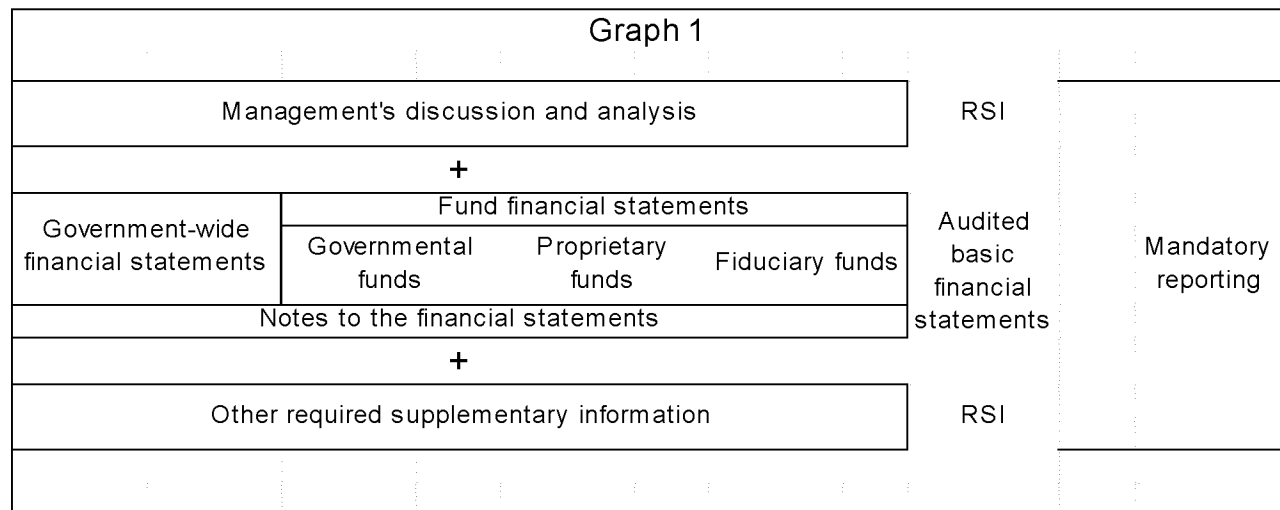
Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal letter (beginning on page I-1) and the City's financial statements (beginning with Statement 1).

Financial Highlights

- The assets of the City of Springfield exceeded its liabilities at the close of the fiscal year by \$728,673,651 (net assets).
- The City's net assets increased by \$6,367,209 over the previous fiscal year.
- At the close of the current fiscal year, the City's governmental funds report combined ending fund balances of \$47,347,366 for an increase of \$10,135,233 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,353,495 or 8.90 percent of the total General Fund expenditures.
- The City's total long-term debt (excluding claims, judgments, compensated absences and other postemployment benefits) decreased \$22,722,922 during the current fiscal year.

Using this Annual Report

The following graphic depicts the flow of components in the Comprehensive Annual Financial Report.



The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

Overview of Financial Statements: This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City'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 or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change 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 and earned-but-not-used vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The government activities of the City include general government, public health and safety, culture and recreation, highways and streets, and economic development. The business-type activities of the City include the Electric and Water Operations (Office of Public Utilities) and the Motor Vehicle Parking, Sewer and Oak Ridge Cemetery operations (Office of Public Works).

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate Police and Fire Pension Plans. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Statements 1 and 2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. However, unlike the government-wide financial statements, 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. Such information may be useful in evaluating a government's near-term financing requirements.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

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

The City maintains 35 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the 34 nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Exhibit 5 and Exhibit 6 of this report.

The City adopts an annual appropriation budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found in Exhibit 1 of this report.

The basic governmental fund financial statements can be found on Statements 3 and 5 of this report.

Proprietary Funds: The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric Light and Power, Water, Sewer, Cemetery and Parking System functions. In addition, the City also accounts for a portion of its self-insurance activities within the business-type enterprise funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for the facility maintenance function, unemployment escrow, and the balance of self-insurance activities. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statement. A portion is then allocated to Business-type through internal balances.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. The proprietary fund financial statements provide separate information for the Electric Light and Power and Water Funds, which are considered major funds of the City. The remaining proprietary funds are reported in the aggregate. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on Statements 7, 8 and 9 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that for proprietary funds.

The basic fiduciary fund statements can be found on Statements 10 and 11 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to the financial statements can be found following Statement 11 of this report.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. This information can be found beginning with Exhibit 1 of this report.

The combining statements referred to earlier in connection with the Nonmajor Governmental Funds, the Nonmajor Enterprise Funds and the Internal Service Funds are presented immediately following the Required Supplementary Information. Combining and individual fund statements and schedules can be found beginning with Exhibit 5 of this report.

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 exceeded liabilities by \$728,673,651 at the close of the most recent fiscal year.

The following table reflects the condensed Statement of Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current and other assets	\$ 85,311	\$ 98,530	\$ 178,717	\$ 172,939	\$ 264,028	\$ 271,469
Capital assets	190,430	189,556	1,158,574	1,159,434	1,349,004	1,348,990
Total assets	275,741	288,086	1,337,291	1,332,373	1,613,032	1,620,459
Long-term liabilities	74,841	75,628	708,546	696,981	783,387	772,609
Other liabilities	48,379	50,736	58,960	68,441	107,339	119,177
Total liabilities	123,220	126,364	767,506	765,422	890,726	891,786
Net assets:						
Invested in capital assets, net of related debt	180,936	183,669	495,105	528,393	676,041	712,062
Restricted	31,176	30,852	67,036	33,293	98,212	64,145
Unrestricted (deficit)	(59,591)	(52,798)	7,644	5,265	(51,947)	(47,533)
Total net assets	\$ 152,521	\$ 161,723	\$ 569,785	\$ 566,951	\$ 722,306	\$ 728,674

A significant portion of the City's net assets, 97.7 percent, as of February 28, 2011, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, 8.9 percent, as of February 28, 2011, represents resources that are subject to external restrictions on how they may be used. Total net assets as of February 28, 2011, did increase from the prior year. The net assets of governmental activities increased by \$9.2M while the net assets of business-type activities decreased by \$2.8M.

City of Springfield, Illinois

Management's Discussion and Analysis
Year Ended February 28, 2011

Changes in Net Assets: The City's net assets increased by \$6.4M during the current fiscal year.

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

	Activities		Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program revenues:						
Charges for services	\$ 15,273	\$ 16,224	\$ 248,464	\$ 263,252	\$ 263,737	\$ 279,476
Operating grants and contributions	12,003	13,612	-	-	12,003	13,612
Capital grants and contributions	4,634	890	3,135	4,714	7,769	5,604
General revenues:						
Property taxes	26,647	27,503	-	-	26,647	27,503
Other taxes	74,556	77,721	-	-	74,556	77,721
Other revenues	1,150	1,181	1,676	799	2,826	1,980
Total revenues	134,263	137,131	253,275	268,765	387,538	405,896
Expenses:						
General government	27,419	17,262	-	-	27,419	17,262
Public health and safety	76,331	75,269	-	-	76,331	75,269
Highways and streets	18,286	20,357	-	-	18,286	20,357
Economic development	1,256	5,452	-	-	1,256	5,452
Culture and recreation	10,381	10,309	-	-	10,381	10,309
Interest on long-term debt	1,838	2,448	-	-	1,838	2,448
Electric	-	-	204,665	238,516	204,665	238,516
Water	-	-	21,420	21,798	21,420	21,798
Sewer	-	-	5,726	5,902	5,726	5,902
Motor vehicle parking	-	-	1,023	1,040	1,023	1,040
Oak ridge cemetery	-	-	1,215	1,175	1,215	1,175
Total expenses	135,511	131,097	234,049	268,431	369,560	399,528
Increase (decrease) in net assets before transfers	(1,248)	6,034	19,226	334	17,978	6,368
Transfers	2,615	3,168	(2,615)	(3,168)	-	-
Extraordinary gain	-	-	-	-	-	-
Increase (decrease) in net assets	1,367	9,202	16,611	(2,834)	17,978	6,368
Net assets, beginning of year	151,154	152,521	553,174	569,785	704,328	722,306
Net assets, end of year	\$ 152,521	\$ 161,723	\$ 569,785	\$ 566,951	\$ 722,306	\$ 728,674

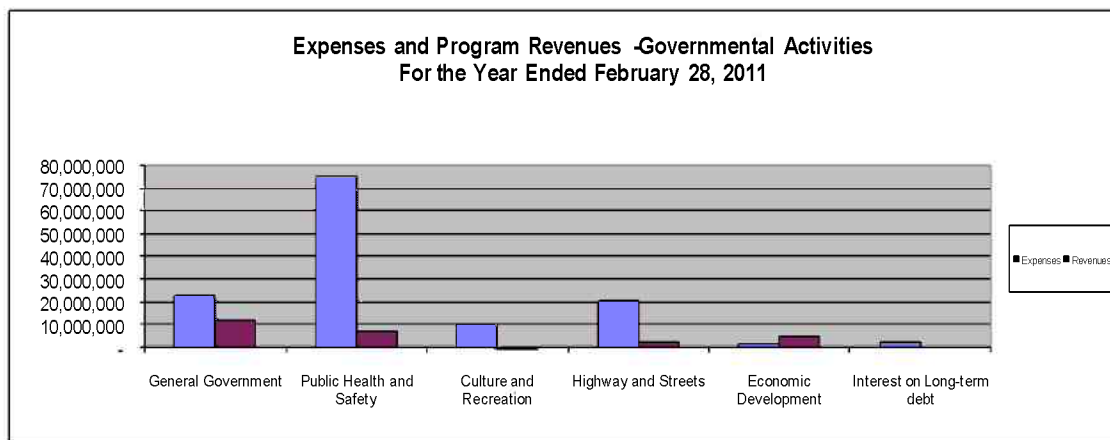
City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

Governmental Activities: The change in net assets of Governmental activities increased the City's net assets by \$9.2M for the year ended February 28, 2011. Governmental revenues increased by \$2.9M and expenses decreased by \$4.4M. Significant economic and programmatic events impacted the City of Springfield's FY 2011 governmental activities. Highlights included:

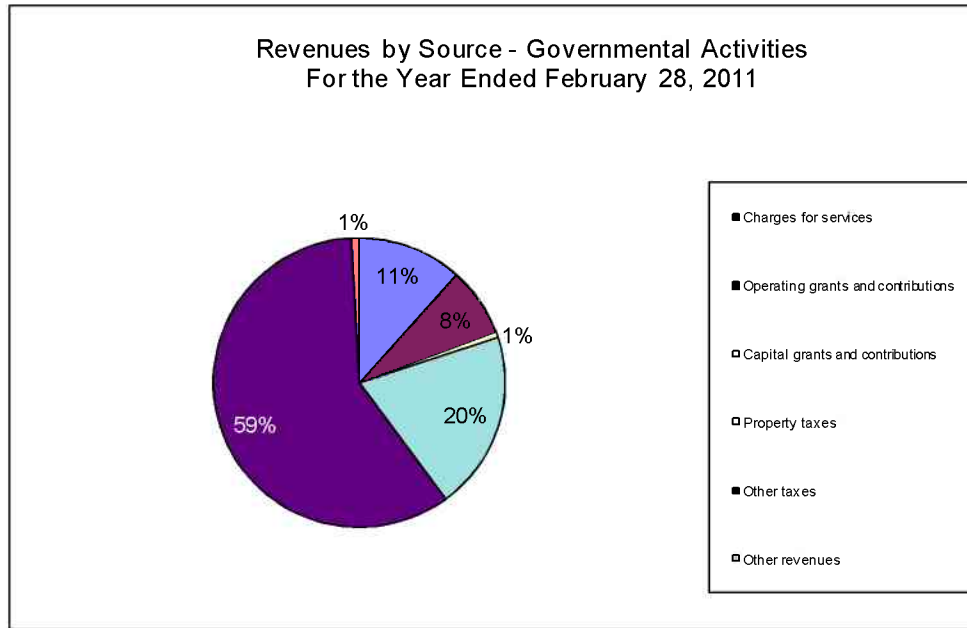
- The \$689K increase in charges for services comes from three sources: 1) fire protection district fees paid past the revenue recognition period in FY 2010, 2) a new vehicle fee instituted by the Springfield Police Department for vehicles impounded in association with criminal activity and, 3) an increase in local building permit activity.
- Operating grants and contributions decreased due to a one-time Artistic Element grant received in FY 2010.
- Capital grants and contributions reflect the value of completed sidewalks, streets, etc., associated with new development. FY 2011 saw a lower level of completed new development.
- Taxes found in the "other" category increased during FY 2011, this increase includes the following: 1) \$2.5M increase in sales tax in the Corporate Fund, 2) \$3.7M increase in sales tax in the Capital Improvement Fund and, 3) \$645K increase in the telecommunications tax. The increase in sales tax and telecommunications tax was a result of the first full year of an increase, which was .25 percent and 3.0 percent respectively.

Governmental revenues continue to be primarily generated from sales taxes, property taxes, charges for services and other taxes and revenues. The percentage for each revenue category is illustrated in the following two graphs:



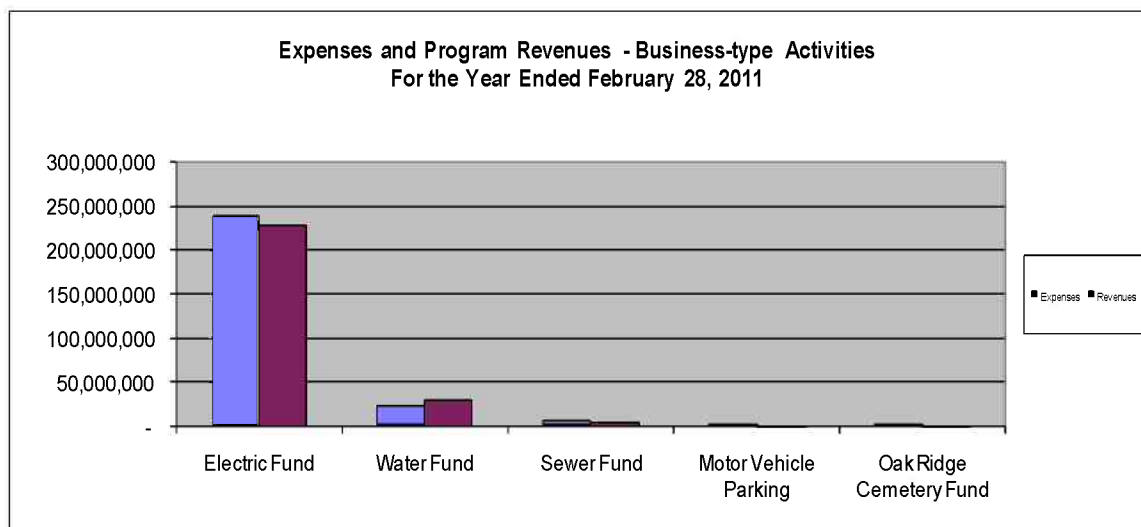
City of Springfield, Illinois

Management's Discussion and Analysis
 Year Ended February 28, 2011



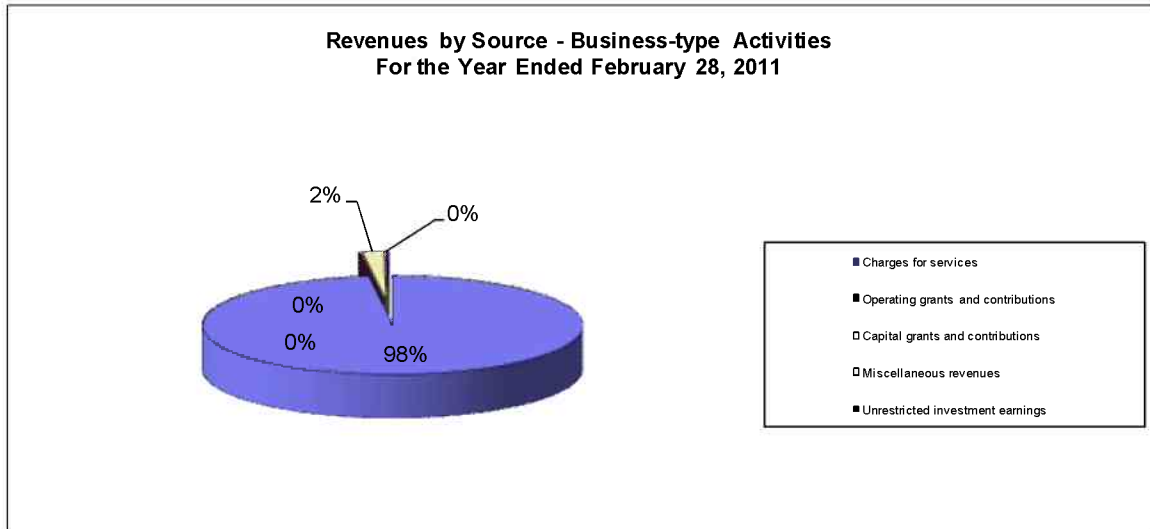
Business-Type Activities: Business-type activities decreased the City's net assets by \$2.8M. Business-type activities revenues increased by \$15.5M and the expenses increased by \$34.6M. Significant economic and programmatic events impacted the City of Springfield's FY 2011 business-type activities. Highlights included:

- A 10 percent increase in the retail water rate during FY 2011.
- A 4.5 percent increase in retail energy sales.
- An increase in the cost of fuel.
- An increase in interest charges.



City of Springfield, Illinois

Management's Discussion and Analysis
Year Ended February 28, 2011



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$47,347,366, for an increase of \$10,135,233. Of the ending fund balance, \$41,195,232 constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved and is legally restricted with separate controls, thereby making fund balance unavailable for general government.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,353,495, and is included in the fund balance in the preceding paragraph. Three agencies account for the majority of the General Fund salary and benefit costs: Police Department, Fire Department and Public Works. 72 percent of all General Fund salaries and benefits are found in these three categories. These services are funded by six key revenue areas: City Sales Tax, State Sales Tax, Property Tax, State Income Tax, Telecommunications Tax and the Office of Public Utilities PILOT.

The fund balance of the City's General Fund increased by \$5,792,765 in the year ended February 28, 2011. This is a result of various revenue and expense initiatives discussed in the Transmittal Letter.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

Proprietary Funds: The City's Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the major Proprietary funds at the end of fiscal year 2011 were \$5,069,693 and \$1,094,779 for the Electric Light and Power Fund and the Water Fund, respectively. The net assets of the Electric Fund decreased by \$12,236,133 while the net assets of the Water Fund increased by \$8,904,791. The Electric Light and Power Fund experienced an increase in accumulated depreciation of \$35.5M and a decrease of construction work in progress of \$19.3M because of the completion of the Dallman Unit 4 Project.

General Fund Budgetary Highlights

The increase between the original expenditure and transfers out budget and the final amended expenditure and transfers out budget totaled \$4,235,971. This increase represents a 4.0 percent increase over the original budget for FY 2011. Of the \$4.2M in increases, 80 percent or \$3.2M can be detailed as follows:

- The City Council approved a supplemental appropriation in the amount of \$1.9M to provide budget authority for personnel costs related to salaries, benefits and in support of the Self-Insurance Fund.
- The City received \$1.3M in additional grant funding from state and federal sources.

The City saw significant variances in the General Fund between the amended budget and actual expenditures as of February 28, 2011. The General Fund year-end actual expenditures and transfers out were \$6.2M under the amended budget for the same period. As discussed in the transmittal letter, City administrators enacted stringent spending controls in reaction to economic downturns. Major results of the controlled spending were:

- \$2.0M lapse in Police Department spending as a result of elimination of vacancies, aggressively managing overtime, and controlling expenditures in support lines such as fuel and travel.
- \$1.7M lapse in Public Works spending through a planned reduction in force and delays in maintenance projects.
- \$830K lapse in the Office of Budget & Management throughout various support lines.
- \$750K lapse in the Office of the Mayor largely due to program spending in Emergency Communications grant activity.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of February 28, 2011, amounts to \$1,348,988,547 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements machinery and equipment, park facilities, roads, highways, bridges and construction in progress. The total decrease in the City's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$15,340.

The City's new electric generating plant has a value of \$500M. The depreciation associated with the plant will tend to negate any increases in assets in other areas. The plant will depreciate over a period of about 40 years.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

The following table illustrates the changes in capital assets:

	Governmental activities		Business-type activities		Total	
	2010	2011	2010	2011	2010	2011
Land	\$ 20,733,420	\$ 20,848,620	\$ 45,201,937	\$ 45,202,750	\$ 65,935,357	\$ 66,051,370
Buildings and system	24,828,148	24,062,541	597,160,721	585,705,819	621,988,869	609,768,360
Machinery and equipment	6,903,920	10,342,613	203,265,376	225,565,663	210,169,296	235,908,276
Infrastructure	132,894,631	134,301,554	266,395,582	269,730,144	399,290,213	404,031,698
Construction in progress	-	-	46,549,871	33,228,843	46,549,871	33,228,843
Intangible Assets - Enterprise	-	-	-	-	-	-
Resource Planning System	5,070,281	-	-	-	5,070,281	-
Total	\$ 190,430,400	\$ 189,555,328	\$ 1,158,573,487	\$ 1,159,433,219	\$ 1,349,003,887	\$ 1,348,988,547

Additional information on the City's capital assets can be found in note 9 to the financial statements.

Long-Term Debt: At the end of the current fiscal year, the City had total debt (excluding claims and judgments, compensated absences, and other postemployment benefits) outstanding of \$728,437,483. Of this amount, \$ 32.2 M is debt backed by the full faith and credit of the City and \$677.7M is debt associated with revenue streams from business-type activities.

	Governmental activities		Business-type activities		Total	
	2010	2011	2010	2011	2010	2011
General obligation bonds	\$ 38,517,557	\$ 32,163,900	\$ -	\$ -	\$ 38,517,557	\$ 32,163,900
Special assessment bonds	221,223	181,284	-	-	221,223	181,284
Taxable tax increment bonds	2,528,685	2,211,432	-	-	2,528,685	2,211,432
Revenue bonds	-	-	692,724,069	677,703,682	692,724,069	677,703,682
Capital leases	6,160,571	4,764,149	-	-	6,160,571	4,764,149
Loans	1,500,000	1,500,000	9,508,300	9,913,036	11,008,300	11,413,036
Anticipation notes	-	-	-	-	-	-
Total	\$ 48,928,036	\$ 40,820,765	\$ 702,232,369	\$ 687,616,718	\$ 751,160,405	\$ 728,437,483

The City's total debt as shown above decreased \$22,722,922 during the current fiscal year. General obligation debt was decreased by \$6.4M, and debt from revenue bonds decreased by \$15.0M.

The City of Springfield received an Aa3 (negative outlook) rating from Moody's Investor Service in the Spring of 2011.

The City of Springfield is designated a Home Rule unit as defined in Article 7 of the Constitution of the State of Illinois. As of February 28, 2011, the Illinois General Assembly had not placed a limit on the amount of debt home rule municipalities may incur.

Additional information on the City's long-term debt can be found in note 10 to the financial statements.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2011

Economic Factors and Next Year's Budget

- There has not been substantive growth in the City's General Fund. For that reason the City's administrators responded with a FY 2011 budget that saw personal service reductions of 55 positions totaling \$3.4M. These reductions were accomplished both through layoffs and attrition. FY 2012 staffing has been further reduced from the original requests by 46 positions. This brings the number of positions in the General Fund to 740 representing a reduction of 113 positions since FY 2008.
- The University of Illinois Flash Index rose to 96 in February 2011. The index is a weighted average based on state corporate, personal income and sales tax receipts. Any number below 100 indicates economic contraction.
- Springfield's economy has remained relatively stable the past several years despite the national and regional downturns. Unemployment has dropped to 8.1 percent from a high of 10.0 percent.
- Almost all sectors have endured a downturn and retail trade along with the finance, insurance and real estate (FIRE) industries have borne the brunt of the recent recession. However, health care and hospitality have remained stable and provide the impetus for much of the employment and construction activity. St. John's Hospital, a major City employer, is currently recruiting 80 additional nurses for staff and service expansion.
- A positive indicator is Springfield's continuing position as a retail hub. Scheels, a destination sporting goods store, opened in July 2011 adding 300 retail jobs at some of highest retail earnings in the sector.
- In addition to the Scheels development, the City recently learned of additional retail expansion with the announcement of a new outlet mall on a site adjacent to the Scheels complex. The outlet mall represents additional growth to our retail sales tax and an opportunity to expand our tourism base through outlet destination bus tours and individual travelers. New construction provides increased employment levels in the building and trades industries. The 340,000 square-foot center will feature 80 shops and up to 900 new jobs.
- The City continued its talks with the major unions moving toward labor concessions and holding the line on salaries to balance the budget. The City has moved toward tying collective bargaining increases to the Midwest-Urban Consumer Price Index. Two contracts have been settled using this economic indicator resulting in a more manageable increase of 2.3 percent annualized.

All of these factors were considered in preparing the City's budget for the 2012 budget year.

Requests for Information

This financial report is designed to provide a general overview of the City of Springfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: William D. McCarty II, Director, Office of Budget & Management, City of Springfield, Room 210, Municipal Center West, Springfield, Illinois 62701.

Component Units

The Springfield Police and Firefighters' Pension Plans are considered blended component units and are reported as if they were a part of the City. However, separately issued financial statements for each Plan may be obtained from the address indicated in Note 1 to the financial statements.

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BASIC FINANCIAL STATEMENTS

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City of Springfield, Illinois

Statement of Net Assets
February 28, 2011

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
Cash and cash equivalents	\$ 37,510,554	\$ 10,908,281	\$ 48,418,835
Investments	-	373,160	373,160
Interest receivable	-	10,739	10,739
Local taxes receivable	46,976,944	-	46,976,944
Intergovernmental receivables	158,558	-	158,558
Accounts receivable	-	33,150,235	33,150,235
Notes receivable	4,472,987	-	4,472,987
Special assessments receivable	126,945	-	126,945
Grant receivable	122,235	-	122,235
Internal balances	4,781,964	(4,781,964)	-
Other receivables	1,762,942	-	1,762,942
Inventory	-	15,705,464	15,705,464
Prepaid expenses	13,800	2,599,824	2,613,624
Other assets	553,435	15,810	569,245
Restricted cash and cash equivalents	2,050,803	108,601,896	110,652,699
Restricted investments	-	3,513,878	3,513,878
Debt issuance costs	-	2,842,480	2,842,480
Capital assets, net of depreciation	168,706,708	1,081,001,626	1,249,708,334
Capital assets, not depreciated	20,848,620	78,431,593	99,280,213
Total assets	\$ 288,086,495	\$ 1,332,373,022	\$ 1,620,459,517

See Notes to Financial Statements.

Statement 1

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 3,998,088	\$ 22,803,070	\$ 26,801,158
Other payables	3,161	2,632,903	2,636,064
Accrued payroll	2,687,410	1,818,994	4,506,404
Accrued interest	899,750	16,358,400	17,258,150
Deposit payable	-	1,267,759	1,267,759
Unearned revenue	28,552,773	833,404	29,386,177
Compensated absences payable:			
Due within one year	4,470,106	4,403,230	8,873,336
Due beyond one year	4,842,614	3,223,637	8,066,251
Claims and judgments:			
Due within one year	3,601,552	2,705,275	6,306,827
Due beyond one year	3,446,476	589,943	4,036,419
Long-term debt:			
Due within one year	6,522,716	15,616,786	22,139,502
Due beyond one year	34,298,049	671,999,933	706,297,982
IMRF net pension obligation	485,043	1,198,532	1,683,575
Other postemployment benefit obligations	32,555,982	19,970,280	52,526,262
Total liabilities	126,363,720	765,422,146	891,785,866
Net assets:			
Invested in capital assets net of related debt	183,669,278	528,393,036	712,062,314
Restricted for public safety	1,802,693	-	1,802,693
Restricted for endowment care, nonexpendable	-	3,513,878	3,513,878
Restricted for debt service	5,090,201	24,323,654	29,413,855
Restricted for system repairs and improvements	-	5,455,654	5,455,654
Restricted for capital projects	1,521,162	-	1,521,162
Restricted for highways and streets	10,917,981	-	10,917,981
Restricted for economic development	11,485,646	-	11,485,646
Restricted for waste and recycling	33,630	-	33,630
Unrestricted (deficit)	(52,797,816)	5,264,654	(47,533,162)
Total net assets	161,722,775	566,950,876	728,673,651
Total liabilities and net assets	\$ 288,086,495	\$ 1,332,373,022	\$ 1,620,459,517

City of Springfield, Illinois

Statement of Activities
Year Ended February 28, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 17,261,874	\$ 12,259,477	\$ 22,767	\$ -
Public health and safety	75,268,739	1,825,969	5,832,136	-
Culture and recreation	10,308,975	117,842	139,136	-
Highway and streets	20,357,199	2,013,472	2,976,369	890,177
Economic development	5,451,903	7,575	4,641,842	-
Interest on long-term debt	2,447,922	-	-	-
Total governmental activities	131,096,612	16,224,335	13,612,250	890,177
Business-type activities:				
Electric Fund	238,516,831	226,750,881	-	2,405,613
Water Fund	21,797,702	29,040,941	-	2,227,071
Sewer Fund	5,901,756	5,849,462	-	81,441
Motor Vehicle Parking Fund	1,040,291	865,802	-	-
Oak Ridge Cemetery Fund	1,174,863	745,016	-	-
Total business-type activities	268,431,443	263,252,102	-	4,714,125
Total primary government	\$ 399,528,055	\$ 279,476,437	\$ 13,612,250	\$ 5,604,302

General revenues:

- Property tax
- State sales tax
- City sales tax
- Use tax
- State income tax
- Personal property replacement tax
- Miscellaneous and hotel/motel taxes
- Non-utility property operations
- Miscellaneous revenues
- Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

- Net assets, beginning of year
- Net assets, end of year

See Notes to Financial Statements.

Statement 2

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,979,630)	\$ -	\$ (4,979,630)
(67,610,634)	-	(67,610,634)
(10,051,997)	-	(10,051,997)
(14,477,181)	-	(14,477,181)
(802,486)	-	(802,486)
(2,447,922)	-	(2,447,922)
(100,369,850)	-	(100,369,850)
-	(9,360,337)	(9,360,337)
-	9,470,310	9,470,310
-	29,147	29,147
-	(174,489)	(174,489)
-	(429,847)	(429,847)
-	(465,216)	(465,216)
(100,369,850)	(465,216)	(100,835,066)
27,503,034	-	27,503,034
25,468,722	-	25,468,722
30,207,937	-	30,207,937
3,393,135	-	3,393,135
9,166,754	-	9,166,754
2,818,549	-	2,818,549
6,663,605	-	6,663,605
-	34,509	34,509
987,306	-	987,306
194,169	764,555	958,724
3,167,940	(3,167,940)	-
109,571,151	(2,368,876)	107,202,275
9,201,301	(2,834,092)	6,367,209
152,521,474	569,784,968	722,306,442
\$ 161,722,775	\$ 566,950,876	\$ 728,673,651

Governmental Funds Balance Sheet
February 28, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 2,043	\$ 32,508,688	\$ 32,510,731
Local taxes receivable	37,514,455	9,067,137	46,581,592
Intergovernmental receivables	302	158,256	158,558
Notes receivable	-	4,472,987	4,472,987
Special assessments receivable	-	126,945	126,945
Grant receivable	122,235	-	122,235
Other receivables	1,368,698	244,508	1,613,206
Interfund receivables	1,055,807	5,531,467	6,587,274
Restricted cash and cash equivalents	-	2,050,803	2,050,803
Prepaid items	-	13,800	13,800
Total assets	\$ 40,063,540	\$ 54,174,591	\$ 94,238,131
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 608,365	\$ 2,139,116	\$ 2,747,481
Other payables	-	3,161	3,161
Accrued payroll	2,442,444	200,723	2,643,167
Compensated absences payable	38,788	-	38,788
Interfund payable	6,286,824	661,225	6,948,049
Deferred and unearned revenue	22,333,624	12,176,495	34,510,119
Total liabilities	31,710,045	15,180,720	46,890,765
Fund Equity:			
Unreserved, undesignated:			
General fund	8,353,495	-	8,353,495
Special revenue funds	-	23,230,189	23,230,189
Capital projects funds	-	9,611,548	9,611,548
Reserved for prepaid items	-	13,800	13,800
Reserved for public safety	-	274,285	274,285
Reserved for debt service	-	5,864,049	5,864,049
Total fund equity	8,353,495	38,993,871	47,347,366
Total liabilities and fund equity	\$ 40,063,540	\$ 54,174,591	\$ 94,238,131

See Notes to Financial Statements.

**Reconciliation of Fund Balances of Governmental Funds to the Net Assets of
Governmental Activities in the Statement of Net Assets
February 28, 2011**

Fund balances of governmental funds (Statement 3)	\$ 47,347,366
Amounts reported for governmental activities in the statement of net assets (Statement 1) are different because:	
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.*	189,554,534
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	6,352,698
Accumulated difference between actual pension contributions expensed in governmental funds and the actuarially determined annual pension cost	553,435
Internal Service Funds are used by management to charge the costs of Self Insurance, Unemployment Compensation, supplies, postage and printing services to individual funds. The assets and liabilities of the internal service funds are appropriated between the governmental activities and the business-type activities in the statement of net assets.	(1,499,661)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.**	(80,585,597)
Net assets of governmental activities (Statement 1)	<u><u>\$ 161,722,775</u></u>

* Amount does not include net capital assets of Internal Service Funds totaling \$794 which is included in the (\$1,499,661).

** Amount does not include long-term liabilities of Internal Service Funds totaling \$10,497,903, which are included in the (\$1,499,661).

See Notes to Financial Statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended February 28, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Property tax	\$ 19,926,583	\$ 7,179,680	\$ 27,106,263
State Sales tax	25,468,722	-	25,468,722
City Sales tax	25,895,847	4,312,090	30,207,937
Use tax	3,393,135	-	3,393,135
Motor fuel tax	-	2,976,369	2,976,369
Miscellaneous and hotel/motel taxes	3,920,918	2,742,687	6,663,605
Fees for services	11,174,819	308,539	11,483,358
Investment income	7,901	182,439	190,340
Intergovernmental	14,331,058	9,149,005	23,480,063
Licenses and permits	1,359,136	-	1,359,136
Fines and citations	1,272,592	-	1,272,592
Special assessments	-	40,586	40,586
Franchise fees	1,846,665	-	1,846,665
Miscellaneous	329,232	1,454,433	1,783,665
Total revenues	108,926,608	28,345,828	137,272,436
Expenditures:			
Current:			
General government	12,993,582	5,426,606	18,420,188
Public health and safety	66,584,537	1,330,950	67,915,487
Culture and recreation	-	6,859,580	6,859,580
Highway and streets	12,505,453	6,192,052	18,697,505
Economic development	1,172,706	3,584,527	4,757,233
Capital outlay	627,172	1,979,593	2,606,765
Debt service	-	9,557,604	9,557,604
Total expenditures	93,883,450	34,930,912	128,814,362
Excess (deficiency) of revenues over expenditures	15,043,158	(6,585,084)	8,458,074
Other financing sources (uses):			
Transfers in	261,596	14,435,998	14,697,594
Transfers out	(9,511,989)	(3,508,446)	(13,020,435)
Total other financing sources (uses)	(9,250,393)	10,927,552	1,677,159
Net change in fund balance	5,792,765	4,342,468	10,135,233
Fund balances at beginning of year	2,560,730	34,651,403	37,212,133
Fund balances at end of year	\$ 8,353,495	\$ 38,993,871	\$ 47,347,366

See Notes to Financial Statements.

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities
Year Ended February 28, 2011**

Net changes in fund balance, total governmental funds (Statement 5)	\$ 10,135,233
Amounts reported for governmental activities in the statement of activities (Statement 2) 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. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,764,192)
The net effect of various miscellaneous transactions involving capital assets donated in the current year is to increase net assets.	890,177
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(850,392)
The increase in the net pension asset resulting from contributions greater than the annual required contribution is not a financial resource and is not reported in the funds.	8,749
The issuance of long-term debt (e.g., bonds, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,669,614
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.	(10,121,877)
Internal Service Funds are used by management to charge the costs of Self Insurance, Unemployment Compensation and supplies, postage and certain printing services to individual funds. A portion of net revenue is reported with governmental activities.	2,233,989
Change in net assets of governmental activities (Statement 2)	<u>\$ 9,201,301</u>

See Notes to Financial Statements.

**Statement of Net Assets (Deficit)
Proprietary Funds
February 28, 2011**

	Business-type Activities - Enterprise Funds				
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 7,276,698	\$ 1,690,680	\$ 1,940,903	\$ 10,908,281	\$ 4,999,823
Investments	-	-	373,160	373,160	-
Interest receivable	-	-	10,739	10,739	-
Accounts receivable	27,249,731	3,863,446	2,037,058	33,150,235	-
Local taxes receivable, net	-	-	-	-	395,352
Interfund receivables	194,592	2,189,126	2,356,803	4,740,521	3,349,451
Inventory	14,320,288	1,048,469	336,707	15,705,464	-
Prepaid expenses	2,540,481	59,343	-	2,599,824	-
Other assets	-	15,810	-	15,810	149,736
Restricted cash and cash equivalents	27,305,632	3,076,887	549,511	30,932,030	-
Total current assets	78,887,422	11,943,761	7,604,881	98,436,064	8,894,362
Noncurrent assets:					
Capital assets:					
Property, plant and equipment, net	925,337,700	102,420,815	53,243,111	1,081,001,626	794
Land	10,210,062	33,532,719	1,459,969	45,202,750	-
Construction work in progress	16,223,095	16,954,178	51,570	33,228,843	-
Total capital assets	951,770,857	152,907,712	54,754,650	1,159,433,219	794
Debt issuance costs	2,717,459	108,467	16,554	2,842,480	-
Restricted cash and cash equivalents	57,000,407	18,900,976	1,768,483	77,669,866	-
Restricted investments	-	-	3,513,878	3,513,878	-
Total noncurrent assets	1,011,488,723	171,917,155	60,053,565	1,243,459,443	794
Total assets	\$ 1,090,376,145	\$ 183,860,916	\$ 67,658,446	\$ 1,341,895,507	\$ 8,895,156

See Notes to Financial Statements.

Statement 7

	Business-type Activities - Enterprise Funds				
	Electric		Other		Internal Service
	Light and Power Fund	Water Fund	Enterprise Funds	Total	Funds
Liabilities and Net Assets (Deficit)					
Current liabilities:					
Accounts payable	\$ 19,697,052	\$ 2,937,675	\$ 168,343	\$ 22,803,070	\$ 1,250,608
Other payables	-	58,294	2,574,609	2,632,903	-
Accrued payroll	1,327,761	358,111	133,122	1,818,994	44,243
Compensated absences payable	3,493,741	751,301	158,188	4,403,230	2,135,940
Claims and judgments	2,014,186	345,588	345,501	2,705,275	3,601,552
Interfund payable	6,681,266	535,445	255,491	7,472,202	256,995
Accrued interest	15,290,632	1,001,887	65,881	16,358,400	-
Deposit payable	1,267,759	-	-	1,267,759	-
Unearned revenue	-	-	50,004	50,004	395,352
Loans payable - due within one year	-	295,298	701,488	996,786	-
Revenue bonds payable - due within one year	12,015,000	2,075,000	530,000	14,620,000	-
Total current liabilities	61,787,397	8,358,599	4,982,627	75,128,623	7,684,690
Noncurrent liabilities:					
Compensated absences	2,397,558	688,822	137,257	3,223,637	2,313,935
Claims and judgments	503,546	86,397	-	589,943	2,446,476
Unearned revenue	-	-	783,400	783,400	-
Loans Payable - less current portion	-	4,701,990	4,214,261	8,916,251	-
Revenue bonds payable - less current portion	624,894,896	37,061,971	1,126,815	663,083,682	-
IMRF net pension obligation	917,644	243,931	36,957	1,198,532	-
Other postemployment benefits obligation	15,737,064	3,001,000	1,232,216	19,970,280	-
Total noncurrent liabilities	644,450,708	45,784,111	7,530,906	697,765,725	4,760,411
Total liabilities	706,238,105	54,142,710	12,513,533	772,894,348	12,445,101
Net assets (deficit):					
Invested in capital assets, net of related debt	354,743,820	124,858,583	48,790,633	528,393,036	794
Restricted for perpetual care, nonexpendable	-	-	3,513,878	3,513,878	-
Restricted for system repairs and improvements	2,509,478	1,670,321	1,275,855	5,455,654	-
Restricted for debt service	21,815,049	2,094,523	414,082	24,323,654	-
Unrestricted (deficit)	5,069,693	1,094,779	1,150,465	7,314,937	(3,550,739)
Total net assets (deficit)	384,138,040	129,718,206	55,144,913	569,001,159	(3,549,945)
Total liabilities and net assets (deficit)	\$ 1,090,376,145	\$ 183,860,916	\$ 67,658,446		\$ 8,895,156
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(2,050,283)	
Adjusted net assets of business-type activities				<u>\$ 566,950,876</u>	

**Statement of Revenues, Expenses and Changes in Net Assets (Deficit)
Proprietary Funds
Year Ended February 28, 2011**

	Business-type Activities - Enterprise Funds				
	Electric		Other		Internal
	Light and Power Fund	Water Fund	Enterprise Funds	Total	Service Funds
Operating revenues:					
Fees for services	\$ 226,750,881	\$ 29,040,941	\$ 7,392,724	\$ 263,184,546	\$ 423,807
Intragovernmental charges	-	-	-	-	25,982,512
Payroll deductions	-	-	-	-	6,087,322
Miscellaneous	-	-	67,556	67,556	-
Total operating revenues	226,750,881	29,040,941	7,460,280	263,252,102	32,493,641
Operating expenses:					
General and administrative	33,528,446	4,109,824	3,967,700	41,605,970	1,308,665
Benefits and settlements	-	-	-	-	30,443,118
Maintenance and supplies	-	-	1,190,044	1,190,044	-
Production and distribution	137,210,765	10,143,452	-	147,354,217	-
IMRF net pension obligation	917,644	243,931	36,957	1,198,532	-
Other postemployment benefits	5,921,608	1,133,706	628,764	7,684,078	-
Depreciation and amortization	35,652,370	2,576,250	1,984,505	40,213,125	1,057
Repair and maintenance	-	-	83,189	83,189	-
Total operating expenses	213,230,833	18,207,163	7,891,159	239,329,155	31,752,840
Operating income (loss)	13,520,048	10,833,778	(430,879)	23,922,947	740,801
Nonoperating revenues (expenses):					
Investment income	116,906	11,661	635,988	764,555	3,829
Miscellaneous	(7,587)	(52,835)	-	(60,422)	-
Interest expense	(26,961,332)	(944,898)	(238,850)	(28,145,080)	-
Amortization of debt premium (discount)	1,368,353	(25,939)	(15,101)	1,327,313	-
Auxiliary service property	-	(2,622,293)	-	(2,622,293)	-
Non-utility property operations	34,509	-	-	34,509	-
Property Taxes	-	-	-	-	396,771
Total nonoperating revenues (expenses)	(25,449,151)	(3,634,304)	382,037	(28,701,418)	400,600
Income (loss) before transfers and capital contributions	(11,929,103)	7,199,474	(48,842)	(4,778,471)	1,141,401
Capital contributions	2,405,613	2,227,071	81,441	4,714,125	-
Transfers in	-	-	221,000	221,000	1,506,892
Transfers (out)	(2,712,643)	(521,754)	(154,543)	(3,388,940)	(16,111)
Change in net assets	(12,236,133)	8,904,791	99,056	(3,232,286)	2,632,182
Net assets (deficit), beginning of year	396,374,173	120,813,415	55,045,857		(6,182,127)
Net assets (deficit), end of year	\$ 384,138,040	\$ 129,718,206	\$ 55,144,913		\$ (3,549,945)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				398,194	
Change in net assets of business-type activities				\$ (2,834,092)	

See Notes to Financial Statements.

Statement of Cash Flows
Proprietary Funds
Year Ended February 28, 2011

	Business-type Activities - Enterprise Funds				
	Electric		Other		Internal Service
	Light and Power Fund	Water Fund	Enterprise Funds	Total	Funds
Cash flows from operating activities:					
Receipts from customers	\$ 222,900,884	\$ 29,014,552	\$ 6,948,544	\$ 258,863,980	\$ -
Receipts from customers (collected by primary government)	-	-	(1,221,500)	(1,221,500)	-
Receipts from other funds	2,974,154	464,808	-	3,438,962	29,056,964
Payments to suppliers	(99,932,245)	(4,179,907)	(1,740,080)	(105,852,232)	(26,231,216)
Payments to employees	(43,830,251)	(9,999,474)	(3,290,202)	(57,119,927)	(2,248,552)
Payments to other funds	(17,881,932)	(2,768,151)	(342,166)	(20,992,249)	-
Other operating receipts/(payments)	(8,122,121)	-	843,919	(7,278,202)	356,635
Net cash provided by operating activities	56,108,489	12,531,828	1,198,515	69,838,832	933,831
Cash flows from noncapital financing activities:					
Transfers out	(2,712,643)	(521,754)	(154,543)	(3,388,940)	(16,111)
Transfers in	-	-	-	-	1,506,892
(Payment to) cash received from interfund borrowings	2,878,598	(2,724,236)	138,990	293,352	-
Property taxes	-	-	-	-	396,771
Net cash provided by (used in) noncapital financing activities	165,955	(3,245,990)	(15,553)	(3,095,588)	1,887,552
Cash flows from capital and related financing activities:					
Transfers in	-	-	221,000	221,000	-
Purchase of capital assets	(24,817,499)	(11,103,293)	(193,650)	(36,114,442)	-
Cost of financing	(1,908,000)	-	-	(1,908,000)	-
Principal paid on loans	-	(110,173)	(680,709)	(790,882)	-
Principal paid on revenue bonds	(13,745,000)	(1,495,000)	(726,000)	(15,966,000)	-
Interest paid on revenue bonds and loans	(31,246,076)	(981,540)	(255,309)	(32,482,925)	-
Interest capitalized for the acquisition and construction of utility plant	-	(1,089,975)	-	(1,089,975)	-
Net proceeds from ARRA loans	-	3,495,618	-	3,495,618	-
Contributions in aid of construction	2,405,613	2,227,071	-	4,632,684	-
Other capital and related financing activities	(43,676)	(8,324)	-	(52,000)	-
Net cash (used in) capital and related financing activities	(69,354,638)	(9,065,616)	(1,634,668)	(80,054,922)	-
Cash flows from investing activities:					
Sale of investments	-	-	173,287	173,287	-
Proceeds from maturities of investments	14,000,000	-	-	14,000,000	-
Interest on investments	178,549	34,110	112,288	324,947	3,829
Net cash provided by investing activities	14,178,549	34,110	285,575	14,498,234	3,829
Net increase (decrease) in cash and cash equivalents	1,098,355	254,332	(166,131)	1,186,556	2,825,212
Cash and cash equivalents, beginning of year	90,484,382	23,414,211	4,425,028	118,323,621	2,174,611
Cash and cash equivalents, end of year	\$ 91,582,737	\$ 23,668,543	\$ 4,258,897	\$ 119,510,177	\$ 4,999,823
Reconciliation:					
Cash and cash equivalents	\$ 7,276,698	\$ 1,690,680	\$ 1,940,903	\$ 10,908,281	\$ 4,999,823
Restricted cash and cash equivalents - current	27,305,632	3,076,887	549,511	30,932,030	-
Restricted cash and cash equivalents - noncurrent	57,000,407	18,900,976	1,768,483	77,669,866	-
	\$ 91,582,737	\$ 23,668,543	\$ 4,258,897	\$ 119,510,177	\$ 4,999,823

(Continued)

Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended February 28, 2011

	Business-type Activities - Enterprise Funds				
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 13,520,048	\$ 10,833,778	\$ (430,879)	\$ 23,922,947	\$ 740,801
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	35,652,370	2,576,250	1,984,505	40,213,125	1,057
Nonutility operations	34,509	(2,357,536)	-	(2,323,027)	-
Change in assets and liabilities:					
(Increase) in accounts receivable	(961,736)	(868,438)	(372,429)	(2,202,603)	(67,172)
(Increase) decrease in inventories	(1,475,088)	62,075	6,637	(1,406,376)	-
Decrease in prepaid expenses	100,936	31,641	-	132,577	-
(Increase) in interfund receivable	-	-	(1,368,422)	(1,368,422)	(3,012,870)
Increase in accounts payable	2,553,260	786,549	85,340	3,425,149	442,285
Increase (decrease) in other payables	-	(71,554)	808,903	737,349	-
Increase (decrease) in accrued payroll	97,618	-	4,689	102,307	(16,955)
Increase (decrease) in compensated absences	(153,446)	285,370	(12,906)	119,018	74,480
Increase in other accrued liabilities	550,962	-	-	550,962	2,552,933
Increase in unearned revenue	-	-	42,631	42,631	-
Increase in interfund payable	-	-	-	-	219,272
(Decrease) in deposit payable	(2,812)	-	-	(2,812)	-
Increase in IMRF net pension obligation	917,644	243,931	36,957	1,198,532	-
Increase in OPEB obligation	5,274,224	1,009,762	413,489	6,697,475	-
Total adjustments	42,588,441	1,698,050	1,629,394	45,915,885	193,030
Net cash provided by operating activities	\$ 56,108,489	\$ 12,531,828	\$ 1,198,515	\$ 69,838,832	\$ 933,831
Supplemental disclosure of noncash investing and capital and related financing activities:					
Contributed capital - developers	\$ -	\$ -	\$ 81,441	\$ 81,441	\$ -
Unrealized loss from reporting investments at fair value	13,160	-	524,305	537,465	-

See Notes to Financial Statements.

Statement of Fiduciary Net Assets
Fiduciary Funds
Year Ended February 28, 2011

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 3,149,119	\$ 291,291
Investments:		
U.S. Government Securities	54,832,251	-
U.S. Agency Securities	25,382,945	-
Common Stocks and Corporate Bonds	37,697,360	-
Mutual Fund Equities	53,196,761	-
Federal Home Loan Banks and Mortgage Corporation	19,771,300	-
Federal Farm Credit Banks	1,113,610	-
Federal National Mortgage Association	5,766,685	-
GNMA	1,038,744	-
Interest and dividends receivable	643,762	-
Other receivables	138,510	-
Other assets	8,345	-
Total assets	\$ 202,739,392	\$ 291,291
Liabilities and Plan Net Assets		
Liabilities:		
Accounts payable	\$ 39,077	\$ 250
Other accrued liabilities	-	290,194
Intergovernmental payable	-	847
Total liabilities	39,077	\$ 291,291
Plan net assets, held in trust for employee pension benefits	202,700,315	
Total liabilities and plan net assets	\$ 202,739,392	

See Notes to Financial Statements.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended February 28, 2011

	Pension Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 16,249,153
Employee contributions	3,138,316
Miscellaneous	6,188
Total contributions	<u>19,393,657</u>
Investment income:	
Net appreciation in fair value of investments	16,278,353
Interest and dividends	4,960,966
Total investment loss	<u>21,239,319</u>
Less investment expense	(471,708)
Net investment income	<u>20,767,611</u>
Total additions	<u>40,161,268</u>
Deductions:	
Pension benefits	19,615,843
Administrative expenses	221,893
Total deductions	<u>19,837,736</u>
Net increase	20,323,532
Plan net assets held in trust for pension benefits, beginning of year	<u>182,376,783</u>
Plan net assets held in trust for pension benefits, end of year	<u>\$ 202,700,315</u>

See Notes to Financial Statements.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Springfield (City), Illinois, have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of these accounting policies are as follows:

Financial reporting entity:

The City is a municipal corporation with a mayoral/aldermanic form of government. As required by GAAP, these financial statements present the City and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Individual component unit disclosures – fiduciary funds: The Police and Fire Fighters' Pension Plans are reported as if they were a part of the City. The Pension Plans may not issue bonded debt or levy taxes without the City's approval. These Plans provide services entirely to the City's current and former employees.

The most recent audit information was blended within the City's financial reporting entity. Complete financial statements of the individual component units can be obtained from the following:

Police and Fire Fighters' Pension Plans:

City of Springfield, Illinois
Office of the City Treasurer
104 Municipal Center West
Springfield, Illinois 62701-1681

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 primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, except Agency funds have no measurement focus. 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 intended to fund. 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 government considers revenues generally 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, claims and judgments and pension and OPEB amounts are recorded only when payment is due.

Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual in the fund financial statements as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Proprietary Funds utilize the accrual basis of accounting, which recognizes revenue when it is earned, including an estimate of utility revenue unbilled at the end of each accounting period, and expenses when they are incurred. The Water Fund, the Electric Light and Power Fund and the Sewer Fund jointly bill customers for services.

The government reports the following major governmental funds:

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.

Additional governmental fund types which are combined as nonmajor funds are as follows:

Special Revenue Funds are used to account for City activities which are primarily financed by special revenue sources such as governmental grants or general property taxes levied for specific purposes.

Debt Service Funds are used to account for principal and interest payments with respect to the general long-term debt of the City.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Projects Funds are used to account for general construction or renovation projects being carried out by the City. Such projects are financed by proceeds from general obligation bonds, tax increment financing district property taxes, sales taxes, utility taxes, governmental grants and user charges.

The government reports the following major proprietary funds:

The Electric Light and Power Fund accounts for the production, transmission and distribution of electricity in the City and certain nearby municipalities.

The Water Fund accounts for the collection, purification and distribution of water in the City and certain nearby municipalities.

Additionally, the government reports the following fund types:

Internal Service Funds account for health insurance, workers compensation claims, sick payouts, sick sell back, property casualty and liability insurance, building and grounds maintenance, and unemployment compensation insurance services provided to other departments or agencies of the government.

The Agency Funds are used to account for monies resulting from the City's flexible benefit plan and for wage garnishments, savings bonds and interest earned from pooled investments, which are custodial in nature.

The Fire Fighters' Pension Fund and the Police Pension Fund are pension trust funds, which account for activities as prescribed by the Illinois State Statutes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, electric and sewer functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 Water, Electric, Sewer, Cemetery, and Motor Vehicle Parking enterprise funds and the government's Working Capital, Self-Insurance, and Unemployment Compensation Escrow internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

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

Assets, liabilities, and net assets or equity:

Pooled cash and investments: Cash and investments of various General, special revenue, debt service and internal service funds is pooled with excess pooled cash being invested. Interest from pooled investments is allocated to the participating funds based on their daily cash balance.

Investments are recorded at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Gains and losses on marketable securities are computed using the specific identification method.

Cash equivalents: For purposes of the statement of cash flows of its proprietary and similar trust fund types, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

Inventories and prepaids: Inventories of materials and supplies are stated at lower of cost or market, with cost determined on an average cost basis. Also included in inventory are certain cemetery plots for sale, which are valued at an estimated \$9 per lot.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted asset accounts: Restricted asset accounts are utilized by enterprise funds to comply with revenue bond ordinances.

Notes receivable: Notes receivable are loans made through housing rehabilitation and economic development programs under the terms of mortgage-secured installment notes. The terms of the notes are one to ten years. Notes are classified as interest bearing with ranges from 2.5 percent per year to 5.0 percent per year. Notes receivable that are not available as current financial resources have been deferred.

Capital assets: Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Cost includes labor, material and similar items, and indirect business type charges for such items as transportation. The City capitalizes interest expense on funds used during construction of major projects, net of interest earned on invested unexpended bond proceeds during the construction period. The total interest cost on debt incurred by the water and electric divisions during the current fiscal year was \$2,012,424 and \$30,748,127, respectively. Of that amount, interest charged to expense was \$944,898 and \$26,961,332, respectively. Interest of \$1,067,526 and \$3,786,795, respectively was included as part of the cost of capital assets under construction in connection with the water and electric divisions' construction projects.

Capital asset of the business type activities include 7,089 acres of nonutility property acquired for the proposed John H. Hunter Lake project, included in the Enterprise funds. The land was acquired to construct the proposed John H. Hunter Lake, which would supplement the present Lake Springfield's potable water supply and provide cooling water for the electricity generating system. As of February 28, 2011 the Water Fund has incurred a total of \$22,342,895 for the project, which includes the purchase price of the farmland and additional legal, engineering and other acquisition costs of \$6,625,895. The Electric Light and Power Fund has expended \$5,000,000 for the same project. Costs incurred for the project are classified as nonutility property, pending a final decision on the proposed project.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Fund	Estimated Useful Lives
Electric Light and Power:	
Utility plant	15 to 50 years
Equipment	5 to 50 years
Water:	
Utility plant and distribution system	10 to 100 years
Equipment	5 to 33 years
Sewer:	
Sewer system improvements	50 years
Buildings	10 to 50 years
Equipment	3 to 15 years
Motor Vehicle Parking System:	
Parking system improvements	10 to 50 years
Equipment	5 to 20 years
Oak Ridge Cemetery:	
Cemetery improvements	15 to 20 years
Buildings	15 to 30 years
Equipment	5 to 20 years
Governmental Fund Types:	
Land improvements	50 years
Buildings	50 years
Streets and roadways (base)	50 years
Street overlays	15 years
Machinery and equipment	5 to 15 years
Vehicles	4 to 10 years
Library collection	5 years

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated absences:

Employees are granted vacation and sick leave benefits in varying amounts based on tenure. In the event of termination, a nonunion employee is paid for accumulated vacation days up to a maximum of two years vacation. A union employee normally must take vacation during the year of accrual. Union and nonunion employees may accumulate an unlimited number of sick days to be paid only upon death or retirement. No sick leave is paid upon termination.

Accumulated unpaid vacation leave, related to governmental fund activities, that is expected to be paid with expendable available financial resources, is reported as an expenditure and as a liability of the governmental fund that will pay it. Amounts of accumulated unpaid vacation leave that are not expected to be paid with expendable available financial resources are reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements. The liabilities for all accrued sick leave benefits expected to be paid at death or retirement are recorded in an Internal Service Fund, except for the portions applicable to the Electric Light and Power, Water and Sewer Funds, which are recorded in each respective fund. The actuarial determination of the liability for sick leave has been funded by charges to other funds by an Internal Service Fund which will ultimately pay the liability when due. Accumulated unpaid vacation benefits for proprietary funds are recorded in those funds when earned.

Unearned/deferred revenue:

Property taxes for which there is an enforceable legal claim, but which were levied to finance the following fiscal year operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period of 60 days have been reported as deferred revenue.

Long-term obligations, debt costs, discounts and gains/losses on refunding:

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Long-term debt issuance costs, discounts and deferred gains/losses on refunding are amortized over the life of the related issue using the effective interest method. In accordance with GASB Statement No. 23, the gains and losses on refunding of enterprise funds' debts are deferred rather than recognized in the period of refunding.

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 received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received and payment of bond principal, are reported as debt service expenditures.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital contribution revenue:

Capital contribution revenue includes payments received from contractors and other businesses and individuals for special capital projects. In some cases, excess deposits are refunded and deficient deposits are billed.

Fund equity:

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Restricted net assets of the proprietary funds are reported for net assets legally restricted by outside parties for a specific purpose.

Most available assets of debt service and fiduciary funds are reserved by definition for the purpose for which the funds were created.

Net assets:

Net assets represent the difference between assets and liabilities in the financial statements. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds of \$976,951 in governmental activities and \$58,997,628 in business-type activities. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City has \$3,513,878 restricted for nonexpendable endowment care. The earnings can be used for operations and maintenance of the cemetery.

Net assets restricted by enabling legislation include \$1,802,683 for public safety, \$1,521,162 for capital projects, \$10,917,981 for highways and streets, \$11,485,646 for economic development and \$33,630 for waste and recycling.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Springfield, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Interfund transactions/transfers

There are various types of interfund transactions and transfers that are reported as interfund items between the funds. Interfund services provided and used are recorded as revenue, expenditures or expenses as if the transactions occurred outside the government. Interfund transactions, which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as a reduction of expenditures in the fund that is reimbursed.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, certain Special Revenue Funds and the Capital Projects Funds. Any encumbrances still open as of the year-end lapse, and must be reappropriated in the budget of the subsequent year.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Governmental Activities Statement of Net Assets:

The governmental fund balance sheet includes a reconciliation between *fund balance -total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$(80,585,597) difference are as follows:

Long-term liabilities not due and payable in current period:

Bonds payable	\$ (28,973,601)
Less net premiums, discounts and deferred charges on refunding	3,847
Accreted interest payable	(5,586,862)
Capital leases payable	(4,764,149)
Accrued interest	(899,750)
Line of credit	(1,500,000)
Claims and judgments	(1,000,000)
Compensated absences	(4,824,057)
IMRF net pension obligation	(485,043)
Other postemployment benefit obligations	(32,555,982)
Net adjustments to reduce fund balances - total governmental funds to arrive at net assets - governmental activities	<u>\$ (80,585,597)</u>

City of Springfield, Illinois

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Governmental Activities Statement of Activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 details of this difference are as follows:

Capital outlay	\$ 5,563,582
Depreciation	<u>(7,327,774)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,764,192)</u>

Another element of that reconciliation states, that "The issuance of long-term debt (e.g. bonds, 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." The details of this difference are as follows:

Principal repayments:	
General obligation debt	\$ 6,916,000
Taxable tax increment bonds	317,253
Special assessment debt	39,939
Capital leases	<u>1,396,422</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 8,669,614</u>

City of Springfield, Illinois

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Another element of that reconciliation states, that “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.” The details of this difference are as follows:

Compensated absences	\$ (31,263)
Other postemployment benefits	(10,620,735)
IMRF net pension obligation	(485,043)
Accreted interest	(558,495)
Accrued interest	(422,493)
Change in estimate of general liability expense	2,000,000
Amortization of deferred loss on refunding	294
Amortization of premium	458
Amortization of discount and issuance costs	(4,600)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (10,121,877)</u></u>

Note 3. Stewardship, Compliance and Accountability

Budgetary information:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to February 28, the Director of the Office of Budget and Management submits to the City Council, a proposed operating budget for the fiscal year commencing March 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to March 1, the budget is legally enacted through passage of an ordinance.
- The level of budgetary control is by major object within each department.
- The department head responsible for approval of transfers, certifies the transfer is necessary and transmits a copy of the approval so that the Director of the Office of Budget and Management may record the transfers. The sum of such transfers can not exceed 2 percent of the total appropriation within specified major objects. Budgeted amounts may be transferred between line items within a department within a fund; however, any revisions that alter total departmental expenditures of any fund must be approved by the City Council. Unexpended appropriations remaining at year-end lapse.
- Supplemental budgetary appropriations were necessary during the fiscal year ended February 28, 2011. Supplemental appropriations totaled \$11,578,379.

City of Springfield, Illinois

Notes to Financial Statements

Note 3. Stewardship, Compliance and Accountability

- Budgets are adopted on the modified accrual basis of accounting for the General Fund, Special Revenue Funds, Oak Ridge Cemetery Operating Fund, Motor Vehicle Parking System, Debt Service Funds and the Capital Projects Funds, except for the funds indicated below, by fund type. The following funds were unbudgeted for fiscal year 2011.

Special Revenue Funds

Illinois Municipal Retirement Fund
 Park Towers Fund
 Local Foreign Fire Insurance Fund
 Jefferson Crossing TIF

Capital Projects Fund

Lincoln Greens Improvement Fund

Enterprise Funds

Oak Ridge Endowment Care Fund

- Budgets are also adopted in accordance with revenue bond ordinances for the following Enterprise Funds: Sewer, Water, and Electric Light and Power. The Sewer Fund budget is adopted on the accrual basis of accounting with adjustments for depreciation, capital outlay and debt service. The Water and Electric Light and Power budgets are adopted on the accrual basis.

Deficit fund equity:

The following funds had deficit fund balances, which will be funded by the collection of future property taxes, program income, federal grants, developer guarantees and transfers from other funds:

Self Insurance Fund	\$ (3,468,757)
Illinois Municipal Retirement Fund	(148,506)
Enos Park TIF Project Fund	(12,427)
Working Capital Fund	(110,193)

Excess of expenditures over appropriations:

Year Ended February 28, 2011	Appropriations	Expenditures	Excess
Nonmajor Funds			
Capital Equipment Fund	\$ 1,859,765	\$ 1,861,781	\$ 2,016

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments

Primary government: Following are the components of the primary government's cash, cash equivalents and investments:

	February 28, 2011		
	Unrestricted	Restricted	Total
Cash and cash equivalents	\$ 48,418,835	\$ 110,652,699	\$ 159,071,534
Investments	373,160	3,513,878	3,887,038
	<u>\$ 48,791,995</u>	<u>\$ 114,166,577</u>	<u>\$ 162,958,572</u>
Restricted cash, cash equivalents and investments		\$ 114,166,577	
Unrestricted cash, cash equivalents and investments		48,791,995	
		162,958,572	
Less carrying amount of deposits		(2,307,815)	
Total investments		<u>\$ 160,650,757</u>	

Governmental Accounting Standards Board requires disclosure of credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and modifies previous custodial credit risk disclosure requirements.

Authorized investments: The City is empowered by statute to invest in certain types of securities as provided in the Public Funds Investment Act, 30 Illinois Compiled Statutes 235/1 et seq. The Electric Light and Power Fund may only invest in certain securities in accordance with a master revenue bond ordinance. Those permitted investments are defined in the master revenue bond ordinance and amendments and supplements thereto. Permitted investments include U.S. Government issued or secured debt, insured or collateralized certificates of deposit, highly rated state and municipal debt, and state pooled investments. Investments held by a trustee responsible for subordinate lien bond funds may include highly rated money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933. Oak Ridge Cemetery Endowment Fund may only invest in certain securities in accordance with the Cemetery Care Act, 760 ILCS 100/3. Permitted investments are every kind of property, real, personal or mixed, and every kind of investment, which persons of prudence, discretion and intelligence acquire or retain for their own account. The associated investment credit risks are noted above.

Custodial credit risk: Custodial credit risk is the risk a government will not be able to recover deposits or investments that are in the possession of an outside party.

At February 28, 2011, the carrying amount of the City's deposits totaled \$2,307,815 and the bank balances totaled \$1,769,221. The City's investment policy requires that deposits with financial institutions be collateralized at 102 percent of the market value of the principal and interest of the deposit. The collateral is to be held by an independent third party with whom the entity has a current custody agreement. The City's bank balances are covered by Federal Deposit Insurance Corporation (FDIC) and by collateral held by the City in the City's name at the Federal Reserve Bank of Boston. The City's cash equivalents in Illinois Funds are not subject to custodial credit risk.

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments (Continued)

The City requires all security transactions entered into by the City be conducted on a delivery versus payment basis. Securities are held by a third party custodian, designated by the City Treasurer and evidenced by a safekeeping receipt. As of February 28, 2011, the City's investments within Oak Ridge Cemetery Fund were insured by SIPC Insurance of \$500,000. The City did not hold any additional custodial credit insurance for investments exceeding the SIPC insurance.

At February 28, 2011, the primary government's investment balances were as follows:

Investment Type	FMV	Maturity (1)			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Agency Obligations	\$ 42,816	\$ -	\$ -	\$ -	\$ 42,816
Government Agency Bond	35,654	-	-	-	35,654
Corporate Bonds	833,326	-	-	42,520	790,806
Bond Mutual Funds	48,504	-	-	48,504	-
Domestic Bond Funds	14,771	-	-	14,771	-
Global Bond Funds	13,860	-	-	13,860	-
Money Market Mutual Funds	32,883	32,883	-	-	-
Illinois Funds	156,763,719	156,763,719	-	-	-
Subject to interest rate risk	157,785,533	\$ 156,796,602	\$ -	\$ 119,655	\$ 869,276
U.S. Equities	280,219				
Global Mutual Funds	988,089				
Balanced Mutual Funds	743,441				
Preferred Stock	97,420				
U.S. Equity Mutual Funds	406,122				
Energy Limited Partnerships	178,651				
Real Estate Investment Trusts	171,282				
Total investments	\$ 160,650,757				

(1) **Interest rate risk:** The risk that changes in interest rates will adversely affect the fair value of investments is the interest rate risk. In accordance with the master revenue bond ordinance, the Electric Light and Power Fund limits investments to those with a maturity of ten years or less. City policy places further limits stating that the City will not directly invest in securities with a maturity of greater than five years three months from the date of purchase. Reserve funds, however, may be invested in securities exceeding five years three months if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. The Cemetery Care Act places no additional interest rate restrictions on investments.

* The Illinois Funds are not subject to direct regulatory oversight of the Securities and Exchange Commission. However, the funds are managed by the Illinois State Treasurer, in accordance with state statutes. The Illinois Funds fair value is the same as the value of the pool shares.

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments (Continued)

Investment Type	Fair Value	Standard & Poor's/Moody's (2)			
		AAA	AA	A	BAA
U.S. Agency Obligations	\$ 42,816	\$ 42,816	\$ -	\$ -	\$ -
Government Agency Bonds	35,654	3,048	32,606	-	-
Corporate Bonds	833,326	25,536	80,195	242,318	344,094
Bond Mutual Funds	48,504	-	-	-	-
Domestic Bond Funds	14,771	-	-	-	-
Global Bond Funds	13,860	-	-	-	-
Money Market Mutual Funds	32,883	-	-	-	-
Illinois Funds *	156,763,719	156,763,719	-	-	-
Total	\$ 157,785,533	\$ 156,835,119	\$ 112,801	\$ 242,318	\$ 344,094

Investment Type	Standard & Poor's/Moody's (2)			
	BA	B	C	Not Rated
U.S. Agency Obligations	\$ -	\$ -	\$ -	\$ -
Government Agency Bonds	-	-	-	-
Corporate Bonds	95,078	23,250	22,855	-
Bond Mutual Funds	-	-	-	48,504
Domestic Bond Funds	-	-	-	14,771
Global Bond Funds	-	-	-	13,860
Money Market Mutual Funds	-	-	-	32,883
Illinois Funds *	-	-	-	-
Total	\$ 95,078	\$ 23,250	\$ 22,855	\$ 110,018

(2) **Credit risk:** The risk that an issuer of an investment will not fulfill its obligation is credit risk. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of credit risk: The risk of a loss attributed to the magnitude of a government's investment in a single issuer is concentration of credit risk. The City's investment policy calls for diversification of its investments by security type and institution. With the exception of U.S. Treasury notes and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City's investment policy is written to encompass all City investments. Diversification levels in this policy are for the total investment portfolio. The Cemetery Care Act does not require any additional concentrations of credit risk restrictions.

On February 28, 2011, the City's funds did not have greater than five percent of its investments in a single security type. Money Market Mutual Funds and external investment pools are exempt given the City does not hold the underlying investment.

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments (Continued)

Fiduciary Funds: At February 28, 2011, the carrying amount of the Firefighters' and Police Pension Funds deposits totaled \$382,737 and the bank balances totaled \$382,737. The Fiduciary Funds bank balances are covered by Federal Deposit Insurance Corporation (FDIC).

Cash and cash equivalents:	
Pension trust	\$ 3,149,119
Agency	291,291
	<hr/>
	3,440,410
Less cash equivalents reclassified as investments	(3,057,673)
	<hr/>
Carrying amount of deposits	\$ 382,737
	<hr/> <hr/>

The Firefighters' and Police Pension Funds are held by a third party custodial account designated by their respective Board of Trustees.

Represented by:	
Cash, cash equivalents and investments	\$202,240,066
Less, carrying amount of deposits	(382,737)
	<hr/>
Total investments	\$201,857,329
	<hr/> <hr/>

Authorized investments: Investments made by the Firefighters' and Police Pension Funds are governed by both the Illinois Pension Code and the Fund's own investment policy. Allowable investments include (1) interest-bearing bonds of the United States, or of the State of Illinois, or any county, city, township, village, incorporated town, municipal corporation, or school district in this state; (2) tax anticipation warrants issued by any city, township, village, incorporated township or fire protection district; (3) notes, bonds, debentures or other similar obligations which are guaranteed as principal and interest by the United States; (4) insured withdrawable capital accounts of state chartered savings and loan associates; (5) insured withdrawable capital accounts of federally chartered federal savings and loan association if the withdrawable accounts are insured by the Federal Deposit Insurance Corporation; (6) insured investments in credit unions if the investments are insured by the National Credit Union Administration; (7) savings accounts or certificates of deposit of a national or state bank; (8) contracts and agreements supplemental thereto providing for investments in the general account of a life insurance company authorized to do business in Illinois; (9) separate accounts of a life insurance company authorized to do business in Illinois, comprised of common or preferred stocks, bonds, or money market instruments; (10) the Illinois Funds; (11) separate accounts managed by a life insurance company authorized to do business in Illinois, comprised of real estate of loans upon real estate secured by first or second mortgages; and (12) direct equities, mutual funds, and separate accounts.

Deposits:

Custodial credit risk: Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Firefighters and Police Pension Fund's deposits may not be returned to it. The Firefighters and Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters and Police Pension Fund's deposits with financial institutions.

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments (Continued)

Investments:

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters and Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Firefighters and Police Pension Fund's investment policy does not specifically address custodial credit risk, except for the Firefighters and Police Pension Fund's compliance with state statutes.

Investment Type	FMV	Maturity (3)			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Agency Obligations	\$ 80,450,152	\$ 17,874,095	\$ 28,435,287	\$ 16,956,510	\$ 17,184,260
U.S. Government Obligations	27,455,383	-	16,782,482	10,672,901	-
Corporate Bonds	1,062,750	-	1,062,750	-	-
Municipal Obligations	-	-	-	-	-
Money Market Mutual Funds	468,074	468,074	-	-	-
Illinois Funds	291,291	291,291	-	-	-
Subject to interest rate risk	109,727,650	\$ 18,633,460	\$ 46,280,519	\$ 27,629,411	\$ 17,184,260
CTF/Mutual Funds	55,145,328				
Common Stock	36,984,351				
Total investments	\$ 201,857,329				

- (3) **Interest rate risk:** The risk that changes in interest rates will adversely affect the fair value of the investment. The Board of Trustees of the Springfield Police and Firefighters' Pension Funds recognize their ultimate responsibility for the value preservation and growth of the Fund's assets in its investment policies. The policies will minimize the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities on the open market prior to maturity.

Investment Type	Fair Value	Standard and Poor's/Moody's (4)			
		AAA	AA	A	Not Rated
U.S. Agency Obligations	\$ 80,450,152	\$ 57,827,461	\$ 13,423,116	\$ 6,907,695	\$ 2,291,879
Corporate Bonds	1,062,750	1,062,750	-	-	-
Municipal Obligations	-	-	-	-	-
Money Market Mutual Funds	468,074	468,074	-	-	-
Illinois Funds	291,291	291,291	-	-	-
Total investments	\$ 82,272,267	\$ 59,649,576	\$ 13,423,116	\$ 6,907,695	\$ 2,291,879

- (4) **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 assigned of a rating by a nationally recognized statistical rating organization. The Police Pension Plan's investment policy does not specifically address credit risk for investments, except for Plan compliance with state statutes.

The policies of the Firefighter's Pension Fund will minimize credit risk, the risk of loss due to failure of the security issuer or backer, by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Pension will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

City of Springfield, Illinois

Notes to Financial Statements

Note 4. Cash, Cash Equivalents and Investments (Continued)

Concentration of credit risk: The Springfield Police Pension Fund equity investments are held in a custodial account managed by US Bank. The Springfield Firefighters' Pension Fund equity investments are held in a custodial account managed by JPMorgan/Chase Bank. The investment policies of the Pension Funds allow an allocation of up to 45 percent of the plan assets in equity-type investments, and sets further allocation guidelines within that scope. Individual holdings must meet certain criteria outlined in the investment policies, and no individual holding may comprise more than 5 percent of the equity holdings in total.

The investment policies of the Pension Funds allow an allocation of up to 80 percent of the plan assets in fixed income-type investments, and limits individual securities to those, which meet certain criteria. Securities of a single issuer (with the exception of the United States Government, and its agencies) may not exceed 5 percent of the fixed-income portion of the plan assets.

There were no investments (other than U.S. government and agencies' securities – separate accounts) in any one organization that represented 5 percent or more of net assets available for benefits in the Police Pension Fund or the Fire Pension Fund.

Note 5. Property Taxes

The City's property tax is levied each year by the second Tuesday of December on all taxable real property located in the City. A lien on all taxable real property is effective on January 1 of the tax year.

The City is a home-rule community under the 1970 Illinois Constitution and, accordingly, does not have a statutory tax rate limit.

Property in Sangamon County, the County in which the City resides, is assessed by the Sangamon County Assessor. The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Sangamon County Clerk computes the annual tax rate by dividing the levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Sangamon County Collector.

Property taxes are collected by the Sangamon County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1.

City of Springfield, Illinois

Notes to Financial Statements

Note 5. Property Taxes (Continued)

The 2010 taxes payable in 2011 are intended to finance the 2012 fiscal year and are not considered available for current operations and are, therefore, shown as unearned revenue. The 2011 tax levy has not been recorded as a receivable at February 28, 2011. Although the tax attached as a lien on property as of January 1, 2011, the tax will not be levied until December 2011 and, accordingly, is not measurable at February 28, 2011.

A summary of net property taxes receivable, as of February 28, 2011, which are reported under the caption of local taxes receivable, follows:

General Fund	<u>\$ 20,580,859</u>
Special Revenue Funds:	
Madison Park Place TIF Project Fund	215,000
Enos Park TIF Project Fund	475,000
Northeast TIF Project Fund	360,000
Special Allocation Project Fund (Downtown TIF)	<u>4,175,000</u>
	<u>5,225,000</u>
Debt Service Funds - TIFs:	
Special Assessments Fund	55,894
Park South TIF (Fiat Allis)	<u>1,725,000</u>
	<u>1,780,894</u>
Capital Project Funds, Far East TIF (South Grand Pointe)	<u>415,000</u>
Internal Service Funds, Self Insurance Fund	<u>395,352</u>
Total property taxes receivable	<u><u>\$ 28,397,105</u></u>

City of Springfield, Illinois

Notes to Financial Statements

Note 6. Interfund Receivables/Payables and Interfund Transfers

Interfund receivables and payables, as of February 28, 2011, are as follows:

	Receivables	Payables
General (Corporate) Fund:		
Nonmajor Governmental Funds	\$ 26,243	\$ 3,489,841
Nonmajor Enterprise Funds	1,393	-
Internal Service Funds	119	2,600,208
Water Fund	236,006	61,402
Electric Light and Power Fund	792,046	135,373
	<u>1,055,807</u>	<u>6,286,824</u>
Nonmajor Governmental Funds:		
General (Corporate) Fund	3,489,841	26,243
Other Nonmajor Governmental Funds	400,419	400,419
Nonmajor Enterprise Funds	42,067	-
Internal Service Funds	-	222,070
Water Fund	280,925	1,280
Electric Light and Power Fund	1,318,215	11,213
	<u>5,531,467</u>	<u>661,225</u>
Nonmajor Enterprise Funds:		
General (Corporate) Fund	-	1,393
Nonmajor Governmental Funds	-	42,067
Internal Service Funds	-	150,861
Water Fund	100	15,427
Electric Light and Power Fund	2,356,703	45,743
	<u>2,356,803</u>	<u>255,491</u>
Internal Service Funds:		
General (Corporate) Fund	2,600,208	119
Non-major Governmental Funds	222,070	-
Non-major Enterprise Funds	150,861	-
Internal Service Funds:	253,549	253,549
Water Fund	18,414	1,064
Electric Light and Power Fund	104,349	2,263
	<u>3,349,451</u>	<u>256,995</u>
Water Fund:		
General (Corporate) Fund	61,402	236,006
Nonmajor Governmental Funds	1,280	280,925
Nonmajor Enterprise Funds	15,427	100
Internal Service Funds	1,064	18,414
Electric Light and Power Fund	2,109,953	-
	<u>2,189,126</u>	<u>535,445</u>
Electric Light and Power Fund:		
General (Corporate) Fund	135,373	792,046
Other Nonmajor Governmental Funds	11,213	1,318,215
Nonmajor Enterprise Funds	45,743	2,356,703
Internal Service Funds	2,263	104,349
Water Fund	-	2,109,953
	<u>194,592</u>	<u>6,681,266</u>
Total interfund receivables/payables	<u>\$ 14,677,246</u>	<u>\$ 14,677,246</u>

These balances resulted from the time lag between 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.

City of Springfield, Illinois

Notes to Financial Statements

Note 6. Interfund Receivables/Payables and Interfund Transfers (Continued)

Interfund transfers in and out, as of February 28, 2011, are as follows:

	Transfers In	Transfers Out
General (Corporate) Fund:		
Nonmajor Governmental Funds	\$ 261,596	\$ 8,005,097
Internal Service Funds	-	1,506,892
	<u>261,596</u>	<u>9,511,989</u>
Nonmajor Governmental Funds:		
General (Corporate) Fund	8,005,097	261,596
Nonmajor Governmental Funds	3,025,850	3,025,850
Nonmajor Enterprise Funds	154,543	221,000
Internal Service Funds	16,111	-
Water Fund	521,754	-
Electric Fund	2,712,643	-
	<u>14,435,998</u>	<u>3,508,446</u>
Nonmajor Enterprise Funds, Nonmajor Governmental Funds	<u>221,000</u>	<u>154,543</u>
Internal Service Funds:		
General (Corporate) Fund	1,506,892	-
Nonmajor Governmental Funds	-	16,111
	<u>1,506,892</u>	<u>16,111</u>
Water Fund, Nonmajor Governmental Funds	<u>-</u>	<u>521,754</u>
Electric Light and Power Fund, Nonmajor Governmental Funds	<u>-</u>	<u>2,712,643</u>
Total Interfund Transfers	<u><u>\$ 16,425,486</u></u>	<u><u>\$ 16,425,486</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Springfield, Illinois

Notes to Financial Statements

Note 7. Accounts Receivable

Accounts receivable result from service charges billed and unbilled to customers. The following is a summary of accounts receivable, as of February 28, 2011, within the enterprise funds:

	Billed	Unbilled	Total
Electric Light and Power Fund	\$ 20,113,240	\$ 7,136,491	\$ 27,249,731
Water Fund	1,988,312	1,875,134	3,863,446
Sewer Fund	1,397,159	546,677	1,943,836
Oak Ridge Cemetery Operating Fund	93,222	-	93,222
Total receivable net of allowance for doubtful receivables	\$ 23,591,933	\$ 9,558,302	\$ 33,150,235

The Electric Light and Power Fund, the Water Fund and the Sewer Fund jointly bill customers for services. The Electric Light and Power Fund is net of allowance for doubtful accounts of \$1,270,678. The Water Fund is net of allowance of doubtful accounts of \$142,837.

Note 8. Capital Assets

Capital asset activity for the year ended February 28, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities				
Capital assets, not being depreciated:				
Land	\$ 20,733,420	\$ 115,200	\$ -	\$ 20,848,620
Construction in progress	5,070,281	-	5,070,281	-
Total capital assets, not being depreciated	25,803,701	115,200	5,070,281	20,848,620
Capital assets, being depreciated:				
Buildings and Improvements	40,480,394	31,280	-	40,511,674
Equipment	27,196,698	380,301	283,627	27,293,372
Equipment under capital lease	3,054,873	5,743,306	-	8,798,179
Infrastructure	174,998,002	5,253,953	-	180,251,955
Total capital assets, being depreciated	245,729,967	11,408,840	283,627	256,855,180
Less accumulated depreciation for:				
Buildings & Improvements	15,652,247	796,886	-	16,449,133
Equipment	22,254,917	1,596,345	283,627	23,567,635
Equipment under capital lease	1,092,734	1,088,569	-	2,181,303
Infrastructure	42,103,371	3,847,030	-	45,950,401
Total accumulated depreciation	81,103,269	7,328,830	283,627	88,148,472
Total capital assets, being depreciated, net	164,626,698	4,080,010	-	168,706,708
Government activities capital assets, net	\$ 190,430,399	\$ 4,195,210	\$ 5,070,281	\$ 189,555,328

City of Springfield, Illinois

Notes to Financial Statements

Note 8. Capital Assets (Continued)

Business-type activities	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 45,201,937	\$ 813	\$ -	\$ 45,202,750
Construction In Progress	46,549,871	41,087,700	54,408,728	33,228,843
Total capital assets, not being depreciated	91,751,808	41,088,513	54,408,728	78,431,593
Capital assets, being depreciated:				
Buildings and Improvements	717,081,190	3,094,674	25,000	720,150,864
Equipment	397,244,644	36,334,429	176	433,578,897
Infrastructure	496,516,513	15,228,727	427,014	511,318,226
Total capital assets being depreciated	1,610,842,347	54,657,830	452,190	1,665,047,987
Less accumulated depreciation for:				
Buildings and Improvements	119,920,469	14,549,576	25,000	134,445,045
Equipment	193,979,268	14,034,142	176	208,013,234
Infrastructure	230,120,931	11,894,165	427,014	241,588,082
Total accumulated depreciation	544,020,668	40,477,883	452,190	584,046,361
Total capital assets, being depreciated, net	1,066,821,679	14,179,947	-	1,081,001,626
Business-type activities capital assets, net	\$ 1,158,573,487	\$ 55,268,460	\$ 54,408,728	\$ 1,159,433,219

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

Governmental activities:	
General government	\$ 1,079,322
Public health and safety	1,762,959
Highways and street	4,229,015
Culture and recreation	256,763
Economic development	771
Total depreciation expense - governmental activities	\$ 7,328,830
Business-type activities:	
Water	\$ 2,841,008
Electric and Power	35,652,370
Sewer	1,798,553
Motor Vehicle Parking	115,890
Oak Ridge Cemetery	70,062
Total depreciation expense - business-type activities	40,477,883
Less amount included with auxiliary service property expenses	(264,757)
	\$ 40,213,126

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt

The following is a summary of bond, note and loan transactions for the year ended February 28, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 33,496,885	\$ -	\$ 6,916,000	\$ 26,580,885	\$ 5,014,560
Taxable tax increment bonds	2,528,685	-	317,253	2,211,432	174,258
Special assessment bonds	221,223	-	39,939	181,284	60,430
Deferred amounts:					
Unamortized premium	916	-	458	458	-
Unamortized discount and costs	(9,200)	-	(4,600)	(4,600)	-
Unamortized loss on refunding	589	-	294	295	-
Accreted interest payable	5,028,367	558,495	-	5,586,862	-
Total bonds payable	41,267,465	558,495	7,269,344	34,556,616	5,249,248
Capital leases	6,160,571	-	1,396,422	4,764,149	1,273,468
Line of credit	1,500,000	-	-	1,500,000	-
Claims and judgments	6,495,095	6,912,420	6,359,487	7,048,028	3,601,552
Compensated absences	9,294,354	7,453,849	7,435,483	9,312,720	4,470,106
IMRF net pension obligation	-	485,043	-	485,043	-
Other postemployment benefit obligations	21,935,247	10,620,735	-	32,555,982	-
Government activity long-term liabilities	\$ 86,652,732	\$ 26,030,542	\$ 22,460,736	\$ 90,222,538	\$ 14,594,374

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable, revenue bonds	\$ 676,956,000	\$ -	\$ 13,666,000	\$ 663,290,000	\$ 14,620,000
Deferred amounts:					
For issuance premiums, net	16,657,375	-	1,594,794	15,062,581	-
On refunding, net	(889,306)	-	(240,407)	(648,899)	-
Total bonds payable	692,724,069	-	15,020,387	677,703,682	14,620,000
Loans payable	7,208,300	3,495,618	790,882	9,913,036	996,786
Line of credit	2,300,000	-	2,300,000	-	-
Claims and judgments	4,558,023	3,162,062	4,424,867	3,295,218	2,705,275
Compensated absences	7,673,915	5,739,799	5,786,847	7,626,867	4,403,230
IMRF net pension obligation	-	1,198,532	-	1,198,532	-
Other postemployment benefit obligations	13,272,804	6,697,476	-	19,970,280	-
Business-type activity long-term liabilities	\$ 727,737,111	\$ 20,293,487	\$ 28,322,983	\$ 719,707,615	\$ 22,725,291

A portion of the claims and judgments liability, \$9,343,246, will generally be liquidated through the City's Self Insurance Internal Service fund. The Self Insurance Fund will finance the payment of those claims by charging the other funds premiums, Electric Light and Power, Water and Sewer Funds, throughout the year based on management's assessment of the relative insurance risk that should be assumed by individual funds as a service premium during the budgeting process. Additional financing may come from charges to the enterprise funds for claims and judgments through direct reimbursement of services provided.

In the Debt Service Funds, \$4,726,040 is available for future general obligation bond debt service.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

General obligation bonds:

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Balances			Balances	
	March 1	Additions	Retirements	February 28	Due Within One Year
(a)	\$ 974,000	\$ -	\$ 479,000	\$ 495,000	\$ 495,000
(b)	5,967,906	-	2,645,000	3,322,906	1,175,996
(c)	117,000	-	117,000	-	-
(d)	2,722,979	-	1,675,000	1,047,979	373,564
(e)	740,000	-	365,000	375,000	375,000
(f)	9,685,000	-	1,560,000	8,125,000	1,620,000
(g)	13,290,000	-	75,000	13,215,000	975,000
Total general obligation debt principal	33,496,885	-	6,916,000	26,580,885	5,014,560
Unamortized premium	916	-	458	458	-
Unamortized discount and costs	(9,200)	-	(4,600)	(4,600)	-
Unamortized loss on refunding	589	-	294	295	-
Accreted interest payable	5,028,367	558,495	-	5,586,862	-
Total general obligation debt	\$ 38,517,557	\$ 558,495	\$ 6,912,152	\$ 32,163,900	\$ 5,014,560

- (a) \$9,245,000; General Obligation Refunding Bonds, Series 2002A; Current Interest Bonds due November 15, 2011; interest 3.00 percent to 4.10 percent; interest payable May 15 and November 15; to be repaid by property taxes. A portion of the proceeds were used to refund General Obligation Corporate Purpose Bonds, Series 1994 which were used for capital acquisitions. Of the outstanding balance of \$495,000, \$136,533 has been included in Invested in Capital Assets, Net of Related Debt.
- (b) \$20,282,906; General Obligation Refunding Bonds, Series 1996A; \$16,960,000 Current Interest Bonds matured December 1, 2010; \$3,322,906 Capital Appreciation Bonds due December 1, 2013; interest on Current Interest Bonds 4.55 percent to 5.50 percent; yield on Capital Appreciation Bonds 5.85 percent to 5.90 percent; interest payable or compounded on June 1 and December 1; to be repaid by property taxes.
- (c) \$727,000; Lincoln Greens Golf Course Improvement Notes, Note R-2; Series 2000, matured on September 1, 2010; interest at a variable rate of interest per annum equal to the prime rate of interest as announced from time to time by the Wall Street Journal minus 3.75 percent; interest payable March 1 and September 1; principal payable September 1; to be repaid by property taxes. These General Obligation Bonds were extinguished in fiscal year 2011.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

- (d) \$9,460,000; General Obligation Bonds, Series 1996C; \$6,845,000 Current Interest Bonds due December 1, 2010; \$2,615,000 Capital Appreciation Bonds due December 1, 2013; interest on Current Interest Bonds 5.00 percent to 6.00 percent; yield on Capital Appreciation Bonds 5.38 percent; interest payable June 1 and December 1; principal payable December 1; to be repaid by property taxes. A portion of the proceeds were used for capital acquisitions. The outstanding balance of \$1,047,979 has been included in Invested in Capital Assets, Net of Related Debt.
- (e) \$3,085,000; General Obligation Bonds, Series 2004; Current Interest Bonds due December 1, 2011; interest 2.00 percent to 3.30 percent; interest payable June 1 and December 1; to be repaid by property taxes. A portion of the proceeds was used to refund outstanding Taxable Tax Increment Revenue Refunding Bonds, Series 1997 and to pay a portion of the current phase costs of the development in the Fiat Allis Complex Redevelopment Project Area.
- (f) \$16,385,000; General Obligation Bonds (Taxable), Series 2004A; Current Interest Bonds due December 1, 2015; interest 2.94 percent to 4.73 percent; interest payable June 1 and December 1; to be repaid by property taxes. A portion of the proceeds was used to prepay the Early Retirement Incentive liability to the Illinois Municipal Retirement Fund and to pay a litigation settlement agreement.
- (g) \$13,855,000; General Obligation Refunding Bonds, Series 2005A; Current Interest Bonds due December 1, 2021; interest 5.00 percent to 6.00 percent; interest payable June 1 and December 1; to be repaid by property taxes. These proceeds were used to refund a portion of General Obligation Bonds, Series 1996C. The outstanding balance of \$13,215,000 has been included in Invested in Capital Assets, Net of Related Debt.

General obligation bonds debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	Principal General Obligation Bonds and Notes	Interest General Obligation Bonds and Notes	Total General Obligation Bonds and Notes
2012	\$ 5,014,560	\$ 3,473,513	\$ 8,488,073
2013	4,154,021	3,398,041	7,552,062
2014	4,177,304	3,355,468	7,532,772
2015	2,934,999	601,696	3,536,695
2016	2,340,001	472,302	2,812,303
2017 - 2021	6,475,000	1,278,939	7,753,939
2022	1,485,000	66,825	1,551,825
Total	\$ 26,580,885	\$ 12,646,784	\$ 39,227,669

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Taxable tax increment financing bonds:

The government owed \$2,211,432 in Taxable Tax Increment Financing Bonds at February 28, 2011. Establishment of a TIF district allows the City to use increment property tax within the district to leverage private development. Redevelopment is concentrated in areas designated as declining and/or blighted. TIF can provide for conservation of existing buildings, and encourages private investment in new commercial and public facilities, as well as various types of housing and public recreation areas.

Taxable Tax Increment Financing Bonds outstanding as of February 28, 2011 are as follows:

	Balances March 1	Additions	Retirements	Balances February 28	Due Within One Year
(a)	\$ 2,010,631	\$ -	\$ 292,563	\$ 1,718,068	\$ 148,334
(b)	518,054	-	24,690	493,364	25,924
Total taxable tax increment financing bonds	\$ 2,528,685	\$ -	\$ 317,253	\$ 2,211,432	\$ 174,258

(a) \$2,438,000; Taxable Tax Increment Revenue Bonds, Series 2005; due December 10, 2019; interest 6.35 percent to 8.35 percent; principal and interest payable December 10; to be repaid by property tax.

(b) \$630,000; Special Service Area Ad Valorem Tax Bonds, Series 2005; due December 1, 2025; interest 5.0 percent; principal and interest payable December 1, to be repaid by property tax.

Taxable Tax Increment Financing Bond debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	Principal Taxable Tax Increment Financing Bonds	Interest Taxable Tax Increment Financing Bonds	Total Taxable Tax Increment Financing Bonds
2012	\$ 174,258	\$ 150,946	\$ 325,204
2013	185,342	138,747	324,089
2014	197,221	125,764	322,985
2015	209,952	124,370	334,322
2016	213,680	107,844	321,524
2017-2021	1,063,682	260,901	1,324,583
2022-2026	167,297	20,429	187,726
Total	\$ 2,211,432	\$ 929,001	\$ 3,140,433

Special assessment bonds:

The government issued Special Assessment Bonds to provide funds for the construction of infrastructure and development. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Special assessment bonds currently outstanding are outlined below:

	Balances March 1	Additions	Retirements	Balances February 28	Due Within One Year
(a)	\$ 221,223	\$ -	\$ 39,939	\$ 181,284	\$ 60,430

(a) Bradfordton Road Special Assessment; General obligations of the City including those to be paid by Special Assessments receivables; interest 5.00 percent; all series due by 2014; to be repaid by Special Assessment receivables. The outstanding balance of \$181,284 as been included in Invested in Capital Assets, Net of Related Debt.

Special assessment debt service requirements to maturity are as follows:

Fiscal Year Ending	Principal Special Assessment Bonds and Notes	Interest Special Assessment Bonds and Notes	Total Special Assessment Bonds and Notes
	2012	\$ 60,430	\$ 9,064
2013	60,430	6,043	66,473
2014	60,424	3,021	63,445
Total	\$ 181,284	\$ 18,128	\$ 199,412

Revenue bonds:

The government issues revenue bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The amounts outstanding at the end of the current fiscal year are as follows:

	Balances March 1	Additions	Retirements	Balances February 28	Due Within One Year
(a)	\$ 18,740,000	\$ -	\$ 9,120,000	\$ 9,620,000	\$ 9,620,000
(b)	314,810,000	-	-	314,810,000	-
(c)	198,080,000	-	-	198,080,000	-
(d)	101,940,000	-	2,325,000	99,615,000	2,395,000
(e)	8,545,000	-	1,250,000	7,295,000	1,315,000
(f)	10,315,000	-	245,000	10,070,000	250,000
(g)	22,140,000	-	-	22,140,000	510,000
(h)	2,165,000	-	505,000	1,660,000	530,000
(i)	221,000	-	221,000	-	-
Revenue bond principal payable	676,956,000	-	13,666,000	663,290,000	14,620,000
Unamortized debt premium	17,106,367	-	1,631,147	15,475,220	-
Unamortized debt discount	(448,992)	-	(36,353)	(412,639)	-
Deferred loss on refunding	(889,306)	-	(240,407)	(648,899)	-
Total revenue bonds debt	\$ 692,724,069	\$ -	\$ 15,020,387	\$ 677,703,682	\$ 14,620,000

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Electric Light and Power:

- (a) \$78,410,000; Electric Revenue Bonds (Senior Lien), Series of 2001; final payment due March 1, 2015; interest rate 4.0 percent to 5.5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. See also (b) below for portion refunded.
- (b) \$314,810,000; Electric Revenue Bonds (Senior Lien), Series of 2006; final payment due March 1, 2035; interest 3.625 to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. A portion of the proceeds were used to retire \$44,065,000 of Electric Revenue Bonds (Senior Lien), Series of 2001.
- (c) \$198,080,000; Electric Revenue Bonds (Senior Lien), Series of 2007; final payment due March 1, 2035; interest 4 percent to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund.
- (d) \$103,230,000; Electric Revenue Bonds (Senior Lien), Series of 2008; final payment due March 1, 2037; interest 3 percent to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. A portion of the proceeds were used to retire the Electric Revenue Bond Subordinate Lien Series 2000 and 2002.

Water:

- (e) \$18,755,000; Water Revenue Bonds, Series of 1997; final payment due March 1, 2015; interest 4.5 percent to 5.4 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenue of Water Fund.
- (f) \$10,550,000; Water Revenue Bonds, Series of 2004; initial principal payment due March 1, 2009; final payment due March 1, 2019; interest 3.40 percent to 5.25 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenue of Water Fund.
- (g) \$22,140,000; Water Revenue Bonds, Series of 2008; initial principal payment due March 1, 2011; final payment due March 1, 2032; interest 4 percent to 5.5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenue of Water Fund.

Sewer:

- (h) \$6,460,000; Sewer Revenue Refunding Bonds, Series of 1998 due June 1, 2013; interest at 3.9 percent to 4.75 percent; interest payable June 1 and December 1; principal payable June 1; to be repaid by net revenue of the Sewer Fund.

Motor vehicle parking:

- (i) \$9,245,000; General Obligation Refunding Bonds, Series 2002A; Current Interest Bonds due November 15, 2011; interest 3.00 percent to 4.10 percent; interest payable May 15 and November 15; to be repaid by property taxes. The Motor Vehicle Parking System Fund's proportionate share of the new debt due to the 2002A G.O. Debt Service Fund has been reported as a Long Term Liability of \$0 as of February 28, 2010; proportionate share fiscal to be repaid by net revenue of the Motor Vehicle Parking Fund and was extinguished in fiscal year 2011.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending	Business-Type Activities		
	Revenue	Revenue	Total
	Bonds Principal	Bonds Interest	Revenue Bonds
2012	\$ 14,620,000	\$ 32,291,907	\$ 46,911,907
2013	15,785,000	31,590,512	47,375,512
2014	15,990,000	30,887,973	46,877,973
2015	16,110,000	30,148,835	46,258,835
2016	16,865,000	29,381,493	46,246,493
2017-2021	93,060,000	134,001,469	227,061,469
2022-2026	107,465,000	109,071,883	216,536,883
2027-2031	129,705,000	78,980,686	208,685,686
2032-2036	177,500,000	40,611,740	218,111,740
2037-2038	76,190,000	3,856,000	80,046,000
Total	\$ 663,290,000	\$ 520,822,498	\$ 1,184,112,498

There are a number of limitations and restrictions in the various bond indentures. At February 28, 2011, cash and investments of \$108,601,896 are restricted by revenue bond ordinances to pay debt service and certain other operating and capital expenditures. Significant limitations and restrictions of the revenue bonds are as follows:

- Additional revenue bonds can be issued by certain enterprise funds if net revenue (all revenue of the system after deduction of the reasonable and necessary expenses of operation and maintenance but before depreciation, interest expense, and amortization), as shown in the financial statements audited by an independent certified public accountant for the last completed fiscal year, prior to the issuance of such bonds, is equal to at least 1.25 times the combined maximum annual principal and interest requirements on the bonds then outstanding and the additional bonds to be issued.
- Electric charges are to be collected from the various City of Springfield departments except the street department for street lighting purposes.
- Water charges are to be collected from the various City of Springfield departments except the street and fire departments.
- Disposals of utility plant can only be of a routine operational nature.
- An annual operating budget for certain enterprise funds shall be adopted by the City.
- Investments are restricted as shown within the cash, cash equivalents and investments footnote.
- For the Water Fund net revenue (as defined in the bond ordinances) must equal or exceed the greater of 1.25 times principal and interest for each fiscal year, or 1.00 times principal and interest for each fiscal year plus amounts sufficient to meet reserve requirements.
- Net revenue of the Electric Light and Power Fund as defined in the bond ordinances must equal 1.25 times principal and interest for each fiscal year after reduction for reserve account requirements. The bond ordinances exclude principal and interest on subordinate lien debt for the purpose of this test.
- Under the rate covenant for the Sewer Fund, the City must establish reasonable sewer rates and charges "to produce Net Revenues for the next succeeding fiscal year equal to at least the sum of any required deposits into the Bond Reserve Account and the Depreciation Account and 1.10 times the amount of principal (including sinking fund installments, if any) and interest coming due on all Parity Bonds during such next succeeding fiscal year". Net revenue is generally operating income plus depreciation expense and investment income.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Loans payable:

The City also had several loans outstanding at the end of fiscal year 2011. The outstanding loan activity for the government is as follows:

	Business-Type Activities				
	Balances March 1	Additions	Retirements	Balances February 28	Due Within One Year
(a)	\$ 1,611,843	\$ -	\$ 110,173	\$ 1,501,670	\$ 113,139
(b)	-	3,052,918	-	3,052,918	152,646
(c)	-	442,700	-	442,700	29,513
(d)	559,300	-	132,916	426,384	137,418
(e)	868,183	-	181,839	686,344	188,000
(f)	2,508,987	-	233,326	2,275,661	240,059
(g)	1,659,987	-	132,628	1,527,359	136,011
Total loans payable	\$ 7,208,300	\$ 3,495,618	\$ 790,882	\$ 9,913,036	\$ 996,786

Water Fund:

- (a) \$2,325,284; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Revolving Fund - Drinking Water Project; final payment due April 28, 2022; interest 2.675 percent; principal and interest payable April 28 and October 28; to be repaid by net revenue of the Water Fund.
- (b) \$4,627,654; ARRA Loan from the Illinois Environmental Protection Agency (IEPA) Water Revolving Fund, Drinking Water Project L17-2530; 25 percent grant, 75 percent loan payable at 0.00 percent; principal payable on June 1 and December 1; to be repaid by net revenue of the Water Fund.
- (c) \$666,014; ARRA Loan from the Illinois Environmental Protection Agency (IEPA) Water Revolving Fund, Drinking Water Project L17-3756; 25 percent grant, 75 percent loan payable at 0.00 percent; principal payable on May 20 and December 20; to be repaid by net revenue of the Water Fund.

Sewer Fund:

- (d) \$2,164,174; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 3.36 percent; principal and interest payable March 1 and September 1; to be repaid by net revenue of the Sewer Fund.
- (e) \$2,989,353; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 3.36 percent; principal and interest payable March 1 and September 1; to be repaid by net revenue of the Sewer Fund.
- (f) \$4,596,718; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 2.865 percent; principal and interest payable April 1 and October 1; to be repaid by net revenue of the Sewer Fund.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

- (g) \$2,647,318; loan from the State of Illinois Environmental Protection Agency (EPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 2.535 percent; principal and interest payable January 28 and July 28; to be repaid by net revenue of the Sewer Fund.

Loan debt service requirements to maturity are as follows:

Fiscal Year Ending	Business-Type Activities		
	Loans Payable Principal	Loans Payable Interest	Loans Payable Total
2012	\$ 996,787	\$ 175,449	\$ 1,172,236
2013	1,021,257	150,977	1,172,234
2014	1,046,471	125,765	1,172,236
2015	815,837	101,050	916,887
2016	727,406	444,830	1,172,236
2017-2021	3,408,403	652,291	4,060,694
2022-2026	1,133,645	5,987	1,139,632
2027-2031	763,230	-	763,230
Total	\$ 9,913,036	\$ 1,656,349	\$ 11,569,385

Capital leases:

The City had the following outstanding capital leases:

	Balances March 1	Additions	Retirements	Balances February 28	Due Within One Year
(a)	\$ 482,400	\$ -	\$ 325,550	\$ 156,850	\$ 156,850
(b)	1,226,496	-	249,545	976,951	262,152
(c)	4,451,675	-	821,327	3,630,348	854,466
Total capital leases	\$ 6,160,571	\$ -	\$ 1,396,422	\$ 4,764,149	\$ 1,273,468

- (a) The government has entered into a lease agreement as lessee for financing the acquisition of forty-five police squad cars for the Police Department. The leases were paying interest at the rate of 3.692 percent. The original purchase price was \$1,229,841. The remainder of the balance will be paid with annual installments of \$333,546 including interest. The outstanding balance of \$156,850 has been included in Invested in Capital Assets, Net of Related Debt.
- (b) The government has entered into a lease agreement as lessee for financing the acquisition of four Pierce Custom Quantum fire trucks for the Fire Department. The leases were paying interest at the rate of 4.99 percent. The original purchase price was \$1,825,032. The remainder of the balance will be paid with annual installments of \$307,672 including interest. The outstanding balance of \$976,951 has been included in Invested in Capital Assets, Net of Related Debt.

City of Springfield, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

- (c) The government has entered into a lease agreement as lessee for financing the acquisition of an Enterprise Resource Planning System. The lease is paying interest at a rate of 3.995 percent. The original purchase price was \$6,000,000. The balance of the lease agreement will be paid with semi-annual installments of \$495,525 including interest. A portion of the outstanding lease balance, \$3,386,453, is included in Invested in Capital Assets, net of Related Debt.

The future minimum lease obligations and the net present value of these minimum lease payments as of February 28, 2011, were as follows:

Fiscal Year	Government Activities		
	Capital Lease Principal	Capital Lease Interest	Capital Lease Total
2012	\$ 1,273,468	\$ 184,998	\$ 1,458,466
2013	1,164,340	134,381	1,298,721
2014	1,214,122	84,599	1,298,721
2015	1,112,219	32,668	1,144,887
Total	\$ 4,764,149	\$ 436,646	\$ 5,200,795

Line of credit:

The City has the following line of credit series:

- (a) City of Springfield line of credit Series 2009 due September 1, 2012, interest at 2.5 percent, unsecured, interest payments are due annually September 1.
- (b) \$15,000,000; Revolving Line of Credit (Subordinate Lien) from Illinois National Bank issued Fiscal Year 2010; final payment due July 1, 2014; interest 0.250 percentage point below the Index, minimum of 4.0 percent per annum, currently 4 percent on monthly payments of accrued unpaid interest. Nonusage fees of .05 percent of the average unused monthly balance is paid monthly. The line of credit is to be repaid by the net revenues of the Electric Light and Power Fund.

Note 10. Local Taxes Receivable

A summary of local taxes receivable in the governmental fund types as of February 28, 2011 follows:

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Property tax	\$ 20,580,859	\$ 5,225,000	\$ 1,780,894	\$ 415,000
Replacement tax	150,724	-	-	-
State Income tax	3,000,479	-	-	-
Sales tax	12,845,750	-	-	1,084,711
Use tax	674,059	-	-	88,560
Motor fuel tax	-	469,450	-	-
Other	-	3,522	-	-
Total	\$ 37,251,871	\$ 5,697,972	\$ 1,780,894	\$ 1,588,271

The allowance for doubtful accounts has been estimated at 0 percent.

City of Springfield, Illinois

Notes to Financial Statements

Note 11. Segment Information for Enterprise Funds

The City maintains five enterprise funds. The Sewer Fund is nonmajor and meets the definition of a segment. Segment information as of and for the year ended February 28, 2011, is as follows:

Condensed Statement of Net Assets

	<u>Sewer Fund</u>
Assets	
Current assets	\$ 6,693,422
Capital assets	50,750,165
Noncurrent assets	<u>1,785,037</u>
Total assets	<u>59,228,624</u>
Liabilities	
Current liabilities	4,681,638
Noncurrent liabilities	<u>6,211,697</u>
Total liabilities	<u>10,893,335</u>
Net assets	
Invested in capital assets, net of related debt	44,786,148
Restricted for debt service	414,082
Restricted for system repairs and improvements	1,275,855
Unrestricted	<u>1,859,204</u>
Total net assets	<u>\$ 48,335,289</u>

City of Springfield, Illinois

Notes to Financial Statements

Note 11. Segment Information for Enterprise Funds (Continued)

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	Sewer Fund
Operating revenues	\$ 5,849,462
Depreciation expense	1,798,553
Other operating expenses	3,869,614
Operating income	181,295
Nonoperating revenues (expenses):	
Investment earnings	5,402
Interest expense	(232,588)
Amortization expense	(15,101)
Transfer In	-
Transfer out	(83,608)
Contribution revenue	81,441
Change in net assets	(63,159)
Beginning net assets	48,398,448
Ending net assets	\$ 48,335,289

Condensed Statement of Cash Flows

	Sewer Fund
Net cash provided by operating activities	\$ 1,339,669
Noncapital financing activities	29,122
Capital and related financing activities	(1,546,324)
Investing activities	5,402
Net (decrease) in cash and cash equivalents	(172,131)
Cash and cash equivalents, beginning	4,333,397
Cash and cash equivalents, ending	\$ 4,161,266

City of Springfield, Illinois

Notes to Financial Statements

Note 12. Related Organizations

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The Mayor and City Council appoint the board members of the Springfield Housing Authority (SHA), Sangamon County Board of Health, and a majority of the board members of the Springfield Airport Authority (SAA). The City received \$36,987 from the Sangamon County Board of Health and \$0 from SHA and SAA during the year. The City paid \$257,060 to SHA, \$211,519 to the Sangamon County Board of Health and \$4,834 to SAA, during the year.

Note 13. Employee Retirement System Defined Benefit Pension Plan

Plan Description, Provisions, Basis of Accounting and Funding Policies:

Illinois Municipal Retirement Fund - Regular and Sheriff's Law Enforcement Personnel (SLEP): The City of Springfield'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 Public Employee Retirement System 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 financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523-2337.

Illinois Municipal Retirement Fund – Regular: Employees participating in IMRF are required to contribute 4.5 percent of their annual covered salary. The member rate is established by state statute. The City of Springfield is required to contribute at an actuarially determined rate. The employer rate for calendar year 2010 was 11.36 percent of payroll. The employer annual required contribution rate for calendar year 2010 was 13.67 percent. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2010, the City of Springfield's annual pension cost was \$9,962,167 and the actual contributions were \$8,278,729. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 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 20.0 percent corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2008 was 30 years.

Funded status and funding progress: As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 65.61 percent funded. The actuarial accrued liability for benefits was \$249,048,155 and the actuarial value of assets was \$163,403,740, resulting in an underfunded actuarial accrued liability (UUAL) of \$85,644,415. The covered payroll (annual payroll of active employees covered by the plan) was \$72,876,133 and the ratio of the UUAL to the covered payroll was 118 percent.

City of Springfield, Illinois

Notes to Financial Statements

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

Illinois Municipal Retirement Fund – SLEP: Employees participating in IMRF-SLEP are required to contribute 7.5 percent of their annual covered salary. The member rate is established by state statute. The City of Springfield is required to contribute at an actuarially determined rate. The employer rate for calendar year 2010 was 12.91 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2010, the City of Springfield's annual pension cost of \$0 was equal to the City of Springfield's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.0 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 20 percent corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2008 was 30 years.

Funded status and funding progress: As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$0 and the actuarial value of assets was \$(18,842), resulting in an underfunded actuarial accrued liability (UUAL) of \$18,842. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was 0.0 percent.

Police Pension Fund: The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. Refer to Note 1A for the address to obtain financial statements of the Police Pension Fund.

At February 28, 2010, the date of the most recent actuarial valuation, the Police Pension Fund membership consisted of:

Retirees and beneficiaries currently receiving benefits	207
Terminated employees entitled to, but not yet receiving, benefits	6
Current employees:	
Vested	187
No vested	78
Total	<u><u>478</u></u>

Funded status and funding progress: As of February 28, 2010, the most recent actuarial valuation date, the plan was 57.0 percent funded. The actuarial accrued liability for benefits was \$186,040,560 and the actuarial value of assets was \$106,129,535, resulting in an underfunded actuarial accrued liability (UAAL) of \$79,911,025. The covered payroll (annual payroll of active employees covered by the plan) was \$17,919,522 and the ratio of the UAAL to the covered payroll was 445.94 percent.

City of Springfield, Illinois

Notes to Financial Statements

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

The following is a summary of the Police Pension Plan as provided for in Illinois Compiled Statutes.

The Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service and is no longer in service as a police officer is entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years of service. Employees with at least 8 years, but less than 20 years of credited service, may retire at or after age 60 to a pension of 2.5 percent of the salary attached to the rank held on the last day of service by the officer for each year of creditable service. The monthly benefit of a police officer who retired after January 1, 1977 shall be increased, upon either the first of the month following the first anniversary of the date of retirement if the officer is 55 years of age or over at retirement date, or by 1/12 of 3.00 percent of the originally granted pension for each full month that has elapsed since the pension began, and by 3 percent of the current amount of pension in each January thereafter.

Covered employees are required by ILCS 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 is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net assets. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net assets.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

Springfield Firefighters' Pension Fund: The Springfield Firefighters' Pension Fund is a single-employer defined benefit pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. Refer to Note 1 for address to obtain financial statements of the Springfield Firefighters' Pension Fund.

At February 28, 2010, the date of the most recent actuarial valuation, the Springfield Firefighters' Pension Fund membership consisted of:

Retirees and beneficiaries currently receiving benefits	225
Terminated employees entitled to, but not yet receiving, benefits	-
Current employees:	
Vested	133
No vested	72
Total	<u>430</u>

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

Funded status and funding progress: As of February 28, 2010, the most recent actuarial valuation date, the plan was 49.2 percent funded. The actuarial accrued liability for benefits was \$186,227,613 and the actuarial value of assets was \$91,625,104, resulting in an underfunded actuarial accrued liability (UAAL) of \$94,602,509. The covered payroll (annual payroll of active employees covered by the plan) was \$14,160,191 and the ratio of the UAAL to the covered payroll was 668.09 percent.

The following is a summary of the Springfield Firefighters' Pension Fund as provided for in Illinois Compiled Statutes.

The Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service and is no longer in service as a firefighter is entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.0 percent of such monthly salary. Employees with at least 10 years, but less than 20 years, of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired after January 1, 1977, shall, upon either the first of the month following the first anniversary of the date of retirement, if 55 years of age or over at retirement date, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 1/12 of 3 percent of the originally granted monthly pension for each full month that has elapsed since the pension began, and by an additional 3 percent in each January thereafter.

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 is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net assets. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net assets.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

Significant investments

Illinois Municipal Retirement Fund - Regular and SLEP: Information for the IMRF is not available.

Police Pension Fund: There are no significant investments (other than U.S. government and agencies' securities - separate account) in any one organization that represent five percent or more of net plan assets available for pension benefits. Financial statements, including investments, for the fund may be obtained from the address in Note 1.

Springfield Firefighters' Pension Fund: There are no significant investments (other than U.S. government and U.S. government-guaranteed obligations) in any one organization that represent five percent or more of net plan assets available for pension benefits. Financial statements, including investments, for the fund may be obtained from the address in Note 1.

City of Springfield, Illinois

Notes to Financial Statements

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

Annual Pension Costs and Net Pension Assets

All pension plans: The amount of the pension assets for the Police and Springfield Firefighters' Pension Plans is as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution (ARC)	\$ 8,008,143	\$ 8,877,096
Interest on the Net Pension Asset (NPA)	(15,149)	(25,702)
Adjustment to the ARC	12,289	19,833
Annual Pension Cost (APC)	8,005,283	8,871,227
Actual Contribution	(8,008,143)	(8,877,096)
Increase in the NPA	2,860	5,889
Pension Asset at February 28, 2010	201,991	342,695
NPA at February 28, 2011	<u>\$ 204,851</u>	<u>\$ 348,584</u>

The amount of the pension assets for the IMRF and IMRF-SLEP Pension Plans is as follows:

	IMRF	IMRF-SLEP
Annual Required Contribution (ARC)	\$ 9,962,167	\$ -
Interest on the Net Pension Asset (NPO)	-	-
Adjustment to the ARC	-	-
Annual Pension Cost (APC)	9,962,167	-
Actual Contribution	8,278,592	-
Increase in the NPO	1,683,575	-
Pension Obligation at February 28, 2010	-	-
NPO at February 28, 2011	<u>\$ 1,683,575</u>	<u>\$ -</u>

City of Springfield, Illinois

Notes to Financial Statements

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

Trend information:

All pension plans: The City's annual pension cost for the calendar year 2010 for IMRF and FY 2010 for the Police and Firefighters and related information for each plan is as follows:

	Illinois Municipal Retirement Fund-Regular	Illinois Municipal Retirement Fund (SLEP)	Police Pension	Firefighters' Pension
Contribution rates:				
Employer	11.36%	12.91%	45.88%	62.69%
Employee	4.50%	7.50%	9.91%	9.45%
Annual pension cost	\$ 9,962,167	\$ -	\$ 8,005,283	\$ 8,871,227
Contributions made	8,278,729	-	8,008,143	8,877,086
Actuarial valuation date	12/31/10	12/31/08	2/28/10	2/28/10
Actuarial cost method	Entry Age	Entry Age	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level % of Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining amortization period	30 Years, Open	30 Years, Open	22 Years, Closed	22 Years, Closed
Asset valuation method	5-Year Smoothed Market 20% Corridor	5-Year Smoothed Market 20% Corridor	Smoothed Market Over 5 Years	Smoothed Market Over 5 Years
Actuarial assumptions				
Investment rate of return	7.50%	7.50%	7.50% Compounded Annually	7.50% Compounded Annually
Projected salary increases	0.4 to 10%	0.4 to 10%	5.00%	5.00%
Inflation rate included	4.00%	4.00%	4.00%	4.00%
Cost-of-living adjustments	3.00%	3.00%	3.00%	3.00%

City of Springfield, Illinois

Notes to Financial Statements

Note 13. Employee Retirement System Defined Benefit Pension Plan (Continued)

Employer annual pension cost (APC), actual contributions and the net pension asset (NPA) are as follows.

	Fiscal Year	Illinois Municipal Retirement Fund-Regular	Illinois Municipal Retirement Fund (SLEP)	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 8,048,470	\$ 2,986	\$ 5,379,191	\$ 6,129,369
	2009	7,993,158	2,219	5,711,207	6,581,793
	2010	9,962,167	-	8,005,283	8,871,227
Actual contributions	2008	8,048,470	2,986	538,280	6,131,904
	2009	7,993,158	2,219	5,714,717	6,789,176
	2010	8,278,592	-	8,008,143	8,877,096
Percentage of APC contributed	2008	100.00%	100.00%	100.07%	100.04%
	2009	100.00	100.00	100.06	103.15
	2010	83.00	-	100.04	100.00
Net pension asset (obligation)	2008	\$ -	\$ -	\$ 198,481	\$ 135,302
	2009	-	-	201,991	342,695
	2010	(1,683,575)	-	204,851	348,584

Police and Firefighters' Pension information is presented for fiscal years ending February 28/29, 2009, 2010 and 2011. The information for the Illinois Municipal Retirement Funds is for calendar years 2008, 2009 and 2010.

The NPA/NPO is the cumulative difference between the APC and the contributions actually made.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 14. Deferred Compensation Plan

Certain employees paid by the City participate in a deferred compensation plan (the Plan) established in accordance the requirements of the Internal Revenue Code Section 457 and sponsored by the City. Participation in the plan is available to all employees of the City. The City holds no administration responsibility, investment responsibility or liability for losses under the plan.

Note 15. Special Service Area Bonds

The City has issued \$15,000,000 in Special Service Area Debt for the Legacy Pointe Area. The Bonds are for economic development of an undeveloped area within the City. The bonds will be repaid through 2032 with the use of SSA real estate tax dollars and 1 percent of sales and hotel taxes within the Business District. The City is not liable for the debt and is acting as an agent through a trustee for the purpose of collecting the assessments, sales and hotel taxes and is forwarding collections to the trustee for disbursement.

City of Springfield, Illinois

Notes to Financial Statements

Note 16. Economic Development Bonds

The City has approved Economic Development Bonds, Hospital Bonds and Mortgage Bonds totaling \$189,700,000 in favor of several corporations and homeowners. The purpose of these bond issues is to acquire and construct facilities for these entities' use in their operations and to provide low interest mortgage loans to homeowners. The economic costs of the bond issues are paid by the individual corporations and homeowners. The amount outstanding as of February 28, 2011 is not readily determinable. As provided in the ordinance authorizing the issuance of the bonds, the City has no liability, as the following describes:

"No holder or holders of any of the bonds shall have any right to compel any exercise of the taxing power of the City to pay the bonds or the interest or premium, if any, thereon, and said bonds shall not constitute an indebtedness of the City or a loan of the credit thereof within the meaning of any constitutional or statutory provision."

Note 17. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is self-insured for medical benefits. When a probable medical claim liability has been incurred at year-end, and the amount of such claims can be reasonably estimated, the City records the estimated amount in its Self-Insurance Fund. The claim liability includes claims incurred and unpaid and an estimation for claims incurred but not reported (IBNR), based on historical data.

Rates are developed annually to fund the medical self-insurance program, both claims and administrative costs, in an Internal Service Fund. All funds and departments of the City are charged monthly thereafter. The annual cost of this medical program is recorded as an operating cost in both the governmental funds and proprietary funds.

The City is also self-insured for certain general liability claims and for workers' compensation claims. Resources are available and reserved as of February 28, 2011, to pay these estimated claims, including those incurred but not reported.

The Electric Light and Power, Water and Sewer Funds pay actual workers' compensation claims by reimbursing the Self-Insurance Fund.

The change in the balance of claims liabilities as of February 28, 2011 and 2010 for the City is as follows:

	Years Ended	
	2011	2010
Unpaid claims beginning of year	\$ 9,213,110	\$ 7,527,317
Current year claims incurred including IBNRs	31,960,245	30,852,925
Claim payments	(30,830,109)	(29,167,132)
Unpaid claims at end of year	<u>\$ 10,343,246</u>	<u>\$ 9,213,110</u>

Unpaid claims at year-end are reported as claims and judgments liability in the Self Insurance Fund. In addition, \$1,000,000 for general liability claims assumed by the governmental activities is reflected as a reconciling item to the statement of net assets.

City of Springfield, Illinois

Notes to Financial Statements

Note 18. Postemployment Benefits Other Than Pension (OPEB)

The requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, address employer reporting for participation in defined benefit and defined contribution Other Postemployment Benefits (OPEB) plans that provide postemployment benefits other than pensions. OPEB benefits include healthcare and other nonpension benefits provided to employees in exchange for employee services rendered and constitutes part of the compensation for those services.

Plan description:

The City of Springfield Retiree Health Insurance Plan is a self-insured medical plan that operates under the administration of the City's Office of Human Resources in conjunction with the Joint Labor-Management Health Insurance Committee. Retired employees of the City of Springfield and their dependents are eligible to participate in the plan. Retirees are required to pay certain premiums and the City pays the balance of the cost of the plan. Individual funds contribute the City's portion of retiree OPEB costs for their respective portion of retirees.

Funding policy:

The obligations of the plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The City currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the plan are paid by the City's Self Insurance Fund.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the City contributed \$2,125,721 which was net of retirees premiums received of \$2,498,633.

Annual OPEB cost and net OPEB obligation:

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45 for employers in plans with more than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation to the Retiree Health Plan at February 28, 2011:

Annual required contribution	\$ 19,245,714
Interest on net OPEB obligation	1,582,319
Adjustment to annual required contribution	<u>(1,384,101)</u>
Annual OPEB cost (expense)	19,443,932
Contributions and payments made	<u>(2,125,721)</u>
Increase in net OPEB obligation	17,318,211
Net OPEB obligation - March 1, 2010	<u>35,208,051</u>
Net OPEB obligation - February 28, 2011	<u>\$ 52,526,262</u>

City of Springfield, Illinois

Notes to Financial Statements

Note 18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The City's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
February 28, 2009	\$ 12,054,648	14.23%	\$ 19,420,955
February 28, 2010	17,765,701	11.14	35,208,051
February 28, 2011	19,443,931	10.93	52,526,262

Funded status and funding progress:

As of February 28, 2011, the actuarial accrued liability for benefits was \$273,309,647, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$93,369,375, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 292.7 percent.

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

Actuarial methods and assumptions:

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

The City's OPEB actuarial valuation as of March 1, 2009, used the entry age actuarial cost method to estimate both the unfunded actuarial liability and Annual Required Contribution as of February 28, 2010. This method was selected because it produced the best estimate of the OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4.5 percent rate of return on invested assets, which is based on the City's investments. The actuarial assumptions also include an annual medical trend rate of 9.5 percent for fiscal year 2010, to an ultimate rate of 5.00 percent by the year 2019. The unfunded actuarial accrued liability is being amortized over 30 years as a level percent of payroll. The remaining amortization period at February 28, 2011 is 26 years.

City of Springfield, Illinois

Notes to Financial Statements

Note 18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Allocation of post employment benefits

The City's allocations of its OPEB liability to the City's functions are as follows:

Government activities:		
General government	\$	3,397,039
Public safety		18,444,372
Highways and streets		7,731,745
Economic development		1,302,208
Culture and recreation		1,680,618
Business activities:		
Public utility		18,738,064
Oak ridge cemetery		221,886
Sewer Fund		725,126
Motor vehicle parking systems		285,204
	\$	<u>52,526,262</u>

Note 19. Commitments and Contingent Liabilities

The City participates in a number of federal financial assistance programs, principal of which are the Community Development Block Grant and Rental Subsidy programs. Although the City grant programs have been audited through February 28, 2011, in accordance with the provisions of the Single Audit Act Amendments of 1996, these programs are still subject to financial and compliance audits and resolution of any previously identified questioned costs. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

By ordinance, the City is required to annually provide \$100,000 from hotel-motel taxes for operations of the Springfield Metropolitan Exposition and Auditorium Authority (SMEAA).

The City has several construction projects underway as of the end of the fiscal year. These projects will be funded through existing resources and bond proceeds. The amount outstanding for these projects is \$33,228,843.

City Council approved a Resource Management Agreement with The Energy Authority (TEA), giving TEA the exclusive right to market the City's excess generation capacity, effective March 1, 2003. Under this agreement, the City pays a monthly resource management fee to TEA. The City paid resource management fees of \$682,430 to TEA during the year ended February 28, 2011.

The City is a transmission-owning member of Midwest Independent System Operator (MISO) and participates in the energy market operated by MISO (the "MISO Energy Market") under a Resource Management Agreement with The Energy Authority Inc. ("TEA"). The City has designated TEA to be the Market Participant for the transaction of power sales and purchases in the MISO Energy Market on behalf of the City. The MISO Energy Market consists of both Day Ahead and Real Time energy markets. Participation in the MISO Energy Market gives the System the ability to offer excess generating capacity for sale into the MISO Energy Market and also provides the opportunity for economical power purchases to accommodate the System's native load needs at certain times of the year. Net sales to MISO totaled \$5,528,513 for the year ended February 28, 2011 and are netted with operating revenues.

City of Springfield, Illinois

Notes to Financial Statements

Note 19. Commitments and Contingent Liabilities (Continued)

City Council approved contracts with JF Brennan and Evans Construction for improvements to the Waterworks system. The 2008 Water Revenue Bonds included funds for completion of the gate replacement at Spaulding Dam and the construction of a new chemical storage building. The contract with JF Brennan is for replacement of the gates at Spaulding Dam in the amount of \$5,427,707. The contract with Evans Construction is for the chemical storage building in the amount of \$3,981,418. As of February 28, 2011, the amounts remaining on the contracts with JF Brennan and Evans Construction are \$320,386 and \$169,857, respectively.

The Police Pension and Springfield Firefighters' Pension Plans are subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit for the year ended February 28, 2011 has not yet been conducted. Accordingly, the Plans' compliance with applicable requirements will be established at some future date. The amount of adjustments, if any, to be made by the Illinois Department of Insurance cannot be determined at this time although the Plans expect such amount, if any, to be immaterial.

The City is also party to various other legal proceedings that have occurred during normal governmental operations. There are multiple suits filed for automobile accidents involving City vehicles. The City is contesting all liability. Although outcome of these law suits is not presently determinable, in the opinion of the City Attorney, the resolutions will not have a material adverse effect on the financial condition of the City.

The City is a party to three civil rights lawsuits alleging excessive force by the Springfield Police Department. In one incident, the officer responded to shots fired, and the shooter turned on the officer. In another, the officer assisted a school principal in removing an unruly student from school grounds. In the final case, officers attempted to restrain a man who was in the process of beating and stabbing another individual. On two of the cases, the City's motions for summary judgment are pending. The other case is in the early discovery stages.

The City is also a party to a lawsuit brought by a Springfield developer alleging breach of a grant agreement. The trial court found that the developer failed to prove damages, and was therefore not entitled to relief. The Appellate Court, Fourth District, affirmed in part, reversed in part and remanded for a hearing on damages. On rehearing, the trial court entered judgment against the City in the amount of \$1,040,000, payable only if the developer proceeds with the development. The appellate court affirmed on appeal and the developer has filed a petition with the Illinois Supreme Court seeking additional relief. The City does not pay unless the warehouse is constructed by October 2011. The Developer has not commenced construction and it is unclear whether he plans to do so. No liability has been accrued at this time for the potential development.

The City is party to several arbitrations regarding union employees. These cases are either awaiting a decision from the arbitrator or in the early discovery stages. Any potential liabilities have been considered in the general liability of the City.

A federal lawsuit was filed by a former employee alleging gender discrimination. The parties entered into a settlement agreement and the case has been dismissed, however, leave time balances are in dispute.

City of Springfield, Illinois

Notes to Financial Statements

Note 20. Pledged Revenues

The Electric Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$694.53 million in electric revenue bonds issued in 2001, 2006, 2007 and 2008. Proceeds from these bonds provided financing for various electric system projects including the construction of Dallman Unit 4. The bonds are payable solely from electric customers net revenues and are payable through 2038. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance. The total principal and interest remaining to be paid on the bonds is \$1.124 billion. For fiscal year 2011, the total principal and interest paid and total net revenues were \$42,331,939 and \$56,592,140, respectively.

The Water Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$51.445 million in water revenue bonds issued in 1997, 2004, and 2008. Proceeds from these bonds provided financing for various water system projects. The bonds are payable solely from water customers net revenues and are payable through 2032. The total principal and interest remaining to be paid on the bonds is \$58.724 million. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance. For fiscal year 2011, the total principal and interest paid, and total net revenues were \$3,488,470 and \$15,884,308, respectively.

The Sewer Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$6.5 million in sewer revenue bonds issued in 1998. Proceeds from these bonds provided financing for various sewer system projects. The bonds are payable solely from sewer customers net revenues and are payable through 2013. The total principal and interest remaining to be paid on the bonds is \$1,779,973. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance. For fiscal year 2011, the total principal and interest paid, and total net revenues were \$594,660 and \$1,938,726, respectively.

The City has pledged a portion of future property tax revenues to repay \$2.59 million in tax increment financing bonds issued in 1994 and 2005 to finance the redevelopment in areas designated as declining and/or blighted. The bonds are payable solely from the incremental property taxes generated in those areas. Incremental property taxes were projected to produce 95 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,481,414, payable through December 2025. For the current year, principal and interest paid and total incremental property tax revenues were \$415,488 and \$355,734, respectively.

Note 21. GASB Statements Not Implemented

The GASB has issued several statements not yet implemented by the City. The City has not yet determined the impact of the statements not yet implemented. The statements which might impact the City are as follows:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending February 29, 2012. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

Note 21. GASB Statements Not Implemented (Continued)

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued January 2010, will be effective for the City beginning with its year ending February 28, 2013. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. GASB 57 amends GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.
- GASB Statement No. 59, *Financial Instruments Omnibus*, issued June 2010, will be effective for the City beginning with its year ending February 29, 2012. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending February 28, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for City beginning with its year ending February 28, 2014. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

Note 21. GASB Statements Not Implemented (Continued)

- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending February 28, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending February 28, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending February, 2013. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectability of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

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REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund accounts for all of the general revenue of the City which is not specifically levied or collected for other City funds, and for expenditures related to public works, public safety and other general governmental activities of the City.

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**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis and Actual - General Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues				
Taxes:				
Property tax	\$ 20,004,501	\$ 20,004,501	\$ 19,926,583	\$ (77,918)
State sales tax	24,280,406	24,280,406	25,468,722	1,188,316
City sales tax	24,788,596	24,788,596	25,895,847	1,107,251
Use tax	3,200,000	3,200,000	3,393,135	193,135
Miscellaneous	3,960,387	3,960,387	3,920,918	(39,469)
Total taxes	76,233,890	76,233,890	78,605,205	2,371,315
Fees for service:				
Fire protection	1,015,462	1,015,462	1,184,318	168,856
Public works services	521,538	521,538	930,695	409,157
Health fees	-	-	-	-
Fees for licenses	18,900	18,900	17,941	(959)
Miscellaneous	292,640	310,797	613,869	303,072
Total fees for service	1,848,540	1,866,697	2,746,823	880,126
Investment income	100,000	100,000	7,901	(92,099)
Intergovernmental:				
State income tax	9,713,430	9,713,430	10,025,633	312,203
Replacement tax	2,400,000	2,400,000	2,345,184	(54,816)
State grants	-	18,642	20,758	2,116
Federal grants	521,790	1,725,945	1,034,910	(691,035)
Intergovernmental reimbursements	873,096	919,109	904,573	(14,536)
Total intergovernmental	13,508,316	14,777,126	14,331,058	(446,068)
Licenses and permits:				
Building permits	694,500	694,500	972,717	278,217
Liquor licenses	244,500	244,500	259,918	15,418
Other licenses and permits	127,775	127,775	126,501	(1,274)
Total licenses and permits	1,066,775	1,066,775	1,359,136	292,361
Fines and citations:				
Traffic fines	678,000	678,000	908,144	230,144
Other fines and citations	251,000	251,000	364,448	113,448
Total fines and citations	929,000	929,000	1,272,592	343,592
Franchise fees	1,730,000	1,730,000	1,846,665	116,665
Reimbursements:				
Intergovernmental reimbursements	9,707,751	9,708,811	8,427,996	(1,280,815)
Other reimbursements	10,000	37,400	69,887	32,487
Total reimbursements	9,717,751	9,746,211	8,497,883	(1,248,328)
Other revenues, miscellaneous	257,273	270,773	259,345	(11,428)
Total revenues	105,391,545	106,720,472	108,926,608	2,206,136

(Continued)

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis and Actual - General Fund (Continued))
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Expenditures				
General government:				
Mayor	\$ 1,385,170	\$ 1,399,710	\$ 1,271,676	\$ 128,034
Veterans commission	1,000	1,000	131	869
Homeland security	3,847,145	3,847,145	3,387,323	459,822
City council	478,298	492,398	491,133	1,265
City clerk	445,365	468,843	455,035	13,808
City treasurer	1,124,543	1,124,543	1,074,251	50,292
Corporation counsel	1,472,564	1,472,564	1,357,573	114,991
Human resources	1,005,310	1,043,316	1,016,352	26,964
Budget and management	2,085,075	2,072,325	2,044,779	27,546
General city	2,330,950	2,340,950	1,744,922	596,028
Municipal band	31,250	34,750	34,072	678
Civil service commission	30,250	30,250	21,797	8,453
Disabilities commission	350	350	180	170
Planning and zoning commission	30,000	30,000	21,369	8,631
Senior citizens commission	75,240	75,240	72,989	2,251
Total general government	14,342,510	14,433,384	12,993,582	1,439,802
Public health and safety:				
Fire	29,336,132	30,725,581	30,472,149	253,432
Building and zoning	2,174,260	2,201,660	2,103,518	98,142
Solid waste	87,957	87,957	78,973	8,984
Police	35,610,168	35,786,380	33,929,897	1,856,483
Total public health and safety	67,208,517	68,801,578	66,584,537	2,217,041
Highway and streets:				
Engineering	1,122,572	1,120,872	1,088,530	32,342
Garage	9,977,768	9,961,768	9,253,008	708,760
Streets	2,123,255	2,123,255	1,462,875	660,380
Traffic engineering	851,544	851,044	701,040	150,004
Total highway and streets	14,075,139	14,056,939	12,505,453	1,551,486
Economic development	661,076	1,638,641	1,172,706	465,935

(Continued)

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis and Actual - General Fund (Continued))
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Capital outlay:				
Mayor	\$ 5,050	\$ 151,474	\$ 114,234	\$ 37,240
Homeland security	25,500	25,500	37,539	(12,039)
City council	200	200	26	174
City clerk	6,550	6,550	3,179	3,371
Treasurer	6,000	6,000	4,145	1,855
Corporation counsel	850	850	-	850
Human resources	4,440	4,084	345	3,739
Budget and management	8,400	15,650	14,672	978
Economic development	1,500	1,500	-	1,500
Fire	81,500	88,232	48,791	39,441
Building and zoning	6,500	6,500	1,977	4,523
Police	184,494	401,524	234,933	166,591
Engineering	2,150	3,850	713	3,137
Garage	172,500	172,500	150,628	21,872
Streets	575	575	133	442
Traffic engineering	10,450	26,950	15,857	11,093
Total capital outlay	516,659	911,939	627,172	284,767
Total expenditures	96,803,901	99,842,481	93,883,450	5,959,031
Excess of revenues over expenditures	8,587,644	6,877,991	15,043,158	8,165,167
Other financing sources (uses)				
Transfers in	32,000	32,000	261,596	229,596
Transfers out	(8,507,698)	(9,705,089)	(9,511,989)	193,100
Total other financing sources (uses)	(8,475,698)	(9,673,089)	(9,250,393)	422,696
Net change in fund balance	\$ 111,946	\$ (2,795,098)	5,792,765	\$ 8,587,863
Fund balance, beginning of year			2,560,730	
Fund balance, end of year			\$ 8,353,495	

Required Supplementary Information
Illinois Municipal Retirement Fund

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]
2011	12/31/2010	\$ 163,403,740	\$ 249,048,155	\$ 85,644,415	65.61%	\$ 72,876,133	117.52%
2010	12/31/2009	165,976,707	251,791,669	85,814,962	65.92	77,378,102	110.90
2009	12/31/2008	162,981,013	234,694,594	71,713,581	69.44	71,989,895	99.62
2008	12/31/2007	193,916,047	217,706,268	23,790,221	89.07	67,812,105	35.08
2007	12/31/2006	168,933,564	201,947,699	33,014,135	83.65	66,844,014	49.39
2006	12/31/2005	144,179,806	175,390,065	31,210,259	82.21	62,388,672	50.03

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$179,319,746. On a market basis, the funded ratio would be 72.00%.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date December 31, 2008. Additional information follows:

- 1) The cost method to determine the ARC – entry age actuarial cost method.
- 2) Economic assumptions are as follows: inflation rate – 4%, investment return rate – 7.50% and salary increase of 0.4 to 10%.
- 3) Amortization method – 30 years, open.

Required Supplementary Information
Illinois Municipal Retirement Fund - Sheriff's Law
Enforcement Personnel (SLEP)

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]
2011	12/31/2010	\$ (18,842)	\$ -	\$ 18,842	0.00%	\$ -	0.00%
2010	12/31/2009	(29,326)	-	29,326	-	-	-
2009	12/31/2008	(55,002)	-	55,002	-	-	-
2008	12/31/2007	(13,596)	-	13,596	-	-	-
2007	12/31/2006	(18,300)	-	18,300	-	-	-
2006	12/31/2005	(21,521)	-	21,521	-	-	-

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$(18,842). On a market basis, the funded ratio would be 0.00%.

Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 experience study.

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date December 31, 2008. Additional information follows:

- 1) The cost method to determine the ARC – entry age actuarial cost method.
- 2) Economic assumptions are as follows: inflation rate – 4%, investment return rate – 7.50% and salary increase of 0.4 to 10%.
- 3) Amortization method – 30 years, open.

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]
2011	12/31/2010	\$ 106,129,535	\$ 186,040,560	\$ 79,911,025	57.05%	\$ 17,919,522	445.94%
2010	12/31/2009	100,639,944	173,781,048	73,141,104	57.91	17,376,447	420.92
2009	12/31/2008	99,114,641	172,067,154	72,952,513	57.60	15,995,773	456.07
2008	12/31/2007	93,968,422	144,077,490	50,109,068	65.22	16,019,656	312.80
2007	12/31/2006	86,968,718	134,137,870	47,169,152	64.84	15,602,359	302.32
2006	12/31/2005	82,044,577	124,373,250	42,328,673	65.97	14,285,279	296.31

Refer to Note 1 for address to obtain financial statements of the Police Pension Plan.

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date February 28, 2010. Additional information follows:

- 1) The cost method 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 – 4%, investment return rate – 7.50% and salary increase of 0.58%.
- 4) Amortization method is a closed period. The remaining amortization period as of the actuarial value date was 22 years.

Required Supplementary Information
Springfield Firefighters' Pension Fund

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]
2011	12/31/2010	\$ 91,625,104	\$ 186,227,613	\$ 94,602,509	49.20%	\$ 14,160,191	668.09%
2010	12/31/2009	87,329,164	173,065,064	85,735,900	50.46	13,774,632	622.42
2009	12/31/2008	86,583,058	175,917,518	89,334,460	49.22	13,914,657	642.02
2008	12/31/2007	82,567,784	147,916,182	65,348,398	55.82	13,113,863	498.32
2007	12/31/2006	77,466,315	138,359,348	60,893,033	55.99	12,688,471	479.91
2006	12/31/2005	75,179,787	128,659,500	53,479,713	58.43	11,227,146	476.34

Refer to Note 1 for address to obtain financial statements of the Springfield Firefighters' Pension Fund.

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date February 28, 2010. Additional information follows:

- 1) The cost method 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 – 4%, investment return rate – 7.50% and salary increase of 0.56%.
- 4) Amortization method is a closed period. The remaining amortization period as of the actuarial value date was 22 years.

**Required Supplementary Information
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Year Ended February 28, 2011**

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2010	\$ 8,278,729	\$ 9,962,167	83.10%
2009	7,993,158	7,993,158	100.00
2008	8,048,470	8,048,470	100.00
2007	7,615,299	7,615,299	100.00
2006	7,787,328	7,787,328	100.00
2005	6,394,839	6,394,839	100.00

Required Supplementary Information
Schedule of Employer Contributions
Illinois Municipal Retirement Fund - Sheriff's Law
Enforcement Personnel (SLEP)
Year Ended February 28, 2011

Calendar Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2010	\$ -	\$ -	- %
2009	2,219	2,219	100.00
2008	2,986	2,986	100.00
2007	3,122	3,122	100.00
2006	-	-	-
2005	-	-	-

Required Supplementary Information
Schedule of Employer Contributions
Police Pension Plan
Year Ended February 28, 2011

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2010	\$ 8,008,143	\$ 8,008,143	100.00%
2009	5,714,717	5,714,717	100.00
2008	5,382,890	5,382,890	100.00
2007	4,801,235	4,801,235	100.00
2006	4,460,984	4,460,984	100.00
2005	3,953,059	3,953,059	100.00

Refer to Note 1 for address to obtain financial statements of the Police Pension Plan.

Required Supplementary Information
 Schedule of Employer Contributions
 Springfield Firefighters' Pension Fund
 Year Ended February 28, 2011

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2010	\$ 8,877,096	\$ 8,877,096	100.00%
2009	6,789,176	6,584,176	103.11
2008	6,131,904	6,131,904	100.00
2007	5,349,896	5,349,896	100.00
2006	4,405,554	4,405,554	100.00
2005	3,898,795	3,898,795	100.00

Refer to Note 1 for address to obtain financial statements of the Springfield Firefighters' Pension Fund.

**Required Supplementary Information
Retiree Health Plan**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	2/28/10	-	273,309,647	273,309,647	-	96,299,102	283.81%
2008	2/28/07	-	178,967,773	178,967,773	-	88,563,123	202.08

Schedule of Employer Contributions

Year Ended February 28/29,	Employer Contribution	Annual Required Contribution (ARC)	Percent Contributed
2011	\$ 2,125,721	\$ 19,245,714	11.05%
2010	1,978,606	17,656,619	11.21
2009	1,715,473	11,958,109	14.35
2008	2,518,777	11,600,558	21.71

Note: The City implemented GASB Statement No. 45 for the year ended February 29, 2008.

Digest of changes:

- The interest rate assumption was reduced from 5.0% per year to 4.5% per year.
- The mortality rate assumption was changed from the UP-1984 Mortality Table to the UP-1994 Mortality Table for males and females.
- The trend rate assumption was changed from 7.0% in 2011, going to 5.0% by the 2013, to 9.0% in 2011, going to 5.0% by the year 2019.
- Participation rates after age 65 were reduced from 75% to 60%.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for revenue from specific taxes or other earmarked revenue sources which, by statute, charter provision, or local ordinance, are designated to finance particular functions or activities of the government. The City's special revenue funds are as follows:

The Lincoln Library Fund accounts for property taxes and fees to finance the City's public library and expenditures related to the operation of the library and its branches.

The Convention and Visitors Fund accounts for Hotel-Motel Tax and expenditures for the promotion of tourism and conventions in Springfield.

The Illinois Municipal Retirement Fund (IMRF) Contributions Fund accounts for the City's IMRF contributions and is custodial in nature.

The Motor Fuel Tax Fund accounts for the City's Motor Fuel Tax allotment from the state and expenditures for street improvements and operating transfers for the retirement of special assessment bonds.

The Community Development Block Grant Fund accounts for entitlement revenue from the U.S. Department of Housing and Urban Development (HUD) and designated expenditures in the areas of Housing and Neighborhood Revitalization; Public Facilities Improvement; and Economic Development and Public Services for the City.

The Community Development Block Grant Home Program Fund accounts for entitlement revenue from the U.S. Department of Housing and Urban Development (HUD) and expenditures in the areas of Housing and Neighborhood Revitalization.

The Special Allocation Project Account Fund is a special revenue fund which accounts for revenues including property taxes, and loan payments received and expenditures made for downtown TIF eligible projects.

The Park Towers Fund accounts for payments received from the U.S. Department of Housing and Urban Development (HUD) to assist low income residents of Park Towers with their rent and the disbursements of these monies to Park Towers' management.

The State Drug Profit Forfeiture Fund accounts for State revenues received from the sale of seized assets in narcotic arrests and expenditures related to police activities.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

The Police Evidence Fund accounts for monies collected as evidence in legal cases and is custodial in nature.

The DCEO Grant Fund accounts for grant revenue received from the Illinois Department of Commerce and Economic Opportunity (DCEO) and grant reimbursable expenditures.

The Federal Drug Profit Forfeiture Fund accounts for revenues received from the sale of seized assets in narcotic arrests and expenditures related to police activities.

The Police Law Enforcement Block Grant Fund accounts for revenue received from the U.S. Department of Justice and designated expenditures within the areas of crime reduction and public safety.

Madison Park Place TIF Project Fund accounts for revenues, including property taxes, and for loan payments received and eligible TIF project expenditures.

The Local Foreign Fire Insurance Fund accounts for transfers received from the General Fund and expenditures for the Fire Department. This fund is in the custody of the Foreign Fire Insurance Board.

The Police Laboratory Fund accounts for revenues received from the court systems for marijuana drug testing completed by certified Springfield police detectives.

The Illinois Housing Development Authority Grant Fund accounts for revenue from the State of Illinois and designated expenditures in the areas of Housing and Neighborhood Revitalization.

Enos Park TIF Project Fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

The Recycling Fee Fund accounts for revenues from the recycling fees and the designated expenditures in recycling and waste management.

Northeast TIF Project Fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

Jefferson Crossing TIF Project Fund accounts for revenues, including property taxes, and eligible TIF project expenditures.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of principal and interest on general obligation debt, serial and term, other than revenue debt issued for and serviced by a governmental enterprise. The City's debt service funds are as follows:

The Special Assessments Fund accounts for monies, including special assessment receivables, used to retire special assessment bonds payable.

The 2002A General Obligation Bonds Principal and Interest Fund accounts for monies available to retire the Series 2002A General Obligation Bonds.

The 1996A Debt Service Fund accounts for monies available to retire the Series 1996A General Obligation Bonds.

The 1996C Debt Service Fund accounts for monies available to retire the Series 1996C General Obligation Bonds.

The 1987 Capital Appreciation Escrow Fund accounts for monies available to retire the Series 1987A Capital Appreciation Bonds.

The TIF 3 Northside Debt Service Fund accounts for monies, including incremental property taxes and developer's guarantees, used to retire the Series 1994 Taxable Tax Increment Financing Bonds.

The TIF 2 Fiat Allis Debt Service Fund accounts for monies, including incremental property taxes and developer's guarantees, used to retire the Series 1997 Taxable Tax Increment Revenue Refunding Bonds.

The Debt Management Fund is a debt service fund that accounts for monies available to retire various debt issues.

The 1989 Debt Service Fund accounts for monies used to retire the Series 1989 General Obligation Bonds.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. The City's capital project funds are as follows:

The 1996 Capital Improvement Fund accounts for the proceeds from the Series 1996C General Obligation Bonds and expenditures related to the Stanford Avenue, Eleventh Street and Koke Mill Road construction projects. This fund also accounts for the revenues and expenditures related to the Wanless' Iles Junction Special Service Area.

The TIF South Grand Pointe Project Fund accounts for the bond proceeds from the Series 1995 Tax Increment Revenue Bonds and expenditures related to the South Grand Pointe Project.

The Lincoln Greens Improvement Fund accounts for the proceeds from the Series 2000 Lincoln Greens Golf Course Improvement Notes and expenditures related to the Lincoln Greens Golf Course Improvement Project.

The Capital Equipment Fund accounts for the designated revenues and expenditures for the purchase of capital equipment other than equipment financed by proprietary and trust funds.

The Capital Improvements Fund accounts for the designated revenues and expenditures for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

	Special Revenue Funds										Special Allocation Project Account Fund (Downtown TIF)	
	Lincoln Library Fund	Convention & Visitors Fund	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Community Development Block Grant		Community Development Block Grant		Home Program Fund	Special Allocation Project Account Fund		
					Block Grant	Home Program Fund	Block Grant	Home Program Fund				
Assets												
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	793,641	327,784	156,470	10,837,902	12,690	959	9,486,867	4,175,000				
Local taxes receivable	3,522	-	-	469,450	-	-	-	505				
Intergovernmental receivable	39	-	-	-	157,712	-	-	4,024,918				
Notes receivable	-	-	-	-	344,451	-	-	-				
Special assessments receivable	-	-	-	-	-	-	-	-				
Interfund receivables	-	144,859	689,774	-	252,070	-	-	-				
Prepaid items	-	-	-	-	-	-	-	-				
Other receivables	-	132,841	-	-	-	-	75,612	-				
Total assets	\$ 797,202	\$ 605,464	\$ 846,244	\$ 11,307,352	\$ 766,923	\$ 76,571	\$ 17,687,290					
Liabilities and fund balances												
Liabilities:												
Accounts payable	\$ 9,741	\$ 56,168	\$ 994,750	\$ 389,371	\$ 129,935	\$ 30,560	\$ 358,163					
Other payables	2,128	-	-	-	-	-	-					
Accrued payroll	93,180	53,719	-	-	14,784	-	11,204					
Interfund payable	193,481	24,102	-	-	10,020	-	8,047					
Deferred and unearned revenue	-	-	-	-	344,451	-	8,199,918					
Total liabilities	298,530	133,989	994,750	389,371	499,190	30,560	8,577,332					
Fund balances (deficit):												
Unreserved, undesignated:												
Special revenue funds	498,672	471,475	(148,506)	10,917,981	267,733	46,011	9,109,958					
Capital projects funds	-	-	-	-	-	-	-					
Reserved for prepaid items	-	-	-	-	-	-	-					
Reserved for public safety	-	-	-	-	-	-	-					
Reserved for debt service	-	-	-	-	-	-	-					
Total fund balances (deficit)	498,672	471,475	(148,506)	10,917,981	267,733	46,011	9,109,958					
Total liabilities and fund balances	\$ 797,202	\$ 605,464	\$ 846,244	\$ 11,307,352	\$ 766,923	\$ 76,571	\$ 17,687,290					

Special Revenue Funds										
	Park Towers Fund	State Drug Profit Forfeiture Fund	Police Evidence Fund	DCEO Grant Fund	Federal Drug Profit Forfeiture Fund	Police Law Enforcement Block Grant Fund	Madison Park Place TIF Project Fund			
Assets										
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	38,178	287,845	329,552	423,352	321,077	202,545	265,182			215,000
Local taxes receivable	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-	-	-	-
Interfund receivables	-	-	3,268	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	3,717	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 38,178	\$ 287,845	\$ 332,840	\$ 423,352	\$ 321,077	\$ 206,262	\$ 480,182			
Liabilities and fund balances										
Liabilities:										
Accounts payable	\$ -	\$ 4,011	\$ -	\$ 12,415	\$ 3,840	\$ -	\$ -			
Other payables	-	-	-	-	-	198	-			
Accrued payroll	-	-	-	-	-	27,836	-			
Interfund payable	-	9,183	-	144,859	-	19,463	-			
Deferred and unearned revenue	-	-	-	-	-	155,689	215,000			
Total liabilities	-	13,194	-	157,274	3,840	203,166	215,000			
Fund balances (deficit):										
Unreserved, undesignated:										
Special revenue funds	38,178	274,651	332,840	266,078	317,237	3,096	265,182			
Capital projects funds	-	-	-	-	-	-	-			
Reserved for prepaid items	-	-	-	-	-	-	-			
Reserved for public safety	-	-	-	-	-	-	-			
Reserved for debt service	-	-	-	-	-	-	-			
Total fund balances (deficit)	\$ 38,178	\$ 274,651	\$ 332,840	\$ 266,078	\$ 317,237	\$ 3,096	\$ 265,182			
Total liabilities and fund balances	\$ 38,178	\$ 287,845	\$ 332,840	\$ 423,352	\$ 321,077	\$ 206,262	\$ 480,182			

	Special Revenue Funds							
	Local Foreign Fire Insurance Fund	Police Laboratory Fund	Illinois Housing Development Authority Grant Fund	Enos Park TIF Project Fund	Recycling Fee Fund	Northeast TIF Project Fund	Jefferson Crossing TIF Project Fund	
Assets								
Restricted cash and cash equivalents	\$ 280,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	-	33,349	68,545	339,309	37,181	443,769	1,639	
Local taxes receivable	-	-	-	475,000	-	360,000	-	
Intergovernmental receivable	-	-	-	-	-	-	-	
Notes receivable	-	-	-	103,618	-	-	-	
Special assessments receivable	-	-	-	-	-	-	-	
Interfund receivables	-	-	-	-	-	-	-	
Prepaid items	13,800	-	-	-	-	-	-	
Other receivables	-	-	36,055	-	-	-	-	
Total assets	\$ 294,396	\$ 33,349	\$ 104,600	\$ 917,927	\$ 37,181	\$ 803,769	\$ 1,639	
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 6,311	\$ -	\$ 27,650	\$ 99,666	\$ 3,551	\$ -	\$ -	
Other payables	-	-	-	-	-	-	-	
Accrued payroll	-	-	-	-	-	-	-	
Interfund payable	-	-	-	252,070	-	-	-	
Deferred and unearned revenue	-	-	-	578,618	-	360,000	-	
Total liabilities	6,311	-	27,650	930,354	3,551	360,000	-	
Fund balances (deficit):								
Unreserved, undesignated:								
Special revenue funds	-	33,349	76,950	(12,427)	33,630	436,462	1,639	
Capital projects funds	-	-	-	-	-	-	-	
Reserved for prepaid items	13,800	-	-	-	-	-	-	
Reserved for public safety	274,285	-	-	-	-	-	-	
Reserved for debt service	-	-	-	-	-	7,307	-	
Total fund balances (deficit)	288,085	33,349	76,950	(12,427)	33,630	443,769	1,639	
Total liabilities and fund balances	\$ 294,396	\$ 33,349	\$ 104,600	\$ 917,927	\$ 37,181	\$ 803,769	\$ 1,639	

	Debt Service Funds					
	Special Assessments Fund	2002A G.O. Bond Principal and Interest Fund	1996A Debt Service Fund	1996C Debt Service Fund	1987 Capital Appreciation Escrow Fund	TIF 2 Fiat Allis Debt Service Fund
Assets						
Restricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	329,214	3	930	711	828	4,823,998
Local taxes receivable	55,894	-	-	-	-	1,725,000
Intergovernmental receivable	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Special assessments receivable	126,945	-	-	-	-	-
Interfund receivables	-	-	305,305	-	-	-
Prepaid items	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total assets	\$ 512,053	\$ 3	\$ 306,235	\$ 711	\$ 828	\$ 6,548,998
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other payables	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Deferred and unearned revenue	182,839	-	-	-	-	1,725,000
Total liabilities	182,839	-	-	-	-	1,725,000
Fund balances (deficit):						
Unreserved, undesignated:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-
Reserved for public safety	-	-	-	-	-	-
Reserved for debt service	329,214	3	306,235	711	828	4,823,998
Total fund balances (deficit)	329,214	3	306,235	711	828	4,823,998
Total liabilities and fund balances	\$ 512,053	\$ 3	\$ 306,235	\$ 711	\$ 828	\$ 6,548,998

	Capital Projects Fund										Total Non Major Governmental Funds	
	Debt Service Funds											
	Debt Management Fund	1989 Debt Service Fund	1996 Capital Improvement Fund (Wanless Iles Junction TIF)	TIF South Grand Pointe Project Fund	Lincoln Greens Improvement Fund	Capital Equipment Fund	Capital Improvements Fund					
Assets												
Restricted cash and cash equivalents	\$ -	\$ -	\$ 1,503,979	\$ 22,333	\$ -	\$ 243,895	\$ -	\$ -	\$ -	\$ -	\$ 2,050,803	
Cash and cash equivalents	5,468	1,558	-	-	85	603,234	2,334,843	1,173,271	-	-	32,508,688	
Local taxes receivable	-	-	-	415,000	-	-	-	-	-	-	9,067,137	
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-	158,256	
Notes receivable	-	-	-	-	-	-	-	-	-	-	4,472,987	
Special assessments receivable	-	-	-	-	-	-	-	-	-	-	126,945	
Interfund receivables	388,727	-	-	-	-	257,803	3,486,124	-	-	-	5,531,467	
Prepaid items	-	-	-	-	-	-	-	-	-	-	13,800	
Other receivables	-	-	-	-	-	-	-	-	-	-	244,508	
Total assets	\$ 394,195	\$ 1,558	\$ 1,503,979	\$ 437,333	\$ 85	\$ 1,104,732	\$ 6,994,238	\$ -	\$ -	\$ -	\$ 54,174,591	
Liabilities and fund balances												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ 5,149	\$ -	\$ -	\$ 6,835	\$ 1,000	\$ -	\$ -	\$ -	\$ 2,139,116	
Other payables	-	-	-	-	-	-	835	-	-	-	3,161	
Accrued payroll	-	-	-	-	-	-	-	-	-	-	200,723	
Interfund payable	-	-	-	-	-	-	-	-	-	-	681,225	
Deferred and unearned revenue	-	-	-	415,000	-	-	-	-	-	-	12,176,485	
Total liabilities	-	-	5,149	415,000	-	6,835	1,835	-	-	-	15,180,720	
Fund balances (deficit):												
Unreserved, undesignated:												
Special revenue funds	-	-	-	-	-	-	-	-	-	-	23,230,189	
Capital projects funds	-	-	1,488,830	22,333	85	1,097,897	6,992,403	-	-	-	9,611,548	
Reserved for prepaid items	-	-	-	-	-	-	-	-	-	-	13,800	
Reserved for public safety	-	-	-	-	-	-	-	-	-	-	274,285	
Reserved for debt service	394,195	1,558	-	-	-	-	-	-	-	-	5,864,049	
Total fund balances (deficit)	\$ 394,195	\$ 1,558	\$ 1,488,830	\$ 22,333	\$ 85	\$ 1,097,897	\$ 6,992,403	\$ -	\$ -	\$ -	\$ 38,993,871	
Total liabilities and fund balances	\$ 394,195	\$ 1,558	\$ 1,503,979	\$ 437,333	\$ 85	\$ 1,104,732	\$ 6,994,238	\$ -	\$ -	\$ -	\$ 54,174,591	

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2011**

Exhibit 6

	Special Revenue Funds							Special Allocation Project Account Fund (Downtown TIF)
	Lincoln Library Fund	Convention & Visitors Fund	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Community Development Block Grant Home Program Fund	Community Development Block Grant Fund		
Revenues:								
Taxes:								
Property tax	-	-	-	-	-	-	-	4,113,875
City sales tax	-	-	-	-	-	-	-	-
Motor fuel tax	-	-	-	2,976,369	-	-	-	-
Hotel/motel taxes	-	1,645,613	-	-	-	-	-	-
Fees for services	117,842	-	-	-	-	-	-	-
Investment income	697	-	-	15,602	-	-	-	135,258
Intergovernmental	612,501	-	-	3,407,074	1,896,798	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Miscellaneous	2,890	28,331	14,569	114,071	48,199	-	-	697,889
Total revenues	733,930	1,673,944	14,569	6,513,116	1,944,997	1,177,016	1,004,251	4,947,022
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	3,991,311
Public health and safety	-	-	-	-	-	-	-	-
Culture and recreation	3,474,539	2,147,235	-	-	-	-	-	-
Highway and streets	-	-	-	6,192,052	-	-	-	-
Economic development	-	-	-	-	2,080,752	-	-	-
Capital outlay	347,102	21,063	-	-	-	1,004,251	-	2,702
Debt service	-	-	-	-	-	-	-	-
Total expenditures	3,821,641	2,168,298	-	6,192,052	2,080,752	1,004,251	1,004,251	3,994,013
Excess (deficiency) of revenues over expenditures	(3,087,711)	(494,354)	14,569	321,064	(135,755)	172,765	953,009	-
Other financing sources (uses):								
Transfers in	3,303,579	405,858	-	-	111,555	-	-	-
Transfers out	(154,809)	(54,805)	-	-	(11,278)	(111,555)	(227,443)	(227,443)
Total other financing sources (uses)	3,148,770	351,253	-	-	100,277	(111,555)	(227,443)	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	61,059	(143,101)	14,569	321,064	(35,478)	61,210	725,566	-
Fund balances (deficit), beginning of year	437,613	614,576	(163,095)	10,596,917	303,211	(15,199)	8,384,392	-
Fund balances (deficit), end of year	498,672	471,475	(148,506)	10,917,981	267,733	46,011	9,109,958	-

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2011**

		Special Revenue Funds						
	Park Towers Fund	State Drug Profit Forfeiture Fund	Police Evidence Fund	DCEO Grant Fund	Federal Drug Profit Forfeiture Fund	Police Law Enforcement Block Grant Fund	Madison Park Place TIF Project Fund	
Revenues:								
Taxes:								
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,873	
City sales tax	-	-	-	-	-	-	-	
Motor fuel tax	-	-	-	-	-	-	-	
Hotel/motel taxes	-	-	-	-	-	-	-	
Fees for services	-	-	-	-	-	-	-	
Investment income	62	419	474	629	376	1,050	117	
Intergovernmental	246,843	-	-	559,858	-	1,158,958	-	
Special assessments	-	-	-	-	-	-	-	
Miscellaneous	-	64,426	90,258	-	106,937	-	-	
Total revenues	246,905	64,845	90,732	560,487	108,313	1,160,008	212,990	
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	
Public health and safety	-	24,918	77,357	-	18,538	1,038,180	-	
Culture and recreation	-	-	-	-	-	-	(52,185)	
Highway and streets	-	-	-	-	-	-	-	
Economic development	235,762	-	-	162,437	-	-	-	
Capital outlay	-	25,674	-	-	7,145	157,421	-	
Debt service	-	-	-	-	-	-	-	
Total expenditures	235,762	50,592	77,357	162,437	25,683	1,195,601	(52,185)	
Excess (deficiency) of revenues over expenditures	11,143	14,253	13,375	398,050	83,630	(35,593)	265,175	
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	
Transfers out	(11,843)	-	-	(405,859)	-	-	-	
Total other financing sources (uses)	(11,843)	-	-	(405,859)	-	-	-	
Excess (deficiency) of revenues over expenditures and other sources (uses)	(700)	14,253	13,375	(7,809)	83,630	(35,593)	265,175	
Fund balances (deficit), beginning of year	38,878	260,398	319,465	273,887	233,607	38,689	7	
Fund balances (deficit), end of year	\$ 38,178	\$ 274,651	\$ 332,840	\$ 266,078	\$ 317,237	\$ 3,096	\$ 265,182	

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2011**

**Exhibit 6
Continued**

		Special Revenue Funds						
		Local Foreign Fire Insurance Fund	Police Laboratory Fund	Illinois Housing Development Authority Grant Fund	Enos Park TIF Project Fund	Recycling Fee Fund	Northeast TIF Project Fund	Jefferson Crossing TIF Project Fund
Revenues:								
Taxes:								
	Property tax	\$ -	\$ -	\$ -	\$ 488,083	\$ -	\$ -	\$ 1,092
	City sales tax	-	-	-	-	-	-	-
	Motor fuel tax	-	-	-	-	-	-	-
	Hotel/motel taxes	-	-	-	-	-	-	-
	Fees for services	-	5,744	-	-	184,963	-	-
	Investment income	178	45	-	6,355	-	2,115	2
	Intergovernmental	-	-	103,579	-	-	-	-
	Special assessments	-	-	-	-	-	-	-
	Miscellaneous	264,581	-	-	6,520	120	-	-
	Total revenues	264,759	5,789	103,579	480,958	185,073	357,849	1,094
Expenditures:								
Current:								
	General government	-	-	-	-	171,304	-	-
	Public health and safety	171,957	-	-	-	-	-	-
	Culture and recreation	-	325	-	1,289,666	-	-	-
	Highway and streets	-	-	-	-	-	-	-
	Economic development	-	-	101,325	-	-	-	-
	Capital outlay	-	-	-	-	-	-	-
	Debt service	-	-	-	-	-	355,734	-
	Total expenditures	171,957	325	101,325	1,289,666	171,304	355,734	-
	Excess (deficiency) of revenues over expenditures	92,802	5,464	2,254	(808,708)	13,769	2,115	1,094
Other financing sources (uses):								
	Transfers in	-	-	-	-	-	-	-
	Transfers out	-	-	-	-	-	-	-
	Total other financing sources (uses)	-	-	-	-	-	-	-
	Excess (deficiency) of revenues over expenditures and other sources (uses)	92,802	5,464	2,254	(808,708)	13,769	2,115	1,094
Fund balances (deficit), beginning of year		195,283	27,885	74,696	796,281	19,861	441,654	545
Fund balances (deficit), end of year		\$ 288,085	\$ 33,349	\$ 76,950	\$ (12,427)	\$ 33,630	\$ 443,769	\$ 1,639

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2011**

**Exhibit 6
Continued**

		Debt Service Funds					
Special Assessments Fund	2002A G.O. Bond Principal and Interest Fund	1996A Debt Service Fund	1996C Debt Service Fund	1987 Capital Appreciation Escrow Fund	TIF 3 Northside Debt Service Fund	TIF 2 Fiat Allis Debt Service Fund	
\$ 55,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,568,450	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
8,604	-	16	17	1	-	6,986	
-	-	-	-	-	-	-	
40,586	-	-	-	-	-	-	
105,085	-	16	17	1	-	1,575,436	
Total revenues							
Revenues:							
Taxes:							
Property tax							
City sales tax							
Motor fuel tax							
Hotel/motel taxes							
Fees for services							
Investment income		16	17	1		6,986	
Intergovernmental							
Special assessments							
Miscellaneous							
Total revenues							
Expenditures:							
Current:							
General government						59,188	
Public health and safety						-	
Culture and recreation						-	
Highway and streets						-	
Economic development						-	
Capital outlay						-	
Debt service	518,455	2,790,475	1,762,938	-	-	388,781	
	518,455	2,790,475	1,762,938	-	-	447,969	
Total expenditures							
Excess (deficiency) of revenues over expenditures							
3,493	(518,455)	(2,790,459)	(1,762,921)	1	-	1,127,467	
Other financing sources (uses):							
Transfers in	518,455	2,790,959	1,762,938	-	-	-	
Transfers out	-	-	-	-	-	-	
	518,455	2,790,959	1,762,938	-	-	-	
Total other financing sources (uses)							
Excess (deficiency) of revenues over expenditures and other sources (uses)							
3,493	-	500	17	1	-	1,127,467	
Fund balances (deficit), beginning of year							
325,721	3	305,735	694	827	-	3,696,531	
\$ 329,214	\$ 3	\$ 306,235	\$ 711	\$ 828	\$ -	\$ 4,823,998	

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2011**

	Debt Service Funds		Capital Projects Fund						Total Non Major Governmental Funds
	Debt Management Fund	1989 Debt Service Fund	1996 Capital Improvement Fund (Wanless Iles Junction TIF)	South Grand Pointe Project Fund	Lincoln Greens Improvement Fund	Capital Equipment Fund	Capital Improvements Fund		
Revenues:									
Taxes:									
Property tax	\$ -	\$ -	\$ -	\$ 403,678	\$ -	\$ -	\$ -	\$ 7,179,680	
City sales tax	-	-	-	-	-	-	4,312,090	4,312,090	
Motor fuel tax	-	-	-	-	-	-	-	2,976,389	
Hotel/motel taxes	-	-	-	-	-	-	1,097,074	2,742,687	
Fees for services	-	-	-	-	-	-	-	308,539	
Investment income	19	2	2,563	212	-	640	-	182,439	
Intergovernmental	-	-	-	-	-	-	-	9,149,005	
Special assessments	-	-	-	-	-	-	-	40,586	
Miscellaneous	-	-	-	-	-	-	-	1,454,433	
Total revenues	19	2	2,563	403,890	-	640	5,409,164	28,345,828	
Expenditures:									
Current:									
General government	-	-	-	105,658	-	-	1,089,145	5,426,606	
Public health and safety	-	-	-	-	-	-	-	1,330,950	
Culture and recreation	-	-	-	-	-	-	-	6,859,580	
Highway and streets	-	-	-	-	-	-	-	6,192,052	
Economic development	-	-	-	-	-	-	-	3,584,527	
Capital outlay	-	-	511,909	-	-	870,732	35,845	1,979,593	
Debt service	2,648,560	-	-	-	-	991,049	-	9,557,604	
Total expenditures	2,648,560	-	511,909	105,658	-	1,861,781	1,134,990	34,930,912	
Excess (deficiency) of revenues over expenditures	(2,648,561)	2	(509,346)	298,232	-	(1,861,141)	4,274,174	(6,585,084)	
Other financing sources (uses):									
Transfers in	2,647,783	-	-	215,000	-	990,235	1,689,636	14,435,998	
Transfers out	-	-	(12,846)	(518,455)	-	-	(1,989,753)	(3,508,446)	
Total other financing sources (uses)	2,647,783	-	(12,846)	(303,455)	-	990,235	(310,117)	10,927,552	
Excess (deficiency) of revenues over expenditures and other sources (uses)	(778)	2	(522,192)	(5,223)	-	(870,906)	3,964,057	4,342,488	
Fund balances (deficit), beginning of year	394,973	1,556	2,021,022	27,556	85	1,968,803	3,028,346	34,651,403	
Fund balances (deficit), end of year	394,195	1,558	1,498,830	22,333	85	1,097,897	6,992,403	38,983,871	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Lincoln Library Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Fees for services	\$ 114,900	\$ 114,900	\$ 117,842	\$ 2,942
Investment income	10,000	10,000	697	(9,303)
Intergovernmental:				
Replacement tax	600,000	600,000	473,365	(126,635)
Grants	130,000	149,500	139,136	(10,364)
Total intergovernmental	730,000	749,500	612,501	(136,999)
Miscellaneous, other	1,100	2,850	2,890	40
Total revenues	856,000	877,250	733,930	(143,320)
Expenditures:				
Culture and recreation:				
Personal services and fringe benefits	2,923,278	2,923,278	2,760,972	162,306
Contractual services	785,950	785,950	677,510	108,440
Commodities	60,350	60,350	33,569	26,781
Improvements	5,000	5,000	-	5,000
Other charges	6,300	6,300	2,488	3,812
Total culture and recreation	3,780,878	3,780,878	3,474,539	306,339
Capital outlay:				
Equipment	410,000	410,000	292,187	117,813
EDP equipment	42,500	63,750	45,786	17,964
Telecommunications	16,500	16,500	9,129	7,371
Total capital outlay	469,000	490,250	347,102	143,148
Total expenditures	4,249,878	4,271,128	3,821,641	449,487
Deficiency of revenues over expenditures	(3,393,878)	(3,393,878)	(3,087,711)	306,167
Other financing sources (uses):				
Transfers in	3,303,579	3,303,579	3,303,579	-
Transfers out	(154,809)	(154,809)	(154,809)	-
Total other financing sources (uses)	3,148,770	3,148,770	3,148,770	-
Net change in fund balance	\$ (245,108)	\$ (245,108)	61,059	\$ 306,167
Fund balance, beginning of year			437,613	
Fund balance, end of year			\$ 498,672	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Convention and Visitors Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, hotel/motel taxes	\$ 1,675,000	\$ 1,675,000	\$ 1,645,613	\$ (29,387)
Miscellaneous, other	5,000	28,385	28,331	(54)
Total revenues	1,680,000	1,703,385	1,673,944	(29,441)
Expenditures:				
Culture and recreation:				
Personal services and fringe benefits	1,358,429	1,366,429	1,366,578	(149)
Contractual services	635,295	644,535	548,904	95,631
Commodities	114,825	114,825	112,567	2,258
Other charges	131,200	131,200	119,186	12,014
Total culture and recreation	2,239,749	2,256,989	2,147,235	109,754
Capital outlay:				
Equipment	-	135	135	-
EDP equipment	5,939	11,849	11,984	(135)
Telecommunications	20,040	20,040	8,944	11,096
Total capital outlay	25,979	32,024	21,063	10,961
Total expenditures	2,265,728	2,289,013	2,168,298	120,715
Deficiency of revenues over expenditures	(585,728)	(585,628)	(494,354)	91,274
Other financing sources (uses):				
Transfers in	-	330,000	405,858	75,858
Transfers out	(54,606)	(54,606)	(54,605)	1
Total other financing sources (uses)	(54,606)	275,394	351,253	75,859
Net change in fund balance	\$ (640,334)	\$ (310,234)	(143,101)	\$ 167,133
Fund balance, beginning of year			614,576	
Fund balance, end of year			\$ 471,475	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Motor Fuel Tax Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, motor fuel tax	\$ 3,200,000	\$ 3,200,000	\$ 2,976,369	\$ (223,631)
Investment income	75,000	75,000	15,602	(59,398)
Intergovernmental reimbursements	462,500	4,112,893	3,407,074	(705,819)
Miscellaneous, other	100,000	100,000	114,071	14,071
Total revenues	3,837,500	7,487,893	6,513,116	(974,777)
Expenditures:				
Highways and streets:				
Contractual services	1,767,902	1,797,902	1,350,143	447,759
Commodities	3,566,746	3,536,746	1,173,802	2,362,944
Improvements	7,720,732	11,371,125	3,668,107	7,703,018
Total highway and streets	13,055,380	16,705,773	6,192,052	10,513,721
Excess (deficiency) of revenues over expenditures	\$ (9,217,880)	\$ (9,217,880)	321,064	\$ 9,538,944
Fund balance, beginning of year			10,596,917	
Fund balance, end of year			<u>\$ 10,917,981</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Community Development Block Grant Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Intergovernmental, grants	\$ 3,166,191	\$ 3,166,191	\$ 1,896,798	\$ (1,269,393)
Miscellaneous, other	55,000	55,000	48,199	(6,801)
Total revenues	3,221,191	3,221,191	1,944,997	(1,276,194)
Expenditures:				
Economic development:				
Personal services	442,918	442,918	432,113	10,805
Contractual services	98,700	98,700	18,906	79,794
Commodities	1,300	1,300	209	1,091
Other charges	2,765,178	2,765,178	1,629,524	1,135,654
Total general government	3,308,096	3,308,096	2,080,752	1,227,344
Capital outlay:				
Equipment	500	500	-	500
EDP equipment	2,250	2,250	-	2,250
Telecommunications	1,300	1,300	-	1,300
Total capital outlay	4,050	4,050	-	4,050
Total expenditures	3,312,146	3,312,146	2,080,752	1,231,394
Deficiency of revenues over expenditures	(90,955)	(90,955)	(135,755)	(44,800)
Other financing sources (uses):				
Transfers in	170,000	170,000	111,555	(58,445)
Transfers out	(11,278)	(11,278)	(11,278)	-
Total other financing sources (uses)	158,722	158,722	100,277	(58,445)
Net change in fund balance	\$ 67,767	\$ 67,767	(35,478)	\$ (103,245)
Fund balance, beginning of year			303,211	
Fund balance, end of year			\$ 267,733	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Community Development Block Grant Home Program Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Intergovernmental grants	\$ 1,768,000	\$ 1,768,000	\$ 1,163,394	\$ (604,606)
Miscellaneous, other	-	-	13,622	13,622
Total revenues	<u>1,768,000</u>	<u>1,768,000</u>	<u>1,177,016</u>	<u>(590,984)</u>
Expenditures, economic development, other charges	<u>1,598,000</u>	<u>1,598,000</u>	<u>1,004,251</u>	<u>593,749</u>
Excess deficiency of revenues over expenditures	<u>170,000</u>	<u>170,000</u>	<u>172,765</u>	<u>2,765</u>
Other financing sources (uses), transfers out	<u>(170,000)</u>	<u>(170,000)</u>	<u>(111,555)</u>	<u>58,445</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>61,210</u>	<u>\$ 61,210</u>
Fund balance, beginning of year			<u>(15,199)</u>	
Fund balance, end of year			<u>\$ 46,011</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Special Allocation Project Account Fund (Downtown TIF)
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property taxes	\$ 4,000,000	\$ 4,000,000	\$ 4,113,875	\$ 113,875
Investment income	140,000	140,000	135,258	(4,742)
Miscellaneous, other	160,000	160,000	697,889	537,889
Total revenues	4,300,000	4,300,000	4,947,022	647,022
Expenditures:				
General government:				
Personal services and fringe benefits	320,186	320,186	301,522	18,664
Contractual services	42,550	42,550	9,571	32,979
Commodities	2,500	2,500	424	2,076
Other charges	10,427,000	10,427,000	3,679,794	6,747,206
Total general government	10,792,236	10,792,236	3,991,311	6,800,925
Capital outlay:				
Equipment	500	500	202	298
EDP equipment	4,000	4,000	-	4,000
Telecommunications	2,500	2,500	2,500	-
Total capital outlay	7,000	7,000	2,702	4,298
Total expenditures	10,799,236	10,799,236	3,994,013	6,805,223
Deficiency of revenues over expenditures	(6,499,236)	(6,499,236)	953,009	7,452,245
Other financing sources (uses), transfers out	(6,445)	(6,445)	(227,443)	(220,998)
Net change in fund balance	\$ (6,505,681)	\$ (6,505,681)	725,566	\$ 7,231,247
Fund balance, beginning of year			8,384,392	
Fund balance, end of year			\$ 9,109,958	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - State Drug Profit Forfeiture Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 419	\$ (1,581)
Miscellaneous, other	62,000	72,825	64,426	(8,399)
Total revenues	64,000	74,825	64,845	(9,980)
Expenditures:				
Public health and safety:				
Contractual services	15,875	15,875	6,909	8,966
Commodities	50,400	49,900	14,530	35,370
Other	5,500	5,500	3,479	2,021
Total public health and safety	71,775	71,275	24,918	46,357
Capital outlay:				
Equipment	32,173	45,398	25,674	19,724
EDP equipment	5,000	5,000	-	5,000
Total capital outlay	37,173	50,398	25,674	24,724
Total expenditures	108,948	121,673	50,592	71,081
Excess (deficiency) of revenues over expenditures	\$ (44,948)	\$ (46,848)	14,253	\$ 61,101
Fund balance, beginning of year			260,398	
Fund balance, end of year			<u>\$ 274,651</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Police Evidence Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 1,000	\$ 1,000	\$ 474	\$ (526)
Miscellaneous, other	75,000	75,000	90,258	15,258
Total revenues	76,000	76,000	90,732	14,732
Expenditures, public health and safety, other	100,000	100,000	77,357	22,643
Total expenditures	100,000	100,000	77,357	22,643
Excess (deficiency) of revenues over expenditures	\$ (24,000)	\$ (24,000)	13,375	\$ 37,375
Fund balance, beginning of year			319,465	
Fund balance, end of year			<u>\$ 332,840</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - DCEO Grant Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 629	\$ (1,371)
Intergovernmental grants	330,000	435,460	559,858	124,398
Total revenues	332,000	437,460	560,487	123,027
Expenditures:				
Economic development:				
Personal services	15,000	50,000	15,000	35,000
Contractual services	123,703	195,363	136,824	58,539
Commodities	4,086	4,586	2,653	1,933
Other charges	17,516	15,816	7,960	7,856
Total culture and recreation	160,305	265,765	162,437	103,328
Total expenditures	160,305	265,765	162,437	103,328
Excess of revenues over expenditures	171,695	171,695	398,050	226,355
Other financing sources (uses), transfers out	(330,000)	(330,000)	(405,859)	(75,859)
Net change in fund balance	<u>\$ (158,305)</u>	<u>\$ (158,305)</u>	(7,809)	<u>\$ 150,496</u>
Fund balance, beginning of year			<u>273,887</u>	
Fund balance, end of year			<u>\$ 266,078</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Federal Drug Profit Forfeiture Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 2,000	\$ 2,000	\$ 376	\$ (1,624)
Miscellaneous	10,000	10,000	108,937	98,937
Total revenues	12,000	12,000	109,313	97,313
Expenditures:				
Public health and safety:				
Contractual services	15,800	15,800	8,253	7,547
Commodities	8,050	8,050	7,561	489
Other	4,800	4,800	2,724	2,076
Total public health and safety	28,650	28,650	18,538	10,112
Capital outlay:				
Equipment	13,005	16,036	6,401	9,635
EDP equipment	3,795	3,795	744	3,051
Total capital outlay	16,800	19,831	7,145	12,686
Total expenditures	45,450	48,481	25,683	22,798
Excess (deficiency) of revenues over expenditures	\$ (33,450)	\$ (36,481)	83,630	\$ 120,111
Fund balance, beginning of year			233,607	
Fund balance, end of year			<u>\$ 317,237</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Police Law Enforcement Block Grant Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 500	\$ 500	\$ 1,050	\$ 550
Intergovernmental grants	-	240,779	1,158,958	918,179
Total revenues	500	241,279	1,160,008	918,729
Expenditures:				
Public health and safety:				
Personal services	896,174	924,066	875,824	48,242
Other charges	500	271,792	162,356	109,436
Total public health and safety	896,674	1,195,858	1,038,180	157,678
Capital outlay,				
Equipment	-	156,506	156,506	-
EDP equipment	1,300	1,300	915	385
Total capital outlay	1,300	157,806	157,421	385
Total expenditures	897,974	1,353,664	1,195,601	158,063
Deficiency of revenues over expenditures	\$ (897,474)	\$ (1,112,385)	(35,593)	\$ 1,076,792
Fund balance, beginning of year			38,689	
Fund balance, end of year			<u>\$ 3,096</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Madison Park Place TIF Project Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property tax	\$ 190,000	\$ 190,000	\$ 212,873	\$ 22,873
Investment income	200	200	117	(83)
Total revenues	190,200	190,200	212,990	22,790
Expenditures, culture and recreation, other charges	330,000	330,000	(52,185)	382,185
Total expenditures	330,000	330,000	(52,185)	382,185
Excess (deficiency) of revenues over expenditures	\$ (139,800)	\$ (139,800)	265,175	\$ 404,975
Fund balance, beginning of year			7	
Fund balance, end of year			\$ 265,182	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Police Laboratory Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Fees for services	\$ 7,500	\$ 10,000	\$ 5,744	\$ (4,256)
Investment income	200	200	45	(155)
Total revenues	7,700	10,200	5,789	(4,411)
Expenditures:				
Culture and recreation:				
Contractual services	2,000	2,000	325	1,675
Commodities	1,800	1,800	-	1,800
Total culture and recreation	3,800	3,800	325	3,475
Capital outlay:				
Equipment	500	500	-	500
EDP equipment	750	750	-	750
Total capital outlay	1,250	1,250	-	1,250
Total expenditures	5,050	5,050	325	4,725
Excess of revenues over expenditures	\$ 2,650	\$ 5,150	5,464	\$ 314
Fund balance, beginning of year			27,885	
Fund balance, end of year			\$ 33,349	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Illinois Housing Development Authority Grant
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues,				
intergovernmental, Illinois				
housing development grant	\$ 218,000	\$ 218,000	\$ 103,579	\$ (114,421)
Total revenues	<u>218,000</u>	<u>218,000</u>	<u>103,579</u>	<u>(114,421)</u>
Expenditures,				
culture and recreation, other charges	218,000	218,000	101,325	116,675
Total expenditures	<u>218,000</u>	<u>218,000</u>	<u>101,325</u>	<u>116,675</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	2,254	<u>\$ 2,254</u>
Fund balance, beginning of year			74,696	
Fund balance, end of year			<u>\$ 76,950</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - ENOS Park TIF Project Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property tax	\$ 410,000	\$ 410,000	\$ 468,083	\$ 58,083
Investment income	20,360	20,360	6,355	(14,005)
Miscellaneous, other	6,521	6,521	6,520	(1)
Total revenues	436,881	436,881	480,958	44,077
Expenditures:				
Culture and recreation, other charges	975,000	1,381,000	1,289,666	91,334
Total expenditures	975,000	1,381,000	1,289,666	91,334
Deficiency of revenues over expenditures	\$ (538,119)	\$ (944,119)	(808,708)	\$ 135,411
Fund balance, beginning of year			796,281	
Fund balance, end of year			\$ (12,427)	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Recycling Fee Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Fees for services	\$ 175,000	\$ 175,000	\$ 184,953	\$ 9,953
Miscellaneous	500	500	120	(380)
Total revenues	175,500	175,500	185,073	9,573
Expenditures:				
General government:				
Contractual services	170,500	171,000	167,849	3,151
Commodities	18,250	17,750	3,455	14,295
Total general government	188,750	188,750	171,304	17,446
Total expenditures	188,750	188,750	171,304	17,446
Deficiency of revenues over expenditures	\$ (13,250)	\$ (13,250)	13,769	\$ 27,019
Fund balance, beginning of year			19,861	
Fund balance, end of year			<u>\$ 33,630</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Northeast TIF Project Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property tax	\$ 343,000	\$ 343,000	\$ 355,734	\$ 12,734
Investment income	2,000	2,000	2,115	115
Total revenues	345,000	345,000	357,849	12,849
Expenditures,				
debt service	420,700	420,700	355,734	64,966
Total expenditures	420,700	420,700	355,734	64,966
Excess of revenues over expenditures	\$ (75,700)	\$ (75,700)	2,115	\$ 77,815
Fund balance, beginning of year			441,654	
Fund balance, end of year			\$ 443,769	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Special Assessments Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property tax	\$ 55,894	\$ 55,894	\$ 55,895	\$ 1
Investment income	10,735	10,735	8,604	(2,131)
Special assessments receipts	40,036	40,036	40,586	550
Total revenues	106,665	106,665	105,085	(1,580)
Expenditures,				
debt service	164,200	164,200	101,592	62,608
Total expenditures	164,200	164,200	101,592	62,608
Excess (deficiency) of revenues over expenditures	\$ (57,535)	\$ (57,535)	3,493	\$ 61,028
Fund balance, beginning of year			325,721	
Fund balance, end of year			<u>\$ 329,214</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 2002A General Obligation Bonds Principal and Interest Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures, debt service	748,295	748,295	518,455	229,840
Deficiency of revenues over expenditures	(748,295)	(748,295)	(518,455)	(229,840)
Other financing sources (uses), transfers in	748,295	748,295	518,455	229,840
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>3</u>	
Fund balance, end of year			<u><u>\$ 3</u></u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 1996A Debt Service Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues, investment income	\$ -	\$ -	\$ 16	\$ 16
Expenditures, debt service	2,790,475	2,790,475	2,790,475	-
Deficiency of revenues over expenditures	(2,790,475)	(2,790,475)	(2,790,459)	16
Other financing sources (uses), transfers in	2,790,475	2,790,475	2,790,959	484
Net change in fund balance	\$ -	\$ -	500	\$ 500
Fund balance, beginning of year			305,735	
Fund balance, end of year			<u>\$ 306,235</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 1996C Debt Service Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues, investment income	\$ -	\$ -	\$ 17	\$ 17
Expenditures, debt service	1,763,000	1,763,000	1,762,938	62
Deficiency of revenues over expenditures	(1,763,000)	(1,763,000)	(1,762,921)	(45)
Other financing sources (uses), transfers in	1,762,938	1,762,938	1,762,938	-
Net change in fund balance	\$ (62)	\$ (62)	17	\$ (45)
Fund balance, beginning of year			694	
Fund balance, end of year			\$ 711	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 1987 Capital Appreciation Escrow Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues, investment income	\$ -	\$ -	\$ 1	\$ 1
Expenditures	-	-	-	-
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
Fund balance, beginning of year			827	
Fund balance, end of year			<u>\$ 828</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - TIF 3 Northside Debt Service Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property taxes	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government:				
Contractual services	-	-	-	-
Other charges	-	-	-	-
Total general government	-	-	-	-
Debt service	550	550	-	550
Total expenditures	550	550	-	550
Deficiency of revenues over expenditures	\$ (550)	\$ (550)	-	\$ 550
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - TIF 2 Fiat Allis Debt Service Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,568,450	\$ (156,550)
Investment income	15,000	15,000	6,986	(8,014)
Total revenues	1,740,000	1,740,000	1,575,436	(164,564)
Expenditures:				
General government:				
Contractual services	500	500	-	500
Other charges	4,500,000	4,500,000	59,188	4,440,812
Total general government	4,500,500	4,500,500	59,188	4,441,312
Debt service	388,782	388,782	388,781	1
Total expenditures	4,889,282	4,889,282	447,969	4,441,313
Excess (deficiency) of revenues over expenditures	\$ (3,149,282)	\$ (3,149,282)	1,127,467	\$ 4,276,749
Fund balance, beginning of year			3,696,531	
Fund balance, end of year			<u>\$ 4,823,998</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Debt Management Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues, investment income	\$ -	\$ -	\$ 19	\$ 19
Expenditures, debt service	2,648,700	2,648,700	2,648,580	120
Excess (deficiency) of revenues over expenditures	(2,648,700)	(2,648,700)	(2,648,561)	139
Other financing sources, transfers in	2,648,580	2,648,580	2,647,783	(797)
Net change in fund balance	<u>\$ (120)</u>	<u>\$ (120)</u>	(778)	<u>\$ (658)</u>
Fund balance, beginning of year			394,973	
Fund balance, end of year			<u>\$ 394,195</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 1989 Debt Service Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues, investment income	\$ -	\$ -	\$ 2	\$ 2
Expenditures	-	-	-	-
(Deficiency) of revenues over expenditures	\$ -	\$ -	2	\$ 2
Fund balance, beginning of year			1,556	
Fund balance, end of year			<u>\$ 1,558</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - 1996 Capital Improvement Fund
Wanless Iles Junction TIF
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Investment income	\$ 10,000	\$ 10,000	\$ 2,563	\$ (7,437)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>2,563</u>	<u>(7,437)</u>
Expenditures,				
capital outlay, construction	<u>1,777,568</u>	<u>1,777,568</u>	<u>511,909</u>	<u>1,265,659</u>
(Deficiency) of revenues over expenditures	<u>(1,767,568)</u>	<u>(1,767,568)</u>	<u>(509,346)</u>	<u>1,258,222</u>
Other financing sources, transfers out	<u>(12,938)</u>	<u>(12,938)</u>	<u>(12,846)</u>	<u>92</u>
Net change in fund balance	<u>\$ (1,780,506)</u>	<u>\$ (1,780,506)</u>	<u>(522,192)</u>	<u>\$ 1,258,314</u>
Fund balance, beginning of year			<u>2,021,022</u>	
Fund balance, end of year			<u>\$ 1,498,830</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - TIF South Grand Pointe Project Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes, property taxes	\$ 410,000	\$ 410,000	\$ 403,678	\$ (6,322)
Investment income	-	-	212	212
Total revenues	410,000	410,000	403,890	(6,110)
Expenditures,				
general government, other charges	115,000	115,000	105,658	9,342
Excess of revenues over expenditures	295,000	295,000	298,232	3,232
Other financing uses:				
Transfers in	215,000	215,000	215,000	-
Transfers out	(518,455)	(518,455)	(518,455)	-
Total other financing uses	(303,455)	(303,455)	(303,455)	-
Net change in fund balance	<u>\$ (8,455)</u>	<u>\$ (8,455)</u>	(5,223)	<u>\$ 3,232</u>
Fund balance, beginning of year			27,556	
Fund balance, end of year			<u>\$ 22,333</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Capital Equipment Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues,				
investment income	\$ -	\$ -	\$ 640	\$ 640
Expenditures:				
Capital outlay:				
Equipment	-	6,900	6,835	65
EDP equipment	860,614	860,614	863,897	(3,283)
Total capital outlay	860,614	867,514	870,732	(3,218)
Debt service:				
Contractual services	1,200	1,200	-	1,200
Debt service	991,051	991,051	991,049	2
Total debt service	992,251	992,251	991,049	1,202
Total expenditures	1,852,865	1,859,765	1,861,781	(2,016)
Deficiency of revenues over expenditures	(1,852,865)	(1,859,765)	(1,861,141)	(1,376)
Other financing uses, transfers in	991,051	991,051	990,235	816
Net change in fund balance	<u>\$ (861,814)</u>	<u>\$ (868,714)</u>	(870,906)	<u>\$ (2,192)</u>
Fund balance, beginning of year			1,968,803	
Fund balance, end of year			<u>\$ 1,097,897</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Capital Improvements Fund
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Revenues:				
Taxes:				
City sales tax	\$ 4,173,260	\$ 4,173,260	\$ 4,312,090	\$ 138,830
Hotel tax	1,116,667	1,116,667	1,097,074	(19,593)
Total revenues	5,289,927	5,289,927	5,409,164	119,237
Expenditures, general government, contractual services	503,957	1,653,957	1,099,145	554,812
Total general government	503,957	1,653,957	1,099,145	554,812
Capital outlay, improvements	220,500	220,500	35,845	184,655
Total expenditures	724,457	1,874,457	1,134,990	739,467
Excess (deficiency) of revenues over expenditures	4,565,470	3,415,470	4,274,174	858,704
Other financing uses:				
transfers in	1,689,636	1,689,636	1,689,636	-
Transfers out'	(1,750,000)	(1,750,000)	(1,999,753)	(249,753)
Total other financing sources (uses)	(60,364)	(60,364)	(310,117)	(249,753)
Net change in fund balance	<u>\$ 4,505,106</u>	<u>\$ 3,355,106</u>	3,964,057	<u>\$ 608,951</u>
Fund balance, beginning of year			3,028,346	
Fund balance, end of year			<u>\$ 6,992,403</u>	

**Nonmajor Enterprise Funds
Combining Statement of Net Assets
February 28, 2011**

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 26,528	\$ 1,843,272	\$ 71,103	\$ 1,940,903
Investments	373,160	-	-	373,160
Interest receivable	10,739	-	-	10,739
Accounts receivable	93,222	1,943,836	-	2,037,058
Interfund receivables	-	2,356,803	-	2,356,803
Inventory	323,323	-	13,384	336,707
Restricted cash and cash equivalents	-	549,511	-	549,511
Total current assets	826,972	6,693,422	84,487	7,604,881
Noncurrent assets:				
Capital assets				
Land	-	68,421	1,391,548	1,459,969
Property, plant and equipment, net	960,562	50,681,744	1,600,805	53,243,111
Construction in progress	51,570	-	-	51,570
Total capital assets	1,012,132	50,750,165	2,992,353	54,754,650
Debt issuance costs	-	16,554	-	16,554
Restricted cash and cash equivalents	-	1,768,483	-	1,768,483
Restricted investments	3,513,878	-	-	3,513,878
Total noncurrent assets	3,513,878	1,785,037	-	5,298,915
Total assets	\$ 5,352,982	\$ 59,228,624	\$ 3,076,840	\$ 67,658,446
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 61,910	\$ 94,085	\$ 12,348	\$ 168,343
Accrued payroll	30,482	78,363	24,277	133,122
Compensated absences payable	36,879	87,923	33,386	158,188
Claims and judgments	-	345,501	-	345,501
Accrued interest	-	65,881	-	65,881
Interfund payable	23,456	203,788	28,247	255,491
Unearned revenue	50,004	-	-	50,004
Other accrued	-	2,574,609	-	2,574,609
Loans payable, due within one year	-	701,488	-	701,488
Revenue bonds payable, due within one year	-	530,000	-	530,000
Total current liabilities	202,731	4,681,638	98,258	4,982,627
Noncurrent liabilities:				
Compensated absences	6,508	124,916	5,833	137,257
Unearned revenue	783,400	-	-	783,400
IMRF net pension obligation	9,156	20,579	7,222	36,957
Other postemployment benefits obligation	221,886	725,126	285,204	1,232,216
Loans payable, less current portion	-	4,214,261	-	4,214,261
Revenue bonds payable, less current portion	-	1,126,815	-	1,126,815
Total noncurrent liabilities	1,020,950	6,211,697	298,259	7,530,906
Total liabilities	1,223,681	10,893,335	396,517	12,513,533
Net Assets				
Invested in capital assets, net of related debt	1,012,132	44,786,148	2,992,353	48,790,633
Restricted for endowment care, nonexpendable	3,513,878	-	-	3,513,878
Restricted for debt service	-	414,082	-	414,082
Restricted for system repairs and improvements	-	1,275,855	-	1,275,855
Unrestricted (deficit)	(396,709)	1,859,204	(312,030)	1,150,465
Total net assets	4,129,301	48,335,289	2,680,323	55,144,913
Total liabilities and net assets	\$ 5,352,982	\$ 59,228,624	\$ 3,076,840	\$ 67,658,446

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended February 28, 2011

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Operating revenues:				
Fees for services	\$ 730,281	\$ 5,816,922	\$ 845,521	\$ 7,392,724
Miscellaneous	14,735	32,540	20,281	67,556
Total operating revenues	745,016	5,849,462	865,802	7,460,280
Operating expenses:				
General and administrative	891,578	2,410,473	665,649	3,967,700
Maintenance and supplies	133,629	957,123	99,292	1,190,044
IMRF net pension obligation	9,156	20,579	7,222	36,957
Other postemployment benefits	78,217	398,250	152,297	628,764
Depreciation	70,062	1,798,553	115,890	1,984,505
Repair and maintenance	-	83,189	-	83,189
Total operating expenses	1,182,642	5,668,167	1,040,350	7,891,159
Operating income (loss)	(437,626)	181,295	(174,548)	(430,879)
Nonoperating revenues (expenses):				
Investment income	630,477	5,402	109	635,988
Interest expense	-	(232,588)	(6,262)	(238,850)
Amortization debt discount expense	-	(15,101)	-	(15,101)
Total nonoperating revenues (expenses)	630,477	(242,287)	(6,153)	382,037
Income before contributions and transfers	192,851	(60,992)	(180,701)	(48,842)
Contributed revenue	-	81,441	-	81,441
Transfers in	-	-	221,000	221,000
Transfers out	(41,145)	(83,608)	(29,790)	(154,543)
Change in net assets	151,706	(63,159)	10,509	99,056
Net assets at beginning of year	3,977,595	48,398,448	2,669,814	55,045,857
Net assets at end of year	\$ 4,129,301	\$ 48,335,289	\$ 2,680,323	\$ 55,144,913

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year Ended February 28, 2011**

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Cash flows from operating activities:				
Receipts from customers	\$ 784,872	\$ 5,368,151	\$ 795,521	\$ 6,948,544
Receipts from customers (collected by other funds)	-	(1,271,500)	50,000	(1,221,500)
Payments to suppliers	(375,910)	(1,308,559)	(55,611)	(1,740,080)
Payments to employees	(613,086)	(1,963,480)	(713,636)	(3,290,202)
Payments to other funds	(11,912)	(293,846)	(36,408)	(342,166)
Other operating receipts	14,735	808,903	20,281	843,919
Net cash provided by (used in) operating activities	(201,301)	1,339,669	60,147	1,198,515
Cash flows from noncapital financing activities:				
Transfers out	(41,145)	(83,608)	(29,790)	(154,543)
Cash received in interfund borrowings	11,364	112,730	14,896	138,990
Net cash provided by (used in) noncapital financing activities	(29,781)	29,122	(14,894)	(15,553)
Cash flows from capital and related financing activities:				
Transfers in	-	-	221,000	221,000
Purchase of capital assets	(79,504)	(114,146)	-	(193,650)
Principal paid on loans	-	(680,709)	-	(680,709)
Principal paid on revenue bonds	-	(505,000)	(221,000)	(726,000)
Interest paid on revenue bonds and loans	-	(246,469)	(8,840)	(255,309)
Net cash (used in) investing activities	(79,504)	(1,546,324)	(8,840)	(1,634,668)
Cash flows from investing activities:				
Sale of investments	173,287	-	-	173,287
Interest on investments	106,777	5,402	109	112,288
Net cash provided by investing activities	280,064	5,402	109	285,575
Net increase (decrease) in cash and cash equivalents	(30,522)	(172,131)	36,522	(166,131)
Cash and cash equivalents, beginning of year	57,050	4,333,397	34,581	4,425,028
Cash and cash equivalents, end of year	\$ 26,528	\$ 4,161,266	\$ 71,103	\$ 4,258,897

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows (Continued)
Year Ended February 28, 2011

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Reconciliation:				
Cash and cash equivalents	\$ 26,528	\$ 1,843,272	\$ 71,103	\$ 1,940,903
Restricted cash and cash equivalents - current	-	549,511	-	549,511
Restricted cash and cash equivalents - noncurrent	-	1,768,483	-	1,768,483
	<u>\$ 26,528</u>	<u>\$ 4,161,266</u>	<u>\$ 71,103</u>	<u>\$ 4,258,897</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (437,626)	\$ 181,295	\$ (174,548)	\$ (430,879)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	70,062	1,798,553	115,890	1,984,505
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	11,960	(384,389)	-	(372,429)
Decrease in inventories	5,850	-	787	6,637
(Increase) decrease in due from primary government	-	(1,368,422)	-	(1,368,422)
Increase in accounts payable	45,981	29,863	9,496	85,340
Increase (decrease) in accrued payroll	(1,786)	8,361	(1,886)	4,689
Increase (decrease) in compensated absences	(17,195)	(1,316)	5,605	(12,906)
Increase in other payables	-	808,903	-	808,903
Increase in unearned revenue	42,631	-	-	42,631
Increase in miff net pension obligation	9,156	20,579	7,222	36,957
Increase in other postemployment benefits	69,666	246,242	97,581	413,489
Total adjustments	<u>236,325</u>	<u>1,158,374</u>	<u>234,695</u>	<u>1,629,394</u>
Net cash provided by (used in) operating activities	<u>\$ (201,301)</u>	<u>\$ 1,339,669</u>	<u>\$ 60,147</u>	<u>\$ 1,198,515</u>
Supplemental disclosure of noncash investing and capital and related financing activities:				
Contributed capital - developers	\$ -	\$ 81,441	\$ -	\$ 81,441
Unrealized loss from marking investments to fair value	524,305	-	-	524,305

Oak Ridge Cemetery Fund
Schedule of Revenues and Expenses - Budget (NonGAAP) Basis and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services	\$ 1,063,000	\$ 1,063,000	\$ 730,281	\$ (332,719)
Miscellaneous, other	22,000	22,000	14,735	(7,265)
Total operating revenues	1,085,000	1,085,000	745,016	(339,984)
Operating expenses:				
General and administrative:				
Personal services	1,039,277	1,039,277	871,218	168,059
Contractual services	12,700	12,700	10,260	2,440
Other charges	17,100	17,100	10,100	7,000
Total general and administrative	1,069,077	1,069,077	891,578	177,499
IMRF net pension obligation	-	-	9,156	(9,156)
Other postemployment benefits	-	-	78,217	(78,217)
Maintenance and supplies:				
Contractual services	61,600	61,600	31,674	29,926
Commodities	189,700	189,700	74,361	115,339
Equipment	17,300	17,300	7,395	9,905
Operation of automotive equipment	60,000	60,000	20,199	39,801
Improvements	10,000	10,000	-	10,000
Total maintenance and supplies	338,600	338,600	133,629	204,971
Repair and maintenance, improvements and capital outlay	100,000	100,000	79,504	20,496
Total operating expenses	1,507,677	1,507,677	1,192,084	315,593
Operating loss budget basis	(422,677)	(422,677)	(447,068)	(24,391)
Nonoperating revenues,				
investment income	200,000	200,000	630,477	430,477
Total nonoperating revenues	200,000	200,000	630,477	430,477
Income (loss) before transfers	(222,677)	(222,677)	183,409	406,086
Transfers:				
Transfer in	465,000	465,000	-	(465,000)
Transfer out	(82,608)	(82,608)	(41,145)	41,463
Total transfers	382,392	382,392	(41,145)	(423,537)
Net income (loss) budget basis	\$ 159,715	\$ 159,715	\$ 142,264	\$ (17,451)

Sewer Fund
Schedule of Revenues and Expenses - Budget (NonGAAP) Basis and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services	\$ 6,100,000	\$ 6,100,000	\$ 5,816,922	\$ (283,078)
Miscellaneous, other	10,000	10,000	32,540	22,540
Total operating revenues	6,110,000	6,110,000	5,849,462	(260,538)
Operating expenses:				
General and administrative:				
Personal services	2,478,463	2,478,463	1,827,534	650,929
Contractual services	558,200	558,200	591,521	(33,321)
Total general and administrative	3,036,663	3,036,663	2,419,055	617,608
IMRF net pension obligation	-	-	20,579	(20,579)
Other postemployment benefits	-	-	398,250	(398,250)
Maintenance and supplies:				
Contractual services	497,700	797,700	650,831	146,869
Commodities	258,800	258,800	145,665	113,135
Equipment	401,000	401,000	26,692	374,308
Other charges	15,000	15,000	15,103	(103)
Operation of automotive equipment	173,000	173,000	118,832	54,168
Total maintenance and supplies	1,345,500	1,645,500	957,123	688,377
Repair and maintenance, improvements and capital outlay	2,331,000	2,031,000	197,335	1,833,665
Total operating expenses	6,713,163	6,713,163	3,992,342	2,720,821
Operating income budget basis	(603,163)	(603,163)	1,857,120	2,460,283
Nonoperating revenues (expenses):				
Investment income	40,000	40,000	5,402	(34,598)
Debt service	(1,432,300)	(1,432,300)	(1,418,297)	14,003
Total nonoperating revenues	(1,392,300)	(1,392,300)	(1,412,895)	(20,595)
Income (loss) before transfers	(1,995,463)	(1,995,463)	444,225	2,439,688
Transfers,				
transfer out	(83,638)	(83,638)	(83,608)	30
Total transfers	(83,638)	(83,638)	(83,608)	30
Net income (loss) budget basis	\$ (2,079,101)	\$ (2,079,101)	\$ 360,617	\$ 2,439,718

Motor Vehicle Parking System Fund
Schedule of Revenues and Expenses - Budget (NonGAAP) Basis and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services:				
Parking revenue, 7th and Monroe ramp	\$ 70,000	\$ 70,000	\$ 93,803	\$ 23,803
Parking revenue, 4th and Washington ramp	170,000	170,000	145,523	(24,477)
Parking revenue, Lincoln library	2,500	2,500	42,533	40,033
Parking meter collections	550,000	550,000	498,277	(51,723)
Cash key and parking tickets	310,500	310,500	65,385	(245,115)
Miscellaneous	226,000	226,000	20,281	(205,719)
Total operating revenues	1,329,000	1,329,000	865,802	(463,198)
Operating expenses:				
General and administrative:				
Personal services	684,952	711,548	705,377	6,171
Contractual services	275,700	238,604	3,010	235,594
Total general and administrative	960,652	950,152	708,387	241,765
IMRF net pension obligation	-	-	7,222	(7,222)
Other postemployment benefits	-	-	109,559	(109,559)
Maintenance and supplies:				
Contractual services	66,375	77,875	73,469	4,406
Commodities	13,600	13,600	12,185	1,415
Equipment	10,400	9,400	8,085	1,315
Other charges	15,525	15,525	2,960	12,565
Operating of automotive equipment	3,550	3,550	2,593	957
Total maintenance and supplies	109,450	119,950	99,292	20,658
Total operating expenses	1,070,102	1,070,102	924,460	145,642
Operating loss budget basis	258,898	258,898	(58,658)	(317,556)
Nonoperating revenues (expenses):				
Interest income	200	200	109	(91)
Debt service	-	-	(227,262)	(227,262)
Total nonoperating revenues	200	200	(227,153)	(227,353)
Income (loss) before transfers	259,098	259,098	(285,811)	(544,909)
Transfers:				
Transfer in	-	-	221,000	221,000
Transfer out	(259,696)	(259,696)	(29,790)	229,906
Total transfers	(259,696)	(259,696)	191,210	450,906
Net income (loss) budget basis	\$ (598)	\$ (598)	\$ (94,601)	\$ (94,003)

**Sewer Fund
 Schedule of Cash Receipts and Disbursements
 Restricted Accounts Required by Revenue Bond Ordinance
 Year Ended February 28, 2011**

	Bond and Interest Sinking Fund	Bond Reserve	Depreciation Account	Surplus Account	Total
Balance at March 1, 2010	\$ 418,489	\$ 610,779	\$ 210,445	\$ 1,063,560	\$ 2,303,273
Additional sewer service compliance deposits	606,274	-	-	-	606,274
Interest income	372	886	305	1,544	3,107
Bond and interest payments	(594,660)	-	-	-	(594,660)
Balance at February 28, 2011	<u>\$ 430,475</u>	<u>\$ 611,665</u>	<u>\$ 210,750</u>	<u>\$ 1,065,104</u>	<u>\$ 2,317,994</u>

**Internal Service Funds
Combining Statement of Net Assets (Deficit)
February 28, 2011**

	Working Capital Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 4,999,823	\$ 4,999,823
Local taxes receivable	-	-	395,352	395,352
Interfund receivables	30,062	195,395	3,123,994	3,349,451
Other receivables	-	-	149,736	149,736
Property, plant and equipment, net	794	-	-	794
Total assets	\$ 30,856	\$ 195,395	\$ 8,668,905	\$ 8,895,156
Liabilities and Net Assets (Deficit)				
Liabilities:				
Accounts payable	\$ 3,804	\$ -	\$ 1,246,804	\$ 1,250,608
Accrued payroll	18,308	-	25,935	44,243
Compensated absences payable	30,763	-	4,419,112	4,449,875
Claims and judgments	-	-	6,048,028	6,048,028
Interfund payable	88,174	166,390	2,431	256,995
Deferred revenue	-	-	395,352	395,352
Total liabilities	141,049	166,390	12,137,662	12,445,101
Net assets (deficit):				
Invested in capital assets	794	-	-	794
Unrestricted (deficit)	(110,987)	29,005	(3,468,757)	(3,550,739)
Total net assets (deficit)	(110,193)	29,005	(3,468,757)	(3,549,945)
Total liabilities and net assets (deficit)	\$ 30,856	\$ 195,395	\$ 8,668,905	\$ 8,895,156

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets (Deficit)
Year Ended February 28, 2011

	Working Capital Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Operating revenues:				
Fees for services	\$ -	\$ -	\$ 423,807	\$ 423,807
Intergovernmental	692,685	194,358	25,095,469	25,982,512
Payroll deductions	-	-	6,087,322	6,087,322
Total operating revenues	692,685	194,358	31,606,598	32,493,641
Operating expenses:				
Personal services	536,681	-	1,769,396	2,306,077
Contractual services	198,610	261,644	23,495,391	23,955,645
Other Charges	-	-	5,490,061	5,490,061
Depreciation	1,057	-	-	1,057
Total operating expenses	736,348	261,644	30,754,848	31,752,840
Operating income (loss)	(43,663)	(67,286)	851,750	740,801
Nonoperating revenues:				
Investment income	-	-	3,829	3,829
Property taxes	-	-	396,771	396,771
	-	-	400,600	400,600
Transfers in	-	149,675	1,357,217	1,506,892
Transfers out	(16,111)	-	-	(16,111)
Change in net assets	(59,774)	82,389	2,609,567	2,632,182
Net assets (deficit), beginning of year	(50,419)	(53,384)	(6,078,324)	(6,182,127)
Net assets (deficit), end of year	\$ (110,193)	\$ 29,005	\$ (3,468,757)	\$ (3,549,945)

Internal Service Funds
Combining Statement of Cash Flows
Year Ended February 28, 2011

	Working Capital Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Cash flows from operating activities:				
Receipts from primary government	\$ 692,685	\$ 43,337	\$ 28,320,942	\$ 29,056,964
Payments to suppliers	(140,375)	(193,884)	(25,896,957)	(26,231,216)
Payments to employees	(536,199)	-	(1,712,353)	(2,248,552)
Fees for service	-	-	356,635	356,635
Net cash provided by (used in) operating activities	16,111	(150,547)	1,068,267	933,831
Cash flows from noncapital financing activities:				
Property taxes	-	-	396,771	396,771
Transfers in/(out)	(16,111)	149,675	1,357,217	1,490,781
Net cash provided by (used in) noncapital financing activities	(16,111)	149,675	1,753,988	1,887,552
Cash flows from investing activities, interest on investments				
	-	-	3,829	3,829
Net increase (decrease) in cash and cash equivalents	-	(872)	2,826,084	2,825,212
Cash and cash equivalents, beginning of year	-	872	2,173,739	2,174,611
Cash and cash equivalents, end of year	\$ -	\$ -	\$ 4,999,823	\$ 4,999,823
Cash flows from operating activities:				
Operating income (loss)	\$ (43,663)	\$ (67,286)	\$ 851,750	\$ 740,801
Adjustments to reconcile operating income (loss) to net cash from operating activities from operating activities:				
Depreciation	1,057	-	-	1,057
Changes in assets and liabilities:				
Decrease in other receivable	-	-	(67,172)	(67,172)
(Decrease) increase in accounts payable	(6,027)	(98,630)	546,942	442,285
(Decrease) increase in interfund payable	64,262	166,390	(11,380)	219,272
Decrease in accrued payroll	(1,402)	-	(15,553)	(16,955)
Increase in compensated absences	1,884	-	72,596	74,480
(Increase) decrease in interfund receivable	-	(151,021)	(2,861,849)	(3,012,870)
Increase in claims and judgements	-	-	2,552,933	2,552,933
Net cash provided by (used in) operating activities	\$ 16,111	\$ (150,547)	\$ 1,068,267	\$ 933,831

Self Insurance Fund
Schedule of Revenues, Expenses and Changes in Net Assets (Deficit)
Budget (GAAP Basis) and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services	\$ 170,500	\$ 170,500	\$ 423,807	\$ 253,307
Intergovernmental, charges for services	25,120,332	25,120,332	25,095,469	(24,863)
Contributions, payroll deductions	6,271,200	6,271,200	6,087,322	(183,878)
Total operating revenues	31,562,032	31,562,032	31,606,598	44,566
Operating expenses:				
General and administrative:				
Personal services	1,718,200	1,918,200	1,769,396	148,804
Contractual services	27,475,100	27,475,100	23,495,391	3,979,709
Other Charges	4,780,000	5,377,391	5,490,061	(112,670)
Total general and administrative	33,973,300	34,770,691	30,754,848	4,015,843
Operating income (loss)	(2,411,268)	(3,208,659)	851,750	4,060,409
Nonoperating revenues:				
Investment income	5,000	5,000	3,829	(1,171)
Property taxes	395,352	395,352	396,771	1,419
Transfers in	849,991	1,447,382	1,357,217	(90,165)
Net nonoperating revenues	1,250,343	1,847,734	1,757,817	(89,917)
Net income (loss)	\$ (1,160,925)	\$ (1,360,925)	2,609,567	\$ 3,970,492
Net assets (deficit), beginning of year			(6,078,324)	
Net assets (deficit), end of year			<u>\$ (3,468,757)</u>	

Pension Trust Funds
Combining Statement of Plan Net Assets Available for Benefits
February 28, 2011

	Firefighters' Pension Fund	Police Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 1,084,696	\$ 2,064,423	\$ 3,149,119
Investments:			
U.S. Government Securities	27,455,383	27,376,868	54,832,251
U.S. Agency Securities	25,382,945	-	25,382,945
Common Stocks and Corporate Bonds	28,472,805	9,224,555	37,697,360
Federal Home Loan Banks and Mortgage Corporation	-	19,771,300	19,771,300
Mutual Fund Equities	10,898,584	42,298,177	53,196,761
Federal Farm Credit Banks	-	1,113,610	1,113,610
Federal National Mortgage Association	-	5,766,685	5,766,685
GNMA	-	1,038,744	1,038,744
Interest and dividends receivable	298,881	344,881	643,762
Other receivables	53,671	84,839	138,510
Other assets	8,345	-	8,345
Total assets	93,655,310	109,084,082	202,739,392
Liabilities			
Accounts payable	37,300	1,777	39,077
Plan net assets held in trust for pension benefits	\$ 93,618,010	\$ 109,082,305	\$ 202,700,315

Pension Trust Funds
Combining Statement of Changes in Plan Net Assets Available for Benefits
Year Ended February 28, 2011

	Firefighters' Pension Fund	Police Pension Fund	Total
Additions:			
Contributions:			
Employer contributions	\$ 8,351,704	\$ 7,897,449	\$ 16,249,153
Employee contributions	1,464,833	1,673,483	3,138,316
Miscellaneous	-	6,188	6,188
Total contributions	9,816,537	9,577,120	19,393,657
Investment income:			
Net appreciation in fair value of investments	7,493,459	8,784,894	16,278,353
Interest and dividends	2,421,287	2,539,679	4,960,966
Total investment income	9,914,746	11,324,573	21,239,319
Less investment expense	(269,616)	(202,092)	(471,708)
Net investment income	9,645,130	11,122,481	20,767,611
Total additions	19,461,667	20,699,601	40,161,268
Deductions:			
Pension benefits	10,560,556	9,055,287	19,615,843
Administrative expenses	98,478	123,415	221,893
Total deductions	10,659,034	9,178,702	19,837,736
Net increase	8,802,633	11,520,899	20,323,532
Plan net assets held in trust for pension benefits:			
Beginning of year	84,815,377	97,561,406	182,376,783
End of year	\$ 93,618,010	\$ 109,082,305	\$ 202,700,315

Agency Funds
Combining Statement of Assets and Liabilities
February 28, 2011

	Agency Funds				Total
	General Interest Escrow Fund	Early Retirement Escrow Fund	Flex Benefit Escrow Fund	Trust and Agency Fund	
Assets					
Cash	\$ 847	\$ 39	\$ 134,844	\$ 155,561	\$ 291,291
Liabilities					
Accounts payable	\$ -	\$ -	\$ 250	\$ -	\$ 250
Other accrued liabilities	-	39	134,594	155,561	290,194
Intergovernmental payable	847	-	-	-	847
Total liabilities	\$ 847	\$ 39	\$ 134,844	\$ 155,561	\$ 291,291

**Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended February 28, 2011**

	Balances March 1, 2010		Additions	Deletions	Balances February 28, 2011	
General Interest Escrow						
Assets						
Cash	\$	171	\$ 16,275	\$ 15,599	\$	847
Liabilities						
Intergovernmental payable	\$	171	\$ 16,275	\$ 15,599	\$	847
Early Retirement Escrow Fund						
Assets						
Cash	\$	39	\$ -	\$ -	\$	39
Liabilities						
Other accrued liabilities	\$	39	\$ -	\$ -	\$	39
Flex Benefit Escrow Fund						
Assets						
Cash	\$	130,316	\$ 723,186	\$ 718,658	\$	134,844
Liabilities						
Accounts payable	\$	463	\$ 250	\$ 463	\$	250
Other accrued liabilities		129,853	134,594	129,853		134,594
Total liabilities	\$	130,316	\$ 134,844	\$ 130,316	\$	134,844
Trust and Agency Funds						
Assets						
Cash	\$	155,535	\$ 62,299	\$ 62,273	\$	155,561
Liabilities						
Accounts payable	\$	753	\$ 62,273	\$ 63,026	\$	-
Other accrued liabilities		154,782	155,561	154,782		155,561
Total liabilities	\$	155,535	\$ 217,834	\$ 217,808	\$	155,561
Total						
Assets						
Cash	\$	286,061	\$ 801,760	\$ 796,530	\$	291,291
Liabilities						
Accounts payable	\$	1,216	\$ 62,523	\$ 63,489	\$	250
Other accrued liabilities		284,674	290,155	284,635		290,194
Intergovernmental payable		171	16,275	15,599		847
Total liabilities	\$	286,061	\$ 368,953	\$ 363,723	\$	291,291

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

Capital Assets Used in the Operation of Governmental Funds

Capital assets used in the operation of governmental funds are not accounted for in government funds in the fund financial statements but are included in the governmental activities column in the government-wide financial statements. These include all capital assets including infrastructure assets which are not accounted for in an enterprise, trust and agency, or internal service fund. To be classified as a capital asset, the property must possess the following attributes:

- 1) A tangible nature;
- 2) A useful life of two years or more; and
- 3) An original cost exceeding \$ 5,000.

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**Capital Assets Used in the Operation of Governmental Funds
 Schedule of Source
 February 28, 2011**

Assets

General fixed assets:

Site land	\$ 20,848,620
Buildings and improvements	40,511,674
Equipment	36,074,226
Infrastructure	180,251,955
	<u>\$ 277,686,475</u>

Investments in Capital Assets

Derived from:

Revenue	\$ 74,816,673
General obligation bonds and notes	44,212,680
Grants:	
Federal	9,494,606
State	1,340,385
Donations	147,822,131
	<u>\$ 277,686,475</u>

Note: The above amounts do not include \$0 of intangible assets or equipment in the Working Capital Internal Service Fund of \$17,325.

The above assets are presented without regard to applicable accumulated depreciation.

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
February 28, 2011

Function and Activity	Capital Assets			Capital Assets
	February 28, 2010	Additions	Deletions	February 28, 2011
General government:				
Municipal building and plaza	\$ 21,629,024	\$ 5,825,956	\$ -	\$ 27,454,980
City coordinator	3,681	-	-	3,681
Community promotion	1,589,133	-	-	1,589,133
Human resources	71,606	-	-	71,606
Community services	1,119,412	-	-	1,119,412
Human relations	14,337	-	-	14,337
Corporation counsel	73,604	-	-	73,604
Mayor's office	9,488	-	-	9,488
Risk management	479,752	-	-	479,752
Total general government	24,990,037	5,825,956	-	30,815,993
Public health and safety:				
Police protection	10,071,480	265,771	146,127	10,191,124
Fire protection	16,270,492	36,420	137,500	16,169,412
Civil defense	1,055,037	-	-	1,055,037
Other, health	848,227	-	-	848,227
Total public health and safety	28,245,236	302,191	283,627	28,263,800
Streets	198,675,458	5,395,893	-	204,071,351
Traffic engineering	306,369	-	-	306,369
Culture and recreation	4,801,772	-	-	4,801,772
Libraries	9,144,735	-	-	9,144,735
Other	18,496	-	-	18,496
Planning and zoning	263,959	-	-	263,959
Total capital assets	\$ 266,446,062	\$ 11,524,040	\$ 283,627	\$ 277,686,475

Note: The above amounts do not include \$5,070,281 of intangible assets or equipment in the working capital Internal Service Fund of \$17,325.

The above assets are presented without regard to applicable accumulated depreciation.

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
February 28, 2011**

Function and Activity	Site Land	Buildings and Improvements	Equipment	Infrastructure	Total
General government:					
Municipal building and plaza	\$ 170,757	\$ 21,356,106	\$ 5,928,117	\$ -	\$ 27,454,980
City coordinator	-	-	3,681	-	3,681
Community promotion	1,476,109	30,000	83,024	-	1,589,133
Human resources	-	-	71,606	-	71,606
Community services	97,166	1,022,246	-	-	1,119,412
Human relations	-	-	14,337	-	14,337
Corporation counsel	-	15,158	58,446	-	73,604
Mayor's office	-	-	9,488	-	9,488
Risk management	417,000	-	62,752	-	479,752
Total general government	2,161,032	22,423,510	6,231,451	-	30,815,993
Public health and safety:					
Police protection	18,000	407,752	9,765,372	-	10,191,124
Fire protection	14,325	6,226,590	9,928,497	-	16,169,412
Civil defense	-	56,779	998,258	-	1,055,037
Other, health	-	537,896	310,331	-	848,227
Total public health and safety	32,325	7,229,017	21,002,458	-	28,263,800
Streets	17,432,113	361,933	5,208,449	181,068,856	204,071,351
Traffic engineering	-	-	306,369	-	306,369
Culture and recreation	406,250	4,267,209	128,313	-	4,801,772
Libraries	-	6,198,723	2,946,012	-	9,144,735
Other	-	-	18,496	-	18,496
Planning and zoning	-	-	263,959	-	263,959
Total capital assets	\$ 20,031,720	\$ 40,480,392	\$ 36,105,507	\$ 181,068,856	\$ 277,686,475

Note: The above amounts do not include \$0 of Intangible Assets or equipment in the Working Capital Internal Service Fund of \$17,325.

The above assets are presented without regard to applicable accumulated depreciation.

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SUPPLEMENTAL DATA

General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Expenditures:				
General government:				
Mayor:				
Personal services and fringe benefits	\$ 1,050,280	\$ 1,082,880	\$ 1,080,883	\$ 1,997
Contractual services	238,500	226,105	155,333	70,772
Commodities	64,020	62,180	20,870	41,310
Electronic data processing	3,800	8,800	2,743	6,057
Telecommunications	4,790	4,790	6,210	(1,420)
Awards and grants	3,000	3,000	-	3,000
Travel	20,780	11,955	5,637	6,318
Total Mayor	1,385,170	1,399,710	1,271,676	128,034
Veterans commission, contractual services	1,000	1,000	131	869
Homeland security:				
Personal services and fringe benefits	174,447	174,447	173,154	1,293
Contractual services	2,773,712	2,773,712	2,769,502	4,210
Commodities	2,150	2,150	478	1,672
Electronic data processing	8,000	8,000	4,500	3,500
Telecommunications	512,380	512,380	439,689	72,691
Awards and grants	376,211	376,211	-	376,211
Travel	245	245	-	245
Total homeland security	3,847,145	3,847,145	3,387,323	459,822
City council:				
Personal services and fringe benefits	473,848	487,948	487,948	-
Contractual services	1,800	1,800	1,203	597
Commodities	550	550	216	334
Electronic data processing	100	100	-	100
Telecommunications	2,000	2,000	1,766	234
Total City council	478,298	492,398	491,133	1,265
City clerk:				
Personal services and fringe benefits	375,105	386,905	386,843	62
Contractual services	57,210	55,710	44,140	11,570
Commodities	9,300	10,800	8,298	2,502
Electronic data processing	1,250	12,928	13,477	(549)
Telecommunications	2,500	2,500	2,277	223
Travel	-	-	-	-
Total City clerk	445,365	468,843	455,035	13,808

(Continued)

General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
City treasurer:				
Personal services and fringe benefits	988,678	988,678	967,293	21,385
Contractual services	64,795	64,795	42,565	22,230
Commodities	9,100	9,100	7,131	1,969
Electronic data processing	9,000	9,000	8,547	453
Telecommunications	3,270	3,270	2,343	927
Refunds	30,000	30,000	29,939	61
Bank Fees	17,000	17,000	14,990	2,010
Travel	2,700	2,700	1,443	1,257
Total City treasurer	1,124,543	1,124,543	1,074,251	50,292
Corporation counsel:				
Personal services and fringe benefits	1,296,599	1,296,599	1,277,410	19,189
Contractual services	155,865	153,665	61,992	91,673
Commodities	11,140	11,140	8,504	2,636
Electronic data processing	800	3,000	2,952	48
Telecommunications	5,000	5,000	4,886	114
Operation of automotive equipment	100	100	100	-
Travel	3,060	3,060	1,729	1,331
Total corporation counsel	1,472,564	1,472,564	1,357,573	114,991
Human resources:				
Personal services and fringe benefits	853,128	867,928	867,765	163
Contractual services	99,075	99,075	82,156	16,919
Commodities	9,040	8,990	5,618	3,372
Electronic data processing	37,950	61,206	57,568	3,638
Telecommunications	5,320	5,320	3,245	2,075
Travel	797	797	-	797
Total human resources	1,005,310	1,043,316	1,016,352	26,964
Budget and management:				
Personal services and fringe benefits	1,851,405	1,868,805	1,865,201	3,604
Contractual services	44,530	44,530	30,844	13,686
Commodities	11,780	11,780	7,485	4,295
Electronic data processing	168,750	138,600	135,696	2,904
Telecommunications	7,000	7,000	4,842	2,158
Refunds	-	-	-	-
Travel	1,610	1,610	711	899
Total budget and management	2,085,075	2,072,325	2,044,779	27,546

(Continued)

**General Fund
 Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
 Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
General City:				
Personal services and fringe benefits	-	-	38,788	(38,788)
Contractual services	1,925,200	1,935,200	1,528,061	407,139
Commodities	2,850	2,850	866	1,984
Electronic data processing	200,000	200,000	-	200,000
Telecommunications	-	-	419	(419)
Awards and grants	25,000	25,000	25,000	-
Debt service	177,900	177,900	151,788	26,112
Total general City	2,330,950	2,340,950	1,744,922	596,028
Municipal band:				
Contractual services	30,550	34,050	33,771	279
Commodities	700	700	301	399
Total municipal band	31,250	34,750	34,072	678
Civil service commission, contractual services	30,250	30,250	21,797	8,453
Disabilities commission, contractual services	350	350	180	170
Planning and zoning commission, contractual services	30,000	30,000	21,369	8,631
Senior citizens commission:				
Contractual services	74,925	74,750	72,591	2,159
Commodities	315	490	398	92
Total senior citizens commission	75,240	75,240	72,989	2,251
Total general government	14,342,510	14,433,384	12,993,582	1,439,802

(Continued)

**General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Public health and safety:				
Fire	-	-	-	-
Personal services and fringe benefits	27,836,682	29,212,631	29,211,967	664
Contractual services	455,910	455,910	350,853	105,057
Commodities	207,990	221,490	183,805	37,685
Electronic data processing	45,000	45,000	41,135	3,865
Telecommunications	48,000	48,000	54,754	(6,754)
Operation of automotive equipment	399,350	399,350	318,454	80,896
Debt service	308,200	308,200	307,672	528
Travel	35,000	35,000	3,509	31,491
Total fire	29,336,132	30,725,581	30,472,149	253,432
Building and zoning:				
Personal services and fringe benefits	1,900,510	1,920,510	1,920,225	285
Contractual services	180,550	187,950	130,008	57,942
Commodities	12,300	12,300	6,987	5,313
Electronic data processing	15,700	15,700	13,314	2,386
Telecommunications	7,100	7,100	7,802	(702)
Operation of automotive equipment	58,100	58,100	25,182	32,918
Travel	-	-	-	-
Total building and zoning	2,174,260	2,201,660	2,103,518	98,142
Solid waste:				
Personal services and fringe benefits	73,587	74,987	74,934	53
Contractual services	9,850	8,450	1,803	6,647
Commodities	1,900	1,830	42	1,788
Electronic data processing	1,000	1,000	973	27
Telecommunications	1,000	1,000	534	466
Travel	620	690	687	3
Total solid waste	87,957	87,957	78,973	8,984
Police:				
Personal services and fringe benefits	33,366,483	33,449,243	32,045,529	1,403,714
Contractual services	462,653	396,753	263,547	133,206
Commodities	282,233	282,417	163,475	118,942
Electronic data processing	326,803	330,175	229,353	100,822
Telecommunications	79,000	79,000	49,215	29,785
Operation of automotive equipment	736,500	840,334	781,627	58,707
Awards and grants	1,250	4,484	3,088	1,396
Permanent improvements	-	48,728	46,767	1,961
Debt service	333,546	333,546	339,622	(6,076)
Travel	21,700	21,700	7,674	14,026
Total police	35,610,168	35,786,380	33,929,897	1,856,483
Total public health and safety	67,208,517	68,801,578	66,584,537	2,217,041

(Continued)

General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Highway and streets:				
Engineering:				
Personal services and fringe benefits	977,895	987,995	987,249	746
Contractual services	76,727	76,627	65,658	10,969
Commodities	10,150	10,150	3,194	6,956
Electronic data processing	25,500	13,800	12,224	1,576
Telecommunications	7,600	7,600	9,279	(1,679)
Operation of automotive equipment	24,100	24,100	10,767	13,333
Travel	600	600	159	441
Total engineering	1,122,572	1,120,872	1,088,530	32,342
Garage:				
Personal services and fringe benefits	8,381,018	8,381,018	8,148,630	232,388
Contractual services	660,250	644,250	344,884	299,366
Commodities	208,000	208,000	146,728	61,272
Electronic data processing	5,700	5,700	5,109	591
Telecommunications	22,800	22,800	18,446	4,354
Operation of automotive equipment	700,000	700,000	589,211	110,789
Total garage	9,977,768	9,961,768	9,253,008	708,760
Streets:				
Personal services and fringe benefits	539,469	549,769	549,962	(193)
Contractual services	214,602	204,302	55,703	148,599
Commodities	329,150	329,150	205,507	123,643
Electronic data processing	2,000	2,000	979	1,021
Telecommunications	6,000	6,000	7,080	(1,080)
Operation of automotive equipment	250	250	-	250
Permanent improvements	1,031,014	1,031,014	643,644	387,370
Travel	770	770	-	770
Total streets	2,123,255	2,123,255	1,462,875	660,380
Traffic engineering:				
Personal services and fringe benefits	747,773	747,773	638,307	109,466
Contractual services	26,011	42,011	30,601	11,410
Commodities	12,750	12,750	11,122	1,628
Electronic data processing	28,000	11,500	7,668	3,832
Telecommunications	1,550	1,550	1,753	(203)
Operation of automotive equipment	35,300	35,300	11,266	24,034
Travel	160	160	323	(163)
Total traffic engineering	851,544	851,044	701,040	150,004
Total highway and streets	14,075,139	14,056,939	12,505,453	1,551,486

(Continued)

General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Economic development:				
Economic development:				
Personal services and fringe benefits	169,376	173,376	172,738	638
Contractual services	186,500	182,500	161,168	21,332
Commodities	6,550	6,550	3,600	2,950
Electronic Data Processing	1,500	1,500	125	1,375
Telecommunications	2,650	2,650	1,400	1,250
Awards and grants	290,000	1,267,565	830,895	436,670
Permanent improvements	500	500	-	500
Travel	4,000	4,000	2,780	1,220
Total economic development	661,076	1,638,641	1,172,706	465,935
Capital outlay:				
Mayor:				
Equipment	1,750	97,714	84,758	12,956
Electronic data processing	3,300	53,760	29,476	24,284
Total Mayor	5,050	151,474	114,234	37,240
Homeland security:				
Equipment	11,500	11,500	5,489	6,011
Electronic data processing	4,000	4,000	205	3,795
Telecommunications	10,000	10,000	31,845	(21,845)
Total homeland security	25,500	25,500	37,539	(12,039)
City council:				
Equipment	50	50	26	24
Telecommunications	150	150	-	150
Total City council	200	200	26	174
City clerk:				
Equipment	950	950	272	678
Electronic data processing	4,100	4,100	2,758	1,342
Telecommunications	1,500	1,500	149	1,351
Total City clerk	6,550	6,550	3,179	3,371
Treasurer:				
Equipment	1,000	1,000	395	605
Electronic data processing	5,000	5,000	3,750	1,250
Total treasurer	6,000	6,000	4,145	1,855

(Continued)

**General Fund
 Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
 Year Ended February 28, 2011**

	Original Budget	Final Budget	Actual	Over/Under
Corporation counsel:				
Equipment	850	850	-	850
Total corporation counsel	850	850	-	850
Human resources:				
Equipment	2,240	2,240	205	2,035
Electronic data processing	2,000	1,644	63	1,581
Telecommunications	200	200	77	123
Total human resources	4,440	4,084	345	3,739
Budget and management:				
Equipment	1,400	1,400	422	978
Electronic data processing	7,000	14,250	14,250	-
Total budget and management	8,400	15,650	14,672	978
Economic development:				
Equipment	500	500	-	500
Electronic data processing	1,000	1,000	-	1,000
Total economic development	1,500	1,500	-	1,500
Fire:				
Equipment	55,500	62,232	34,616	27,616
Electronic data processing	9,000	9,000	935	8,065
Telecommunications	17,000	17,000	13,240	3,760
Total fire	81,500	88,232	48,791	39,441
Building and zoning:				
Equipment	2,000	2,000	525	1,475
Motor Vehicles	-	-	-	-
Electronic data processing	3,000	3,000	1,430	1,570
Telecommunications	1,500	1,500	22	1,478
Total building and zoning	6,500	6,500	1,977	4,523

(Continued)

General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Police:				
Equipment	45,766	56,580	23,089	33,491
Motor Vehicles	111,052	204,488	202,219	2,269
Machinery	9,239	9,239	-	9,239
Electronic data processing	7,537	108,809	9,121	99,688
Telecommunications	10,900	22,408	504	21,904
Total police	184,494	401,524	234,933	166,591
Engineering:				
Equipment	1,850	1,850	561	1,289
Electronic data processing	-	1,700	30	1,670
Telecommunications	300	300	122	178
Total engineering	2,150	3,850	713	3,137
Garage:				
Equipment	3,000	3,000	1,010	1,990
Motor Vehicles	105,000	105,000	103,632	1,368
Machinery	59,000	59,000	42,427	16,573
Electronic data processing	3,000	3,000	3,559	(559)
Telecommunications	2,500	2,500	-	2,500
Total garage	172,500	172,500	150,628	21,872
Streets:				
Equipment	375	375	-	375
Electronic data processing	-	-	133	(133)
Telecommunications	200	200	-	200
Total streets	575	575	133	442
Traffic engineering:				
Equipment	450	12,450	8,909	3,541
Machinery	10,000	10,000	5,679	4,321
Electronic data processing	-	4,500	1,269	3,231
Total traffic engineering	10,450	26,950	15,857	11,093
Total capital outlay	516,659	911,939	627,172	284,767
Total expenditures	\$ 96,803,901	\$ 99,842,481	\$ 93,883,450	\$ 5,959,031

Electric Light and Power Fund
Schedule of Revenues and Expenses - Budget (GAAP Basis) and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services	\$ 244,561,588	\$ 244,561,588	\$ 226,750,881	\$ (17,810,707)
Operating expenses:				
General and administrative:				
Accounting and collection	8,622,149	8,617,066	7,994,898	622,168
Administration	26,214,380	26,348,880	18,320,910	8,027,970
Customer services	2,401,249	2,642,749	1,482,825	1,159,924
Sales tax expense	5,787,000	5,787,000	5,729,813	57,187
Total general and administrative	43,024,778	43,395,695	33,528,446	9,867,249
Other postemployment benefits	-	-	5,921,608	(5,921,608)
IMRF pension expense	-	-	917,644	(917,644)
Production and distribution:				
Maintenance - steam	28,034,998	28,104,998	22,258,288	5,846,710
Production - steam	88,926,689	85,956,689	80,352,083	5,604,606
Transmission	4,226,636	4,226,636	3,319,092	907,544
Distribution	12,964,211	12,964,211	12,692,552	271,659
Gas turbines	1,425,833	4,425,833	2,560,910	1,864,923
Purchased power	19,700,000	19,700,000	16,027,840	3,672,160
Total production and distribution	155,278,367	155,378,367	137,210,765	18,167,602
Depreciation	-	35,565,263	35,565,260	3
Amortization	-	87,111	87,110	1
Total operating expenses	198,303,145	234,426,436	213,230,833	21,195,603
Operating income budget basis	46,258,443	10,135,152	13,520,048	3,384,896
Nonoperating revenues (expenses):				
Investment income	429,595	429,595	116,906	(312,689)
Interest expense	(3,670,644)	(26,771,764)	(26,771,763)	1
Amortization debt premium	-	1,368,350	1,368,353	3
Contributed revenue	-	-	2,405,613	2,405,613
Nonutility income (expense)	47,583	47,583	34,509	(13,074)
Other revenue (expense)	(299,500)	(299,500)	(7,587)	291,913
Deferred loss on refunding	-	(189,569)	(189,569)	-
Total non-operating revenues expenses	(3,492,966)	(25,415,305)	(23,043,538)	2,371,767
Income before transfers	42,765,477	(15,280,153)	(9,523,490)	5,756,663
Transfers, out	(2,242,821)	(2,242,821)	(2,712,643)	(469,822)
Change in net assets	\$ 40,522,656	\$ (17,522,974)	\$ (12,236,133)	\$ 5,286,841

Water Fund
Schedule of Revenues and Expenses - Budget (GAAP Basis) and Actual
Year Ended February 28, 2011

	Original Budget	Final Budget	Actual	Over/Under
Operating revenues:				
Fees for services, sale of water	\$ 28,525,699	\$ 28,525,699	\$ 29,040,941	\$ 515,242
Operating expenses:				
General and administrative:				
Accounting and collection	1,903,329	1,902,432	1,709,668	192,764
Administration	3,392,518	3,627,218	2,400,156	1,227,062
Total general and administrative	5,295,847	5,529,650	4,109,824	1,419,826
Other postemployment benefits	-	-	1,133,706	(1,133,706)
IMRF pension expense	-	-	243,931	(243,931)
Production and distribution:				
Source of supply	626,899	626,899	541,625	85,274
Pumping	1,320,195	1,320,195	1,241,545	78,650
Purification	3,585,020	3,805,020	3,470,460	334,560
Distribution	4,230,606	4,222,906	4,889,822	(666,916)
Total production and distribution	9,762,720	9,975,020	10,143,452	(168,432)
Depreciation	-	2,841,010	2,576,250	264,760
Total operating expenses	15,058,567	18,345,680	18,207,163	138,517
Operating income budget basis	13,467,132	10,180,019	10,833,778	653,759
Non-operating revenues (expenses):				
Investment income	15,097	15,097	11,661	(3,436)
Interest expense	(944,407)	(944,407)	(944,898)	(491)
Revenue from contributions	-	-	2,227,071	2,227,071
Amortization debt premium	-	(25,942)	(25,939)	3
Auxiliary service property	(2,980,164)	(3,010,164)	(2,622,293)	387,871
Other expense	(15,000)	(59,511)	(52,835)	6,676
Total non-operating revenues (expenses)	(3,924,474)	(4,024,927)	(1,407,233)	2,617,694
Income before transfers	9,542,658	6,155,092	9,426,545	3,271,453
Transfers out	(439,899)	(439,899)	(521,754)	(81,855)
Change in net assets	\$ 9,102,759	\$ 5,715,193	\$ 8,904,791	\$ 3,189,598

STATISTICAL SECTION

Statistical Section

This part of the City of Springfield's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

A. 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.

B. Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

C. Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

D. Demographic and Economic Information

The schedules offer indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

E. Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in FY2003; schedules presenting government-wide information include information beginning in that year. GASB 44 requires a ten year history as they become available.*

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B. Revenue Capacity

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CITY OF SPRINGFIELD, ILLINOIS
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets net of related debt	\$ 29,579,024	\$ 33,362,738	\$ 42,743,297	\$ 51,177,391	\$ 161,452,226	\$ 165,871,612	\$ 175,976,590	\$ 180,935,905	\$ 183,669,278
Restricted for public safety	456,980	481,522	349,126	19,799	981,152	1,394,303	1,159,993	1,615,427	1,802,693
Restricted for debt service	258,132	258,132	1,107,715	1,478,053	1,842,618	2,274,276	3,390,503	4,726,040	5,090,201
Restricted for capital projects	-	-	-	-	-	3,775,857	2,533,362	3,105,336	1,521,162
Restricted for highways and streets	-	-	-	-	7,782,643	9,132,163	8,794,371	10,596,917	10,917,981
Restricted for economic development	-	-	-	-	10,805,087	10,995,552	11,311,750	11,112,750	11,485,646
Restricted for waste and recycling	-	-	-	-	107,913	4,933	84,444	19,861	33,630
Unrestricted (deficit)	(11,565,409)	(15,771,094)	(23,812,929)	(19,159,692)	(41,816,537)	(38,605,856)	(62,095,761)	(69,590,762)	(62,797,816)
Total governmental activities net assets	\$ 18,730,728	\$ 18,331,298	\$ 20,387,209	\$ 33,516,651	\$ 141,155,102	\$ 154,642,840	\$ 151,154,252	\$ 152,521,474	\$ 161,725,775
Business type activities									
Invested in capital assets net of related debt	\$ 318,077,981	\$ 334,046,567	\$ 334,630,634	\$ 153,762,515	\$ 401,151,825	\$ 412,607,080	\$ 488,016,230	\$ 495,104,949	\$ 528,393,036
Restricted for endowment care	3,073,254	3,141,990	3,207,263	3,283,586	3,356,489	3,415,502	3,476,595	3,537,893	3,519,878
Restricted for Home for the Friendless	-	-	-	5,765	17,980	6,275	-	-	-
Restricted for debt service	41,910,133	29,958,925	37,988,635	215,966,742	22,061,149	41,299,032	47,281,555	63,497,660	24,323,654
Restricted for system repairs and improvements	-	-	-	-	-	-	-	-	5,455,654
Unrestricted	19,012,606	29,030,385	27,713,504	50,152,942	29,317,307	75,370,658	14,395,071	7,644,466	5,284,654
Total business type activities net assets	\$ 382,073,974	\$ 396,179,867	\$ 405,510,036	\$ 423,771,550	\$ 455,906,750	\$ 532,698,547	\$ 553,173,451	\$ 569,784,968	\$ 566,950,876
Primary government									
Invested in capital assets net of related debt	\$ 347,657,005	\$ 367,411,305	\$ 377,373,931	\$ 204,939,906	\$ 562,604,051	\$ 578,478,692	\$ 663,992,820	\$ 676,040,854	\$ 712,062,314
Restricted for public safety	456,980	481,522	349,126	19,799	981,152	1,394,303	1,159,993	1,615,427	1,802,693
Restricted for perpetual care	3,073,254	3,141,990	3,207,263	3,283,586	3,356,489	3,415,502	3,476,595	3,537,893	3,519,878
Restricted for Home for the Friendless	-	-	-	5,765	17,980	6,275	-	-	-
Restricted for debt service	42,168,265	30,217,057	39,066,350	217,444,795	23,903,767	43,573,308	50,672,058	68,223,700	29,413,855
Restricted for system repairs and improvements	-	-	-	-	-	-	-	-	5,455,654
Restricted for capital projects	-	-	-	-	-	3,775,857	2,533,362	3,105,336	1,521,162
Restricted for highways and streets	-	-	-	-	7,782,643	9,132,163	8,794,371	10,596,917	10,917,981
Restricted for economic development	-	-	-	-	10,805,087	10,995,552	11,311,750	11,112,750	11,485,646
Restricted for waste and recycling	-	-	-	-	107,913	4,933	84,444	19,861	33,630
Unrestricted (deficit)	7,448,198	13,259,291	3,900,575	31,594,350	(12,498,230)	36,764,802	(37,697,690)	(61,946,296)	(47,633,162)
Total primary government net assets	\$ 400,804,702	\$ 414,511,165	\$ 423,897,245	\$ 457,288,201	\$ 597,051,852	\$ 687,541,387	\$ 704,327,703	\$ 722,306,442	\$ 728,673,651

Note: The City began to report accrual information when it implemented GASB 34 in FY2003.

CITY OF SPRINGFIELD, ILLINOIS
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 25,193,035	\$ 22,979,414	\$ 25,780,189	\$ 27,557,971	\$ 20,987,971	\$ 27,553,505	\$ 27,086,696	\$ 27,418,511	\$ 17,261,874
Public health and safety	51,537,066	53,888,771	51,131,787	57,628,033	56,150,169	60,416,606	67,156,733	76,331,360	75,266,739
Culture and recreation	8,589,638	7,989,453	7,093,901	8,887,384	7,589,480	8,767,106	8,738,480	10,381,497	10,306,975
Highway and streets	13,938,737	13,725,804	14,097,394	14,119,374	18,073,426	19,675,671	22,438,884	18,265,727	20,357,199
Economic development	422,003	1,035,926	1,271,955	1,077,043	592,069	631,245	894,402	1,255,663	5,451,903
Interest on long-term debt	4,431,316	8,058,908	4,836,441	5,193,014	3,639,211	4,338,091	2,682,725	1,838,092	2,447,922
Total governmental activities expenses	104,091,795	107,678,276	104,211,667	114,460,819	107,052,326	121,383,224	128,995,980	135,510,850	131,096,612
Business-type activities:									
Electric Fund	123,912,390	124,611,164	132,694,247	139,506,937	149,225,587	162,007,796	171,294,760	204,665,269	238,516,831
Water Fund	13,694,795	13,616,808	14,743,306	16,510,502	16,701,162	18,131,828	19,811,456	21,420,115	21,797,702
Sewer Fund	5,798,015	5,626,986	4,987,940	5,115,232	5,469,383	5,580,243	5,801,268	5,725,640	5,901,756
Motor Vehicle Parking Fund	910,735	861,991	747,523	816,792	897,793	943,655	1,030,883	1,023,332	1,040,291
Oak Ridge Cemetery Fund	925,796	952,393	930,542	1,064,105	1,149,783	1,128,717	1,253,450	1,214,754	1,174,863
Total business-type activities expenses	145,231,731	145,689,342	154,103,558	163,015,588	173,443,708	187,792,239	199,191,817	234,049,110	268,431,443
Total primary government expenses	\$ 249,323,526	\$ 253,347,618	\$ 258,315,225	\$ 277,476,407	\$ 280,496,034	\$ 309,175,463	\$ 328,187,797	\$ 369,559,960	\$ 399,528,055
Program Revenues									
Governmental Activities:									
Charges for Service:									
General government	\$ 2,134,699	\$ 3,043,197	\$ 3,482,743	\$ 2,866,871	\$ 3,636,508	\$ 3,722,688	\$ 9,881,019	\$ 11,624,275	\$ 12,259,477
Public health and safety	2,986,742	2,577,534	2,151,179	3,125,500	1,690,884	1,770,088	1,548,006	1,627,517	1,825,989
Culture and recreation	651,175	117,233	112,327	113,872	131,325	139,667	123,555	123,232	117,842
Highway and streets	613,330	453,600	553,254	1,251,658	1,282,124	1,241,343	1,072,047	1,889,709	2,013,472
Economic development	-	-	-	-	3,250	3,753	4,650	7,800	7,575
Operating Grants and Contributions:									
General government	730,800	830,183	-	-	62,676	59,415	421,864	1,991,591	22,767
Public health and safety	2,083,701	3,038,643	2,748,971	3,467,441	3,633,072	1,794,994	1,836,041	4,446,106	5,832,136
Culture and recreation	1,256,049	726,068	281,118	260,956	196,616	204,876	166,691	142,427	139,136
Highway and streets	84,287	283,165	199,640	874,587	1,000,000	-	1,359,805	1,708,264	2,976,369
Economic development	2,110,167	4,732,263	4,205,614	4,687,968	4,056,886	3,376,797	3,717,434	3,714,704	4,641,842
Capital Grants and Contributions:									
Public health and safety	42,537	-	-	-	-	-	-	-	-
Culture and recreation	58,120	-	-	-	-	-	-	-	-
Highway and streets	3,106,561	2,318,521	4,654,106	2,101,681	9,732,915	12,634,739	1,429,027	4,633,588	890,177
Total governmental activities revenues	15,868,168	18,120,407	18,388,952	18,750,534	25,426,256	24,948,370	21,360,139	31,909,213	30,728,762

CITY OF SPRINGFIELD, ILLINOIS
CHANGES IN NET ASSETS - CONTINUED
LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues - Continued									
Business type activities:									
Charges for Service:									
Electric Fund	133,995,303	135,890,745	133,055,006	148,591,562	160,935,725	186,501,353	186,236,133	216,059,625	226,750,881
Water Fund	13,972,760	14,210,524	16,231,162	18,050,048	18,291,848	19,258,571	20,894,571	25,012,041	29,040,941
Sewer Fund	5,960,936	5,854,301	5,688,959	6,151,327	6,084,933	6,107,610	5,747,187	5,666,507	5,848,482
Motor Vehicle Parking Fund	966,205	959,728	887,796	922,736	918,940	949,144	908,933	899,855	865,802
Oak Ridge Cemetery Fund	750,885	984,454	860,871	895,600	893,963	725,541	745,508	805,871	745,016
Capital Grants and Contributions:									
Electric Fund	866,318	1,000,738	865,145	1,229,684	9,988,303	1,082,775	1,956,779	1,600,089	2,405,613
Water Fund	1,781,891	2,577,834	2,885,192	1,553,114	2,253,370	2,511,025	1,287,817	1,486,711	2,227,071
Sewer Fund	922,568	905,120	1,202,626	597,982	2,267,078	1,063,380	744,517	48,617	81,441
Total business type activities revenues	159,216,866	162,383,444	161,706,747	177,992,063	201,644,160	218,199,379	218,522,152	251,599,316	267,966,227
Total primary government program revenues	175,085,034	180,503,851	180,095,699	196,742,597	227,070,416	243,147,749	239,882,291	283,508,529	298,692,989
Net (Expense)/Revenue									
Governmental activities	\$ (88,223,627)	\$ (89,557,869)	\$ (85,822,715)	\$ (95,710,285)	\$ (81,626,070)	\$ (96,434,854)	\$ (107,635,841)	\$ (103,601,637)	\$ (100,369,850)
Business type activities	13,985,135	16,714,102	7,603,189	14,976,475	28,200,452	30,407,140	19,330,335	17,560,206	(466,216)
Total primary government net expense	\$ (74,238,492)	\$ (72,843,767)	\$ (78,219,526)	\$ (80,733,810)	\$ (53,425,618)	\$ (66,027,714)	\$ (88,305,506)	\$ (86,051,431)	\$ (100,835,066)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
General revenue									
Property tax	\$ 19,761,635	\$ 20,583,332	\$ 21,546,090	\$ 21,516,011	\$ 22,743,477	\$ 24,385,573	\$ 25,388,136	\$ 26,647,461	\$ 27,503,034
State sales tax	21,511,940	21,687,050	22,685,425	22,516,633	23,178,574	24,398,513	24,120,114	26,591,157	25,468,722
City sales tax	14,706,187	14,648,061	21,022,237	23,998,312	24,240,853	25,271,570	24,894,837	25,194,070	30,207,937
Use tax	2,759,241	2,811,904	2,727,144	2,990,562	2,820,137	3,187,942	3,253,232	3,161,672	3,393,135
Motor fuel tax	3,179,071	3,159,988	3,225,513	3,217,710	3,197,092	3,196,190	3,014,194	3,461,124	-
State income tax	7,304,809	6,805,775	7,270,293	8,480,925	9,255,302	10,142,889	10,698,972	7,570,725	9,166,754
Personal property replacement tax	1,579,832	1,885,011	4,326,280	2,317,117	2,913,118	3,277,272	2,938,733	2,676,315	2,818,549
Miscellaneous taxes	3,246,846	3,058,665	3,019,459	3,248,098	3,394,938	3,499,984	4,116,876	5,900,722	6,663,605
Intergovernmental reimbursements	784,870	1,058,902	546,684	-	5,878,184	6,196,204	-	-	-
Miscellaneous revenues	17,182,885	11,688,101	14,798,380	17,700,208	2,253,333	2,487,574	2,556,531	866,002	987,306
Unrestricted investment earnings	819,767	370,258	546,807	1,128,796	1,861,315	1,959,938	841,711	294,268	194,189
Special item-early retirement initiative	-	-	(15,156,591)	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	79,457,939	8,885,101	-	-	-
Transfers	79,403	1,401,382	1,320,905	1,725,355	1,889,640	2,138,943	2,122,917	2,615,343	3,167,940
Total governmental activities	92,896,486	89,158,439	87,878,626	108,639,727	183,093,902	119,007,693	103,947,253	104,968,859	109,571,151

CITY OF SPRINGFIELD, ILLINOIS
CHANGES IN NET ASSETS - CONTINUED
LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets - Continued									
Business-type activities:									
Sale of S02 allowance	-	-	-	5,023,213	-	-	-	-	-
Net impairment gain	-	-	-	-	-	44,811,143	3,246,789	-	-
Donations Home to the Friendless	-	-	-	5,765	12,215	-	-	-	-
Non-utility property operations	-	-	-	-	-	-	-	-	34,509
Miscellaneous revenues	235,050	29,574	46,561	860	-	-	-	83,750	-
Unrestricted investment earnings	1,529,483	1,554,283	1,001,324	1,980,556	4,680,456	3,712,457	20,687	1,592,904	764,555
Extraordinary gain	(79,403)	(1,401,382)	(1,320,905)	(1,725,355)	1,121,717	(2,138,943)	(2,122,917)	(2,615,343)	(3,167,940)
Transfers	1,685,130	182,475	(273,020)	5,285,039	3,934,748	46,384,657	1,144,569	(938,689)	(2,366,876)
Total business-type activities	\$ 94,581,616	\$ 89,340,914	\$ 87,605,606	\$ 114,124,766	\$ 187,018,650	\$ 165,392,350	\$ 105,091,822	\$ 104,030,170	\$ 107,202,275
Total primary government									
Change in Net Assets									
Governmental activities	\$ 4,672,859	\$ (389,430)	\$ 2,055,911	\$ 13,129,442	\$ 101,457,832	\$ 13,687,738	\$ (3,688,588)	\$ 1,367,222	\$ 9,201,301
Business-type activities	15,670,265	16,896,577	7,330,169	20,261,514	32,135,200	76,791,797	20,474,904	16,611,517	(2,834,092)
Total primary government	\$ 20,343,124	\$ 16,497,147	\$ 9,386,080	\$ 33,390,956	\$ 133,593,032	\$ 90,479,535	\$ 16,786,316	\$ 17,978,739	\$ 6,367,209

CITY OF SPRINGFIELD, ILLINOIS
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Unreserved	\$ 5,802,339	\$ 5,568,613	\$ 10,682,263	\$ 13,886,758	\$ 13,982,026	\$ 16,662,888	\$ 8,773,485	\$ 2,560,730	\$ 8,353,495
Total general fund	\$ 5,802,339	\$ 5,568,613	\$ 10,682,263	\$ 13,886,758	\$ 13,982,026	\$ 16,662,888	\$ 8,773,485	\$ 2,560,730	\$ 8,353,495
All other governmental funds									
Reserved	\$ 422,248	\$ 647,924	\$ 1,287,088	\$ 1,608,440	\$ 1,986,590	\$ 2,417,784	\$ 3,567,834	\$ 4,928,630	\$ 6,152,134
Unreserved reported in:									
Special revenue funds	8,026,617	7,311,492	9,763,981	15,742,227	20,757,727	22,327,364	22,328,983	22,676,961	23,230,189
Capital projects funds	4,175,278	4,573,874	3,989,797	4,389,243	3,906,201	8,294,942	8,208,702	7,045,812	9,611,548
Debt service funds	9,568,004	4,453,370	1,799,721	1,012,353	969,514	912,232	7,307	-	-
Total all other governmental funds	\$ 22,192,147	\$ 16,986,660	\$ 16,840,587	\$ 22,752,263	\$ 27,620,032	\$ 33,952,322	\$ 34,112,826	\$ 34,651,403	\$ 38,993,871

CITY OF SPRINGFIELD, ILLINOIS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Taxes									
Property tax	\$ 19,761,655	\$ 20,565,332	\$ 21,546,090	\$ 21,516,011	\$ 22,743,477	\$ 24,385,573	\$ 25,389,136	\$ 26,647,461	\$ 27,106,293
State sales tax	21,511,940	21,897,050	22,686,425	22,516,633	23,178,574	24,398,513	24,120,114	24,242,096	25,468,722
City sales tax	14,706,197	14,648,061	21,022,237	23,998,312	24,240,853	25,271,570	24,884,837	25,194,070	30,207,937
Use tax	2,759,241	2,811,904	2,727,144	2,990,562	2,820,137	3,187,942	3,253,232	3,161,872	3,393,135
Motor fuel tax	3,179,071	3,159,998	3,225,513	3,217,710	3,197,092	3,196,190	3,014,194	3,461,124	2,976,389
Miscellaneous taxes	3,248,846	3,059,695	3,018,459	3,248,098	3,394,938	3,498,984	4,116,876	5,900,722	6,663,605
Fees for services	2,613,400	2,120,478	2,148,408	3,187,429	2,740,709	2,647,794	2,460,907	11,112,930	11,483,358
Investment income	819,787	370,258	546,807	1,128,796	1,061,315	1,959,938	841,711	239,268	190,340
Intergovernmental	16,246,902	19,404,995	19,578,600	20,088,994	21,117,670	18,856,243	20,939,540	22,250,132	23,480,063
Licenses and permits	1,162,331	1,309,525	1,357,283	1,220,889	1,214,706	1,312,993	1,211,922	1,130,695	1,359,136
Fines and fees	2,620,215	2,761,562	2,793,812	2,949,583	2,788,676	2,916,762	2,929,863	3,028,908	1,272,592
Special assessments	196,864	210,088	258,239	239,125	219,208	143,206	131,371	137,834	40,586
Franchise fees	-	-	-	-	-	-	-	-	1,846,685
Miscellaneous revenue	17,649,563	12,062,217	15,262,029	18,049,526	8,400,745	8,869,442	8,727,466	1,420,334	1,793,665
Total Revenues	106,473,962	104,188,133	116,171,046	124,351,668	117,918,100	120,626,150	122,051,169	127,927,246	137,272,436
Expenditures									
General government	25,501,665	20,979,220	23,897,920	25,433,859	18,063,989	19,820,066	20,542,391	25,844,528	18,420,189
Public health and safety	49,929,297	52,734,082	50,090,132	57,415,982	55,639,903	59,010,881	65,488,660	70,997,389	67,915,487
Culture and recreation	7,930,692	7,408,634	6,648,181	8,198,621	6,898,177	7,723,335	7,695,300	7,464,661	6,859,590
Highway and streets	14,744,005	14,215,739	15,360,626	15,058,573	17,182,927	17,027,955	20,536,422	17,362,456	18,697,505
Economic development	449,659	1,024,445	1,258,275	1,073,420	574,358	628,214	778,857	778,754	4,757,233
Capital outlay	6,054,359	2,160,433	2,861,524	2,556,930	5,241,353	7,994,800	4,931,822	4,513,136	2,606,765
Debt service									
Principle	13,445,129	7,717,562	9,523,040	6,196,119	5,913,648	5,421,014	6,328,723	6,874,497	7,977,518
Interest	1,731,553	6,230,904	3,251,159	3,030,557	5,030,439	4,811,121	4,849,413	3,895,907	1,590,086
Total expenditures	119,696,349	112,475,019	112,890,857	118,964,061	114,644,703	122,437,376	131,141,589	137,721,228	128,814,362
Excess of revenues over (under) expenditures	(13,212,387)	(8,286,886)	3,280,189	5,387,607	3,273,397	(1,811,226)	(9,090,419)	(8,793,982)	8,458,074
Other Financing Sources (Uses)									
Proceeds from bonds	9,245,000	1,448,292	16,677,074	13,855,000	-	-	73,603	-	-
Premium (discount) from bond issuance	34,139	-	-	166,957	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	(13,955,514)	-	-	-	-	-
Tax increment financing bond proceeds	-	-	-	3,068,000	-	-	-	-	-
Loan proceeds	-	-	-	-	-	6,000,000	-	1,500,000	-
Transfers in	15,445,452	13,041,304	13,431,544	15,556,052	13,776,558	13,336,391	14,756,963	16,377,312	14,697,594
Transfers out	(15,366,049)	(11,639,923)	(13,264,639)	(15,161,831)	(11,866,718)	(11,568,886)	(13,471,046)	(13,757,509)	(13,020,435)
Capitalized leases	956,536	-	-	-	-	3,054,873	-	-	-
Total other financing sources (uses)	10,315,078	2,847,673	16,843,979	3,528,564	1,899,640	10,824,378	1,361,520	4,119,804	1,677,159
Special item - early retirement incentive	-	-	-	-	-	-	-	-	-
Net change in fund balance	(2,897,309)	(5,436,213)	4,967,577	8,916,171	5,163,037	9,013,152	(7,728,889)	(5,674,179)	10,136,233
Debt service as a percentage of non-capital expenditures	13.5%	12.9%	11.9%	8.1%	10.0%	9.0%	9.0%	8.2%	7.6%

CITY OF SPRINGFIELD, ILLINOIS
REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	Property and Replacement Taxes	Sales and Miscellaneous Taxes		State Income Tax	Other	Licenses, Permits, Fines Fees, and Charges for Services	Investment Interest	Other Revenues	Total
		Property and Replacement Taxes	Miscellaneous Taxes						
2002	\$ 18,570,055	(1)	\$ 39,308,150	\$ 8,132,344	\$ 13,085,611	\$ 7,397,938	\$ 1,724,538	\$ 16,082,721	\$ 104,301,357
2003	21,341,466	(1)	41,102,459	7,304,809	11,663,088	6,395,946	819,767	17,846,427	106,473,962
2004	22,468,343	(1)	40,869,087	6,805,775	15,210,800	6,191,565	370,258	12,272,305	104,188,133
2005	23,782,954	(1)	48,093,317	7,270,293	14,657,904	6,299,503	546,807	15,520,268	116,171,046
2006	23,672,156	(1)	51,109,926	8,480,925	14,313,313	7,357,901	1,128,796	18,288,651	124,351,668
2007	25,334,887	(1)	51,817,625	9,255,302	14,284,927	6,744,091	1,861,315	8,619,953	117,918,100
2008	27,642,845	(1)	54,451,154	10,142,889	10,539,127	6,877,549	1,959,938	9,012,648	120,626,150
2009	28,327,869	(1)	59,399,253	10,698,972	7,301,835	12,629,277	841,711	2,852,252	122,051,169
2010	29,323,776	(1)	61,959,684	7,570,725	12,003,092	15,272,533	239,268	1,558,168	127,927,246
2011	29,924,812	(1)	68,709,768	10,025,633	10,635,881	15,961,751	190,340	1,824,251	137,272,436

(1) Reflects the pass through of property taxes for the Fire & Police Pension funds previously recorded in Trust & Agency Funds. Change pursuant to GASB Statement No. 27.

CITY OF SPRINGFIELD, ILLINOIS
SIGNIFICANT OWN SOURCE REVENUE
LAST TEN YEARS

	<u>City Sales Tax</u>	<u>Tax Rate</u>		<u>Property Tax- General Levy (1)</u>	<u>Tax Rate</u>
2002	\$ 13,724,012	1.0%		\$ 14,988,842	1.0000
2003	14,706,187	1.0%		15,703,532	1.0000
2004	14,648,061	1.0%		16,415,609	1.0000
2005	21,022,237	1.0% - 1.5%		17,035,209	1.0000
2006	23,998,312	1.5%		16,456,338	0.9385
2007	24,240,853	1.5%		17,084,607	0.9385
2008	25,271,570	1.5%		18,266,003	0.9385
2009	24,894,837	1.5%		19,130,097	0.9385
2010	25,194,070	1.5%-1.75%	(2)	19,432,383	0.9385
2011	30,207,937	1.75%		20,323,354	0.9385

(1) Does not include property tax receipts from Tax Increment Districts or Special Assessments.

(2) .25% increases effective for 2 months of fiscal year

Notes: Due to the Home Rule status of the City of Springfield, there are not any rate restrictions for these taxes.

There are no overlapping taxing bodies that also have a City Sales Tax.

Numerous schedules for overlapping property tax districts follow this schedule

Source: City of Springfield, Office of Budget and Management and the County Clerk.

CITY OF SPRINGFIELD, ILLINOIS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Farm Property	Railroads Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Actual Tax Collections	Estimated Actual Values
2001	\$ 934,191,054	\$ 2,325,827	\$ 1,662,599	\$ 572,664,995	\$ 1,130,796	\$ 1,511,975,271	1.00	\$ 15,119,753	\$ 14,999,058	\$ 4,535,925,813
2002	981,489,656	2,253,263	1,686,731	599,953,531	1,311,681	1,586,694,862	1.00	15,866,949	15,695,932	4,760,084,586
2003	1,019,684,135	2,835,284	1,763,528	616,432,885	1,339,499	1,642,055,331	1.00	16,420,553	16,407,857	4,926,165,993
2004	1,064,560,164	2,739,064	1,865,919	638,086,844	763,738	1,708,015,729	1.00	17,080,157	17,035,209	5,124,047,187
2005	1,076,736,919	2,610,662	1,972,242	666,291,607	783,558	1,748,394,988	0.9385	16,408,687	16,456,338	5,245,184,964
2006	1,138,425,649	2,932,800	1,968,701	697,225,382	959,219	1,841,511,751	0.9385	17,282,588	17,279,959	5,524,535,253
2007	1,213,203,768	2,145,788	2,128,897	734,532,831	993,853	1,953,005,137	0.9385	18,328,953	18,266,003	5,859,015,411
2008	1,292,728,250	2,222,322	2,335,948	761,232,277	1,057,099	2,059,575,896	0.9385	19,329,120	19,130,097	6,178,727,688
2009	1,332,080,539	3,616,591	2,619,188	776,487,811	1,882,907	2,116,687,036	0.9385	19,865,108	19,827,735	6,350,061,108
2010	1,365,332,999	1,479,123	3,140,660	806,276,113	1,873,017	2,178,101,932	0.9385	20,441,487	20,323,354	6,434,305,796

Note: Values are net of tax exempt property. Tax exempt property value is not available.

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS
DIRECT AND OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS

Overlapping Rates	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
\$	1.0000	1.0000	1.0000	1.0000	0.9385	0.9385	0.9385	0.9385	0.9385	0.9385
City	4.5956	4.5083	4.5187	4.5305	4.6396	4.6633	4.6665	4.4258	4.5638	4.5398
School District #186	0.4031	0.4048	0.4049	0.4440	0.4575	0.4632	0.4611	0.4653	0.4610	0.4579
Junior College District #526	0.1314	0.1269	0.1264	0.1266	0.1185	0.1181	0.1135	0.1012	0.1011	0.1003
Township	0.7871	0.7897	0.7866	0.7857	0.7977	0.7921	0.6733	0.6697	0.6901	0.6828
County	0.3622	0.3604	0.3441	0.3811	0.4638	0.4920	0.4512	0.4466	0.4550	0.4506
Park District	0.0941	0.0927	0.0926	0.0911	0.0913	0.0886	0.0853	0.0841	0.0862	0.0854
Sanitary District	0.1054	0.1006	0.0936	0.0897	0.0877	0.0832	0.0820	0.0814	0.0831	0.0820
Airport Authority	0.0685	0.0692	0.0695	0.0697	0.0703	0.0697	0.0695	0.0694	0.0712	0.0707
Auditorium Authority	0.0990	0.0989	0.0992	0.0995	0.1007	0.1015	0.1018	0.1021	0.1056	0.1051
Mass Transportation										
Total	\$ 7.6464	\$ 7.5515	\$ 7.5376	\$ 7.6179	\$ 7.7656	\$ 7.8102	\$ 7.6427	\$ 7.3841	\$ 7.5556	\$ 7.5131
<u>Direct Rates</u>										
Public Building Commission -										
Library Building	-	-	-	-	-	-	-	-	-	-
Police Pension	0.1949	0.2090	0.2151	0.2314	0.2551	0.2607	0.2756	0.2775	0.4194	0.3626
Fire Pension	0.1898	0.1916	0.2079	0.2283	0.2520	0.2905	0.3140	0.3197	0.3783	0.3834
Municipal Retirement	0.0131	0.0367	0.0593	0.0691	0.0590	0.0310	0.0284	0.0162	0.0087	0.1743
Recreation Department	-	-	-	-	-	-	-	-	-	-
Lincoln Library	0.1930	0.1796	0.1770	0.1736	0.1696	0.1610	0.1518	0.1440	-	-
General	0.3202	0.3025	0.2532	0.1930	0.1802	0.1738	0.1585	0.1619	0.1134	-
Judgment and Interest	0.0258	0.0239	0.0236	0.0231	0.0226	0.0215	0.0102	0.0192	0.0187	0.0182
Total	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS
PROPERTY TAX LEVIES
DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS

Fiscal Year	City (1)	School District	Junior College District	Township	County	Park District	Sanitary District	Airport Authority	Auditorium Authority	Mass Transportation District	Total
2001	\$ 15,401,505	\$ 72,638,197	\$ 16,848,139	\$ 1,865,488	\$ 19,871,193	\$ 6,156,813	\$ 1,745,000	\$ 1,871,725	\$ 1,010,000	\$ 1,522,100	\$ 138,748,408
2002	15,869,949	73,152,636	17,464,399	1,992,158	20,771,555	6,294,472	1,805,000	1,867,006	1,059,930	1,573,900	141,382,561
2003	16,420,553	70,794,496	17,254,754	2,053,637	21,350,067	6,218,196	1,865,988	1,764,338	1,310,070	1,616,495	140,125,200
2004	17,080,157	77,264,156	20,131,545	2,138,632	22,126,249	7,284,100	1,915,000	1,769,547	1,375,672	1,668,700	152,095,854
2005	16,408,687	75,622,535	20,262,966	2,050,814	22,872,278	8,795,713	1,967,988	1,785,664	1,403,779	1,722,929	153,564,823
2006	17,282,588	81,672,339	21,417,027	2,152,491	24,018,822	9,887,866	2,025,000	1,779,274	1,505,235	1,779,274	162,645,835
2007	18,330,100 (2)	87,022,578	22,280,837	2,197,123	21,748,387	9,684,419	2,075,000	1,852,379	1,547,866	1,907,920	167,596,907
2008	19,328,120	88,721,021	23,888,707	2,065,230	22,836,207	9,934,269	2,155,000	1,920,413	1,614,797	2,004,435	174,439,199
2009	19,865,108	90,723,707	24,732,974	2,110,000	24,178,014	10,586,173	2,261,000	1,999,487	1,694,733	2,082,262	180,213,468
2010	20,441,487	86,049,467	24,647,244	2,149,128	24,391,073	10,592,572	2,301,823	2,015,927	1,719,691	2,098,563	176,406,975

(1) Excludes tax levy on increases in assessed valuation after 1980 of tax increment district property. The City receives the difference between the cumulative tax rate for all taxing bodies multiplied times the current assessed valuation and the 1980 assessed valuation of property within the tax increment district.

(2) Corrected number to reflect levy extended

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011				2002			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Iproc Springfield LLC	\$ 8,797,359	1	0.40%		\$ 8,119,691	1	0.51%	
White Oaks Mall Co.	7,908,704	2	0.36%		5,223,748	4	0.33%	
Simon Property Group	5,960,028	3	0.27%		4,290,096	7	0.27%	
Horace Mann Educators Corp. Trust	5,045,031	4	0.23%		4,583,866	6	0.29%	
Wells Fargo Home Mortgage	5,012,257	5	0.23%					
Memorial Health System	4,671,215	6	0.21%					
Government Property Fund	4,583,103	7	0.21%					
Downtown Property LLC	4,550,135	8	0.21%		3,847,395	8	0.24%	
Springfield Clinic Trust	4,335,660	9	0.20%		3,633,333	9	0.23%	
AIG-CMS-Franklin Life	4,254,591	10	0.20%		3,430,653	10	0.22%	
PIL LLP					4,665,089	5	0.29%	
					6,514,404	3	0.41%	
					7,638,780	2	0.48%	
Total	\$ 55,118,083		2.53%		\$ 51,947,055		3.27%	
EAV								1,586,694,862

Source: County Clerks Office

CITY OF SPRINGFIELD, ILLINOIS
 TAXABLE SALES BY CATEGORY
 LAST TEN CALENDAR YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	\$ 3,140,911	\$ 3,399,179	\$ 3,381,994	\$ 4,246,785	\$ 4,968,010	\$ 5,159,734	\$ 5,012,200	\$ 5,013,004	\$ 5,172,432	\$ 6,146,577
Food	1,050,415	1,027,598	1,088,687	1,089,843	1,427,292	1,448,168	1,546,374	1,744,039	1,615,180	2,074,988
Drinking and Eating Places	2,097,505	2,212,524	2,205,102	2,786,390	3,502,500	3,677,694	3,847,096	3,810,482	3,931,293	4,649,748
Apparel	666,688	654,528	709,325	1,027,815	1,347,828	1,347,480	1,366,121	1,302,456	1,221,738	1,470,010
Furniture & H.H. & Radio	1,183,011	1,192,232	1,207,101	1,586,594	1,849,545	2,025,316	2,108,694	2,028,409	1,810,558	2,183,671
Lumber, Bldg. Hardware	1,200,064	1,291,093	1,347,159	2,581,975	2,428,605	2,491,299	2,729,087	2,351,854	2,358,291	3,207,980
Automotive & Filling Stations	932,910	1,026,877	1,066,894	1,809,191	2,235,829	2,281,787	2,335,109	2,348,272	2,195,170	2,905,708
Drugs & Misc. Retail	1,746,279	1,750,583	1,739,405	2,317,839	2,888,417	2,973,913	3,088,309	3,131,505	3,419,237	3,902,159
Agriculture & All Others	1,383,095	1,907,367	1,477,605	2,049,398	2,460,850	2,155,021	2,666,088	2,760,068	2,531,419	3,121,469
Manufacturers	226,898	224,428	211,557	289,098	331,981	304,275	331,913	360,029	303,394	429,650
Totals	\$ 13,627,876	\$ 14,686,409	\$ 14,434,829	\$ 19,786,928	\$ 23,440,857	\$ 23,865,687	\$ 25,020,970	\$ 24,850,119	\$ 24,558,712	\$ 30,091,960
City direct sales tax rate	1%	1%	1%	1% - 1.5%	2%	1.5%	1.5%	1.5%	1.5%-1.75%	1.75%

Source: Illinois Department of Revenue Categories by Standard Industrial Codes (SIC)

CITY OF SPRINGFIELD, ILLINOIS

Property Tax Payment Calendar

- Taxes Assessed:** The owner of real property on January 1 in any year is liable for taxes of that year.
- Taxes Due:** Current taxes on real property may be paid in two equal installments. The first installment is generally due not later than June 1 and bears interest at the rate of 1 1/2 percent per month until paid, sold, or forfeited. The second installment is due and payable not later than September 1 and bears interest at the rate of 1 1/2 percent per month after September 1 until paid, sold, or forfeited.
- Payable:** The first installment of real estate taxes are payable to the Town Collector in the townships in which the taxpayer resides on or before June 1, and the second installment is payable at the office of the County Collector on or before September 1 (office is located in the County Building).
- Tax Sale:** Application for judgment and sale in cases of unpaid taxes is made during the month of October. (A Monday is fixed for the date of sale by the County Treasurer.) Tax bills are sold to the bidder who offers to pay the accumulated amount of tax and to charge thereon the lowest rate of interest. The maximum rate of interest provided by law is 18 percent every six months for a period of 2 1/2 years, if less than 6 units and owner-occupied. The purchaser of the tax bill is given a certificate of purchase for each piece of real estate.
- Redemption:** Redemption may be made by the owner by payment to the County Clerk of the redemption amount which includes costs and interest plus a charge for redemption certificate, at any time before issuance of the tax deed.
- Tax Deed:** Two years, or 2 1/2 years under certain circumstances, from the date of the annual tax sale, the holder of a certificate of purchase which has not been redeemed may, by fulfilling the statutory procedures and paying any subsequent unpaid taxes, obtain a deed. The tax certificate holder may extend the time for redemption to expire at any time in the third year but no longer than three years from the date of sale. This deed must be issued before the expiration of three years after the annual tax sale or the certificate becomes void.

CITY OF SPRINGFIELD, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business Type Activities							Total Primary Government	Percentage of Per Capita Income (a)	Per Capita (a)
	General Bonded Debt	Tax Increment Bonds	Special Assessment Bonds	Capital Leases	Loans	Water Revenue Bonds	Electric Revenue Bonds	Motor Vehicle Fund Bond	EPA Loans & Notes Payable	Sewer Fund Bonds					
2002	\$ 65,215,317	\$ 7,060,000	\$ 1,193,720	\$ 2,060,676	\$ -	\$ 22,173,228	\$ 167,975,491	\$ 1,956,682	\$ 12,507,587	\$ 5,257,500	\$ 285,400,201	8.35%	2,561		
2003	67,050,251	3,830,000	1,050,280	2,000,627	-	19,870,196	174,651,140	-	13,577,174	4,937,013	286,966,661	8.20%	2,575		
2004	59,211,830	3,400,000	1,659,122	1,581,037	-	18,371,206	164,653,544	-	13,142,680	4,593,735	265,613,154	6.70%	2,363		
2005	73,847,376	285,000	1,366,452	1,246,672	-	27,606,980	154,310,121	1,222,000	10,698,171	4,230,468	274,813,230	7.58%	2,466		
2006	70,566,877	3,323,000	1,143,102	906,570	-	25,895,345	421,481,410	1,036,000	10,148,048	3,852,181	538,372,533	14.64%	4,830		
2007	64,969,101	3,293,000	855,353	547,770	-	24,096,517	408,270,088	841,000	9,304,138	3,453,904	515,630,851	13.57%	4,626		
2008	52,283,397	3,258,000	610,136	8,854,739	-	22,240,075	602,735,415	642,000	8,721,601	3,040,626	702,495,969	16.60%	5,999		
2009	45,498,849	2,968,868	358,005	7,494,789	-	41,940,568	661,235,854	436,000	7,976,135	2,607,349	770,516,447	17.47%	6,580		
2010	38,517,557	2,528,685	221,223	6,160,571	1,500,000	40,575,168	649,773,829	221,000	9,508,300	2,154,072	751,160,405	16.18%	6,415		
2011	32,163,900	2,211,432	181,284	4,764,149	1,500,000	39,505,000	622,125,000	-	9,913,036	1,660,000	714,023,801	15.07%	6,068		

(a) See Schedule D-1 for personal income and population data.

CITY OF SPRINGFIELD, ILLINOIS
GENERAL BONDED DEBT CAPACITY AND RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	Equalized Assessed Value	General Bonded Debt	General Bonded Debt to Assessed Value	Debt Limit (1)	Comparative Available Debt Capacity
2002	\$ 1,511,975,271	\$ 65,215,317	4.31%	\$ 130,407,867	\$ 65,192,550
2003	1,586,694,862	67,050,251	4.23%	136,852,432	69,802,181
2004	1,642,055,331	58,211,830	3.55%	141,627,272	83,415,442
2005	1,708,015,729	73,847,376	4.32%	147,316,357	73,468,981
2006	1,748,394,988	70,586,877	4.04%	150,799,068	80,212,191
2007	1,841,511,751	64,969,101	3.53%	158,830,389	93,861,288
2008	1,953,005,137	52,293,397	2.68%	168,446,693	116,153,296
2009	2,059,575,896	45,498,849	2.21%	177,638,421	132,139,572
2010	2,116,687,036	38,517,557	1.82%	182,564,257	144,046,700
2011	2,178,101,932	32,163,900	1.48%	187,861,292	155,697,392

(1) The City of Springfield has home rule powers. There are no debt limits that apply.

The debt limit for non-home rule governments is 8.625% of assessed valuation (65 ILCS 5/8-5-1).

CITY OF SPRINGFIELD, ILLINOIS
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF FEBRUARY 28, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Springfield:			
General Obligation	\$ 32,163,900		
Tax Increment Financing & Special Service Area	2,211,432		
Special Assessments	181,284		
Capital Leases	4,764,149		
Loans	1,500,000		
TOTAL	<u>\$ 40,820,765</u>		
Debt repaid with property tax			
School District #186,5,3A,14,8,16	\$ 193,457,529	69.35%	\$ 134,162,796
Community College District #526	34,420,000	61.62%	21,209,604
Springfield Park District	10,707,398	91.66%	9,814,401
Springfield Airport Authority	733,465	82.43%	604,595
Springfield Auditorium Authority	3,115,000	89.35%	2,783,253
Other	3,675,000	25.90%	<u>951,825</u>
Subtotal, overlapping debt			169,526,474
City direct debt			<u>40,820,765</u>
Total direct and overlapping debt			<u>\$ 210,347,239</u>

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS
 PLEDGED - REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Electric Revenue Bonds					Water Revenue Bonds					
	Gross Revenues (2)	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service	Coverage	Gross Revenues (2)	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service	Coverage	
			Principal (1)	Interest					Principal (1)	Interest	
2002	\$ 125,685,133	\$ 95,988,917	\$ 29,696,216	\$ 6,076,629	2.05	\$ 13,660,804	\$ 8,563,557	\$ 5,097,247	\$ 1,710,000	\$ 906,817	1.95
2003	134,896,805	101,071,483	33,825,122	7,675,244	2.04	14,225,315	9,171,468	5,053,847	1,745,000	869,513	1.93
2004	136,309,556	98,680,831	37,628,725	7,138,154	2.27	14,281,380	9,338,102	4,943,278	1,785,000	829,620	1.89
2005	135,516,947	102,627,803	32,889,144	6,567,134	1.98	16,443,828	10,160,809	6,283,019	1,830,000	1,194,382	2.08
2006	156,222,335	109,222,346	46,999,989	7,562,224	2.58	18,555,280	11,231,359	7,323,921	1,865,000	1,279,655	2.33
2007	170,849,436	122,355,779	48,493,657	17,943,789	1.65	18,995,024	11,555,041	7,439,983	1,910,000	1,238,805	2.36
2008	197,063,362	132,568,530	64,504,832	23,562,232	1.81	19,825,103	12,092,889	7,732,214	2,015,000	1,143,305	2.45
2009	193,417,054	141,141,367	52,275,687	29,226,696	1.33	21,085,659	13,063,926	8,021,733	1,430,000	1,290,827	2.95
2010	219,385,718	165,834,049	53,551,669	31,152,614	1.26	26,546,139	14,411,760	12,134,379	1,495,000	2,064,790	3.41
2011	230,691,378	174,099,238	56,592,140	30,581,264	1.33	30,783,282	14,907,298	15,875,984	2,075,000	1,993,470	3.90

(1) Excludes effect of bonds defeased. Includes only first lien bond debt service, subordinate lien debt service is excluded.

(2) Electric Light and Power Fund and Water Fund includes auxiliary service and non-utility property revenues and expenses. Excludes depreciation and amortization in all funds. Excludes contributed revenues, impairment gains and extraordinary items. Includes interest and transfers in all funds.

CITY OF SPRINGFIELD, ILLINOIS
 PLEDGED - REVENUE COVERAGE - CONTINUED
 LAST TEN FISCAL YEARS

	Motor Vehicle Parking Revenue Bonds (3)						Sewer Revenue Bonds					
	Gross Revenues	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service	Coverage		Gross Revenues	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service	Coverage	
				Principal (1)	Interest (2)					Principal (1)	Interest (2)	
2002	\$ 1,060,568	\$ 684,776	\$ 375,792	\$ 125,000	\$ 149,950	1.37	\$ 6,098,278	\$ 3,434,704	\$ 2,663,574	\$ 345,000	\$ 256,389	4.43
2003	-	-	-	-	-	-	6,118,694	3,689,219	2,429,475	525,462	241,686	3.17
2004	-	-	-	-	-	-	5,904,224	3,599,453	2,304,771	370,000	496,451	2.66
2005	892,332	581,420	310,912	186,000	44,513	1.35	5,730,809	2,884,994	2,845,815	390,000	468,156	3.32
2006	936,271	675,324	260,947	195,000	38,468	1.12	6,233,585	3,025,368	3,208,217	425,000	173,991	5.36
2007	936,845	745,607	191,238	199,000	32,130	0.83	6,236,500	3,419,498	2,817,002	440,000	154,525	4.74
2008	963,836	810,276	153,560	206,000	25,165	0.66	6,268,352	3,522,306	2,746,046	460,000	133,935	4.62
2009	913,517	872,525	40,992	215,000	17,440	0.18	5,804,771	5,248,386	556,385	480,000	112,315	0.94
2010	1,000,004	916,605	83,399	221,000	8,840	0.36	5,692,694	3,952,008	1,740,686	505,000	89,660	2.93
2011	1,086,911	960,512	126,399	-	-	-	5,936,305	4,200,911	1,735,394	530,000	65,723	2.91

(1) Excludes effect of bonds defeased.

(2) Excludes effect of amounts capitalized.

(3) Refinanced with GO refunding bonds effective FY2003.

CITY OF SPRINGFIELD, ILLINOIS
 PLEDGED - REVENUE COVERAGE - CONTINUED
 LAST TEN FISCAL YEARS

Fiscal	Special Assessment Bonds					Tax Increment Bonds (1)				
	Gross Revenues	Less Operating Expenses	Net Available Revenue	Current Maturities Debt Service	Coverage	Gross Resources	Less Operating Expenses	Net Available Revenue	Current Maturities Debt Service	Coverage
				Principal	Interest				Principal	Interest
2002	\$ 204,673	\$ 3,726	\$ 200,947	\$ 105,000	\$ 88,798	\$ 8,692,249	\$ 7,291,018	\$ 1,401,230	\$ 830,000	\$ 706,023
2003	290,021	-	290,021	143,440	81,679	9,742,073	10,473,949	(731,876)	415,000	308,745
2004	273,811	-	273,811	197,450	71,870	7,750,127	7,103,884	646,243	430,000	279,958
2005	382,720	-	382,720	292,670	98,379	7,723,667	4,409,965	3,313,702	976,040	212,930
2006	360,592	-	360,592	223,350	80,711	10,055,360	8,226,077	1,829,283	410,000	95,795
2007	379,404	-	379,404	245,217	50,306	6,864,909	3,601,039	3,263,870	35,000	205,919
2008	262,575	-	262,575	197,630	35,172	7,391,573	5,712,315	1,679,258	410,633	202,086
2009	238,520	-	238,520	180,783	21,026	6,759,932	4,937,133	1,822,799	430,632	204,313
2010	276,292	-	276,292	55,306	11,061	7,142,824	6,209,540	933,284	292,356	176,986
2011	105,085	-	105,085	60,430	9,064	8,194,239	6,142,238	2,052,001	174,258	150,946

(1) Far East TIF bonds omitted after FY2002 due to GO refinancing.

CITY OF SPRINGFIELD, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income (2)(7)	Per Capita Income (2)(7)	Median Age (6)	School Enrollment (1)	Unemployment Rate (5)
2001	111,454	\$ 6,417,169	\$ 31,645	36.9	14,458	4.7%
2002	111,454	6,715,206	32,924	36.9	14,556	5.5%
2003	111,454	7,361,417	36,028	36.9	14,419	6.2%
2004	111,454	7,129,738	34,816	36.9	14,245	6.4%
2005	111,454	7,053,281	34,404	36.9	13,960	5.1%
2006	111,454	7,381,707	35,889	36.9	14,007	5.1%
2007 (3)	117,096	7,854,809	38,063	37.2	13,800	5.4%
2008	117,096	8,218,817	39,646	36.7	14,213	7.1%
2009	117,096	8,424,554	40,467	37.0	14,180	9.7% (8)
2010 (4)	116,250	N/A	N/A	N/A	14,120	8.1%

Sources: U.S. Dept of Labor-Bureau of Labor Statistics, Bureau of the Census
 U.S. Dept of Commerce, and Illinois Board of Education.

- (1) District 186 Schools only K-12.- source-IL Board of Education Summary Report
- (2) Information obtained from the U.S. Dept of Commerce Bureau of Economic Analysis. Figures for the most current year are unavailable.
- (3) Special census performed.
- (4) Official Census Data
- (5) Bureau of Labor statistics- labor force data
- (6) U.S. Census Bureau estimate
- (7) Updated numbers from current U.S. Dept of Commerce Bureau reports 4/22/10 for the years 2000-2008- FIPS #44100
- (8) Updated by Bureau of Labor Statistics

N/A Information is not available

CITY OF SPRINGFIELD, ILLINOIS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	Fiscal Year 2011				Fiscal Year 2002			
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	
State of Illinois	17,100	1	26.77%		21,000	1	34.13%	
Memorial Health System	5,965	2	9.34%		3,500	3	5.69%	
St. Johns Hospital	3,267	3	5.11%		3,588	2	5.83%	
Springfield Public Schools	2,100	4	3.29%		2,112	5	3.43%	
Springfield Clinic LLP	1,943	5	3.04%		1,100	10	1.79%	
Illinois National Guard	1,819	6	2.85%		2,700	4	4.39%	
City of Springfield	1,599	7	2.50%		1,588	7	2.58%	
SIU School of Medicine	1,587	8	2.48%		1,200	9	1.95%	
University of IL- Springfield	1,166	9	1.83%				0.00%	
Blue Cross Blue Shield	1,146	10	1.79%				0.00%	
Horace Mann Companies					1,310	8	2.13%	
Roman Catholic Diocese					1,600	6	2.60%	
Top Ten Total	37,692		59.01%		39,698		64.51%	
Total workforce	63,875				61,537			

Source: Greater Springfield Chamber of Commerce Data & Illinois Department of Employment Security

CITY OF SPRINGFIELD, ILLINOIS
 FULL-TIME-EQUIVALENT CITY EMPLOYEES BY CITY AGENCY
 LAST TEN FISCAL YEARS

Agency	Full-Time-Equivalent Employees									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Office of the Mayor (1)	7	6	41	39	36	36	36	35	34	31
City Council	12	12	12	12	12	12	12	12	12	12
City Clerk	5	5	5	5	5	5	5	5	5	5
City Treasurer	14	14	14	14	14	14	14	14	14	14
Corporation Counsel	15	14	-	-	-	-	-	-	-	-
Human Resources	10	10	10	11	12	12	12	12	12	11
Budget & Management	29	29	25	26	26	26	26	25	25	25
Fire Department	227	227	227	225	225	225	241	236	234	219
Community Services/Public Health	187	168	54	55	61	-	-	-	-	-
Public Works (2)	216	215	255	247	247	247	248	249	244	227
Economic Development	33	32	83	79	81	78	13	13	12	11
Public Library (3)	-	-	-	-	-	-	65	65	58	47
Police Department	329	331	329	318	319	319	327	324	322	304
Conventions & Tourism (4)	-	-	18	19	19	20	20	19	19	19
Public Utilities	696	697	697	703	703	709	713	761	761	742
Total	1,780	1,760	1,770	1,753	1,760	1,703	1,732	1,770	1,752	1,667

- (1) absorbed 33 positions following reorganization in FY2004
- (2) absorbed Building & Zoning following reorganization
- (3) part of Comm. Serv. through FY2003- part of Econ. Dev. in FY2004- elevated to Agency in FY2005
- (4) Elevated to Agency during reorganization

Note: This schedule represents planned City Employees.

CITY OF SPRINGFIELD, ILLINOIS
OPERATING INDICATORS BY AGENCY
LAST TEN FISCAL YEARS

Agency	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Works										
Streets resurfaced (miles)	n/a	n/a	n/a	n/a	n/a	3	8.0	0.0	2.5	4.0
Concrete patching (miles)	n/a	n/a	n/a	n/a	n/a	1	3.5	0.9	0.9	3.9
Building Permits issued	3,068	3,058	3,303	3,030	3,205	3,786	3,384	3,196	3,576	3,326
Building Permits value	114,279,653	147,950,692	181,143,914	202,100,116	151,483,180	187,264,987	193,722,102	198,228,372	190,788,327	207,229,681
Police										
Calls for Service	120,570	127,675	131,872	127,038	139,922	135,777	158,960	124,993	124,512	123,035
Adult Arrests	6,951	6,859	7,133	7,752	7,781	7,359	7,925	7,614	7,615	6832
Juvenile Arrests	1,400	1,291	1,368	1,414	1,224	1,351	1,361	1,517	1,665	1085
Citations issued	21,694	27,965	33,401	25,875	30,706	25,334	25,404	16,928	22,386	24,189
Fire										
Emergency Responses	12,712	12,827	13,681	15,244	16,032	17,223	15,075	15,919	15,348	15,931
Inspections	n/a	n/a	n/a	n/a	5,502	4,767	4,639	5,337	3,774	4,197
Library										
Books in collection	447,802	437,506	399,575	403,353	396,155	421,476	392,645	414,690	451,723	358,912
Total reference questions	82,326	73,046	73,082	70,991	69,183	65,211	58,088	53,482	45,825	41,768
Items borrowed	830,063	855,044	785,319	751,005	743,820	789,147	671,867	727,018	699,234	636,433
Borrowed per capita	7.4	7.8	7.0	6.7	6.7	7.1	6.0	6.5	6.3	5.5
Public Utilities										
Electric Customers	68,850	69,003	68,729	69,208	70,658	70,308	70,764	69,575	69,833	69,475
Water Customers	50,804	51,279	49,205	49,646	51,334	51,545	51,966	51,112	51,424	51,156
Avg Daily Water Consumption (gallons)	21,012,140	21,537,443	20,952,310	20,885,568	22,248,565	22,119,254	23,181,707	20,702,828	21,179,524	22,468,891

Sources: The City of Springfield's Office of Public Works, Police Department, Fire Department, Library and Utility

CITY OF SPRINGFIELD, ILLINOIS
CAPITAL ASSET STATISTICS BY AGENCY
LAST TEN FISCAL YEARS

Agency	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Works										
Miles of Streets	620	624	624	642	642	647	654	655	656	656
Miles of Sewers (1)	553	561	580	580	580	580	580	493	494	494
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Public Utilities										
Miles of Water Mains	598	605	612	625	641	636	645	650	745	747
Miles of Electric Lines	1,054	1,073	1,087	1,105	1,114	1,112	1,127	1,133	1,136	1,075
# of Street Lights	16,604	16,899	17,208	17,533	17,845	18,086	18,324	18,446	18,496	17,226

Source: City of Springfield Office of Public Works, Police Department, Fire Department and Public Utility

(1) FY09 reflects miles subsequent to completion of GIS Mapping.

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