

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

COMPONENT UNIT - GOVERNMENTAL FUNDS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS

March 31, 2014

	Component Unit	Totals
Assets		
Cash and cash equivalents	\$ 457,457	\$ 457,457
Refund Receivable	908	908
Interfund loans receivable	-	-
Total Assets	\$ 458,365	\$ 458,365
Liabilities		
Payroll and Withholding Payable	\$ -	\$ -
Total Liabilities	-	-
Fund Balances		
Restricted	\$ 458,365	458,365
Unassigned	-	-
Total Fund Balance	458,365	458,365
Total Liabilities and Fund Balance	\$ 458,365	\$ 458,365

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

COMPONENT UNIT - GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ARISING FROM CASH TRANSACTIONS

For the Year Ended March 31, 2014

	Component Unit	Totals
Revenues:		
Taxes	\$ 506,194	\$ 506,194
Intergovernmental Revenue	45,864	45,864
Local Revenue	110,872	110,872
Miscellaneous	4,527	4,527
Interest	262	262
	<u>667,719</u>	<u>667,719</u>
TOTAL REVENUES		
Expenditures:		
General Government	126,139	126,139
Public Assistance	338,677	338,677
Capital Outlay	62,905	62,905
Debt Service - Principal	42,296	42,296
Debt Service - Interest	19,640	19,640
	<u>589,657</u>	<u>589,657</u>
TOTAL EXPENDITURES		
Excess (Deficiency) of Revenues Over Expenditures	78,062	78,062
Other Financing sources (uses):		
Transfers in	12,301	12,301
Transfers out	-	-
	<u>12,301</u>	<u>12,301</u>
Total other financing		
	<u>12,301</u>	<u>12,301</u>
Fund Balance - Beginning of Year	<u>368,003</u>	<u>368,003</u>
Fund Balance - End of Year	<u>\$ 458,365</u>	<u>\$ 458,365</u>

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

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

Year Ended March 31, 2014

Change in net assets per Statement of Activities	
Arising from Cash Transactions	\$ 47,647
Current year capital additions recorded as capital outlay in the governmental funds	(27,561)
Depreciation recorded on government-wide Statement of Activities not recorded on the governmental fund statements	94,621
<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>	
Proceeds from Issuance of Long-Term Obligations	
Repayment of Long-Term Obligations	(42,296)
Proceeds from Loan of Capital Lease Obligations	
Repayment of Capital Lease Obligations	<u>(460)</u>
Change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis	<u>\$ 71,951</u>
Net Assets per Statement of Net Assets Arising from Cash Transactions	\$ 1,015,159
Beginning of year governmental fixed assets included on only the Statement of Net Assets Arising from Cash Transactions; net of accumulated depreciation totaling \$697,319	(1,135,236)
Additions to governmental fixed assets included on only the Statement of Net Assets Arising from Cash Transactions	(9,150)
Depreciation recorded on government-wide Statement of Activities not recorded on the governmental fund statements	94,621
<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>	
Beginning of year debt included only on the Statement of Net Assets	535,728
Repayment of long-term debt	(42,756)
Proceeds from Issuance of Long-Term Obligations	-
Fund balances per the Statement of Assets, Liabilities, and Fund Balances - Cash Basis	<u>\$ 458,365</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

COMPONENT UNIT - FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
ARISING FROM CASH TRANSACTIONS

March 31, 2014

	<u>Fiduciary Fund Types</u>		<u>Totals</u>
	<u>Trust</u>	<u>Private Lot Trust</u>	
Assets			
Cash and cash equivalents	\$ -	\$ 54,846	\$ 54,846
Investments	<u>168,547</u>	<u>-</u>	<u>168,547</u>
Total Assets	<u>168,547</u>	<u>54,846</u>	<u>223,393</u>
Net Position Held in Trust			
Permanently Restricted	86,301	7,800	94,101
Restricted	<u>82,246</u>	<u>47,046</u>	<u>129,291</u>
	<u>\$ 168,547</u>	<u>\$ 54,846</u>	<u>\$ 223,393</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

COMPONENT UNIT - FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
ARISING FROM CASH TRANSACTIONS

Year Ended March 31, 2014

	Perpetual Care Trust	Private Lot Trust
Additions		
Investment Income	\$ 3,054	\$ -
Unrealized gain (loss) on investments	14,604	-
Income from Trusts	-	10,158
	17,658	10,158
Total Revenue	17,658	10,158
Deductions		
Cemetery Operations	1,957	-
	1,957	-
Total Expenditures	1,957	-
Other Financing Sources (Used)		
Operating Transfers - In	-	-
Operating Transfers - out	2,143	10,158
	2,143	10,158
Change in Net Assets	13,559	-
Net Position - Beginning of Year	154,988	54,846
Net Position - End of Year	\$ 168,547	\$ 54,846

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

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 Evergreen Cemetery office, 302 E. Miller 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 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, 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide Statements

The Statement of Net Assets Arising from Cash Transactions and the Statement of Activities Arising from Cash Transactions 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 Arising from Cash Transactions 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 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.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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

GASB No. 34 requires the Township to report and depreciate new infrastructure assets prospectively, effective with the beginning of the current year. 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.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 2012 levy on November 26, 2012 in amounts deemed necessary to defray necessary expenses and liabilities for the year ended March 31, 2014. Property taxes attached as an enforceable lien on property as of January 1, 2012 and are payable in two installments each year in June and September in 2013.

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.

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 25, 2013, 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 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. The Township amended its budget on August 26, 2013 in accordance with this 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.

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

March 31, 2014

NOTE 3 – CASH AND CASH INVESTMENTS

The Township's cash and investments are maintained in accounts fully covered by the Federal Deposit Insurance Corporation or The Illinois Funds.

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.

The Cemetery holds the following investments at March 31, 2014:

Fiduciary Funds	
Investments in Irrevocable Trust	
Cash	\$ 3,842
Equity Traded Fixed Income Funds	62,752
Equity Traded Equity Mutual Funds	<u>101,953</u>
	<u>\$ 168,547</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, 2014

NOTE 4 – CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets for the year ended March 31, 2014, was as follows:

	Balance April 1	Additions	Deletions	Balance March 31
Governmental Activities:				
Capital assets being depreciated				
Building	\$ 916,903	\$ -	\$ -	\$ 916,903
Equipment	11,579	15,000	-	26,579
Total Capital assets being depreciated	928,482	15,000	-	943,482
Less accumulated depreciation for:				
Building	(229,225)	-	(22,923)	(252,148)
Equipment	(11,579)	-	(2,143)	(13,722)
Total accumulated depreciation	(240,804)	-	(25,066)	(265,870)
Governmental activities capital assets, net	\$ 687,678	\$ 15,000	\$ (25,066)	\$ 677,612

A summary of component unit fixed assets for the year ended March 31, 2014, was as follows:

	Balance April 1	Additions	Deletions	Balance March 31
Component Unit Activities:				
Capital assets not being depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	10,000	-	-	10,000
Capital assets being depreciated				
Buildings & Improvements	274,083	-	-	274,083
Equipment	526,125	27,561	-	553,686
Infrastructure	232,367	-	-	232,367
Mausoleum	986,805	-	-	986,805
Total capital assets being depreciated	2,019,380	-	-	2,056,941
Less accumulated depreciation for:				
Buildings & Improvements	(168,680)	-	(16,353)	(185,033)
Equipment	(426,428)	-	(30,663)	(457,091)
Infrastructure	(113,222)	-	(22,975)	(136,197)
Mausoleum	(187,664)	-	(24,630)	(212,294)
Total accumulated depreciation	(895,994)	-	(94,621)	(990,615)
Total capital assets being depreciated, net	1,123,386	27,561	(94,621)	1,056,326
Business-type activities capital assets, net	\$ 1,133,386	\$ 27,561	\$ (94,621)	\$ 1,066,326

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2014

NOTE 4 – CHANGES IN FIXED ASSETS – CONTINUED

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>
Component Unit Activities – General Fund:		
Buildings & Improvements	\$	16,353
Equipment		30,663
Infrastructure		22,975
Mausoleum		<u>24,630</u>
Total depreciation expense – Component Unit Activities:	\$	<u>94,621</u>

NOTE 5 – LONG-TERM DEBT

At March 31, 2014, 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, as secured by General Funds.

\$ 300,000

The annual aggregate maturities for each bond type for the years subsequent to March 31, 2014, are as follows:

Year Ending March 31	<u>General Obligation Bonds Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	60,000	10,440	70,440
2016	60,000	8,352	68,352
2017	60,000	6,264	66,264
2018	60,000	4,176	64,176
2019	<u>60,000</u>	<u>2,088</u>	<u>62,088</u>
Total	<u>\$ 300,000</u>	<u>\$ 31,320</u>	<u>\$ 331,320</u>

Changes in Outstanding Debt – Transactions for the year ended March 31, 2014 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	\$ 360,000	\$ -	\$ 60,000	\$ 300,000	\$ 60,000
Total Activities	<u>\$ 360,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 300,000</u>	<u>\$ 60,000</u>

TOWN OF THE CITY OF BLOOMINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS – CONTINUED March 31, 2014

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, 2014 was \$493,432.

The annual aggregate maturities for general obligation debt certificates for the years subsequent to March 31, 2014, are as follows:

Year Ending March 31	General Obligation Debt Certificate		
	Principal	Interest	Total
2015	40,602	15,296	55,898
2016	41,861	14,038	55,899
2017	43,159	12,740	55,899
2018	44,497	11,402	55,899
2019	45,876	10,023	55,899
2020 - 2025	277,437	28,279	305,716
Total	\$ 493,432	\$ 91,778	\$ 585,210

Capital Lease Obligation

On February 25, 2014, the Cemetery purchased equipment under a lease agreement. The lease obligation is payable in 36 monthly installments of \$460 with no stated interest, beginning on March 25, 2014. The total lease payments by year are as follows:

Year Ending March 31	Payments
2015	5,520
2016	5,520
2017	5,060
Total	\$ 16,100