

Town of the City of Peoria, Illinois

Report to the Town Trustees and Town Officials
July 9, 2018





RSM US LLP

401 Main Street, Suite 1200
Peoria, IL 61602

O +1 309 671 8700

F +1 309 673 2620

www.rsmus.com

July 9, 2018

Town Trustees and Town Officials
Town of the City of Peoria, Illinois

Attention: Charles Grayeb, Town Trustee

We are pleased to present this report related to our audit of the basic financial statements of the Town of the City of Peoria, Illinois (the Town) as of and for the year ended March 31, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Town's financial reporting process.

This report is intended solely for the information and use of the Town Trustees and Town Officials, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Town.

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Exhibit A—Significant written communications between management and our firm

Representation letter

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated April 25, 2017. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We communicated with management the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.
Accounting Policies and Practices	<p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Town. The Town did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Other Information in Documents Containing Audited Financial Statements	Our responsibility for other information in documents containing the Town's audited basic financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the Town's combining statements of cash receipts, disbursements and changes in cash and cash equivalents – cash basis – governmental fund – General Fund, by accounts and statements of cash receipts, disbursements and changes in cash and cash equivalents – budget and actual, and reconcile the statements directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and performed other additional procedures in accordance with auditing standards generally accepted in the United States of America. We did not identify material inconsistencies with the audited basic financial statements.

Area	Comments
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communications Between Management and Our Firm	Copies of material written communications between our firm and the management of the Town, including the representation letter provided to us by management, are attached as Exhibit A.



TOWN OF THE CITY OF PEORIA, ILLINOIS

Frank Abdnour – Township Supervisor

Serving the People where they live.

July 9, 2018

RSM US LLP
401 Main Street, Suite 1200
Peoria, IL 61604

This representation letter is provided in connection with your audits of the basic financial statements of the Town of the City of Peoria, Illinois (the Town) as of and for the years ended March 31, 2018 and 2017, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with the cash basis of accounting as described in Note 1 to the basic financial statements.

We confirm, to the best of our knowledge and belief, that as of July 9, 2018:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 25, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with the cash basis of accounting as described in Note 1 to the basic financial statements.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We are not aware of any accounting estimates in the basic financial statements prepared in accordance with the cash basis of accounting.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and interfund transactions, as applicable, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the cash basis of accounting.

Frank Abdnour, Township Supervisor
205 S.W. Adams St.
Peoria, IL 61602-1407
Phone: (309) 674-8237
Fax: (309) 674-8347
E-mail: peoriatownshipsupervisor@gmail.com

6. We are not aware of events subsequent to the date of the financial statements for which the cash basis of accounting requires adjustment or disclosure.
7. We are not aware of any known actual or possible litigation and claims that should be recorded or disclosed in accordance with the cash basis of accounting.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Cash and cash equivalents and fund balance classifications.
 - b. The effect on the financial statements of the Governmental Accounting Standards Board (GASB) statements, which have been issued, but which we have not yet adopted.
9. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
10. Receipts are appropriately classified in the government-wide financial statements as program receipts and general receipts.
11. We agree with the findings of specialists in evaluating the Post-Employment Benefits Plan and Illinois Municipal Retirement Fund and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
12. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
14. We have no knowledge of any uncorrected misstatements in the basic financial statements.

Information Provided

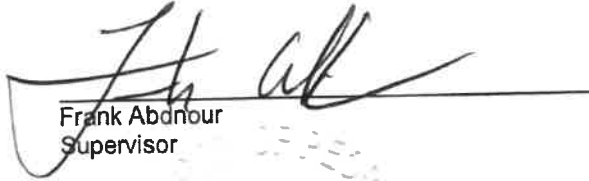
15. We have provided you with:
 - a. Access to all information of, which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audits;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing boards and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.

17. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
18. We have no knowledge of allegations of fraud or suspected fraud affecting the Town's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements received in communications from employees, former employees, regulators, or others.
20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
21. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
22. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
23. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Town's ability to record, process, summarize and report financial data.
24. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
25. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

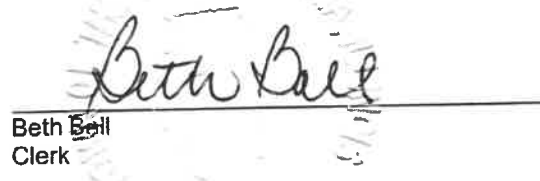
Supplementary Information

26. With respect to supplementary information presented in relation to the basic financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with the cash basis of accounting as described in Note 1 to the financial statements.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.


Town of the City of Peoria, Illinois



Frank Abdnour
Supervisor



Beth Bell
Clerk



Max Schlafley
Assessor



Patrick Nichting
Collector



RSM US LLP

July 9, 2018

401 Main Street, Suite 1200
Peoria, IL 61602

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

O +1 309 671 8700
F +1 309 673 2620

www.rsmus.com

We have submitted, under separate cover, the basic financial statements of the Town of the City of Peoria, Illinois, for the years ended March 31, 2018 and 2017, and our report thereon, dated July 9, 2018. The basic financial statements referred to herein consist of the statements of activities and changes in cash and cash equivalents – cash basis; the statements of cash receipts, disbursements and changes in cash and cash equivalents – cash basis – governmental fund; and the notes to the basic financial statements of the Town of the City of Peoria, Illinois, for the years ended March 31, 2018 and 2017. Our report on the basic financial statements expressed an unmodified opinion on the cash transactions of the funds of the Town of the City of Peoria, Illinois, for the years ended March 31, 2018 and 2017.

The accompanying Exhibits A through E of the Town of the City of Peoria, Illinois for the year ended March 31, 2018, are solely for your use in preparing the required publication report. These Exhibits of the publication report do not include all of the disclosures required for a fair presentation and, therefore, do not constitute an adequate presentation of the Town's cash transactions. However, the omitted disclosures are included in the separate financial report of the Town, and reference should be made to that report for additional financial details and disclosure information.

Our audits of the basic financial statements of the Town of the City of Peoria, Illinois for the years ended March 31, 2018 and 2017, were made for the primary purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole and should be read in conjunction with those statements and related notes.

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Town of the City of Peoria, Illinois

Statements of Activities and Changes in Cash and Cash Equivalents - Cash Basis
Year Ended March 31, 2018

	Cash Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Cash and Cash Equivalents
		Charges for Services	Operating Grants	Capital Grants	
Governmental activities:					
General government	\$ (1,260,383)	\$ -	\$ -	\$ -	\$ (1,260,383)
Public welfare	(1,113,910)	-	200,157	-	(913,753)
Total governmental activities	\$ (2,374,293)	\$ -	\$ 200,157	\$ -	(2,174,136)
General receipts:					
Taxes:					
Property					2,328,959
Illinois replacement					252,035
Interest					7,462
Miscellaneous					1,655
Total general receipts					2,590,111
Change in cash and cash equivalents					415,975
Cash and cash equivalents:					
Beginning					1,927,384
Ending					\$ 2,343,359
Cash and cash equivalents:					
Restricted for:					
Retirement					\$ 126,894
Public welfare					1,316,428
Unrestricted					900,037
					\$ 2,343,359

EXHIBIT B

Town of the City of Peoria, Illinois

**Combining Statements of Cash Receipts, Disbursements and Changes in Cash and
Cash Equivalents - Cash Basis - Governmental Fund
General Fund, by Accounts
Year Ended March 31, 2018**

	General Town Account	General Assistance Account	Retirement Account	Total General Fund
Receipts:				
Property taxes	\$ 703,035	\$ 1,556,043	\$ 69,881	\$ 2,328,959
Illinois replacement taxes	215,364	-	36,671	252,035
Temporary assistance reimbursements	-	200,157	-	200,157
Interest	4,226	2,577	659	7,462
Miscellaneous	1,151	504	-	1,655
	<u>923,776</u>	<u>1,759,281</u>	<u>107,211</u>	<u>2,790,268</u>
Disbursements:				
General government	910,750	252,437	97,196	1,260,383
Public welfare	-	1,113,910	-	1,113,910
	<u>910,750</u>	<u>1,366,347</u>	<u>97,196</u>	<u>2,374,293</u>
Excess of receipts over disbursements	13,026	392,934	10,015	415,975
Cash and cash equivalents:				
Beginning	887,011	923,494	116,879	1,927,384
Ending	<u>\$ 900,037</u>	<u>\$ 1,316,428</u>	<u>\$ 126,894</u>	<u>\$ 2,343,359</u>
Cash and cash equivalents:				
Restricted for:				
Retirement	\$ -	\$ -	\$ 126,894	\$ 126,894
Public welfare	-	1,316,428	-	1,316,428
Unassigned	900,037	-	-	900,037
	<u>\$ 900,037</u>	<u>\$ 1,316,428</u>	<u>\$ 126,894</u>	<u>\$ 2,343,359</u>

EXHIBIT C

Town of the City of Peoria, Illinois
General Town Account

Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -
Budget and Actual
Year Ended March 31, 2018

	Original Budget	Final Budget	Actual
Receipts:			
Property taxes, net of 1% loss on levy	\$ 700,608	\$ 700,608	\$ 703,035
Illinois replacement taxes	231,000	231,000	215,364
Interest	2,950	2,950	4,226
Miscellaneous	-	-	1,151
	<u>934,558</u>	<u>934,558</u>	<u>923,776</u>
Disbursements:			
Assessor's office:			
Salary, assessor	109,500	109,500	109,195
Salary, deputies	274,408	274,408	242,379
Health insurance	83,000	83,000	58,312
Office supplies and expense	11,750	11,750	10,971
Telephone	1,000	1,000	337
Printing, publishing and photographic services	750	750	-
Appraisal services	24,000	24,000	18,113
Purchase and rental of equipment	7,200	7,200	2,616
Transportation and travel	8,750	8,750	5,928
Repairs and maintenance of equipment	5,200	5,200	4,159
Subscriptions, dues, fees and education	2,400	2,400	1,821
Office rent	1,400	1,400	1,363
	<u>529,358</u>	<u>529,358</u>	<u>455,194</u>
Town Clerk's office:			
Salary, town clerk	8,000	8,000	7,833
Salary, office help	48,092	48,092	46,152
Health insurance	8,000	8,000	7,162
Office supplies	900	900	788
Printing and publishing	650	650	256
Transportation and travel	2,200	2,200	2,200
Purchase and rental of equipment	400	400	308
Maintenance	100	100	105
Record restoration	-	-	235
	<u>68,342</u>	<u>68,342</u>	<u>65,039</u>
Supervisor's office:			
Salary, supervisor	96,629	96,629	96,628
Health insurance	21,000	21,000	20,320
Transportation and travel	2,200	2,200	2,200
Life insurance	400	400	-
	<u>120,229</u>	<u>120,229</u>	<u>119,148</u>
Town Collector's office:			
Salary, town collector	8,000	8,000	7,833
Salaries	18,000	18,000	13,936
Transportation and travel	2,300	2,300	2,200
Training and education	200	200	-
Public tax notice	500	500	-
General liability bond	10,500	10,500	9,468
Data processing fees	100	100	-
Maintenance	450	450	-
Postage	300	300	-
Office supplies	700	700	467
Equipment purchase/rental	1,100	1,100	974
	<u>42,150</u>	<u>42,150</u>	<u>34,878</u>

(Continued)

EXHIBIT C (Continued)

Town of the City of Peoria, Illinois
 General Town Account

Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -
 Budget and Actual (Continued)
 Year Ended March 31, 2018

	Original Budget	Final Budget	Actual
Disbursements (Continued):			
Other:			
Attorney fees	\$ 12,000	\$ 12,000	\$ 11,046
Auditing	14,000	14,000	14,550
Other professional services	2,500	2,500	1,161
Office supplies	500	500	140
Elected trustees	33,000	33,000	33,000
General insurance	8,000	8,000	7,741
Provision for contingencies	5,000	5,000	-
Salaries	49,000	49,000	47,954
Dues and membership fees	2,000	2,000	1,420
Equipment repair and maintenance	250	250	-
Health insurance	16,000	16,000	13,982
Computer services	2,875	2,875	2,590
Capital purchases	1,600	1,600	-
Training and education	1,000	1,000	207
Postretirement benefits	62,000	62,000	102,700
Other	1,900	1,900	-
	<u>211,625</u>	<u>211,625</u>	<u>236,491</u>
	<u>971,704</u>	<u>971,704</u>	<u>910,750</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (37,146)</u>	<u>\$ (37,146)</u>	13,026
Cash and cash equivalents:			
Beginning			<u>887,011</u>
Ending			<u>\$ 900,037</u>

EXHIBIT D

Town of the City of Peoria, Illinois
General Assistance Account

Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -
Budget and Actual
Year Ended March 31, 2018

	Original Budget	Final Budget	Actual
Receipts:			
Property taxes, net of 1% loss on levy	\$ 1,550,213	\$ 1,550,213	\$ 1,556,043
Temporary assistance reimbursements	110,000	110,000	200,157
Interest	2,500	2,500	2,577
Miscellaneous	-	-	504
	<u>1,662,713</u>	<u>1,662,713</u>	<u>1,759,281</u>
Disbursements:			
Administrative disbursements:			
Salaries	171,500	171,500	166,844
Office supplies	5,950	5,950	5,422
Equipment maintenance and rentals	4,150	4,150	3,638
Postage	5,000	5,000	4,906
Office rent and maintenance	6,000	6,000	5,129
Equipment purchases	3,100	3,100	3,135
Travel and education	1,700	1,700	420
Telephone	4,400	4,400	5,280
Health insurance	24,000	24,000	21,088
Postretirement benefits	9,300	9,300	9,300
Provision for contingencies	5,000	5,000	2,450
Professional services	23,200	23,200	20,643
Computer maintenance and purchases	4,250	4,250	4,182
Other	600	600	-
Total administrative disbursements	<u>268,150</u>	<u>268,150</u>	<u>252,437</u>

(Continued)

EXHIBIT D (Continued)

Town of the City of Peoria, Illinois
General Assistance Account

Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -
Budget and Actual (Continued)
Year Ended March 31, 2018

	Original Budget	Final Budget	Actual
Disbursements (Continued):			
Relief disbursements:			
Other	\$ 9,500	\$ 9,500	\$ 7,360
Emergency assistance:			
Transportation vouchers	25,000	25,000	8,000
Employment training	30,000	30,000	18,720
Utilities vouchers	400,000	400,000	416,367
Medication vouchers	1,500	1,500	-
Dental vouchers	4,000	4,000	3,883
Optical vouchers	4,500	4,500	3,835
	<u>465,000</u>	<u>465,000</u>	<u>450,805</u>
Direct grant	865,500	865,500	595,745
Heartland Clinic	50,000	50,000	50,000
Center for Prevention of Abuse	10,000	10,000	10,000
Other	7,000	7,000	-
	<u>932,500</u>	<u>932,500</u>	<u>655,745</u>
Total relief disbursements	<u>1,407,000</u>	<u>1,407,000</u>	<u>1,113,910</u>
	<u>1,675,150</u>	<u>1,675,150</u>	<u>1,366,347</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (12,437)</u>	<u>\$ (12,437)</u>	392,934
Cash and cash equivalents:			
Beginning			<u>923,494</u>
Ending			<u>\$ 1,316,428</u>

EXHIBIT E

Town of the City of Peoria, Illinois
 Retirement Account

Statements of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents -
 Budget and Actual
 Year Ended March 31, 2018

	Original Budget	Final Budget	Actual
Receipts:			
Property taxes, net of 1% loss on levy	\$ 69,613	\$ 69,613	\$ 69,881
Illinois replacement taxes	39,000	39,000	36,671
Interest	370	370	659
	<u>108,983</u>	<u>108,983</u>	<u>107,211</u>
Disbursements:			
Pension contributions	47,000	47,000	38,555
Employer payroll taxes	69,000	69,000	58,641
	<u>116,000</u>	<u>116,000</u>	<u>97,196</u>
Excess of receipts over disbursements	<u>\$ (7,017)</u>	<u>\$ (7,017)</u>	10,015
Cash and cash equivalents:			
Beginning			<u>116,879</u>
Ending			<u>\$ 126,894</u>

State of Illinois
County of Peoria
Town of the City of Peoria, Illinois

OFFICE OF TOWN SUPERVISOR

The following is a statement by Frank R. Abdnour, Supervisor of the Town of the City of Peoria in the County and State aforesaid, of the amount of public funds received and expended by him during the fiscal year just closed, ending on the 31st day of March 2018, disclosing the amount of public funds on hand at the commencement of the said fiscal year, the amount of public funds received and from what sources received, the amount of public funds expended and for what purposes expended, during the fiscal year ended as aforesaid and the amount of public funds on hand at the end of said fiscal year.

The said Frank R. Abdnour, being duly sworn doth depose and say that the following statements by him subscribed, are correct statements of the amount of public funds on hand at the commencement of the fiscal year above stated, the amount of public funds received and the sources from which received, and the amount expended and the purposes for which expended, and the amounts of public funds on hand at the end of said fiscal year as set forth in said statement, said statement is prepared from the financial report of the accounts of Frank R. Abdnour for the fiscal year ended March 31, 2018.


FRANK R. ABDNOUR

Subscribed and sworn to before me, this 1st day of May, 2018




NOTARY PUBLIC

