

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

As of and for the Year Ended

March 31, 2019

Phillips & Associates, CPAs, P.C.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

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TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees Town of the City of Bloomington, Illinois

We have audited the accompanying financial statements of Town of the City of Bloomington, Illinois, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Township'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 modified cash basis of accounting described in Note 1; this includes determining that the modified 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

Basis for Qualified Opinion on Modified Cash Basis of Accounting

Disclosures required by the Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension*, have been omitted in these financial statements. The amount by which this disclosure would affect the financial statements is not reasonable determinable.

Qualified Opinion on Modified Cash Basis of Accounting

In our opinion, except for the effect of the matter describe in the "*Basis for Qualified Opinion on Modified Cash Basis Accounting*" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of the City of Bloomington, Illinois, as of March 31, 2019, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as 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 modified 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 that matter.

Other Information and Statistical Section

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

Phillips & Associates, CPAs, P.C.

Normal, Illinois
September 18, 2019

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

GOVERNMENT-WIDE STATEMENT OF NET POSITION MODIFIED CASH BASIS

March 31, 2019

	Governmental Activities	Discrete Component Unit
Assets		
Cash & Cash Equivalents	\$ 1,582,054	\$ 163,533
Investments	566,602	301,563
Capital Assets (net of Accumulated Depreciation)	552,283	964,446
Total Assets	\$ 2,700,939	\$ 1,429,542
Liabilities		
Current Portion of Debt Certificates Payable	\$ -	\$ 57,111
General Obligation Debt Certificates	-	87,672
Total Liabilities	-	144,783
Net Position		
Invested in Capital Assets (net of Related Debt)	552,283	819,663
Restricted for General Assistance	638,968	-
Restricted for Cemetery Operations	-	465,096
Unrestricted	1,509,688	-
Total Net Position	\$ 2,700,939	\$ 1,284,759

The Accompanying Notes Are an Integral Part of This Statement.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

GOVERNMENT WIDE - STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

Year Ended March 31, 2019

Functions/Programs Governmental Activities:	Program Revenues			Net (Expense) / Revenue and Changes in Net Position			
	Expenses	Fines, Fees, & Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Total Governmental Activities	Total	Discrete Component Unit
General Government	\$ 1,373,982	\$ 23,782	-	\$ -	\$ (1,350,200)	\$ (1,350,200)	\$ -
Public Assistance	507,951	-	-	-	(507,951)	(507,951)	-
Total Governmental Activities	1,881,933	23,782	-	-	(1,858,151)	(1,858,151)	-
Component Unit:							
General Government	94,332	-	-	-	-	-	(94,332)
Cemetery Operations	604,656	158,574	-	-	-	-	(446,082)
Total Component Unit	\$ 698,988	\$ 158,574	\$ -	\$ -	\$ -	\$ -	(540,413)
General Revenues:							
Taxes					1,844,257	1,844,257	506,322
Intergovernmental							
Replacement Taxes					130,601	130,601	36,283
Refunds and Recoveries					51,322	51,322	-
Interest					15,858	15,858	3,578
Miscellaneous					19,065	19,065	59,194
Transfers - Internal activity					-	-	-
Total General Revenues and Transfers					2,061,104	2,061,104	605,377
Changes in Net Position					202,953	202,953	64,964
Net Position - Beginning					2,497,986	2,497,986	1,219,795
Net Position - Ending					\$ 2,700,939	\$ 2,700,939	\$ 1,284,759

The Accompanying Notes Are an Integral Part of This Statement.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES MODIFIED CASH BASIS March 31, 2019

	Major Governmental Funds		
	General Town Fund	General Assistance Fund	Total Governmental Funds
Assets			
Cash	\$ 943,086	\$ 638,968	\$ 1,582,054
Investments	566,602	-	566,602
Due from other funds	-	-	-
	\$ 1,509,688	\$ 638,968	\$ 2,148,656
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Due to governmental entities	-	-	-
	-	-	-
Fund Balances			
Restricted for General Assistance	-	638,968	638,968
Unassigned	1,509,688	-	1,509,688
	1,509,688	638,968	2,148,656
Total Liabilities and Fund Balances	\$ 1,509,688	\$ 638,968	\$ 2,148,656

The Accompanying Notes Are an Integral Part of This Statement.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

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

Year Ended March 31, 2019

	Major Governmental Funds		
	Town Fund	General Assistance Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 1,544,401	\$ 299,856	\$ 1,844,257
Intergovernmental Revenue			
Personal Property Replacement Tax	109,146	21,455	130,601
Local Revenue	-	51,322	51,322
Miscellaneous	42,848	-	42,848
Interest	14,081	1,777	15,858
	1,710,476	374,410	2,084,886
TOTAL REVENUES			
Expenditures:			
General Government	1,008,834	-	1,008,834
Public Assistance	486,574	359,661	846,234
Debt Service Principal and Interest			
Principal	60,000	-	60,000
Interest	1,798	-	1,798
	1,557,206	359,661	1,916,867
TOTAL EXPENDITURES			
Excess (deficiency) of Revenues Over Expenditures	153,270	14,750	168,019
Fund Balance - Beginning of Year	1,356,419	624,218	1,980,637
Fund Balance - End of Year	\$ 1,509,688	\$ 638,968	\$ 2,148,656

The Accompanying Notes Are an Integral Part of This Statement.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS TO GOVERNMENTAL FUND STATEMENTS

March 31, 2019

Total Fund Balance - Total Governmental Funds	\$	2,148,656
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital Assets Used in Governmental Activities are Not Current Financial Resources and Therefore are Not Reported in the Governmental Funds Balance Sheet.		<u>552,283</u>
Net Position of Governmental Activities	\$	<u>2,700,939</u>
Net change in fund balances - total governmental funds	\$	168,019
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.		(25,066)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while 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 cost, premiums, discounts, and similar items when debt is first issued, whereas the 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		
Repayment of Long-Term Obligations		<u>60,000</u>
Change in Net Position of Governmental Activities	\$	<u>202,953</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

STATEMENT OF NET POSITION STATEMENT OF NET POSITION - MODIFIED CASH BASIS FIDUCIARY FUNDS

March 31, 2019

	<u>John M. Scott Agency Fund</u>	<u>Totals</u>
Assets		
Cash and cash equivalents	<u>\$ 18,293</u>	<u>\$ 18,293</u>
Total Assets	<u><u>\$ 18,293</u></u>	<u><u>\$ 18,293</u></u>
Liabilities		
Due to City of Bloomington	<u>\$ 18,293</u>	<u>\$ 18,293</u>
Total Liabilities	<u>18,293</u>	<u>18,293</u>
Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
MODIFIED CASH BASIS

March 31, 2019

	Governmental Activities	Totals
Assets		
Cash and cash equivalents	\$ 163,533	\$ 163,533
Investments	301,563	\$ 301,563
Capital Assets (net of Accumulated Depreciation)	964,446	964,446
Total Assets	\$ 1,429,542	\$ 1,429,542
Liabilities		
Current Portion of Debt Certificates Payable	\$ 57,111	57,111
General Obligation Debt Certificates	87,672	87,672
Total Liabilities	144,783	144,783
Net Position		
Invested in capital assets - Net of related debt	819,663	819,663
Unrestricted	465,096	465,096
Total Net Position	\$ 1,284,759	\$ 1,284,759

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

Year Ended March 31, 2019

Component Unit	Expenses	Program Revenues			Net (Expense) / Revenue and Changes in Net Position
		Fines, Fees, & Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
General Government	\$ 94,332	\$ -	\$ -	\$ -	\$ (94,332)
Public Assistance	604,656	158,574	-	-	(446,082)
Total Governmental Activities	\$ 698,988	\$ 158,574	\$ -	\$ -	\$ (540,413)
		Taxes			506,322
		Intergovernmental			36,283
		Interest			3,578
		Miscellaneous			59,194
		Transfers - Internal activity			-
		Total General Revenues and Transfers			605,377
		Changes in Net Position			64,964
		Net Position - Beginning			1,219,795
		Net Position - Ending			\$ 1,284,759

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT - GOVERNMENTAL FUNDS
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 MODIFIED CASH BASIS

March 31, 2019

	Governmental Funds	Totals
Assets		
Cash and cash equivalents	\$ 163,533	\$ 163,533
Investments	301,563	\$ 301,563
Total Assets	\$ 465,096	\$ 465,096
Liabilities		
Total Liabilities	-	-
Fund Balances		
Restricted	\$ 465,096	465,096
Unassigned	-	-
Total Fund Balance	465,096	465,096
Total Liabilities and Fund Balance	\$ 465,096	\$ 465,096

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT - GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
 AND CHANGES IN FUND BALANCES

Year Ended March 31, 2019

	Governmental Funds	Totals
Revenues:		
Taxes	\$ 506,322	\$ 506,322
Intergovernmental Revenue	36,283	36,283
Local Revenue	158,574	158,574
Miscellaneous	59,194	59,194
Interest	3,578	3,578
 TOTAL REVENUES	 763,952	 763,952
Expenditures:		
General Government	94,332	94,332
Cemetery Operations	489,960	489,960
Capital Outlay	137,018	137,018
Debt Service - Principal	103,924	103,924
Debt Service - Interest	6,868	6,868
 TOTAL EXPENDITURES	 832,102	 832,102
 Excess (Deficiency) of Revenues Over Expenditures	 (68,150)	 (68,150)
 Fund Balance - Beginning of Year	 533,246	 533,246
 Fund Balance - End of Year	 \$ 465,096	 \$ 465,096

The Accompanying Notes Are an Integral Part of This Statement.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT
 RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS
 TO GOVERNMENTAL FUND STATEMENTS

Year Ended March 31, 2019

Change in net position per Statement of Activities Modified Cash Basis	\$ 64,964
Current year capital additions recorded as capital outlay in the governmental funds	(112,145)
Depreciation recorded on government-wide Statement of Activities not recorded on the governmental fund statements	82,955
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while 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 cost, premiums, discounts, and similar items when debt is first issued, whereas the 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</p>	
Repayment of Long-Term Obligations	<u>(103,924)</u>
Change in fund balance per the Statement of Revenues Received, Expenditures Disbursed , and Changes in Fund Balances	<u>\$ (68,150)</u>
Net Position per Statement of Net Position Modified Cash Basis	\$ 1,284,759
Beginning of year governmental fixed assets included on only the Statement of Net Position Modified Cash Basis; net of accumulated depreciation totaling \$1,324,313	(935,256)
Additions to governmental fixed assets included on only the Statement of Net Position - Modified Cash Basis	(112,145)
Depreciation recorded on government-wide Statement of Activities not recorded on the governmental fund statements	82,955
Beginning of year debt included only on the Statement of Net Position	248,707
Repayment of long-term debt	<u>(103,924)</u>
Fund balances per the Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis	<u>\$ 465,096</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT - FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 MODIFIED CASH BASIS

March 31, 2019

	Fiduciary Fund Types		Totals
	Trust	Private Lot Trust	
Assets			
Cash and cash equivalents	\$ -	\$ 39,130	\$ 39,130
Investments	203,139	-	203,139
Total Assets	\$ 203,139	\$ 39,130	\$ 242,269
Net Position Held in Trust			
Permanently Restricted			\$ -
Restricted	203,139	39,130	242,269
Total Net Position	\$ 203,139	\$ 39,130	\$ 242,269

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

DISCRETE COMPONENT UNIT - FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
MODIFIED CASH BASIS

Year Ended March 31, 2019

	Perpetual Care Trust	Private Lot Trust
Additions		
Investment Income	\$ 4,373	\$ 158
Gain (loss) on investments	5,737	-
Total Revenue	10,110	158
Deductions		
Cemetery Operations	5,520	2,640
Total Expenditures	5,520	2,640
Change in Net Assets	4,590	(2,482)
Net Position - Beginning of Year	198,549	41,612
Net Position - End of Year	\$ 203,139	\$ 39,130

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Town of the City of Bloomington, Illinois, operates under a trustee form of government. The Town has coterminous boundaries with the City of Bloomington, Illinois. Therefore, in accordance with the Illinois Compiled Statutes, the City Council members automatically serve as trustees for the Town and the City's Mayor presides over Town Board meetings. The Township Supervisor is the elected chief executive officer for the Township. These financial statements present the Town of the City of Bloomington as a primary government. The Township provides the following services as authorized by state statutes: general assistance and general administrative services.

Evergreen Memorial Cemetery is included in these financial statements as a discretely presented component unit. A separate Board of Trustees appointed by the Township Board governs the operations of the Cemetery. However, the Cemetery is financially dependent on the Township and has no independent power to contract bonded indebtedness or to levy taxes. A complete set of financial statements for the Cemetery may be obtained from the Township office, 607 S. Gridley Street, Bloomington, Illinois 61701. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township. The discretely presented component unit has a March year-end. The discretely presented component unit operates a cemetery.

The Township considered whether the John M. Scott Health Care Trust should comprise part of the Township for reporting purposes. The Township determined that although the Township implements and operates programs and services provided by the Trust from its offices through an intergovernmental agreement, the City of Bloomington, as Trustee has the oversight responsibility for the Trust, and therefore, the Trust should not be considered a part of the Township for financial reporting purposes. The Township has included a fiduciary financial statement of the Trust as an Agency Fund.

The criteria of oversight responsibility, special financing relationships, and scope of public service was used in determining the agencies or entities that comprise the Township for financial reporting purposes. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing operations, and accountability for fiscal matters. The accounting policies of the Town of the City of Bloomington, Illinois, conform to generally accepted accounting principles as applicable to governments except that all funds are accounted for on the modified cash basis of accounting instead of reporting on the modified accrual basis or accrual basis of accounting.

BASIS OF PRESENTATION

A. Basic Financial Statements

The Township's basic financial statements include both government-wide (reporting the township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Statements

In the government-wide financial statements, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on the modified cash, economic resource basis, which recognizes all long-term assets as well as long-term debt. The Township's net position is reported in three parts—invested in capital assets net of related debt; restricted net assets; and unrestricted net assets. The Township first uses restricted resources to finance qualifying activities.

The Statement of Net Assets - Modified Cash Basis and the Statement of Activities - Modified Cash Basis present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting on internal transactions. Governmental activities generally are financed through taxes and intergovernmental revenues.

The Statement of Activities - Modified Cash Basis reports both the gross and net cost of each of the Town's functions. Gross program expenses (including depreciation) are offset by direct program revenues that are directly associated with the function (general government, highways and streets, public assistance, cemetery, etc.). The net costs (by function) are normally covered by general revenue (property or utility taxes, intergovernmental revenue, interest income, etc.).

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities.

Fund Accounting

The financial transactions of the Township are reported in individual funds, which are all major funds in the fund financial statements. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses, as appropriate. The various funds are reported by generic classification within the financial statements. The following are the Township's governmental fund types:

Governmental Funds

The focus of the governmental funds' measurement (in the funds statements) is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the governmental funds of the Township:

Town Fund – is the general operating fund of the Township. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds – are used to account for the proceeds to specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The General Assistance fund accounts for tax levies restricted for assistance to individuals and families in need.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The emphasis in fund financial statements is on the major funds in the governmental activities category. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental activities) for the determination of major funds. The Township has no non-major funds.

Fiduciary Funds

Trust Funds – are used to account for the proceeds from private sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Agency Fund – was used to administer the John M. Scott Health Resources Center assistance program in McLean County through an intergovernmental agreement with the City of Bloomington. The program has ended and the funds will be returned to the City.

B. Significant Accounting Policies

Basis of Accounting

Revenue and expenditures of governmental fund types are recognized on the modified cash basis of accounting.

Revenue is recognized in the accounting period when it is received.

Expenditures are generally recognized in the accounting period when obligations are paid, with the exception of capital purchases. Capital purchases are recognized in the government-wide statement at full cost including payments made during the fiscal year plus any financing used to complete their purchase.

Investments

Investments are stated at their fair value, (quoted market price or the best available estimate).

Property and Equipment

Equipment purchased or acquired with an original cost of \$5,000 or more, and buildings costing in excess of \$10,000 are capitalized at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays, where cost meets the Township's capitalization policies and significantly extend the useful life of an asset, are also capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Infrastructure	40 years
Machinery and Equipment	7 years
Cemetery Infrastructure	40 years

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment - continued

GASB No. 34 requires the Township to report and depreciate new infrastructure assets prospectively. Infrastructure assets include roads, bridges, underground pipe (other than those related to utilities), traffic signals, etc. It is unlikely that the Township will ever have any infrastructure assets since the Township is coterminous with the City of Bloomington, Illinois', which is responsible for the infrastructure.

Resource Utilization

The Township first applies restricted resources to expenses when both restricted and unrestricted net position is available. Similarly, the most limiting classification of committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for which any of those could be used.

Property and Other Taxes

The Township's property tax is levied each year on all taxable real property located within the Township boundaries on or before the last Tuesday in December. The Board of Trustees passed the 2017 levy on November 29, 2017 in amounts deemed necessary to defray expenses and liabilities for the fiscal year ended March 31, 2018. Property taxes attached as an enforceable lien on property as of January 1, 2017 and are payable in two installments in the following year in June and September. On November 28, 2018, the Board passed the 2018 Levy which will be collected during the fiscal year ended March 31, 2019.

Program Revenues

The Township receives program revenue from providing services to the discrete component unit and other townships by intergovernmental agreement as follows:

Administrative Services

Discretely Presented Component Unit

Evergreen Memorial Cemetery (Cemeteries of the Town of the City of Bloomington, Illinois), maintains a general operating fund and two fiduciary funds for private trusts. The fiduciary funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. The Cemetery reimburses the Town Fund for personnel expenses related to services provided by the fiscal office.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government Fund Balance Reporting

Government Accounting Standards require government fund balances to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Fund balances in the governmental fund statements have been restated as of the beginning of the fiscal year to reflect changes in presentation. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification 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. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the township all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The township has several revenue sources received within different funds that also fall into these categories such as property taxes, state grants, interest, charges for services, and/or insurance reimbursement. The General Assistance funds and Cemetery funds are restricted by the enabling legislation for property tax levies.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Board of Trustees commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There were no committed fund balances.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government Fund Balance Reporting- Continued

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Board of Trustees or (b) the budget or finance committee or (c) an official to which the Board has delegated the authority to assign amounts to be used for specific purposes. There were no assigned fund balances.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amount in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

The budget or appropriation ordinance is adopted on a cash basis. The appropriation ordinance for the Town of the City of Bloomington, Illinois, which was adopted on March 27, 2018, covered appropriations for the general and special revenue funds as well as Evergreen Memorial Cemetery, a discretely presented component unit of the Town of the City of Bloomington, Illinois.

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

(a) Prior to the beginning of a fiscal year, the Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. It is prepared on a cash basis.

(b) Public hearings are held to obtain taxpayer comments.

(c) The budget is legally enacted through passage of an ordinance no later than during the first three months of the fiscal year.

(d) Any budget amendments are approved by the Town Board of Trustees. Transfers of more than 10% of fund appropriations require a repetition of the entire budget process.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING – CONTINUED

(e) Appropriations lapse at the end of the fiscal year. The level of control for each budget is the fund total rather than individual line items.

(f) Management makes estimates and assumptions during the preparation of financial statements. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND CASH INVESTMENTS

Permitted Deposits and Investments -Illinois statutes and the Township's investment policy authorizes the Township to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds (a money market fund created by the State of Illinois under the State Treasurer that maintains a \$1 per share value).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Township has formally adopted deposit and investment policies that limit its allowable deposits or investments and address the specific types of risks to which the Township is exposed. State statutes authorize the Township to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, and Illinois Funds Money Market Fund.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2019

NOTE 3 – CASH AND CASH INVESTMENTS - CONTINUED

The Township's cash and investments are maintained in accounts fully covered by the Federal Deposit Insurance Corporation or pledged collateral security held by the depository and in The Illinois Public Treasurers' Investment Pool.

The Township holds the following investments at March 31, 2019:

Illinois Funds	<u>\$ 566,602</u>
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The Cemetery holds the following investments at March 31, 2019:

General Funds	
Super Money Market	\$ 93,443
Business Jumbo CD	208,120
	<u>\$ 301,563</u>
Fiduciary Funds	
Private Lot Trust Fund - Super Money Market	<u>\$ 39,130</u>
Investments in Irrevocable Trust	
Cash	\$ 977
Equity Traded Fixed Income Funds	69,598
Equity Traded Equity Mutual Funds	<u>132,564</u>
	<u>\$ 203,139</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the ways the cemetery addresses risk is the use a professional investment advisors.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer on an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The cemetery's deposits with financial institutions are not subject to credit risk rating.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 4 – CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets for the year ended March 31, 2019, was as follows:

	Balance <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>March 31</u>
Governmental Activities:				
Capital assets being depreciated				
Building	\$ 916,903	\$ -	\$ -	\$ 916,903
Equipment	<u>26,579</u>	<u>-</u>	<u>-</u>	<u>26,579</u>
Total Capital assets being depreciated	<u>943,482</u>	<u>-</u>	<u>-</u>	<u>943,482</u>
Less accumulated depreciation for:				
Building	(343,839)	-	(22,923)	(366,762)
Equipment	<u>(22,294)</u>	<u>-</u>	<u>(2,143)</u>	<u>(24,437)</u>
Total accumulated depreciation	<u>(366,133)</u>	<u>-</u>	<u>(25,066)</u>	<u>(391,199)</u>
Governmental activities capital assets, net	<u>\$ 577,349</u>	<u>\$ -</u>	<u>\$ (25,066)</u>	<u>\$ 552,284</u>

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

Governmental Activities – General Fund:

Building	\$ 22,923
Equipment	<u>2,143</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 25,066</u>

A summary of component unit fixed assets for the year ended March 31, 2019, was as follows:

	Balance <u>April 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>March 31</u>
Component Unit Activities:				
Capital assets not being depreciated				
Land	\$ 93,245	\$ -	\$ -	\$ 93,245
Capital assets being depreciated				
Buildings & Improvements	284,124	-	-	284,124
Equipment	572,360	112,144	(49,400)	635,104
Land Improvements	25,984	-	-	25,984
Infrastructure	271,453	-	-	271,453
Veteran's Area	25,600	-	-	25,600
Mausoleum	<u>986,804</u>	<u>-</u>	<u>-</u>	<u>986,804</u>
Total capital assets being depreciated	<u>2,166,325</u>	<u>112,144</u>	<u>(49,400)</u>	<u>2,229,069</u>
Less accumulated depreciation for:				
Buildings & Improvements	(251,320)	-	(12,016)	(263,336)
Equipment	(535,158)	49,400	(27,126)	(512,884)
Land Improvements	(6,929)	-	(1,732)	(8,661)
Infrastructure	(220,431)	-	(16,367)	(236,798)
Veteran's Area	(2,598)	-	(1,818)	(4,416)
Mausoleum	<u>(307,877)</u>	<u>-</u>	<u>(23,896)</u>	<u>(331,773)</u>
Total accumulated depreciation	<u>(1,324,313)</u>	<u>49,400</u>	<u>(82,955)</u>	<u>(1,357,868)</u>
Total capital assets being depreciated, net	<u>842,012</u>	<u>161,544</u>	<u>(132,355)</u>	<u>871,201</u>
Business-type activities capital assets, net	<u>\$ 935,257</u>	<u>\$ 161,544</u>	<u>\$ (132,355)</u>	<u>\$ 964,446</u>

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2019

NOTE 4 – CHANGES IN FIXED ASSETS - CONTINUED

Depreciation expense was charged to programs of the component unit as follows:

Component Unit Activities – General Fund:	
Buildings & Improvements	\$ 12,016
Equipment	27,126
Land Improvements	1,732
Infrastructure	16,367
Veteran's Area	1,818
Mausoleum	<u>23,896</u>
Total depreciation expense – Component Unit Activities:	<u>\$ 82,955</u>

NOTE 5 – LONG-TERM DEBT

At March 31, 2019, bonds payable consisted of the following individual issue:

Governmental
Activities

The Township issued \$900,000 General Obligation (Limited Tax) Debt Certificates, Series 2003 on October 16, 2003. The Certificates require annual payments of \$60,000 per year, beginning January 1, 2005, plus semi-annual interest at 3.48%. All amounts due on or after January 1, 2010 are subject to redemption in whole or in part on or after January 1, 2009, at the option of the Township, at a price of par plus any interest accrued to the date of redemption. The Certificates are payable from the General Funds of the Township without any requirement of a prior appropriation therefore.

\$ _____ -

Changes in Outstanding Debt – Transactions for the year ended March 31, 2019 are summarized as follows:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance March 31</u>	<u>Due Within one year</u>
Governmental Activities:					
General Obligation Bond	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -
Total Activities	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>

The Township paid \$1,798 in interest expense during the year of which 35% was charged directly to the Assessor's expenses and 65% was charged to the Supervisor's expenses.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2019

NOTE 5 – LONG-TERM DEBT - continued

Component Unit Activities
General Obligation Debt Certificates

On February 25, 2008, the Board of Trustees for the Township approved Ordinance No. 2008-01 authorizing the issuance of General Obligation (Limited Tax) Debt Certificates, Series 2008 not to exceed \$688,725 to finance Cemetery township facilities. The debt is included as part of the discretely presented component unit of the Township. There was no levy and extension of taxes for repayment of the certificates. The Cemetery plans to pay the certificates from its general revenues. The certificates original interest rate was 4.5%, however, the township refinanced the certificates on September 9, 2013 at a new interest rate of 3.10%. Beginning March 25, 2009, interest only was due on a monthly basis for the first twelve monthly payments. The revised monthly payments including principle and interest, are amortized over the remainder of the fifteen year period. The Township has the option to redeem the certificates in any amount prior to the stated due date. The total amount outstanding at March 31, 2019 was \$144,783.

The annual aggregate maturities for general obligation debt certificates for the years subsequent to March 31, 2019, are as follows:

Year Ending <u>March 31</u>	<u>General Obligation Debt Certificate</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	57,111	3,681	60,792
2021	58,906	1,886	60,792
2022	28,766	252	29,018
Total	<u>\$ 144,783</u>	<u>\$ 5,819</u>	<u>\$ 150,602</u>

Changes in Outstanding Debt – Transactions for the year ended March 31, 2019 are summarized as follows:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance March 31</u>	<u>Due Within one year</u>
Governmental Activities:					
General Obligation Bond	\$ 248,707	\$ -	\$ 103,924	\$ 144,783	\$ 57,111
Total Activities	<u>\$ 248,707</u>	<u>\$ -</u>	<u>\$ 103,924</u>	<u>\$ 144,783</u>	<u>\$ 57,111</u>

Legal Debt Margin - The legal debt margin of the Township, as of March 31, 2019 is computed as follows:

Assessed Valuation (Property Tax Year 2017)	<u>\$ 1,871,606,642</u>
Debt Limit – 2.875% of assessed value	\$ 53,808,691
Less: Debt subject to General Obligation Bond	<u>(144,783)</u>
Legal Debt Margin	<u>\$ 53,663,908</u>

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 6 – RETIREMENT PLANS

ILLINOIS MUNICIPAL RETIREMENT PLAN

IMRF Plan Description

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 6 – RETIREMENT PLANS - CONTINUED

Employees Covered by Benefit Terms

At December 31, 2018, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	27
Inactive, non-retired members	14
Active members	<u>22</u>
Total	<u>63</u>

Contributions

As set by statute, Township regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require the Township to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual required contribution rate for the calendar year 2018 was 12.61%. The Township also contributes for disability benefits, death benefits, and supplemental retirements benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability, \$1,136,300, was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the 2018 Contribution Rates:

- Actuarial Cost Method: Aggregate Entry Age Normal
- Amortization Method: Level Percentage of Payroll, Closed
- Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
- Asset Valuation Method: 5-Year smoothed market; 20% corridor
- Wage growth: 3.50%
- Price Inflation: 2.75%
- Salary Increases: 3.75% to 14.50% including inflation
- Investment Rate of Return: 7.50%
- Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2019

NOTE 6 – RETIREMENT PLANS - CONTINUED

- **Mortality:** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on Bond Buyer Index, general obligation, 20-years to maturity, mixed quality general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED
March 31, 2019

NOTE 6 – RETIREMENT PLANS - CONTINUED

Changes in Net Pension Liability

The Township's changes in net position liability / (asset) for the calendar year ended December 31, 2018 was as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Service Cost	\$ 112,102	\$ -	\$ 112,102
Interest on the Total Pension Liability	505,858	-	505,858
Differences between expected and actual experience of the Total Pension Liability	(7,825)	-	(7,825)
Change of assumptions	180,093	-	108,093
Benefit payments, including refunds of employee contributions	(409,757)	(409,757)	-
Contributions-Employer	-	142,296	(142,296)
Contributions-Employee	-	50,780	(50,780)
Net investment income	-	(415,039)	415,039
Other (Net Transfer)	-	153,620	(153,620)
Net Change in total pension liability	380,471	(478,100)	858,571
Balances at December 31, 2017	6,893,599	6,615,870	277,729
Balance at December 31, 2018	<u>\$ 7,274,070</u>	<u>\$ 6,137,770</u>	<u>\$ 1,136,300</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability	\$ 1,939,923	\$ 1,136,300	\$ 458,454

The Township's pension expense for the current fiscal year on a modified cash basis is \$142,211. Pension expense for calendar year 2017 reported on an accrual basis was \$65,001.

NOTE 7 – OTHER INDIVIDUAL FUND DISCLOSURES

A. The Cemetery (discrete component unit) employees participate in the IMRF pension plan and reimburse the Town for their share of employer costs incurred. In addition, the Cemetery reimburses the Town for services provided by the fiscal office. There were no individual fund inter-fund receivable and payable balances at March 31, 2019 between the Town fund and the Cemetery Fund component unit.

B. There were no deficit fund balances of individual funds at March 31, 2019.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2019

NOTE 8 - VACATION AND SICK LEAVE

The Township provides full-time employees with vacation and sick leave in varying amounts. Vacation and sick pay expenses are charged to operations when taken by the employee. The Township has not recorded the liability for vacation, which totals \$35,404 on March 31, 2019.

NOTE 9 – INTERGOVERNMENTAL AGREEMENT

The Township provided space for the John M. Scott Health Resource Center, a program operated by the Town of the City of Bloomington, Illinois, at an annual rental of \$1 plus a pro-rata share of utilities. In addition, the City and Township agreed to cooperate in the training and sharing of employees between the Township and the Resource Center with the cost allocated, based on the time spent working for each organization. This agreement was terminated effective July 31, 2018.

NOTE 10 - CONTINGENCIES AND COMMITMENTS

1. Debit Cards and Disbursing Orders

The Township provides assistance to income-qualified recipients in the form of debit cards, disbursing orders and referrals. At year-end, the Township was liable for \$6,760 for purchases made on the debit cards. In addition, unused balances on debit cards issued totaled \$2,309 and the total amount of unpaid general assistance disbursing orders was \$1,333 at March 31, 2019.

NOTE 11 – ACTIVITIES BETWEEN PRIMARY GOVERNMENT AND COMPONENT UNIT

The Township and its component unit, Evergreen Memorial Cemetery, file and make pension contributions together. The Cemetery reimburses the General Fund for its share of the obligation on a monthly basis. Any amounts in due to/from accounts are for IMRF withholdings from Evergreen Memorial Cemetery employees that have not been transferred to the Township general fund for remittance. The Cemetery is purchasing employee benefits through the Township; these include health, dental and vision insurance for full-time, permanent employees, Section 125 Cafeteria plan for pre-tax insurance benefits and Flexible Spending Accounts.

NOTE 12 – SUBSEQUENT EVENTS

Management evaluated subsequent events occurring through September 18, 2019, which represents the date the financial statements were available to be issued.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS**

General Town Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local Tax Revenues:				
Property Taxes	\$ 1,545,000	\$ 1,545,000	\$ 1,544,401	\$ (599)
Intergovernmental Revenue:				
Personal Property Replacement Tax	90,000	90,000	109,146	19,146
John Scott Administration	-	-	10,382	10,382
Work Fare Administration	-	-	1,200	1,200
Cemetery Financial Administration	-	-	12,200	12,200
Other Local Sources:				
Interest	9,800	9,800	14,081	4,281
Retiree Insurance Reimbursements	-	-	16,092	16,092
Cemetery Benefits Reimbursements	-	-	-	-
Litigation Income	25	25	-	(25)
Other Income	35,225	35,225	2,973	(32,252)
Total Revenues	1,680,050	1,680,050	1,710,476	(30,426)
EXPENDITURES:				
Assessor's Office Expenditures:				
Rent/Debt Service Principle	21,544	21,544	21,544	-
Auto Expense	3,000	3,000	1,178	(1,822)
Telephone	2,500	2,500	3,251	751
Utilities	5,800	5,800	5,144	(656)
Postage	500	500	-	(500)
Office Supplies	1,200	1,200	608	(592)
Publications and Printing	1,150	1,150	-	(1,150)
Equipment	5,000	5,000	4,776	(224)
Equipment Repair/Rental	2,000	2,000	-	(2,000)
Education/Conference/Meetings	15,000	15,000	5,835	(9,165)
Replating/Remapping	9,000	9,000	-	(9,000)
Appraisal Services	35,000	35,000	14,533	(20,467)
Janitorial	2,000	2,000	1,800	(200)
Computer Services	10,000	10,000	11,767	1,767
Mapping/GIS Services	35,500	35,500	-	(35,500)
Membership Dues/Assessor's Staff	2,000	2,000	1,979	(21)
Total Assessor's Office Expenditures	151,194	151,194	72,415	(78,779)
Total Expenditures (current page)	\$ 151,194	\$ 151,194	\$ 72,415	\$ (78,779)

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS

General Town Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
Total Expenditures (previous page)	\$ 151,194	\$ 151,194	\$ 72,415	\$ (78,779)
Community Agency Funding				
Community Medical	20,000	20,000	18,500	(1,500)
Transportation	-	-	-	-
GA Client Service Funding	25,500	25,500	23,790	(1,710)
Youth Services	37,500	37,500	37,500	-
Senior Services	68,500	68,500	68,500	-
	<u>151,500</u>	<u>151,500</u>	<u>148,290</u>	<u>(3,210)</u>
Compensation and Benefits				
Supervisor	94,000	94,000	94,000	-
Assessor	96,000	96,000	96,000	-
Town Clerk	2,500	2,500	2,400	(100)
Town Trustees	2,800	2,800	2,220	(580)
General Assistance Staff	396,000	396,000	338,283	(57,717)
Deputy Assessors	404,000	404,000	346,410	(57,590)
IMRF/Employer	163,000	163,000	98,980	(64,020)
FICA (SS/MC)/Employer	77,000	77,000	61,737	(15,263)
Group Medical Insurance/Employer	170,000	170,000	146,946	(23,054)
Unemployment Insurance/Employer	1,200	1,200	827	(373)
Total Compensation and Benefit Expenditures	<u>1,406,500</u>	<u>1,406,500</u>	<u>1,187,804</u>	<u>(218,696)</u>
Services and Expenses				
Membership Dues	1,500	1,500	1,760	260
Auditing Expenses	12,000	12,000	6,900	(5,100)
Legal Expenses	12,000	12,000	12,784	784
Court Costs	-	-	-	-
Surety Bonds	-	-	-	-
Insurance	14,000	14,000	12,611	(1,389)
Publishing	500	500	654	154
Other Expenses	4,000	4,000	2,537	(1,463)
Debt Service-Princ. Int.	100	100	254	154
Building Maintenance	6,000	6,000	8,657	2,657
Janitorial Services and Supplies	4,000	4,000	4,665	665
Building Security	-	-	-	-
Building Reparis	200,000	200,000	-	(200,000)
Special Projects	82,000	82,000	18,570	(63,430)
Total Services and Expenses	<u>336,100</u>	<u>336,100</u>	<u>69,392</u>	<u>(266,708)</u>
Total Expenditures (current page)	<u>\$ 2,045,294</u>	<u>\$ 2,045,294</u>	<u>\$ 1,477,901</u>	<u>\$ (567,393)</u>

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS**

General Town Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
Total Expenditures (previous page)	\$ 2,045,294	\$ 2,045,294	\$ 1,477,901	\$ (567,393)
Supervisor's Office Expenditures:				
Postage	1,500	1,500	1,538	38
Rent/Debt Service	40,000	40,000	40,000	-
Janitorial	2,100	2,100	2,250	150
Utilities	9,500	9,500	7,723	(1,777)
Telephones	4,000	4,000	4,085	85
Car Expense	2,000	2,000	1,180	(820)
Education/Conference/Meetings	2,000	2,000	2,587	587
Equipment	5,000	5,000	1,640	(3,360)
Equipment Repair/Rental	8,000	8,000	2,910	(5,090)
Office Supplies	4,000	4,000	3,125	(875)
Printing Expenses	500	500	975	475
Publications	250	250	50	(200)
Computer Services/Contracts	16,900	16,900	11,106	(5,794)
Membership Dues	150	150	135	(15)
Total Supervisor's Office Expenditures	95,900	95,900	79,305	(16,595)
Total Expenditures	2,141,194	2,141,194	1,557,206	(583,988)
Excess (deficiency) of Revenues Received and other financing sources over Expenditures Disbursed and other financing uses	(461,144)	(461,144)	153,270	\$ 614,414
Fund Balance - Beginning of Year			1,356,419	
Fund Balance - End of Year			\$ 1,509,688	

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS**

General Assistance Welfare Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes:				
Property Tax	\$ 300,000	\$ 300,000	\$ 299,856	\$ (144)
Intergovernmental Revenue:				
Personal Property Replacement Tax	17,000	17,000	21,455	4,455
Other Local Revenues				
Refunds and Recoveries	40,000	40,000	51,322	11,322
Interest	2,000	2,000	1,777	(223)
Other	150	150	-	(150)
Total Revenues	<u>359,150</u>	<u>359,150</u>	<u>374,410</u>	<u>15,260</u>
Expenditures:				
Public Assistance				
Groceries/Personal Essentials	123,000	123,000	76,715	(46,285)
Rent	250,000	250,000	168,693	(81,307)
Utilities	36,000	36,000	19,708	(16,292)
Medical	20,000	20,000	-	(20,000)
Emergency Assistance	70,000	70,000	43,461	(26,539)
Hospital	10,000	10,000	-	(10,000)
Burial	3,000	3,000	1,500	(1,500)
Transportation	50,000	50,000	40,459	(9,541)
Allowances	15,000	15,000	9,125	(5,875)
Total Expenditures	<u>577,000</u>	<u>577,000</u>	<u>359,661</u>	<u>(217,339)</u>
Excess (deficiency) of Revenues Received over Expenditures Disbursed	(217,850)	(217,850)	14,750	232,600
Other Financing Sources (Used)				
Operating Transfers - In	-	-	-	-
Operating Transfers - out	-	-	-	-
Excess (deficiency) of Revenues Received and other financing sources over Expenditures Disbursed and other financing uses	<u>\$ (217,850)</u>	<u>\$ (217,850)</u>	14,750	<u>\$ 232,600</u>
Fund Balance - Beginning of Year			<u>624,218</u>	
Fund Balance - End of Year			<u>\$ 638,968</u>	

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS

Component Unit - General Governmental Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Local Taxes:				
Property and Related Taxes	\$ 506,600	\$ 506,600	\$ 506,322	\$ (278)
Intergovernmental Revenue:				
Replacement Tax	40,000	32,500	36,283	3,783
Other Local Sources:				
Opening/Closing	60,000	52,000	62,472	10,472
Marker Commission	8,000	9,900	9,827	(73)
Sale of Spaces	110,900	76,200	84,250	8,050
Interest from savings/Checking	6,000	4,000	3,578	(422)
Income from Trusts	2,500	2,100	157	(1,943)
Other Income	2,500	56,000	59,037	3,037
Inspection Fees	5,000	2,200	2,025	(175)
Total Revenues	741,500	741,500	763,952	22,452
EXPENDITURES:				
Administrative Expenditures:				
Wages	313,370	313,370	312,903	(467)
Payroll Taxes & IMRF	63,160	63,160	59,095	(4,065)
IDES - Unemployment	20,000	20,000	8,494	(11,506)
Employee Insurance	60,000	60,000	56,243	(3,757)
Payroll Fees	800	800	791	(9)
Casualty Insurance	22,000	19,725	19,725	-
Contractual Services	10,000	15,000	12,825	(2,175)
Office Supplies	4,000	4,000	4,048	48
Utilities	18,500	15,000	16,199	1,199
Advertising	5,000	5,000	4,118	(882)
Dues and Seminars	600	600	350	(250)
Legal Expense	3,000	3,000	342	(2,658)
Audit Expense	9,000	6,900	6,900	-
Financial Administration Expense	12,200	12,200	12,200	-
Special Events	10,000	12,000	10,962	(1,038)
Office Equipment	1,000	4,000	2,951	(1,049)
Equipment Building	-	500	177	(323)
Other Admin Expense	4,500	8,175	3,713	(4,462)
Total Administrative Expenditures	557,130	563,430	532,034	(31,396)
Total Expenditures (current page)	\$ 557,130	\$ 563,430	\$ 532,034	\$ (31,396)

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS
CEMETERIES OF THE TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MODIFIED CASH BASIS

Component Unit - General Governmental Fund
Year Ended March 31, 2019

	2019			Actual Over (Under) Budget
	Budgeted Amounts		Actual	
	Original	Final		
Total Expenditures (previous page)	\$ 557,130	\$ 563,430	\$ 532,034	\$ (31,396)
Cemetery Operations:				
Fuel, Oil and Equipment	10,000	10,000	7,506	(2,494)
Tree Removal and Monument Repairs	12,000	30,000	29,900	(100)
Equipment Repairs	4,000	5,500	3,608	(1,892)
Cemetery Supplies & Maintenance	2,500	5,000	2,014	(2,986)
Equipment Rental and Leasing	1,000	750	137	(613)
IGA Leaves and Branches	6,000	6,000	6,000	-
Abandon Lot Reclamation	5,000	2,300	2,029	(271)
Other Expenses	5,000	5,000	3,270	(1,730)
Total Cemetery Operation Expenditures	45,500	64,550	54,464	(10,086)
Capital Outlays:				
Operating Equipment	30,000	70,000	68,513	(1,487)
Office Building	500	500	-	(500)
Flags & Poles	8,500	8,500	5,889	(2,611)
Grounds Maintenance & Repairs	16,000	10,000	9,479	(521)
Road, Fence, Lots, Drains, Flags & Flag Poles	61,000	3,450	2,232	(1,218)
Office Equipment	-	-	-	-
Mausoleum (including debt service)	110,792	143,000	142,038	(963)
Grave Markers	10,000	12,000	10,737	(1,263)
Scattering Grounds	4,000	8,000	6,717	(1,283)
Veteran's Memorial	10,000	2,000	-	(2,000)
Real Estate for Parking Lot	40,000	13,792	-	(13,792)
Total Capital Outlay Expenditures	290,792	271,242	245,604	(25,638)
Total Expenditures	893,422	899,222	832,102	(67,121)
Excess (deficiency) of Revenue over Expenditures	(151,922)	(157,722)	(68,150)	89,572
Other Financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing	-	-	-	-
Excess (deficiency) of Revenues and other sources over Expenditures and other uses	\$ (151,922)	\$ (157,722)	(68,150)	\$ 89,572
Fund Balance - Beginning of Year			533,246	
Fund Balance - End of Year			\$ 465,096	

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO OTHER INFORMATION

March 31, 2019

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The budget or appropriation ordinance is adopted on a modified cash basis, which is the basis of accounting followed by the Township when preparing its financial statements. The appropriation ordinance for the Town of the City of Bloomington, Illinois, which was adopted on March 27, 2018, covered appropriations for the general and special revenue funds as well as Evergreen Memorial Cemetery, a discretely presented component unit of the Town of the City of Bloomington, Illinois.

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

(a) Prior to the beginning of a fiscal year, the Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. It is prepared on a cash basis.

(b) Public hearings are held to obtain taxpayer comments.

(c) The budget is legally enacted through passage of an ordinance no later than during the first three months of the fiscal year.

(d) Any budget amendments are approved by the Town Board of Trustees. Transfers of more than 10% of fund appropriations require a repetition of the entire budget process.

(e) Appropriations lapse at the end of the fiscal year. The level of control for each budget is the fund total rather than individual line items.

(f) Management makes estimates and assumptions during the preparation of financial statements. Accordingly, actual results could differ from those estimates.