

# **Town of the City of Peoria, Illinois**

Financial Report  
March 31, 2015

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## Independent Auditor's Report

To the Town Officials  
Town of the City of Peoria, Illinois  
Peoria, Illinois

### Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and major fund of the Town of the City of Peoria, Illinois (Town) as of and for the years ended March 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of cash receipts and disbursements described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and major fund of the Town of the City of Peoria, Illinois as of March 31, 2015 and 2014, and the respective changes in cash basis financial position thereof for the years then ended in accordance with the cash basis of accounting described in Note 1.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matter**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10), the schedules of funding progress (pages 24-25), the combining cash receipts, disbursements and changes in cash and cash equivalents - cash basis - governmental funds - General Fund, by accounts (pages 26-27) and the budgetary comparison information (pages 28-37) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Peoria, Illinois  
August 21, 2015

## Town of the City of Peoria, Illinois

### Management's Discussion and Analysis March 31, 2015, 2014 and 2013

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

Since the MD&A is designed to focus on financial activities for the years ended March 31, 2015, 2014 and 2013, resulting changes and currently known facts, please read it in conjunction with the Town's March 31, 2015 financial statements (beginning on page 11).

#### **FINANCIAL HIGHLIGHTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2015**

- Receipts for the Town were \$2,510,181.
- Disbursements for the Town were \$2,646,956.
- As of the close of the year ended March 31, 2015, the Town's governmental fund (General Town Account, General Assistance Account and Retirement Account) reported combined ending cash and cash equivalents of \$1,876,368, a decrease of \$136,775 (6.8%) in comparison with the prior year. Of this amount, \$897,063 (47.8%) is unassigned and available to meet ongoing and future obligations of the Town.

#### **FINANCIAL HIGHLIGHTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2014**

- Receipts for the Town were \$2,556,190.
- Disbursements for the Town were \$2,691,725.
- As of the close of the year ended March 31, 2014, the Town's governmental fund (General Town Account, General Assistance Account and Retirement Account) reported combined ending cash and cash equivalents of \$2,013,143, a decrease of \$135,535 (6.3%) in comparison with the prior year. Of this amount, \$886,782 (44.0%) is unassigned and available to meet ongoing and future obligations of the Town.

#### **FINANCIAL HIGHLIGHTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2013**

- Receipts for the Town were \$2,474,555.
- Disbursements for the Town were \$2,593,090.
- As of the close of the year ended March 31, 2013, the Town's governmental fund (General Town Account, General Assistance Account and Retirement Account) reported combined ending cash and cash equivalents of \$2,148,678, a decrease of \$118,535 (5.2%) in comparison with the prior year. Of this amount, \$978,917 (45.6%) is unassigned and available to meet ongoing and future obligations of the Town.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three primary components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. The Town's financial statements also contain required supplementary information in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The statements of activities and changes in cash and cash equivalents - cash basis present information on the Town's cash position and how the Town's cash and cash equivalents changed during the years ended March 31, 2015 and 2014. Over time, increases or decreases in available cash and cash equivalents may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. All changes in cash and cash equivalents are reported as soon as cash is received or disbursed, regardless of when the event giving rise to the change occurred.

**Town of the City of Peoria, Illinois**

**Management's Discussion and Analysis  
March 31, 2015, 2014 and 2013**

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The governmental activities of the Town include general government and public welfare. Real estate taxes and governmental receipts consisting of State of Illinois replacement taxes, temporary assistance reimbursements (see explanation following Table 3 in this discussion) and interest income finance these activities.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund, comprised of the General Town Account, General Assistance Account and Retirement Account, is the only fund of the Town and is classified for financial reporting purposes as a governmental fund.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of available resources, as well as balances of available resources at the end of the fiscal year.

Information for the General Town Account, General Assistance Account and the Retirement Account are presented separately in the statement of cash receipts, disbursements and changes in cash and cash equivalents as supplementary information. The General Fund is considered to be the major fund as it is the only fund of the Town. The Town adopts an annual appropriated budget for each of its governmental accounts.

**Government-Wide Financial Statements**

**TABLE 1  
Cash and Cash Equivalents - Cash Basis  
As of March 31, 2015, 2014 and 2013**

	Governmental Activities		
	2015	2014	2013
Cash and cash equivalents:			
Unrestricted	\$ 1,876,368	\$ 2,013,143	\$ 2,148,678

Town of the City of Peoria, Illinois

Management's Discussion and Analysis  
 March 31, 2015, 2014 and 2013

**TABLE 2**  
**Statements of Activities and**  
**Changes in Cash and Cash Equivalents - Cash Basis**  
**For the Years Ended March 31, 2015, 2014 and 2013**

	Governmental Activities		
	2015	2014	2013
Receipts:			
General receipts:			
Property taxes	\$ 2,143,607	\$ 2,167,600	\$ 2,101,739
Illinois replacement taxes	261,022	273,177	238,290
Interest	5,610	5,777	7,632
Miscellaneous	346	95	450
Program receipts:			
Temporary assistance reimbursements	99,596	109,541	126,444
	<u>2,510,181</u>	<u>2,556,190</u>	<u>2,474,555</u>
Disbursements:			
General government	1,167,326	1,283,079	1,294,369
Public welfare	1,479,630	1,408,646	1,298,721
	<u>2,646,956</u>	<u>2,691,725</u>	<u>2,593,090</u>
Decrease in cash and cash equivalents	<u>\$ (136,775)</u>	<u>\$ (135,535)</u>	<u>\$ (118,535)</u>

**Financial Analysis of the Town's Fund**

**Governmental Fund**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of March 31, 2015, the Town's governmental fund reported ending cash and cash equivalents of \$1,876,368, a decrease of 6.8% in comparison to the prior year. Of the total cash and cash equivalents, \$883,467 or 47.1% is assigned for the General Assistance Account for program and administration, \$95,838 or 5.1% is assigned for the Retirement Account (Social Security and IMRF funds) and the remaining \$897,063 or 47.8% is unassigned and available through the General Town Account to meet the Town's general services and administration.

As of March 31, 2014, the Town's governmental fund reported ending cash and cash equivalents of \$2,013,143, a decrease of 6.3% in comparison to the prior year. Of the total cash and cash equivalents, \$1,011,925 or 50.3% was assigned for the General Assistance Account for program and administration, \$114,436 or 5.7% was assigned for the Retirement Account (Social Security and IMRF funds) and the remaining \$886,782 or 44.0% was unassigned and available through the General Town Account to meet the Town's general services and administration.

As of March 31, 2013, the Town's governmental fund reported ending cash and cash equivalents of \$2,148,678, a decrease of 5.2% in comparison to the prior year. Of the total cash and cash equivalents, \$1,047,429 or 48.7% was assigned for the General Assistance Account for program and administration, \$122,332 or 5.7% is assigned for the Retirement Account (Social Security and IMRF funds) and the remaining \$978,917 or 45.6% was unassigned and available through the General Town Account to meet the Town's general services and administration.

## Town of the City of Peoria, Illinois

### Management's Discussion and Analysis March 31, 2015, 2014 and 2013

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#### General Town Account

*Overview.* The General Town Account is the primary operating account of the Town. The March 31, 2015, cash and cash equivalents of the General Town Account increased by \$10,281 from the prior year, primarily due to receipts exceeding disbursements by the General Town Account. The March 31, 2014, cash and cash equivalents of the General Town Account decreased by \$92,135 from the prior year, primarily due to disbursements exceeding receipts by the General Town Account. The March 31, 2013, cash and cash equivalents of the General Town Account decreased by \$246,960 from the prior year, primarily due to a decrease in property taxes received by the General Town Account. The following table presents a comparison summary of the receipts and disbursements for the fiscal years ended March 31, 2015, 2014 and 2013.

**TABLE 3**  
**General Town Account Statements of Receipts and Disbursements**  
**For the Years Ended March 31, 2015, 2014 and 2013**

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
<b>Receipts:</b>					
Property taxes	\$ 618,837	\$ 33,623	\$ 585,214	\$ 101,885	\$ 483,329
Replacement taxes	223,043	(10,387)	233,430	29,811	203,619
Interest	2,540	(283)	2,823	(699)	3,522
Miscellaneous	346	251	95	(355)	450
	<u>\$ 844,766</u>	<u>\$ 23,204</u>	<u>\$ 821,562</u>	<u>\$ 130,642</u>	<u>\$ 690,920</u>
<b>Disbursements:</b>					
Assessor	\$ 406,991	\$ 13,612	\$ 393,379	\$ (41,419)	\$ 434,798
Town Clerk	52,398	(10,770)	63,168	(4,590)	67,758
Town Collector	34,781	(7,526)	42,307	(710)	43,017
Supervisor	92,408	3,037	89,371	2,929	86,442
Other	247,907	(77,565)	325,472	19,607	305,865
	<u>\$ 834,485</u>	<u>\$ (79,212)</u>	<u>\$ 913,697</u>	<u>\$ (24,183)</u>	<u>\$ 937,880</u>

In 2015, receipts from property taxes and replacement taxes increased by approximately \$23,000 from the prior year, contributing to a net increase in total receipts of approximately \$23,000. There was a decrease in overall disbursements of approximately \$79,000 comparing 2015 to the prior year. There was an overall increase in cash and cash equivalents. The increase in receipts and decrease in disbursements contributed to the overall increase in cash and cash equivalents in 2015 as more monies were received than were disbursed during the year.

In 2014, receipts from property taxes and replacement taxes increased by approximately \$132,000 from the prior year, contributing to a net increase in total receipts of approximately \$131,000. There was a decrease in overall disbursements of approximately \$24,000 comparing 2014 to the prior year. Despite the increase in receipts and decrease in disbursements, there was still an overall decrease in cash and cash equivalents in 2014 as more monies were disbursed than were received during the year.

## Town of the City of Peoria, Illinois

### Management's Discussion and Analysis March 31, 2015, 2014 and 2013

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*General Town Account Budgetary Highlights.* There were no changes between the original and final budgets For the Years Ended March 31, 2015, 2014 and 2013 for the General Town Account. 2015 receipts were over budgeted amounts by \$52,075 while disbursements were under budgeted amounts by \$163,309. Receipts were over budget primarily because the Town received Illinois replacement taxes receipts of \$223,043, which were over the budgeted amount by \$58,600 during the year ended March 31, 2015. Disbursements were under budget largely due to salaries, employee health insurance, postretirement benefits and other office expenses being lower than expected.

2014 receipts were over budgeted amounts by \$65,233 while disbursements were under budgeted amounts by \$99,357. Receipts were over budget primarily because the Town received Illinois replacement taxes receipts of \$233,430, which were over the budgeted amount by \$68,987 during the year ended March 31, 2014. Disbursements were under budget largely due to salaries, employee health insurance and other office expenses being lower than expected.

2013 receipts were over budgeted amounts by \$14,131 while disbursements were under budgeted amounts by \$73,146. Receipts were over budget primarily because the Town received Illinois replacement taxes receipts of \$203,619, which were over the budgeted amount by \$15,619 during the year ended March 31, 2013. Disbursements were under budget largely due to salaries, employee health insurance and other office expenses being lower than expected.

*Economic Factors.* Property tax receipts for the fiscal year ending March 31, 2015 were slightly less than anticipated. This is consistent with 2014, when property tax receipts were also slightly less than anticipated. As the State of Illinois struggles to reduce budget deficits, Town officials will continue to monitor the need for tax levy increases in order to maintain appropriate funding levels. The Town's objective is to keep such increases to a minimum (less than 5%).

Interest received for the General Town Account in the years ended March 31, 2015, 2014 and 2013 was approximately \$2,500, \$2,800 and \$3,500, respectively. Interest receipt fluctuations are generally expected due to changes in the average overall cash balance throughout the year as well as changes in the interest rates offered by financial institutions over time.

#### **General Assistance Account**

*Overview.* The Town administers its General Assistance Program through the General Assistance Account. The cash and cash equivalents of the General Assistance Account decreased \$128,458 during the year ended March 31, 2015, decreased \$35,504 during the year ended March 31, 2014, and increased \$120,524 during the year ended March 31, 2013. The 2015 decrease is primarily due to decreases in property tax receipts and temporary assistance reimbursements along with an increase in total disbursements paid out of the General Assistance Account. The 2014 decrease was also primarily due to decreases in property tax receipts and temporary assistance reimbursements along with an increase in total disbursements paid out of the General Assistance Account. The 2013 increase was primarily due to an increase in temporary assistance reimbursements and a decrease in total disbursements paid out of the General Assistance Account. The following schedule presents a comparative summary of the receipts and disbursements for the fiscal years ended March 31, 2015, 2014 and 2013.

Town of the City of Peoria, Illinois

Management's Discussion and Analysis  
 March 31, 2015, 2014 and 2013

**TABLE 4**  
**General Assistance Account Statements of Receipts and Disbursements**  
**For the Years Ended March 31, 2015, 2014 and 2013**

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
<b>Receipts:</b>					
Property taxes	\$ 1,480,524	\$ (36,832)	\$ 1,517,356	\$ (16,846)	\$ 1,534,202
Reimbursements	99,596	(9,945)	109,541	(16,903)	126,444
Interest income	2,499	(93)	2,592	(1,126)	3,718
	<u>\$ 1,582,619</u>	<u>\$ (46,870)</u>	<u>\$ 1,629,489</u>	<u>\$ (34,875)</u>	<u>\$ 1,664,364</u>
<b>Disbursements:</b>					
Administrative	\$ 231,447	\$ (24,900)	\$ 256,347	\$ 11,228	\$ 245,119
Relief assistance	1,479,630	70,984	1,408,646	109,925	1,298,721
	<u>\$ 1,711,077</u>	<u>\$ 46,084</u>	<u>\$ 1,664,993</u>	<u>\$ 121,153</u>	<u>\$ 1,543,840</u>

*General Assistance Account Budgetary Highlights.* There were no amendments to the original budget for the years ended March 31, 2015 and March 31, 2014, and there was one amendment between the original and final budget for the year ended March 31, 2013 for the General Assistance Account. Total disbursements were over budgeted amounts by \$16,787 in 2015. Total disbursements were under budgeted amounts by \$27,801 in 2014. Total disbursements were under budgeted amounts by \$60,883 in 2013. Significant disbursements in the General Assistance Account for 2015, and comparative amounts for prior years are as follows:

**TABLE 5**  
**General Assistance Account Selected Disbursements**  
**For the Years Ended March 31, 2015, 2014 and 2013**

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Emergency assistance vouchers	\$ 562,562	\$ 26,327	\$ 536,235	\$ 14,331	\$ 521,904
Direct grants	843,539	132,299	711,240	103,189	608,051
Medical relief disbursements	-	(92,376)	92,376	(9,391)	101,767
Heartland Clinic	50,000	-	50,000	-	50,000

Emergency assistance vouchers include disbursements for utility assistance, dental and optical care, prescription medications and bus passes. The Town's contract with the Heartland Clinic enables the Town to provide prescription medications and medical assistance to clients at considerable savings. Additional detail on 2015 disbursements within the General Assistance Account can be found on pages 32 and 33 of this report.

## Town of the City of Peoria, Illinois

### Management's Discussion and Analysis March 31, 2015, 2014 and 2013

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From time to time, the Town receives reimbursement from the Social Security Administration of the direct grant amount a client was awarded while awaiting a decision on SSI from the Social Security Administration. In 2015, Town receipts were \$9,945 less than 2014 SSI reimbursements. In 2014, Town receipts were \$16,903 less than 2013 SSI reimbursements.

*Economic Factors.* The Town experienced an increase in assistance disbursements for client utility payments to \$526,579 for the year ended March 31, 2015, compared with \$418,839 for 2014 and \$402,051 for 2013. These amounts can vary year over year depending on the level of energy costs and environmental factors. The General Assistance Account interest income decreased in 2015 and 2014 due to falling interest rates and less cash held. Overall, the General Assistance Account disbursements were over budget by \$16,787 in the fiscal year ended March 31, 2015, and the receipts were under budget by \$73,200. Total receipts were under budget primarily due to property tax receipts being under budget by \$83,095, which is attributed to the levied amount for property tax receipts exceeding the maximum allowed.

#### Retirement Account

*Overview.* The Retirement Account is maintained in order to pay the social security taxes and Illinois Municipal Retirement Fund (IMRF) retirement liabilities for the Town. The cash and cash equivalent balances of the Retirement Account decreased \$18,598 in the year ended March 31, 2015, decreased \$7,896 in the year ended March 31, 2014, and decreased by \$7,901 in the year ended March 31, 2013. The decrease in 2015 was due to a decrease in overall receipts collected and an overall increase in disbursements.

In the years ended March 31, 2015, 2014, and 2013, the Town recognized \$44,246, \$65,030 and \$84,208 of property tax revenues, and Illinois replacement tax revenues of \$37,979, \$39,747 and \$34,671, respectively, in the Retirement Account.

The following table presents a comparison summary of the receipts and disbursements for the fiscal years ended March 31, 2015, 2014, and 2013.

**TABLE 6**  
**Retirement Account Statements of Receipts and Disbursements**  
**For the Years Ended March 31, 2015, 2014 and 2013**

	2015	Increase (Decrease)	2014	Increase (Decrease)	2013
Receipts:					
Property taxes	\$ 44,246	\$ (20,784)	\$ 65,030	\$ (19,178)	\$ 84,208
Replacement taxes	37,979	(1,768)	39,747	5,076	34,671
Interest	571	209	362	(30)	392
	<u>\$ 82,796</u>	<u>\$ (22,343)</u>	<u>\$ 105,139</u>	<u>\$ (14,132)</u>	<u>\$ 119,271</u>
Disbursements:					
Pension contributions	\$ 41,825	\$ (11,382)	\$ 53,207	\$ 3,501	\$ 49,706
Payroll taxes	59,569	(259)	59,828	(1,836)	61,664
	<u>\$ 101,394</u>	<u>\$ (11,641)</u>	<u>\$ 113,035</u>	<u>\$ 1,665</u>	<u>\$ 111,370</u>

## Town of the City of Peoria, Illinois

### Management's Discussion and Analysis March 31, 2015, 2014 and 2013

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*Retirement Account Budgetary Highlights.* There were no changes between the original and final budgets for the Retirement Account in the years ended March 31, 2015, 2014, and 2013.

Receipts were over the budget by \$9,744 while the disbursements were under budget by \$8,606 for the year ended March 31, 2015.

Receipts were over the budget by \$11,386 while the disbursements were under budget by \$14,965 for the year ended March 31, 2014.

Receipts were over the budget by \$2,431 while the disbursements were under budget by \$3,630 for the year ended March 31, 2013.

*Economic Factors.* The Town has budgeted a Retirement Account property tax levy since the year ended March 31, 2007. Town management monitors the funding requirements of the IMRF and makes appropriate employee contributions for pension obligations. The Town will monitor this fund for future tax levy appropriations.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Town'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 Joseph P. Whalen, Supervisor, Town of the City of Peoria, 205 SW Adams, Peoria, IL 61602.

Town of the City of Peoria, Illinois

Notes to Basic Financial Statements

Town of the City of Peoria, Illinois

Statements of Activities and Changes in Cash and Cash Equivalents - Cash Basis  
Year Ended March 31, 2015

	Cash	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Disbursements	Charges for Services	Operating Grants	
Governmental activities:					
General government	\$ (1,167,326)	\$ -	\$ -	\$ -	\$ (1,167,326)
Public welfare	(1,479,630)	-	99,596	-	(1,380,034)
<b>Total governmental activities</b>	<b>\$ (2,646,956)</b>	<b>\$ -</b>	<b>\$ 99,596</b>	<b>\$ -</b>	<b>(2,547,360)</b>
General receipts:					
Taxes:					
Property					2,143,607
Illinois replacement					261,022
Interest					5,610
Miscellaneous					346
<b>Total general receipts</b>					<b>2,410,585</b>
<b>Change in cash and cash equivalents</b>					<b>(136,775)</b>
Cash and cash equivalents:					
Beginning					2,013,143
Ending					<b>\$ 1,876,368</b>
Cash and cash equivalents:					
Unrestricted					<b>\$ 1,876,368</b>

See Notes to Basic Financial Statements.

Town of the City of Peoria, Illinois

Notes to Basic Financial Statements

Town of the City of Peoria, Illinois

Statements of Activities and Changes in Cash and Cash Equivalents - Cash Basis  
Year Ended March 31, 2014

	Cash Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants	Capital Grants	
Governmental activities:					
General government	\$ (1,283,079)	\$ -	\$ -	\$ -	\$ (1,283,079)
Public welfare	(1,408,646)	-	109,541	-	(1,299,105)
<b>Total governmental activities</b>	<b>\$ (2,691,725)</b>	<b>\$ -</b>	<b>\$ 109,541</b>	<b>\$ -</b>	<b>(2,582,184)</b>
General receipts:					
Taxes:					
Property					2,167,600
Illinois replacement					273,177
Interest					5,777
Miscellaneous					95
<b>Total general receipts</b>					<b>2,446,649</b>
<b>Change in cash and cash equivalents</b>					<b>(135,535)</b>
Cash and cash equivalents:					
Beginning					2,148,678
Ending					<b>\$ 2,013,143</b>
Cash and cash equivalents:					
Unrestricted					<b>\$ 2,013,143</b>

See Notes to Basic Financial Statements.

Town of the City of Peoria, Illinois

Notes to Basic Financial Statements

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Town of the City of Peoria, Illinois

Statements of Cash Receipts, Disbursements and Changes in Cash and  
Cash Equivalents - Governmental Funds  
Year Ended March 31, 2015

	General Fund
Receipts:	
Property taxes	\$ 2,143,607
Illinois replacement taxes	261,022
Temporary assistance reimbursements	99,596
Interest	5,610
Miscellaneous	346
	<u>2,510,181</u>
Disbursements:	
General government	1,167,326
Public welfare	1,479,630
	<u>2,646,956</u>
<b>(Deficiency) of receipts over disbursements</b>	<b>(136,775)</b>
Cash and cash equivalents:	
Beginning	<u>2,013,143</u>
Ending	<u>\$ 1,876,368</u>
Cash and cash equivalents:	
Assigned for:	
Retirement	\$ 95,838
Public welfare	883,467
Unassigned	<u>897,063</u>
	<u>\$ 1,876,368</u>

See Notes to Basic Financial Statements.

Town of the City of Peoria, Illinois

Notes to Basic Financial Statements

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Town of the City of Peoria, Illinois

Statements of Cash Receipts, Disbursements and Changes in Cash and  
Cash Equivalents - Governmental Funds  
Year Ended March 31, 2014

	General Fund
Receipts:	
Property taxes	\$ 2,167,600
Illinois replacement taxes	273,177
Temporary assistance reimbursements	109,541
Interest	5,777
Miscellaneous	95
	<u>2,556,190</u>
Disbursements:	
General government	1,283,079
Public welfare	1,408,646
	<u>2,691,725</u>
<b>(Deficiency) of receipts over disbursements</b>	<b>(135,535)</b>
Cash and cash equivalents:	
Beginning	<u>2,148,678</u>
Ending	<u><u>\$ 2,013,143</u></u>
Cash and cash equivalents:	
Assigned for:	
Retirement	\$ 114,436
Public welfare	1,011,925
Unassigned	<u>886,782</u>
	<u><u>\$ 2,013,143</u></u>

See Notes to Basic Financial Statements.

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

**Nature of operations:** The Town of the City of Peoria, Illinois (Town) provides a broad range of services to citizens, including general government and relief and emergency assistance.

**Reporting entity:** Accounting principles generally accepted in the United States of America require that the financial reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, the Town is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these statements.

A summary of the Town's significant accounting policies is as follows:

**Basis of presentation:** The government-wide financial statements report information on all of the non-fiduciary activities of the government. Governmental activities normally are supported by taxes and intergovernmental receipts.

The government-wide financial statements demonstrate the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts 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. Taxes and other items which are not classified as program receipts are presented as general receipts of the Town.

The statements of cash receipts, disbursements and changes in cash and cash equivalents – governmental funds are provided for all governmental funds. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds; major funds are presented. The Town's individual funds, as described below, are reported as separate columns.

**Fund accounting:** The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The transactions of each fund are accounted for by providing a separate set of self-balancing funds, which comprise its cash and cash equivalent balances, receipts and disbursements. There are three categories of funds: governmental, proprietary and fiduciary; however, the Town only maintains governmental funds.

The Town considers all of its funds to be major governmental funds:

*General Town Fund* - The General Town Fund is the general operating fund of the Town. It is used to account for all financial transactions except those required to be accounted for in other funds.

Accounts within the General Town Fund:

*General Assistance Account* - The General Assistance Account is used to account for the proceeds of specific revenue sources that are legally restricted to disbursements for relief and emergency assistance to individuals.

*Retirement Account* - The Retirement Account is used to account for the proceeds of specific revenue sources that are legally restricted, primarily for disbursements for the Town's participation in the Illinois Municipal Retirement Fund on behalf of the Town's employees and for payment of certain social security taxes and Medicare benefits.

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)**

For the year ended March 31, 2015, the Town's General Assistance Account had a total budget for relief disbursements of \$1,419,500. Actual expenditures were \$1,479,630 which resulted in an excess of expenditures over budget of \$60,130.

**Measurement focus and basis of accounting:** The government-wide financial statements and governmental fund financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP); therefore, receivables, payables, capital assets and depreciation, which may be material in amount, are not recognized. Property taxes are recognized as revenue in the year in which they are collected.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

**Cash and cash equivalents:** For purposes of recording cash, the Town considers all money market accounts and certificates of deposit, regardless of maturity, to be cash equivalents.

**Property taxes:** Property taxes are levied in December and attach as an enforceable lien on the property the preceding January 1, and are generally collectible in June and September of the year following the December tax levy.

**Appropriations and budgetary accounting:** As of March 31, 2015, appropriations/budgets for all funds of the Town are adopted on the cash basis, which is not consistent with GAAP. For reporting purposes, the Appropriation Ordinance is considered the budget. Budgetary comparisons presented in this report are on this non-GAAP budgetary basis. Appropriations/budgets approved through this process lapse at year-end. The level of legal control is the fund budget in total.

**Fund balances:** Effective April 1, 2011, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet. Pursuant to this guidance, the Town was required to report fund balances previously reported in the general assistance and retirement funds (special revenue funds) as part of the general fund.

Within the governmental fund types, the Town's fund balances are reported in one of the following classifications:

**Nonspendable** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At March 31, 2015 and 2014, the Town did not report any nonspendable fund balance amounts.

**Restricted** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. At March 31, 2015 and 2014, the Town did not report any restricted fund balance amounts.

**Town of the City of Peoria, Illinois**

**Notes to Basic Financial Statements**

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)**

**Committed** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town’s highest level of decision-making authority rests with the Board of Town Trustees. The Town passes formal resolutions to commit their fund balances. At March 31, 2015 and 2014, the Town did not report any committed fund balance amounts.

**Assigned** – includes amounts that are constrained by the Town’s intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Board of Town Trustees itself; or b) a body or official to which the Board of Town Trustees has delegated the authority to assign amounts to be used for specific purposes. At March 31, 2015 and 2014, the Town has assigned fund balances in the General Fund for Retirement and Public Welfare.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

In the General Fund, it is the Town’s policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unassigned (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**Note 2. Deposits and Investments**

State statutes authorize the Town to make deposits in commercial banks and savings and loan institutions, and to make investments in certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds’ Money Market Fund.

**Custodial credit risk:** Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to the Town. As of March 31, 2015 and 2014, the Town’s deposits, which include certificates of deposit, amounted to \$1,876,368 and \$2,013,143, respectively, with bank balances of \$1,898,280 and \$2,021,683, respectively. The insured and collateral status of the bank balances, by category of risk, as of March 31, 2015 and 2014, were as follows:

	2015	2014
Covered by federal depository insurance or collateralized with securities held by the Town or its agent in the Town’s name	\$ 1,898,280	\$ 2,021,683
Uncollateralized which includes bank balances collateralized with securities held by the pledging institution or by its trust department or agent but not in the Town’s name	-	-
	<u>\$ 1,898,280</u>	<u>\$ 2,021,683</u>

As of March 31, 2015 and 2014, the Town had no investments; therefore, they are not subject to interest rate risk, credit risk and concentration of credit risk.

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 3. Illinois Municipal Retirement Fund (IMRF)

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

*Funding Policy.* As set by statute, the Town's regular plan members are required to contribute 4.50% of their annual covered salary for both 2014 and 2013. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2014 and 2013 was 5.77% and 7.57%, respectively, of annual covered payroll. The Town also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For fiscal years ended December 31, 2014 and 2013, the Town's annual pension cost of \$41,942 and \$56,628, respectively, for the regular plan was equal to the Town's required and actual contributions.

Town of the City of Peoria IMRF Three-Year Trend Information				
Fiscal Plan Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
December 31, 2014	\$ 41,942	100%	\$ -	-
December 31, 2013	56,628	100%	-	-
December 31, 2012	47,944	100%	-	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of the Town's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period, with a 20.0% corridor between the actuarial and market value of assets. The Town's regular plan's overfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29-year basis.

*Funded Status and Funding Progress.* As of December 31, 2014 and 2013, the most recent actuarial valuation dates, the Regular plan was 114.53% and 116.75%, respectively, funded. The actuarial accrued liability for benefits was \$2,956,007 and \$2,623,623, respectively, and the actuarial value of assets was \$3,385,589 and \$3,063,210, respectively, resulting in an overfunded actuarial accrued liability (UAAL) of \$429,582 and \$439,587, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$726,904 and \$748,052, respectively, and, since the plan is overfunded, there is no ratio of the UAAL to the covered payroll for both years.

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

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 4. Other Postemployment Benefits

**Plan description:** The Town participates in the City of Peoria, Illinois' sponsored agent multiple-employer health care plan that provides self-insured medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Employees must be a minimum of age 60 with five or more years of service to be eligible for retiree benefits. Eligible retirees and their dependents receive health care coverage through a PPO plan. The plan is a pay-as-you-go contributory health insurance program with retiree's contributions making up 80% of the funding (less age/service discounts). The Town's contributions are established by the Joint Labor/Management Healthcare Committee of the City of Peoria, Illinois. The provisions of this plan may only be modified upon the unanimous agreement of all of the voting members of the Committee and approval by the City of Peoria Council. The plan does not issue a stand-alone financial report.

Contributions are required for both retiree and dependent coverage. The retiree contributions are based on an expected average gross premium that is dependent on a retiree's age and family coverage. In addition, monthly contributions can be offset by the following:

- All retirees receive a 20% discount from the expected cost of coverage through a City of Peoria, Illinois Council discount.
- Retirees may receive a \$15 per month offset to the retiree contribution if they retired with 20 years of service.
- Employees who have retired due to a disability may receive a monthly offset to the retiree contributions ranging from \$25-\$65. The value of the offset is determined by the employee's age at disability retirement.

**Funding policy:** The Town establishes and amends contribution requirements.

The current funding policy of the Town is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For both fiscal years 2015 and 2014, the Town contributed \$0.

**Annual OPEB cost and net OPEB obligation:** The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the years ended March 31, 2015 and 2014, the amount actually contributed to the plan, and the changes on the Town's net OPEB obligation to the postemployment health plans.

**Town of the City of Peoria, Illinois**

**Notes to Basic Financial Statements**

**Note 4. Other Postemployment Benefits (Continued)**

	2015	2014
Annual required contribution	\$ 71,000	\$ 71,000
Interest on net OPEB obligation *	-	-
Adjustments to annual required contribution *	-	-
Annual OPEB cost (expense)	71,000	71,000
Contributions and payments made	-	-
Increase in net OPEB obligation	71,000	71,000
Net OPEB obligation - beginning of year	443,304	372,304
Net OPEB obligation - end of year	<u>\$ 514,304</u>	<u>\$ 443,304</u>

\* The GASB Statement No. 45 actuarial report prepared for the City of Peoria does not break out the interest on net OPEB obligation or adjustments to annual required contribution for the Town and as such these numbers are not disclosed.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2015, 2014, and 2013 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
March 31, 2015	\$ 71,000	0.00%	\$ 514,304
March 31, 2014	71,000	0.00%	443,304
March 31, 2013	45,000	0.00%	372,304

**Funded status and funding progress:** As of January 1, 2014, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$863,000 and the actuarial value of assets is zero resulting in an unfunded actuarial accrued liability (UAAL) of \$863,000. The covered payroll (annual payroll of active employees covered by the plan) was \$717,029 and the ratio of the UAAL to the covered payroll was 120%.

Actuarial valuations of an ongoing plan involve 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 health care 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 as required supplementary information 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 liabilities for benefits.

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 4. Other Postemployment Benefits (Continued)

**Actuarial methods and assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

In the January 1, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) which is based on the expected long-term investment return of the employer's own investments used to pay plan benefits, and an annual health care cost trend rate of 10% reduced by decrements of 0.5% annually to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

#### Note 5. Lease and Total Rental Payments

The Town of the City of Peoria currently leases its general assistance program and Assessor's office facility located in Peoria, Illinois, from the City of Peoria on an annual renewal basis at a cost of \$2,726 per year.

Rental payments included in the General Assistance Account disbursements were \$1,363 for each of the years ended March 31, 2015 and 2014. Rental payments in the General Town Account were \$1,363 for each of the years ended March 31, 2015 and 2014.

#### Note 6. Risk Management

The Town is exposed to various risks of loss related to tort, theft, damage to or destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by the purchase of commercial insurance. The Town has not experienced any losses in excess of its commercial insurance coverage in any of the past three fiscal years, and management does not believe that such a situation exists as of the date of these financial statements.

#### Note 7. Governmental Accounting Standards Board (GASB) Statements

The Town adopted the following statements during the year ended March 31, 2015:

GASB Statement No. 67, *Financial Reporting for Pension Plans*. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. This statement had no effect on the Town's basic financial statements.

## Town of the City of Peoria, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Until now, governments have accounted for mergers, acquisitions, and transfers of operations by analogizing to accounting and financial reporting guidance intended for the business environment, generally APB Opinion No. 16, *Business Combinations*. This statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. This statement had no effect on the Town's basic financial statements.

The Town adopted the following statements during the year ended March 31, 2014:

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. 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. This statement had no effect on the Town's basic financial statements.

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. This statement had no effect on the Town's basic financial statements.

**Town of the City of Peoria, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Governmental Accounting Standards Board (GASB) Statements (Continued)**

As of March 31, 2015, the GASB has issued statements not yet required to be implemented by the Town. The statements which might impact the Town are as follows:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Town beginning with its year ending March 31, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, will be effective for the Town beginning with its year ending March 31, 2016. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Management has not yet determined the effect these GASB Statements will have on the Town's basic financial statements.

**Town of the City of Peoria, Illinois  
Required Supplementary Information  
Illinois Municipal Retirement Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2014	\$ 3,385,589	\$ 2,956,007	\$ (429,582)	114.53%	\$ 726,904	N/A
December 31, 2013	3,063,210	2,623,623	(439,587)	116.75%	748,052	N/A
December 31, 2012	3,396,030	2,928,780	(467,250)	115.95%	783,401	N/A

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$3,918,520. On a market basis, the funded ratio would be 132.56%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Town. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**Town of the City of Peoria, Illinois  
Required Supplementary Information  
Other Postemployment Benefit Plan**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2015	01/01/2014	\$ -	\$ 863,000	\$ 863,000	0.00%	\$ 717,029	120.36%
2014	01/01/2014	-	863,000	863,000	0.00%	720,702	119.74%
2013	01/01/2012	-	610,000	610,000	0.00%	760,986	80.16%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2014. Additional information follows:

1. The cost method used to determine the ARC is the Projected Unit Credit Actuarial Cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: health care cost trend rates of 5.0-10.0%, and investment rate of return of 4.5%.
4. The amortization method is open period, level percentage.

Town of the City of Peoria, Illinois

**Combining Statements of Cash Receipts, Disbursements and Changes in Cash and  
Cash Equivalents - Cash Basis - Governmental Funds  
General Fund, by Accounts  
Year Ended March 31, 2015**

	General Town Account	General Assistance Account	Retirement Account	Total General Fund
<b>Receipts:</b>				
Property taxes	\$ 618,837	\$ 1,480,524	\$ 44,246	\$ 2,143,607
Illinois replacement taxes	223,043	-	37,979	261,022
Temporary assistance reimbursements	-	99,596	-	99,596
Interest	2,540	2,499	571	5,610
Miscellaneous	346	-	-	346
	<u>844,766</u>	<u>1,582,619</u>	<u>82,796</u>	<u>2,510,181</u>
<b>Disbursements:</b>				
General government	834,485	231,447	101,394	1,167,326
Public welfare	-	1,479,630	-	1,479,630
	<u>834,485</u>	<u>1,711,077</u>	<u>101,394</u>	<u>2,646,956</u>
<b>Excess (deficiency) of receipts over disbursements</b>	10,281	(128,458)	(18,598)	(136,775)
<b>Cash and cash equivalents:</b>				
Beginning	<u>886,782</u>	<u>1,011,925</u>	<u>114,436</u>	<u>2,013,143</u>
Ending	<u>\$ 897,063</u>	<u>\$ 883,467</u>	<u>\$ 95,838</u>	<u>\$ 1,876,368</u>
<b>Cash and cash equivalents:</b>				
Assigned for:				
Retirement	\$ -	\$ -	\$ 95,838	\$ 95,838
Public welfare	-	883,467	-	883,467
Unassigned	<u>897,063</u>	<u>-</u>	<u>-</u>	<u>897,063</u>
	<u>\$ 897,063</u>	<u>\$ 883,467</u>	<u>\$ 95,838</u>	<u>\$ 1,876,368</u>

Town of the City of Peoria, Illinois

**Combining Statements of Cash Receipts, Disbursements and Changes in Cash and  
Cash Equivalents - Cash Basis - Governmental Funds  
General Fund, by Accounts  
Year Ended March 31, 2014**

	General Town Account	General Assistance Account	Retirement Account	Total General Fund
<b>Receipts:</b>				
Property taxes	\$ 585,214	\$ 1,517,356	\$ 65,030	\$ 2,167,600
Illinois replacement taxes	233,430	-	39,747	273,177
Temporary assistance reimbursements	-	109,541	-	109,541
Interest	2,823	2,592	362	5,777
Miscellaneous	95	-	-	95
	<u>821,562</u>	<u>1,629,489</u>	<u>105,139</u>	<u>2,556,190</u>
<b>Disbursements:</b>				
General government	913,697	256,347	113,035	1,283,079
Public welfare	-	1,408,646	-	1,408,646
	<u>913,697</u>	<u>1,664,993</u>	<u>113,035</u>	<u>2,691,725</u>
<b>(Deficiency) of receipts over disbursements</b>	(92,135)	(35,504)	(7,896)	(135,535)
<b>Cash and cash equivalents:</b>				
Beginning	<u>978,917</u>	<u>1,047,429</u>	<u>122,332</u>	<u>2,148,678</u>
Ending	<u>\$ 886,782</u>	<u>\$ 1,011,925</u>	<u>\$ 114,436</u>	<u>\$ 2,013,143</u>
<b>Cash and cash equivalents:</b>				
Assigned for:				
Retirement	\$ -	\$ -	\$ 114,436	\$ 114,436
Public welfare	-	1,011,925	-	1,011,925
Unassigned	<u>886,782</u>	<u>-</u>	<u>-</u>	<u>886,782</u>
	<u>\$ 886,782</u>	<u>\$ 1,011,925</u>	<u>\$ 114,436</u>	<u>\$ 2,013,143</u>

**Town of the City of Peoria, Illinois  
General Town Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2015**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 625,448	\$ 625,448	\$ 618,837
Illinois replacement taxes	164,443	164,443	223,043
Interest	2,800	2,800	2,540
Miscellaneous	-	-	346
	<u>792,691</u>	<u>792,691</u>	<u>844,766</u>
<b>Disbursements:</b>			
<b>Assessor's office:</b>			
Salary, assessor	103,404	103,404	103,720
Salary, deputies	285,310	285,310	277,029
Office supplies and expense	10,230	10,230	8,779
Telephone	800	800	278
Printing, publishing and photographic services	500	500	474
Appraisal services	25,000	25,000	-
Purchase and rental of equipment	8,500	8,500	2,958
Transportation and travel	10,100	10,100	7,752
Repairs and maintenance of equipment	3,500	3,500	3,681
Subscriptions, dues, fees and education	2,750	2,750	957
Office rent	1,400	1,400	1,363
	<u>451,494</u>	<u>451,494</u>	<u>406,991</u>
<b>Town Clerk's office:</b>			
Salary, town clerk	6,000	6,000	6,000
Salary, office help	45,000	45,000	42,045
Office supplies	1,000	1,000	772
Printing and publishing	600	600	164
Transportation and travel	2,200	2,200	2,200
Purchase and rental of equipment	650	650	402
Maintenance	550	550	30
Record restoration	1,000	1,000	785
	<u>57,000</u>	<u>57,000</u>	<u>52,398</u>
<b>Supervisor's office:</b>			
Salary, supervisor	89,823	89,823	89,822
Transportation and travel	2,200	2,200	2,200
Life insurance	400	400	386
	<u>92,423</u>	<u>92,423</u>	<u>92,408</u>
<b>Town Collector's office:</b>			
Salary, town collector	6,000	6,000	6,000
Salaries	21,800	21,800	15,732
Transportation and travel	2,300	2,300	2,200
Training and education	200	200	-
Public tax notice	700	700	-
General liability bond	15,000	15,000	8,954
Data processing fees	100	100	-
Maintenance	400	400	-
Postage	400	400	265
Office supplies	700	700	985
Equipment purchase/rental	1,200	1,200	645
	<u>48,800</u>	<u>48,800</u>	<u>34,781</u>

(Continued)

**Town of the City of Peoria, Illinois  
General Town Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual (Continued)  
Year Ended March 31, 2015**

	Original Budget	Final Budget	Actual
<b>Disbursements (Continued):</b>			
Other:			
Attorney fees	\$ 15,000	\$ 15,000	\$ 9,019
Auditing	27,000	27,000	22,620
Other professional services	3,500	3,500	1,107
Office supplies	800	800	827
Elected trustees	33,000	33,000	33,000
Insurance	8,000	8,000	7,741
Provision for contingencies	5,000	5,000	-
Salaries	44,127	44,127	44,086
Dues and membership fees	2,000	2,000	1,565
Equipment repair and maintenance	250	250	-
Group insurance	136,000	136,000	121,708
Computer services	8,800	8,800	3,920
Capital purchase	1,600	1,600	80
Training and education	1,200	1,200	125
Postretirement benefits	59,000	59,000	-
Other	2,800	2,800	2,109
	<u>348,077</u>	<u>348,077</u>	<u>247,907</u>
	<u>997,794</u>	<u>997,794</u>	<u>834,485</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>\$ (205,103)</u>	<u>\$ (205,103)</u>	10,281
<b>Cash and cash equivalents:</b>			
Beginning			<u>886,782</u>
Ending			<u>\$ 897,063</u>

**Town of the City of Peoria, Illinois  
General Town Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2014**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 588,386	\$ 588,386	\$ 585,214
Illinois replacement taxes	164,443	164,443	233,430
Interest	3,500	3,500	2,823
Miscellaneous	-	-	95
	<u>756,329</u>	<u>756,329</u>	<u>821,562</u>
<b>Disbursements:</b>			
<b>Assessor's office:</b>			
Salary, assessor	103,404	103,404	103,403
Salary, deputies	313,110	313,110	263,259
Office supplies and expense	4,630	4,630	4,055
Telephone	800	800	292
Printing, publishing and photographic services	500	500	319
Purchase and rental of equipment	8,500	8,500	5,899
Transportation and travel	12,900	12,900	8,828
Repairs and maintenance of equipment	3,500	3,500	3,492
Subscriptions, dues, fees and education	2,750	2,750	2,469
Office rent	1,400	1,400	1,363
	<u>451,494</u>	<u>451,494</u>	<u>393,379</u>
<b>Town Clerk's office:</b>			
Salary, town clerk	6,000	6,000	6,000
Salary, office help	57,000	57,000	52,484
Office supplies	1,000	1,000	998
Printing and publishing	600	600	379
Transportation and travel	2,200	2,200	2,200
Purchase and rental of equipment	650	650	705
Maintenance	550	550	371
Record restoration	200	200	31
	<u>68,200</u>	<u>68,200</u>	<u>63,168</u>
<b>Supervisor's office:</b>			
Salary, supervisor	86,785	86,785	86,785
Transportation and travel	2,200	2,200	2,194
Life insurance	400	400	392
	<u>89,385</u>	<u>89,385</u>	<u>89,371</u>
<b>Town Collector's office:</b>			
Salary, town collector	6,000	6,000	5,542
Salaries	26,600	26,600	12,021
Transportation and travel	2,300	2,300	2,200
Training and education	200	200	-
Public tax notice	700	700	-
General liability bond	21,000	21,000	21,324
Data processing fees	100	100	-
Maintenance	400	400	316
Postage	500	500	248
Office supplies	800	800	233
Equipment purchase/rental	1,400	1,400	423
	<u>60,000</u>	<u>60,000</u>	<u>42,307</u>

(Continued)

**Town of the City of Peoria, Illinois  
General Town Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual (Continued)  
Year Ended March 31, 2014**

	Original Budget	Final Budget	Actual
<b>Disbursements (Continued):</b>			
Other:			
Attorney fees	\$ 7,000	\$ 7,000	\$ 19,870
Auditing	27,000	27,000	27,600
Other professional services	5,000	5,000	-
Office supplies	1,400	1,400	1,100
Elected trustees	33,000	33,000	32,750
Insurance	8,000	8,000	7,741
Provision for contingencies	5,000	5,000	-
Salaries	43,050	43,050	43,050
Dues and membership fees	2,000	2,000	1,640
Equipment repair and maintenance	250	250	-
Group insurance	145,000	145,000	124,603
Computer services	3,600	3,600	3,551
Capital purchase	1,600	1,600	1,700
Training and education	1,000	1,000	1,075
Postretirement benefits	59,000	59,000	58,000
Other	2,075	2,075	2,792
	<u>343,975</u>	<u>343,975</u>	<u>325,472</u>
	<u>1,013,054</u>	<u>1,013,054</u>	<u>913,697</u>
<b>(Deficiency) of receipts over disbursements</b>	<u>\$ (256,725)</u>	<u>\$ (256,725)</u>	(92,135)
Cash and cash equivalents:			
Beginning			<u>978,917</u>
Ending			<u>\$ 886,782</u>

**Town of the City of Peoria, Illinois  
General Assistance Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2015**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 1,563,619	\$ 1,563,619	\$ 1,480,524
Temporary assistance reimbursements	90,000	90,000	99,596
Interest	2,200	2,200	2,499
	<u>1,655,819</u>	<u>1,655,819</u>	<u>1,582,619</u>
<b>Disbursements:</b>			
<b>Administrative disbursements:</b>			
Salaries	183,500	183,500	169,528
Office supplies	4,000	4,000	5,798
Equipment maintenance and rentals	4,480	4,480	3,547
Postage	4,200	4,200	4,291
Office rent and maintenance	5,960	5,960	4,798
Equipment purchases	2,500	2,500	-
Travel and education	1,700	1,700	1,294
Telephone	5,100	5,100	4,382
Group insurance	14,000	14,000	11,322
Postretirement benefits	8,500	8,500	-
Provision for contingencies	5,000	5,000	-
Professional services	33,350	33,350	24,060
Computer maintenance and purchases	2,500	2,500	2,427
<b>Total administrative disbursements</b>	<u>274,790</u>	<u>274,790</u>	<u>231,447</u>

(Continued)

**Town of the City of Peoria, Illinois  
General Assistance Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual (Continued)  
Year Ended March 31, 2015**

	Original Budget	Final Budget	Actual
Disbursements (Continued):			
Relief disbursements:			
Funeral and burial	\$ 3,000	\$ 3,000	\$ 3,985
Medical:			
Other	7,000	7,000	7,588
Emergency assistance:			
Transportation vouchers			15,000
Utilities vouchers			526,579
Medication vouchers			5,180
Dental vouchers			6,702
Optical vouchers			9,101
	<u>636,000</u>	<u>636,000</u>	<u>562,562</u>
Direct grant	711,500	711,500	843,539
Heartland Clinic	50,000	50,000	50,000
Center for Prevention of Abuse	10,000	10,000	10,000
Other	2,000	2,000	1,956
	<u>773,500</u>	<u>773,500</u>	<u>905,495</u>
<b>Total relief disbursements</b>	<u>1,419,500</u>	<u>1,419,500</u>	<u>1,479,630</u>
	<u>1,694,290</u>	<u>1,694,290</u>	<u>1,711,077</u>
<b>(Deficiency) of receipts over disbursements</b>	<u>\$ (38,471)</u>	<u>\$ (38,471)</u>	(128,458)
Cash and cash equivalents:			
Beginning			<u>1,011,925</u>
Ending			<u>\$ 883,467</u>

**Town of the City of Peoria, Illinois  
General Assistance Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2014**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 1,525,444	\$ 1,525,444	\$ 1,517,356
Temporary assistance reimbursements	90,000	90,000	109,541
Interest	4,000	4,000	2,592
	<u>1,619,444</u>	<u>1,619,444</u>	<u>1,629,489</u>
<b>Disbursements:</b>			
<b>Administrative disbursements:</b>			
Salaries	180,404	180,404	183,134
Office supplies	4,900	4,900	4,775
Equipment maintenance and rentals	4,680	4,680	4,059
Postage	4,500	4,500	3,949
Office rent and maintenance	5,960	5,960	4,873
Equipment purchases	2,500	2,500	3,374
Travel and education	3,000	3,000	2,058
Telephone	5,100	5,100	6,088
Group insurance	23,000	23,000	14,408
Postretirement benefits	8,500	8,500	-
Provision for contingencies	5,000	5,000	-
Professional services	28,350	28,350	27,321
Computer maintenance and purchases	2,500	2,500	2,308
<b>Total administrative disbursements</b>	<u>278,394</u>	<u>278,394</u>	<u>256,347</u>

(Continued)

**Town of the City of Peoria, Illinois  
General Assistance Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual (Continued)  
Year Ended March 31, 2014**

	Original Budget	Final Budget	Actual
Disbursements (Continued):			
Relief disbursements:			
Funeral and burial	\$ 3,000	\$ 3,000	\$ 1,500
Medical:			
Drugs			92,376
Other			6,060
	<u>132,000</u>	<u>132,000</u>	<u>98,436</u>
Emergency assistance:			
Transportation vouchers			24,990
Utilities vouchers			418,839
Medication vouchers			35,958
Dental vouchers			26,090
Optical vouchers			30,358
	<u>541,000</u>	<u>541,000</u>	<u>536,235</u>
Direct grant	676,400	676,400	711,240
Heartland Clinic	50,000	50,000	50,000
Center for Prevention of Abuse	10,000	10,000	10,000
Other	2,000	2,000	1,235
	<u>738,400</u>	<u>738,400</u>	<u>772,475</u>
<b>Total relief disbursements</b>	<u>1,414,400</u>	<u>1,414,400</u>	<u>1,408,646</u>
	<u>1,692,794</u>	<u>1,692,794</u>	<u>1,664,993</u>
<b>(Deficiency) of receipts over disbursements</b>	<u>\$ (73,350)</u>	<u>\$ (73,350)</u>	(35,504)
Cash and cash equivalents:			
Beginning			<u>1,047,429</u>
Ending			<u>\$ 1,011,925</u>

**Town of the City of Peoria, Illinois  
Retirement Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2015**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 44,675	\$ 44,675	\$ 44,246
Illinois replacement taxes	28,077	28,077	37,979
Interest	300	300	571
	<u>73,052</u>	<u>73,052</u>	<u>82,796</u>
<b>Disbursements:</b>			
Pension contributions	45,000	45,000	41,825
Employer payroll taxes	65,000	65,000	59,569
	<u>110,000</u>	<u>110,000</u>	<u>101,394</u>
<b>(Deficiency) of receipts over disbursements</b>	<u>\$ (36,948)</u>	<u>\$ (36,948)</u>	(18,598)
<b>Cash and cash equivalents:</b>			
Beginning			<u>114,436</u>
Ending			<u>\$ 95,838</u>

**Town of the City of Peoria, Illinois  
Retirement Account**

**Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -  
Budget and Actual  
Year Ended March 31, 2014**

	Original Budget	Final Budget	Actual
<b>Receipts:</b>			
Property taxes	\$ 65,376	\$ 65,376	\$ 65,030
Illinois replacement taxes	28,077	28,077	39,747
Interest	300	300	362
	<u>93,753</u>	<u>93,753</u>	<u>105,139</u>
<b>Disbursements:</b>			
Pension contributions	61,000	61,000	53,207
Employer payroll taxes	67,000	67,000	59,828
	<u>128,000</u>	<u>128,000</u>	<u>113,035</u>
<b>(Deficiency) of receipts over disbursements</b>	<u>\$ (34,247)</u>	<u>\$ (34,247)</u>	(7,896)
<b>Cash and cash equivalents:</b>			
Beginning			<u>122,332</u>
Ending			<u>\$ 114,436</u>