

ANNUAL FINANCIAL REPORT

City of Streator, Illinois

for the Fiscal Year ended April 30, 2015



Prepared by
Office of the City Manager

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For the Fiscal Year Ended April 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1a-1b
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1c-1d
MANAGEMENT DISCUSSION AND ANALYSIS	i-xvi
FINANCIAL SECTION	
Government-Wide - Statement of Net Position	2-3
Government-Wide - Statement of Activities	4
Balance Sheet - Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	7
Statement of Expenditures Detail - Budget and Actual - General Fund	8
Statement of Net Position - Proprietary Funds	9
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	12
Notes to Financial Statements	13-38
Required Supplemental Information	39-45
Library Fund - Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual	39
Tax Increment Financing Fund - Comparative Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balance	40
IMRF	
Analysis of Funding Progress	41
Police Pension Fund	
Analysis of Funding Progress	42
Revenues by Source and Expenses by Type	43
Firefighter's Pension Fund	
Analysis of Funding Progress	44
Revenues by Source and Expenses by Type	45
Other Supplemental Information	
Real Estate Tax Levies and Collections	46
Assessed and Estimated Actual Value of Real Estate	47
Assessed Valuation, Real Estate Tax Rates, and Tax Extensions	48
Computation of Legal Debt Margin	49
Other Information	
Independent Auditors' Report on Compliance with State of Illinois Public Act 85-1142	50

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Streator, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Streator, Illinois as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively compromise the City'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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighter's and Police Pension Trust Funds, which represent 4.74 percent, 5.69 percent, and 3.59 percent, respectively, of the assets, net position, and revenues of the City of Streator, Illinois. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighter's and Police Pension Trust Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 judgement, 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 opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Streator, Illinois as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Library Fund budgetary comparison information, retirement and pension information on pages i through xvi and 39-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Streator, Illinois' basic financial statements. The *Supplementary Information* is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information on pages 46-50 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information on pages 46-50 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Required Supplementary Information, except for the management's discussion and analysis and the retirement plan information provided on pages 41-45, and *Other Supplemental Information* have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules identified above as *Required Supplementary Information*, except the management's discussion and analysis and the retirement information provided on pages 41-45, and *Other Supplemental Information* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

We have also issued our report dated October 13, 2015, on the City of Streator's compliance with State of Illinois Public Act 85-1142, see page 50. The purpose of that report is to describe the scope of our testing on compliance with Subsection (q) of Illinois Compiled Statutes 65 of (ILCS) 5/11-74.4-3 of the Illinois' Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BIRKEY & NOBLE, P.C.

October 13, 2015

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

October 13, 2015

To the Honorable Mayor and
Members of the City Council
City of Streator
Streator, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Streator, IL (the City) as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 13, 2015. The financial statements were found to be fairly stated.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In accordance with SAS No. 114, *The Auditor's Communication With Those Charged With Governance*, we have addressed all required communications with the City Council.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This communication is intended solely for the information and use of management, the Mayor and City Council, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Birkey & Noble, PC

October 13, 2015

**CITY OF STREATOR, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING APRIL 30, 2015**

Streator (“City”) management is pleased to provide readers of the City’s annual financial statements the following narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2015. This management discussion and analysis (MD&A) is designed to:

- **assist readers in focusing on significant financial issues,**
- **provide an overview of the City’s financial activity for the period,**
- **identify changes in the City’s financial position during this period,**
- **identify material deviations from the financial (budget) plan and;**
- **identify individual fund issues or concerns.**

USING THE FINANCIAL SECTION OF COMPREHENSIVE ANNUAL REPORT

Historically, the primary focus of local government financial statements has been summarized as ‘fund-type’ information on a (current) financial resource basis. This approach has been modified by Government Accounting Standards Board (GASB) Statement No. 34 which results in the presentation of the City’s financial statements in two (2) types of statements; each offering alternative snapshots of the City’s financial positions. The focus of these financial statements is on both (1), the City as-a-whole (government-wide) and (2), each of the major individual budgetary funds. Both perspectives (government-wide and major fund) allow the user to address the most relevant questions, broaden the basis for comparison (year-to-year or government-to-government) and; as a result, enhance the City’s fiscal accountability.

Government-Wide Financial Statements

The ‘government-wide financial statements’ are designed to provide readers with a broad overview of the City’s finances in a manner similar to a private-sector business. The focus of the *Statement of Net Assets* presents information on all of the City’s assets and liabilities, with the difference between the two reported as net assets. This statement combines and consolidates governmental ‘funds’, current financial resources (short-term ‘spendable’ cash resources) including capital assets, and long-term obligations expressed in an ‘accrual’ accounting format and an economic resources management focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Streator is improving or deteriorating.

The *Statement of Activities* presents information reflecting how the government's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future (e.g., earned, but unused compensated absences).

Both of the government-wide financial statements (see Pages 3-5) distinguish those functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City reflect the City's basic services, including administration, police, fire, community development, and public works, while the business-type activities include the operations of the sewer system, solid waste and golf course.

Fund Financial Statements

Traditional users of governmental financial statements will find the *'fund'* financial statements to be more familiar. The presentation focuses on major funds rather than fund types. By definition, a fund is *a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives*. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: *'Governmental Funds'* are used to account for essentially the same functions reported as 'governmental activities' in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflow of spendable (available/disposable) resources, as well as balances of spendable (cash) resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financial requirements.

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

The City of Streator maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the *General Fund, Motor Fuel Tax Fund, Library, Special Tax Allocation, Emergency Telephone System (E911), Hotel/Motel Tax, Development-Revolving Loan Funds, Tax Increment Financing (TIF)*, each of which is considered to be a 'major' fund. Data from the other four (4) governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements elsewhere in the report.

The City adopts an annual budget for each of its governmental funds. A separate budgetary comparison statement has been provided elsewhere in the report to demonstrate compliance with the budget. The basic governmental fund financial statements may be found on pages 5 through 8 of this report.

Proprietary Funds: The City maintains three (3) 'enterprise' (*Special Revenue*) funds in the 'Proprietary Funds' category. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for the operations of its sewer and solid waste systems and golf course.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the *Solid Waste System Fund, the Sewer System Fund and Anderson Field Golf Course Fund*, each of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 9 through 11 of this report.

Fiduciary Funds: 'Fiduciary Funds' are utilized to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for the fiduciary funds is similar to that used for proprietary funds. The City maintains three (3) fiduciary funds: the *Police Pension Fund, Fire Pension Fund* and the *Deferred Compensation Fund*.

The basic fiduciary fund financial statements can be found on page 12 of this report.

Infrastructure Assets

Historically, a government's largest group of assets ('*Infrastructure Assets*' – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the government-wide statements.

Additionally, the government must elect to (1), depreciate the assets over their useful life; or (2), develop a system of asset management designed to maintain the service delivery potential to near perpetuity (modified approach). The City has elected to depreciate assets over the *'useful life'* of the asset. If a road project is considered *'maintenance'*; a recurring cost that does not extend the original useful life or expand its capacity, the cost of the project will be expensed. An *'overlay'* of a road will be considered maintenance whereas a *'rebuild'* (total reconstruction) of a road will be capitalized. The City, as a Phase III government, has annually reported its infrastructure prospectively in this manner since May 1, 2004.

Notes to the Financial Statements

The *'Notes'* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 13 through 38 of this report.

Other (Supplementary) Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required *'Supplementary'* Information concerning the City's progress in funding its obligation to provide benefits to its employees. Required Supplementary Information can be found on pages 39 through 45 of this report.

The combining statements referred to earlier in connection with *'non-major'* governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 5 through 6 of this report.

GOVERNMENT-WIDE STATEMENTS

Net Position

The table on the next page reflects the condensed *Statement of Net Position*.

This section of the City of Streator's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended April 30, 2015.

FINANCIAL HIGHLIGHTS

- For the eighth consecutive year, the City of Streator is utilizing the GASB 34 reporting model. Shown within the Statement of Net Position, the fixed asset year-end balance for fiscal year 2015 is \$74,783,921 (net of depreciation). This is comprised of \$36,723,080 for governmental activities plus \$38,060,841 for business-type activities. This represents a decrease of \$1,306,168 from fiscal year 2014.
- Total costs of the City's governmental activities were \$12,946,651, which is an increase of \$1,229,611 from fiscal year 2014.
- In the City's business-type operating activities, expenses were \$4,118,248, which is an increase of \$138,493 from fiscal year 2014.
- Total revenues for the City's governmental and business-type activities were \$16,012,181, which is an increase of \$493,289 from fiscal year 2014.
- Net assets for the City were \$69,023,165, which is a decrease of \$1,052,718 from fiscal year 2014.
- Sales tax receipts, shown within the intergovernmental revenue line item, increased by \$69,477.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements.

- The '*Statement of Net Position*' and the '*Statement of Activities*' provide information regarding the activities of the City as a whole and present a long-term view of the City's finances
- '*Governmental Activities*'; these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.
- The remaining statements provide financial information regarding governmental activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**CITY OF STREATOR, ILLINOIS
MANAGEMENT DISCUSSIONS AND ANALYSIS
FISCAL YEAR ENDING APRIL 30, 2015**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

	Net Position						Increase (Decrease)
	Governmental Activities		Business-Type Activities		Total Reporting Entity		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Current and Other Assets	\$ 9,338,677	\$ 10,107,611	\$ 1,574,750	\$ 1,548,162	\$ 10,913,427	\$ 11,655,773	\$ (742,346)
Capital Assets	\$ 36,723,080	\$ 37,912,593	\$ 38,074,717	\$ 38,177,496	\$ 74,797,797	\$ 76,090,089	\$ (1,292,292)
Total Assets	\$ 46,061,757	\$ 48,020,204	\$ 39,649,467	\$ 39,725,658	\$ 85,711,224	\$ 87,745,862	\$ (2,034,638)
Long-Term Debt Outstanding	\$ 2,280,000	\$ 2,395,000	\$ 9,103,576	\$ 9,504,574	\$ -	\$ 11,899,574	\$ (11,899,574)
Other Liabilities	\$ 3,785,953	\$ 4,198,187	\$ 1,518,530	\$ 1,572,215	\$ -	\$ 5,770,402	\$ (5,770,402)
Total Liabilities	\$ 6,065,953	\$ 6,593,187	\$ 10,622,106	\$ 11,076,789	\$ -	\$ 17,669,976	\$ (17,669,976)
Net Assets							
Invested in Capital Assets, Net of Related Debt	\$ 36,048,080	\$ 37,202,593	\$ 27,801,292	\$ 27,311,946	\$ 63,849,372	\$ 64,514,539	\$ (665,167)
Restricted	\$ 990,393	\$ 1,233,582	\$ -	\$ -	\$ 990,393	\$ 1,233,582	\$ (243,189)
Unrestricted	\$ 2,957,331	\$ 2,990,842	\$ 1,226,069	\$ 1,336,920	\$ 4,183,400	\$ 4,327,762	\$ (144,362)
Total Net Assets	<u>\$ 39,995,804</u>	<u>\$ 41,427,017</u>	<u>\$ 29,027,361</u>	<u>\$ 28,648,866</u>	<u>\$ 69,023,165</u>	<u>\$ 70,075,883</u>	<u>\$ (1,052,718)</u>

**CITY OF STREATOR, ILLINOIS
MANAGEMENT DISCUSSIONS AND ANALYSIS
FISCAL YEAR ENDING APRIL 30, 2015**

The following analysis below focuses on changes in net assets of the City's governmental and business-type activities:

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Reporting Entity		Increase (Decrease)
	2015	2014	2015	2014	2015	2014	
Revenues							
Program Revenues:							
Charges for Services	\$ 642,072	\$ 427,235	\$ 3,901,295	\$ 3,914,012	\$ 4,443,367	\$ 4,341,247	\$ 102,120
Operating Grants & Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Grants & Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Revenues:							
Property Taxes	\$ 3,183,317	\$ 3,119,913	\$ -	\$ -	\$ 3,183,317	\$ 3,119,913	\$ 63,404
Intergovernmental	\$ 5,027,825	\$ 4,946,243	\$ -	\$ -	\$ 5,027,825	\$ 4,946,243	\$ 81,582
Hotel/Motel	\$ 13,080	\$ 14,833	\$ -	\$ -	\$ 13,080	\$ 14,833	\$ (1,753)
Motor Fuel	\$ 335,993	\$ 338,470	\$ -	\$ -	\$ 335,993	\$ 338,470	\$ (2,477)
Miscellaneous	\$ 2,998,020	\$ 2,749,951	\$ 10,579	\$ 8,235	\$ 3,008,599	\$ 2,758,186	\$ 250,413
Transfers	\$ (584,869)	\$ (40,000)	\$ 584,869	\$ 40,000	\$ -	\$ -	\$ -
Total Revenues	\$ 11,515,438	\$ 11,556,645	\$ 4,496,743	\$ 3,962,247	\$ 16,012,181	\$ 15,518,892	\$ 493,289
Expenditures							
General Government	\$ 1,864,806	\$ 2,019,759	\$ -	\$ -	\$ 1,864,806	\$ 2,019,759	\$ (154,953)
Public Safety	\$ 5,147,777	\$ 5,023,668	\$ -	\$ -	\$ 5,147,777	\$ 5,023,668	\$ 124,109
Streets & Bridges	\$ 3,687,705	\$ 3,071,959	\$ -	\$ -	\$ 3,687,705	\$ 3,071,959	\$ 615,746
Culture & Recreation	\$ 346,839	\$ 470,940	\$ -	\$ -	\$ 346,839	\$ 470,940	\$ (124,101)
Development	\$ 1,796,420	\$ 1,015,004	\$ -	\$ -	\$ 1,796,420	\$ 1,015,004	\$ 781,416
Interest on Long-Term Debt	\$ 103,104	\$ 115,710	\$ -	\$ -	\$ 103,104	\$ 115,710	\$ (12,606)
Sewer	\$ -	\$ -	\$ 2,839,759	\$ 2,801,935	\$ 2,839,759	\$ 2,801,935	\$ 37,824
Solid Waste	\$ -	\$ -	\$ 1,118,711	\$ 1,026,888	\$ 1,118,711	\$ 1,026,888	\$ 91,823
Golf Course	\$ -	\$ -	\$ 159,778	\$ 150,932	\$ 159,778	\$ 150,932	\$ 8,846
Total Expenditures	\$ 12,946,651	\$ 11,717,040	\$ 4,118,248	\$ 3,979,755	\$ 17,064,899	\$ 15,696,795	\$ 1,368,104
Changes in Net Assets	\$ (1,431,213)	\$ (160,395)	\$ 378,495	\$ (17,508)	\$ (1,052,718)	\$ (177,903)	\$ (874,815)

**CITY OF STREATOR, ILLINOIS
MANAGEMENT DISCUSSIONS AND ANALYSIS
FISCAL YEAR ENDING APRIL 30, 2015**

Capital Assets At Year-End

	Governmental Activities		Business-Type Activities		Totals		Increase (Decrease)
	2015	2014	2015	2014	2015	2014	
Land and Land Improvements	\$ 2,748,179	\$ 2,597,748	\$ 289,364	\$ 289,364	\$ 3,037,543	\$ 2,887,112	\$ 150,431
Buildings	\$ 10,244,412	\$ 10,244,412	\$ 827,351	\$ 827,351	\$ 11,071,763	\$ 11,071,763	\$ -
Sewer, Solid Waste and Golf Course	\$ -	\$ -	\$ 56,287,413	\$ 55,383,901	\$ 56,287,413	\$ 55,383,901	\$ 903,512
Equipment	\$ 3,752,864	\$ 3,810,089	\$ 543,909	\$ 543,909	\$ 4,296,773	\$ 4,353,998	\$ (57,225)
James St. Recreation Area Infrastructure	\$ 1,574,100	\$ 1,574,100	\$ -	\$ -	\$ 1,574,100	\$ 1,574,100	\$ -
Construction in Progress	\$ -	\$ -	\$ 161,469	\$ -	\$ 161,469	\$ -	\$ 161,469
Totals	\$ 52,169,509	\$ 52,076,303	\$ 58,109,506	\$ 57,044,525	\$ 110,279,015	\$ 109,120,828	\$ 1,158,187

Debt

At year end, the city has \$12,654,552 in bonds outstanding and \$335,889 in loans outstanding.

Reporting the City as a Whole – The Statement of Net Position and the Statement of Activities

One of the most important and frequently asked questions about the City's fiscal health is; "Is the City, as a whole, better off or worse off as a result of the operating year's activities?" The Statement of Net Position and the Statement of Activities report information about the City, as a whole, and, about its activities, in a way that assists in answering this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes or fluctuations in them. The reader can think of the City's net assets (the difference between assets and liabilities) as one way to measure the City's financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial position is improving or deteriorating. The reader will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall position of the City.

Reporting the City's Most Significant Funds – Fund Financial Statements

Specific funds are required to be established by State law and bond covenants. However, the City establishes additional funds to control and manage money for particular purposes or to demonstrate that it is meeting legal responsibilities regarding the use of certain taxes, grants and other monies.

The City's three (3) types of funds (*Governmental, Business-type and Fiduciary*) use different accounting approaches:

- **Governmental Funds** – The majority of the City's 'basic' services are included in governmental funds, which focus on (1) how cash and other financial assets that may readily be converted to cash flow into and out of these funds and, (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that assists the reader in determining whether there are more or fewer available financial resources which may be expended in the immediate future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is described at the bottom of the governmental funds statement.

- **Business-type Activities** – The City charges fees to customers to help it cover all or most of certain services it provides. The City’s garbage, sewer system and golf course operations are reported here.
- **Fiduciary Funds** – The City has fiduciary responsibility for other assets that can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Assets.

Governmental Activities:

Governmental Activities include all funds’ *except*’ business-type activities and fiduciary funds.

Intergovernmental revenues include revenues due to the City of Streator that ‘pass through’ from the State of Illinois. These include, but are not limited to, sales tax, income tax, and personal property replacement tax. Sales Tax began to lag in 2009 and 2010 as the full effects of the world-wide recession began to be reflected in municipal revenue streams. This negative trend continued into fiscal 2011; in fiscal 2012 the trend began to reverse (in large part) due directly to the opening of a new Wal-Mart Super Center in October 2011. That stability continues to date. In addition, State Income Tax revenues have stabilized, including Personal Property Replacement Tax receipts. The most recent revenue stream addition is video gaming revenue sharing with the State of Illinois. This new revenue stream, beginning in 2013 is currently projected to generate \$180,000 annually by the end of fiscal 2015.

SALES TAX HISTORY		
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		Percent of Increase (Decrease)
2006	\$2,375,999	.40 %
2007	\$2,715,135	14.27 %
2008	\$2,770,739	2.05 %
2009	\$2,626,779	(5.20) %
2010	\$2,558,073	(2.61) %
2011	\$2,571,242	.51 %
2012	\$2,794,951	8.70 %
2013	\$3,063,111	9.59 %
2014	\$2,930,198	(4.34) %
2015	\$2,999,673	2.37 %

STATE INCOME TAX HISTORY		
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		Percent of Increase (Decrease)
2006	\$1,097,618	11.01 %
2007	\$1,195,982	8.90 %
2008	\$1,553,863	29.92 %
2009	\$1,406,826	(9.46) %
2010	\$1,265,058	(10.08) %
2011	\$1,304,723	3.14 %
2012	\$1,364,342	3.60 %
2013	\$1,519,665	11.38 %
2014	\$1,553,078	2.20 %
2015	\$1,667,281	7.35 %

PERSONAL PROPERTY REPLACEMENT TAX

		Percent of Increase (Decrease)
2006	\$ 320,340	28.39 %
2007	\$ 366,701	14.47 %
2008	\$ 427,004	16.44 %
2009	\$ 379,683	(11.08) %
2010	\$ 372,049	(2.01) %
2011	\$ 352,416	(5.28) %
2012	\$ 310,822	(4.57) %
2013	\$ 328,972	5.84 %
2014	\$ 344,773	4.80 %
2015	\$ 360,869	4.67 %

Business-type Activities:

The business-type activities included in this reporting category are utility revenues and expenditures related to the sewer and solid waste funds. Revenues and expenditures related to the golf course fund (Anderson Field) are also included.

Beginning in fiscal year 2011, the sewer fund continued to reflect a strengthened position due to additional revenue realized from the City Council approved rate increase approved as part of the Fiscal 2009-2010 operating plan. That rate structure will require review and possible modification as the City anticipates the next major sewer project (2015-2017); the Coal Run Creek sewer separation project, currently projected at \$15,000,000 - \$20,000,000, Design engineering is currently underway for the final major 'combined' sanitary sewer separation project, Coal Run Creek, scheduled for fiscal 2017-2018, including sustaining the City's eligibility for IEPA low-interest loans and potential federal infrastructure assistance.

Anderson Field municipal golf course continues to operate at a deficit. The course has rebounded successfully from the chemical accident which destroyed all ten (10) of the greens, but the continued diminution in golf play overall, and coupled with the privatization of the former Streator Country Club impacts the ongoing operation and

maintenance cost to the City. It should be noted that while the City has the availability of both recreation maintenance and recreation program tax levies, they would require submission of the questions to referendum. The net effect is therefore, the continued subsidy of the golf course, as well as all recreation related activities by the general fund of the City.

GENERAL FUND BUDGETARY HIGHLIGHTS

Founded in a conservative fiscal planning and management policy, the annual operating and capital budget is developed consistent with the prioritized goals and objectives of the plan, including the establishment and maintenance of required fund balance levels (reserves) within each of the major fund areas.

A top fiscal priority and objective remains the implementation of a comprehensive series of fiscal policy statements for the City, including a formal City Council adopted 'reserves' policy. Formal adoption of the reserves policy occurred in early 2012, and has been followed by the re-establishment of a general fund reserve as part of the Fiscal 2013 budget as required under the policy, which continues to date. Positive results have been achieved for the second time when in February 2015 Standard & Poor's upgraded the City's bond rating at A- Stable.

During the course of the operating period (fiscal year), the City Council amended the budget as was required. The budget was amended to account for changes in projected revenues, priority acceleration or deferral of City projects, and changes in costs for normal operations. During the current year, budgeted revenues were amended upward by \$94,150 and expenditures were amended downward by \$33,901.

During the formal budgeting process, the City plans for all anticipated projects and expenses, while balancing the same against projected available revenues. The City utilizes the Illinois Budget Act as authorized in the Illinois Compiled Statutes. Under the provisions of the Act, the city manager is designated the budget officer with all of the authority granted under the same.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the City had \$74,783,921 invested in a broad range of capital assets, including equipment, building and structures and infrastructure. As provided under GASB 34, the city manager established a threshold for capitalization in the amount of \$5,000, based on a per piece basis. Infrastructure is valued based on the composite cost. Depreciation is calculated based on the straight-line method.

CURRENT ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Streator considered a wide variety of factors when formulating the fiscal year 2014/2015 budget; including real estate tax rates, and fees that will be charged for the business-type activities to residents. However, the most pressing decision-point centered on the need to continue to adhere to the re-establishment of general fund reserves as provided in the official financial policies in order to stabilize and improve the City's bond rating. This objective was successfully achieved as part of the 2014/15 budget process. Budgetary goals were also met for 2014/2015 as noted above.

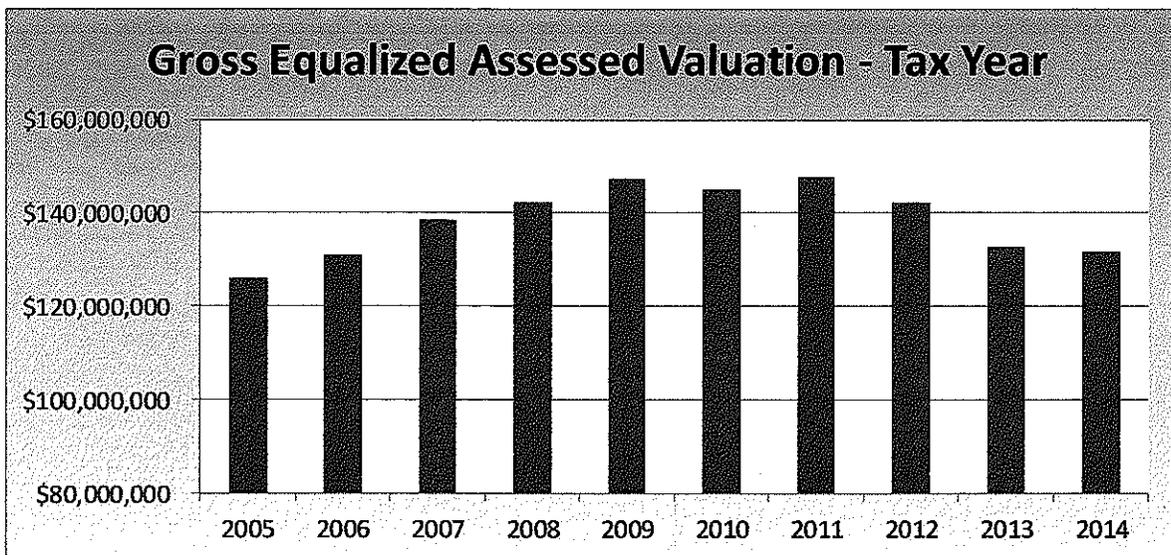
In addition, the City did increase real estate property taxes following three (3) years of flat tax levies. The incremental increase was deemed necessary to offset on-going general fund cost increases, pension costs and liability insurance. Additional cost savings were realized through carefully "managed" use of personnel "attrition" savings and corresponding cost containment initiatives.

Economic Development continues to remain a high priority. The City Council and city management continued the strong public/private partnership with the Streator Area Chamber of Commerce, including its Industrial Development arm to attract and facilitate development and redevelopment. Continued growth and expansion at Result, Inc., Steril ALM and Vactor Manufacturing have bolstered local job creation. However, continuing changes in the medical world have negatively impacted St. Mary's Hospital. In addition, this private economic stimulus continues to drive and sustain a stable general sales tax. Renewable energy growth remains sluggish. While the change in the State Law permitting the extension of Enterprise Zone life was applauded, the realities of the market place and federal legislation have placed the Deer Run wind energy project and others in doubt, which remains the case today. While, interest in solar energy is a possibility, the overall potential is tepid at best. Coupled with remaining time limits on agreements with energy companies, the forthcoming expiration within the next five to seven years has the effect of 'clouding' the City's long-term revenue picture.

In addition, the City's ongoing fiscal and budgetary planning continues to be constrained; impacted by the overall economic slowdown and its continuing collateral effects within the State. The City's ongoing fiscal and budgetary planning continues to be impacted by the lingering effects at the municipal level of the 2008 overall economic slowdown and its continuing collateral effect within the State. The continued depth of this crisis, particularly at the State level has required the City to continue to proceed conservatively in its fiscal planning process.

Finally, The City's 2014 gross equalized assessed value decreased \$932,147 (.70%). This major reduction of the City's underlying assessed valuation, particularly in the residential housing component is alarming and points to the need to undertake positive neighborhood reforms in order to stabilize, renew and rebuild the City's housing stock. Add to this reality, aggressive property assessed valuation actions by corporate, business and related parties; the City is confronted with a significant 'valuation' challenge as it seeks to preserve and grow its underlying real estate take base.

To this end, unrealized annexation of contiguous properties remains the Gorilla in the room. The potential to increase the underlying take base of the City by, conservatively fifty (50%) per cent is a significant component of a new and growing City. This will require new and visionary thinking and planning, but is critical to the future of the City of Streator as an independent down-state city. This planning should include examination of non-traditional revenue streams and service related business functions that can act to reduce the City's reliance on property tax revenue over the long term.



CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Office of the City Manager, City of Streator, and P.O. Box 517, Streator, IL 61364.

FINANCIAL SECTION

CITY OF STREATOR, ILLINOIS
 GOVERNMENT - WIDE - STATEMENT OF NET POSITION
April 30, 2015

	Governmental <u>Activities</u>	Business- type <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 3,291,824	\$ 144,486	\$ 3,436,310
Investments, at fair market value	2,083,932	-	2,083,932
Receivables:			
Taxes	3,698,146	-	3,698,146
Accounts	42,356	317,300	359,656
Loans	221,743	-	221,743
Accrued interest	676	-	676
Other	-	-	-
Inventory, at cost	-	<u>3,271</u>	<u>3,271</u>
Total current assets	<u>\$ 9,338,677</u>	<u>\$ 465,057</u>	<u>\$ 9,803,734</u>
Restricted assets:			
Cash	\$ -	\$ 1,109,693	\$ 1,109,693
Interest receivable	-	-	-
Total restricted assets	<u>\$ -</u>	<u>\$ 1,109,693</u>	<u>\$ 1,109,693</u>
Deferred outflows of resources			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Noncurrent assets:			
Capital assets:			
Land	\$ 2,748,179	\$ 289,364	\$ 3,037,543
Other capital assets, net of accumulated depreciation	33,974,901	37,771,477	71,746,378
Deferred charges	-	<u>13,876</u>	<u>13,876</u>
Total noncurrent assets	<u>\$36,723,080</u>	<u>\$38,074,717</u>	<u>\$74,797,797</u>
 Total assets	 <u>\$46,061,757</u>	 <u>\$39,649,467</u>	 <u>\$85,711,224</u>

Continued . . .

CITY OF STREATOR, ILLINOIS
 GOVERNMENT-WIDE - STATEMENT OF NET POSITION (CONTINUED)
April 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts/contracts/loans payable	\$ 17,502	\$ 248,135	\$ 265,637
Accrued payroll and compensated absences	691,462	80,834	772,296
Accrued interest	-	9,185	9,185
Current portion - bonds payable	115,000	1,155,973	1,270,973
Payable from restricted assets:			
Current maturities - bonds payable	-	3	3
Accrued bond interest	-	-	-
Contracts/retainage	-	-	-
Other current liabilities	-	-	-
Deferred revenue	2,626,100	24,400	2,650,500
Other payable	<u>335,889</u>	<u>-</u>	<u>335,889</u>
Total current liabilities	<u>\$ 3,785,953</u>	<u>\$ 1,518,530</u>	<u>\$ 5,304,483</u>
Non-current liabilities:			
General obligation bonds /loans payable	<u>\$ 2,280,000</u>	<u>\$ 9,103,576</u>	<u>\$11,383,576</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>\$ 6,065,953</u>	<u>\$10,622,106</u>	<u>\$16,688,059</u>
<u>NET POSITION</u>			
Investment in capital assets, net of related debt	\$36,048,080	\$27,801,292	\$63,849,372
Restricted for:			
Debt service	-	-	-
Loans receivable	687,448	-	687,448
Development	302,945	-	302,945
Unrestricted	<u>2,957,331</u>	<u>1,226,069</u>	<u>4,183,400</u>
Total net position	<u>\$39,995,804</u>	<u>\$29,027,361</u>	<u>\$69,023,165</u>

The accompanying notes are an integral part of the financial statements.
 See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
 GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
Year Ended April 30, 2015

	Program Revenues				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<u>Functions/Programs</u>					
Governmental activities:					
General government	\$ 1,864,806	\$ 377,877	\$ -	\$ -	\$(1,486,929)
Public safety:					
Police	3,688,801	148,293	-	-	(3,540,508)
Fire	1,458,976	-	-	-	(1,458,976)
Public works	3,687,705	-	-	-	(3,687,705)
Culture and recreation	346,839	15,902	-	-	(330,937)
Development	1,796,420	-	-	-	(1,796,420)
Debt service	103,104	-	-	-	(103,104)
Total governmental activities	<u>\$12,946,651</u>	<u>\$ 542,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(12,404,579)</u>
Business-type activities:					
Sewer	\$ 2,839,759	\$ 2,723,878	\$ -	\$ -	\$(115,881)
Golf course	159,778	92,408	-	-	(67,370)
Solid waste management	1,118,711	1,094,454	-	-	(24,257)
Total business-type activities	<u>\$ 4,118,248</u>	<u>\$ 3,910,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(207,508)</u>
Total governmental and business-type functions/programs	<u>\$17,064,899</u>	<u>\$ 4,452,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(12,612,087)</u>
			<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Change in net position:</u>			\$(12,404,579)	\$(207,508)	\$(12,612,087)
Net (expense) revenue					
General revenues:					
Taxes:					
Sales taxes			\$ 2,999,675	\$ -	\$ 2,999,675
Property			3,183,317	-	3,183,317
State income			1,667,281	-	1,667,281
Replacement			360,869	-	360,869
Franchise taxes and fees			1,681,904	-	1,681,904
Hotel/Motel			13,080	-	13,080
Motor fuel			335,993	-	335,993
Other intergovernmental			64,099	-	64,099
Unrestricted investment income			14,418	1,134	15,552
Reimbursements			579,561	-	579,561
Miscellaneous			658,038	-	658,038
Transfers			(584,869)	584,869	-
Total general revenues and transfers			<u>\$ 10,973,366</u>	<u>\$ 586,003</u>	<u>\$ 11,559,369</u>
Change in net position			\$(1,431,213)	\$ 378,495	\$(1,052,718)
Net position - beginning			<u>41,427,017</u>	<u>28,648,866</u>	<u>70,075,883</u>
Net position - ending			<u>\$ 39,995,804</u>	<u>\$29,027,361</u>	<u>\$ 69,023,165</u>

The accompanying notes are an integral part of the financial statements.
 See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2015

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Library</u>	<u>Special Tax Allocation</u>	<u>Emergency Telephone System</u>	<u>Hotel/ Motel Tax</u>	<u>Development- Revolving Loan</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>								
Cash	\$ 1,916,775	\$ 487,042	\$ 45,359	\$307,304	\$ 65,266	\$ 5,049	\$ 465,029	\$ 3,291,824
Investments	1,280,101	-	700,708	-	103,123	-	-	2,083,932
Accrued interest receivable	-	-	-	-	-	-	676	676
Taxes receivable	3,517,146	-	181,000	-	-	-	-	3,698,146
Accounts receivable	-	-	-	-	42,356	-	221,743	264,099
Total assets	<u>\$ 6,714,022</u>	<u>\$ 487,042</u>	<u>\$ 927,067</u>	<u>\$307,304</u>	<u>\$ 210,745</u>	<u>\$ 5,049</u>	<u>\$ 687,448</u>	<u>\$ 9,338,677</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable	\$ 702,979	\$ 1,626	\$ -	\$ 4,359	\$ -	\$ -	\$ -	\$ 708,964
Deferred revenue	2,445,100	-	181,000	-	-	-	-	2,626,100
Bonds payable	1,720,000	-	-	-	-	-	-	1,720,000
Loans payable	335,889	-	-	-	-	-	-	335,889
Total liabilities	\$ 5,203,968	\$ 1,626	\$ 181,000	\$ 4,359	\$ -	\$ -	\$ -	\$ 5,390,953
Fund balance (deficit):								
Unreserved	1,510,054	485,416	746,067	302,945	210,745	5,049	687,448	3,947,724
Total liabilities and fund balance	<u>\$ 6,714,022</u>	<u>\$ 487,042</u>	<u>\$ 927,067</u>	<u>\$307,304</u>	<u>\$ 210,745</u>	<u>\$ 5,049</u>	<u>\$ 687,448</u>	<u>\$ 9,338,677</u>
Total fund balance - total governmental funds								\$ 3,947,724
Amounts reported for governmental activities in the statement of net assets is different because:								
Library bonds payable								(675,000)
Capital assets of \$52,169,509 net of accumulated depreciation of (\$15,446,429) are not financial resources and therefore are not reported in the funds. See Notes to financial statements for additional details.								<u>36,723,080</u>
Net assets of governmental activities								<u>\$39,995,804</u>

The accompanying notes are an integral part of the financial statements.
See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended April 30, 2015

	General	Motor Fuel Tax	Library	Special Tax Allocation	Emergency Telephone System	Hotel/ Motel Tax	Development- Revolving Loan	Total Governmental Funds
Revenue								
Taxes	\$ 6,947,955	\$ -	\$ 210,274	\$ 416,417	\$ 153,739	\$ 13,080	\$ -	\$ 7,741,465
Intergovernmental	2,092,249	335,993	29,074	-	-	-	-	2,457,316
License and permits	350,127	-	-	-	-	-	-	350,127
Fines and forfeits	148,293	-	4,241	-	-	-	-	152,534
Charges for services	27,750	-	11,661	-	-	-	-	39,411
Interest	4,784	431	2,402	321	1,191	9	5,280	14,418
Miscellaneous	1,172,827	166,698	34,219	-	-	2,325	-	1,376,069
Total revenue	<u>\$10,743,985</u>	<u>\$ 503,122</u>	<u>\$ 291,871</u>	<u>\$ 416,738</u>	<u>\$ 154,930</u>	<u>\$ 15,414</u>	<u>\$ 5,280</u>	<u>\$12,131,340</u>
Expenditures								
Current:								
General government	\$ 1,839,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,839,944
Public safety	4,844,740	-	-	-	195,885	-	-	5,040,625
Public works/ transportation	1,903,485	775,637	-	-	-	-	-	2,679,122
Culture and recreation	-	-	297,923	-	-	-	-	297,923
Development	-	-	-	325,054	-	25,276	330,242	680,572
Non-home rule sales tax	1,115,848	-	-	-	-	-	-	1,115,848
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	103,104	-	-	-	-	-	-	103,104
Total expenditures	<u>\$ 9,807,121</u>	<u>\$ 775,637</u>	<u>\$ 297,923</u>	<u>\$ 325,054</u>	<u>\$ 195,885</u>	<u>\$ 25,276</u>	<u>\$ 330,242</u>	<u>\$11,757,138</u>
Revenue over (under) expenditures	<u>\$ 936,864</u>	<u>\$ (272,515)</u>	<u>\$ (6,052)</u>	<u>\$ 91,684</u>	<u>\$ (40,955)</u>	<u>\$ (9,862)</u>	<u>\$ (324,962)</u>	<u>\$ 374,202</u>
Transfer from (to) other funds and bond proceeds (payments)	<u>\$ (589,869)</u>	<u>\$ -</u>	<u>\$ (66,033)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (650,902)</u>
Total other financing sources (uses)	<u>\$ (589,869)</u>	<u>\$ -</u>	<u>\$ (66,033)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (650,902)</u>
Revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ 346,995</u>	<u>\$ (272,515)</u>	<u>\$ (72,085)</u>	<u>\$ 91,684</u>	<u>\$ (40,955)</u>	<u>\$ (4,862)</u>	<u>\$ (324,962)</u>	<u>\$ (276,700)</u>
Fund balance, beginning of year	<u>1,163,059</u>	<u>757,931</u>	<u>818,152</u>	<u>211,261</u>	<u>251,700</u>	<u>9,911</u>	<u>1,012,410</u>	<u>4,224,424</u>
Fund balance, end of year	<u><u>\$ 1,510,054</u></u>	<u><u>\$ 485,416</u></u>	<u><u>\$ 746,067</u></u>	<u><u>\$ 302,945</u></u>	<u><u>\$ 210,745</u></u>	<u><u>\$ 5,049</u></u>	<u><u>\$ 687,448</u></u>	<u><u>\$ 3,947,724</u></u>

Net change in fund balances - Total Governmental Funds

\$(276,700)

Amounts reported for governmental activities in the statement of activities as different because:

Library bonds payable

35,000

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$1,282,719 was more than capital outlays of \$93,206 in the current period.

(1,189,513)

Change in net assets of governmental activities

\$(1,431,213)

The accompanying notes are an integral part of the financial statements.
See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended April 30, 2015

	Original <u>Budget</u>	<u>Revisions</u>	Revised <u>Budget</u>	<u>Actual</u>
<u>Revenue</u>				
Taxes - real estate	\$ 2,475,600	\$ -	\$ 2,475,600	\$ 2,475,418
Taxes - road & bridge tax	81,200	-	81,200	81,208
Taxes - sales	2,995,000	-	2,995,000	2,999,675
Intergovernmental:				
State income and use tax	1,587,500	-	1,587,500	1,667,281
Replacement tax	345,000	-	345,000	360,869
Other state	100,000	-	100,000	64,099
Grants	243,800	-	243,800	222,705
Licenses and permits	339,325	-	339,325	350,127
Fines and forfeits	77,500	-	77,500	148,293
Charges for services and sundry fees	28,100	-	28,100	27,750
Interest	2,630	-	2,630	4,784
Reimbursements	446,690	-	446,690	579,561
Franchise and infrastructural fee revenue	1,402,700	-	1,402,700	1,391,654
Sale of City property	1,300	-	1,300	1,257
Wind/solar Energy E-Zone	262,500	-	262,500	262,500
Miscellaneous	84,805	-	84,805	106,804
Total revenue	<u>\$10,468,390</u>	<u>\$ -</u>	<u>\$10,468,390</u>	<u>\$10,743,985</u>
<u>Expenditures</u> (See Schedule A)				
General government	\$ 1,859,134	\$ -	\$ 1,859,134	\$ 1,839,944
Public safety	4,912,300	-	4,912,300	4,844,740
Public works	1,904,375	-	1,904,375	1,903,485
Culture and recreation	-	-	-	-
Non-home rule sales tax	1,127,500	-	1,127,500	1,115,848
Debt service	176,800	-	176,800	103,104
Total expenditures	<u>\$ 9,980,109</u>	<u>\$ -</u>	<u>\$ 9,980,109</u>	<u>\$ 9,807,121</u>
Revenue over (under) expenditures	<u>\$ 488,281</u>	<u>\$ -</u>	<u>\$ 488,281</u>	<u>\$ 936,864</u>
<u>Other financing sources (uses)</u>				
Transfer from other funds	\$ -	\$ -	\$ -	\$ -
Transfer to other funds	(561,000)	-	(561,000)	(589,869)
Total other financing sources (uses)	<u>\$ (561,000)</u>	<u>\$ -</u>	<u>\$ (561,000)</u>	<u>\$ (589,869)</u>
Revenue and other financing sources over (under) expenditures and other financing uses	\$ (72,719)	\$ -	\$ (72,719)	\$ 346,995
<u>Fund balance</u> , beginning of year	<u>1,163,059</u>	<u>-</u>	<u>1,163,059</u>	<u>1,163,059</u>
Fund balance (deficit), end of year	<u>\$ 1,090,340</u>	<u>\$ -</u>	<u>\$ 1,090,340</u>	<u>\$ 1,510,054</u>

The accompanying notes are an integral part of the financial statements.
See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
GENERAL FUND
STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
Year Ended April 30, 2015

	<u>Original</u>	<u>Revisions</u>	<u>Revised</u>	<u>Actual</u>
	<u>Budget</u>	<u>Revisions</u>	<u>Budget</u>	<u>Actual</u>
<u>General Government</u>				
Administrative division:				
Personal services	\$ 662,550	\$ -	\$ 662,550	\$ 664,286
Other services and charges	1,129,186	-	1,129,186	1,113,060
Supplies	19,900	-	19,900	20,214
Capital outlay	11,850	-	11,850	11,496
Replacement tax - library and pensions	<u>35,648</u>	<u>-</u>	<u>35,648</u>	<u>30,888</u>
Total general government	<u>\$ 1,859,134</u>	<u>\$ -</u>	<u>\$ 1,859,134</u>	<u>\$ 1,839,944</u>
 <u>Public Safety</u>				
Police division:				
Personal services	\$ 3,158,850	\$ -	\$ 3,158,850	\$ 3,111,668
Other services and charges	107,900	-	107,900	97,508
Supplies	101,900	-	101,900	98,952
Capital outlay	<u>135,850</u>	<u>-</u>	<u>135,850</u>	<u>135,251</u>
Total police division	<u>\$ 3,504,500</u>	<u>\$ -</u>	<u>\$ 3,504,500</u>	<u>\$ 3,443,379</u>
 Fire division:				
Personal services	\$ 1,344,050	\$ -	\$ 1,344,050	\$ 1,340,242
Other services and charges	43,350	-	43,350	41,434
Supplies	16,900	-	16,900	16,248
Capital outlay	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>3,437</u>
Total fire division	<u>\$ 1,407,800</u>	<u>\$ -</u>	<u>\$ 1,407,800</u>	<u>\$ 1,401,361</u>
Total public safety	<u>\$ 4,912,300</u>	<u>\$ -</u>	<u>\$ 4,912,300</u>	<u>\$ 4,844,740</u>
 <u>Public Works</u>				
Personal services	\$ 923,850	\$ -	\$ 923,850	\$ 925,914
Other services and charges	502,825	-	502,825	514,166
Supplies	223,300	-	223,300	204,316
Capital outlay	<u>254,400</u>	<u>-</u>	<u>254,400</u>	<u>259,089</u>
Total public works	<u>\$ 1,904,375</u>	<u>\$ -</u>	<u>\$ 1,904,375</u>	<u>\$ 1,903,485</u>
 <u>Culture and Recreation</u>				
Personal services	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	-	-	-
Supplies	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total culture and recreation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Non-home Rule Sales Tax</u>				
Personal services	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	-	-	-
Capital outlay	<u>1,127,500</u>	<u>-</u>	<u>1,127,500</u>	<u>1,115,848</u>
Total development	<u>\$ 1,127,500</u>	<u>\$ -</u>	<u>\$ 1,127,500</u>	<u>\$ 1,115,848</u>
 <u>Debt Service</u>				
Principal retirement	\$ 75,000	\$ -	\$ 75,000	\$ -
Interest/fees	<u>101,800</u>	<u>-</u>	<u>101,800</u>	<u>103,104</u>
Total debt service	<u>\$ 176,800</u>	<u>\$ -</u>	<u>\$ 176,800</u>	<u>\$ 103,104</u>
 Totals	 <u>\$ 9,980,109</u>	 <u>\$ -</u>	 <u>\$ 9,980,109</u>	 <u>\$ 9,807,121</u>

The accompanying notes are an integral part of the financial statements.
See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
April 30, 2015

	<u>Sewer Fund</u>	<u>Golf Course</u>	<u>Solid Waste</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash	\$ 113,959	\$ 1,465	\$ 29,062	\$ 144,486
Investments	-	-	-	-
Real estate taxes receivable	-	-	-	-
Accounts receivable	208,100	-	109,200	317,300
Inventory, at cost	-	3,271	-	3,271
Total current assets	<u>\$ 322,059</u>	<u>\$ 4,736</u>	<u>\$138,262</u>	<u>\$ 465,057</u>
Restricted assets:				
Cash:				
Revenue bond depreciation	\$ 832,210	\$ -	\$ -	\$ 832,210
Revenue bond and interest	3	-	-	3
Construction	277,480	-	-	277,480
Restricted cash	<u>\$ 1,109,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,693</u>
Interest receivable	-	-	-	-
Total restricted assets	<u>\$ 1,109,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,693</u>
Non-current assets:				
Capital assets:				
Land	\$ 211,620	\$ 77,744	\$ -	\$ 289,364
Sewer system/plant	56,287,413	-	-	52,287,413
Buildings	107,595	719,756	-	827,351
Machinery and equipment	430,607	113,302	-	543,909
Construction in progress	161,469	-	-	161,469
Total property, plant and equipment	\$57,198,704	\$910,802	\$ -	\$58,109,506
Less accumulated depreciation	<u>19,789,497</u>	<u>259,168</u>	<u>-</u>	<u>20,048,665</u>
Net property and equipment	\$37,409,207	\$651,634	\$ -	\$38,060,841
Deferred charges	13,876	-	-	13,876
Due from other funds	-	-	-	-
Total non-current assets	<u>\$37,423,083</u>	<u>\$651,634</u>	<u>\$ -</u>	<u>\$38,074,717</u>
Total assets	<u>\$38,854,835</u>	<u>\$656,370</u>	<u>\$138,262</u>	<u>\$39,649,467</u>
<u>LIABILITIES</u>				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ 161,469	\$ 550	\$ 86,116	\$ 248,135
Accrued payroll and compensated absences	74,190	4,873	1,771	80,834
Current portion of sewerage revenue and general obligation bonds	1,155,973	-	-	1,155,973
Accrued revenue and general obligation bond interest	9,185	-	-	9,185
Deferred revenue	-	24,400	-	24,400
Total current liabilities (payable from current assets)	<u>\$ 1,400,817</u>	<u>\$ 29,823</u>	<u>\$ 87,887</u>	<u>\$ 1,518,527</u>
Current liabilities (payable from restricted assets):				
Accrued revenue and general obligation bond interest	\$ -	\$ -	\$ -	\$ -
Current portion of sewerage revenue and general obligation bonds	3	-	-	3
Total current liabilities (payable from restricted assets)	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>
Non-current liabilities:				
ILEPA Loan	\$ 754,978	\$ -	\$ -	\$ 754,978
General obligation bonds	8,348,598	-	-	8,348,598
Total long-term liabilities	<u>\$ 9,103,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,103,576</u>
Total liabilities	<u>\$10,504,396</u>	<u>\$ 29,823</u>	<u>\$ 87,887</u>	<u>\$10,622,106</u>
<u>NET POSITION</u>				
Total net position	<u>\$28,350,439</u>	<u>\$626,547</u>	<u>\$ 50,375</u>	<u>\$29,027,361</u>

The accompanying notes are an integral part of the financial statements.
 See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended April 30, 2015

	<u>Sewer Fund</u>	<u>Golf Course</u>	<u>Solid Waste</u>	<u>Totals</u>
<u>Operating revenue</u>				
Charges for services	\$ 2,715,943	\$ -	\$1,092,636	\$ 3,808,579
Membership and daily fees	-	54,188	-	54,188
Rental clubs and carts	-	24,316	-	24,316
Concessions	-	13,212	-	13,212
Supplies	-	-	-	-
Miscellaneous	<u>308</u>	<u>692</u>	<u>-</u>	<u>1,000</u>
Total operating revenue	<u>\$ 2,716,251</u>	<u>\$ 92,408</u>	<u>\$1,092,636</u>	<u>\$ 3,901,295</u>
<u>Operating expense</u>				
Salaries	\$ 337,781	\$ 75,764	\$ 48,384	\$ 461,929
Social security and IMRF	66,212	11,273	9,505	86,990
Life and medical insurance	70,227	-	8,700	78,927
Bad debts expense	-	-	-	-
Contractual services	898,839	-	1,038,122	1,936,961
Unemployment compensation	-	5,817	-	5,817
Repairs and maintenance	109,108	9,674	-	118,782
Liability insurance	-	-	-	-
Utilities and telephone	-	13,366	-	13,366
Engineering	-	-	-	-
Legal, accounting and collection	10,438	-	-	10,438
Office expense and postage	14,289	-	9,000	23,289
Data processing	1,408	-	-	1,408
Other fees	22,500	-	-	22,500
Training and travel	-	-	-	-
Printing and publications	427	-	-	427
Other supplies and equipment	4,809	1,136	-	5,945
Concession stand products	-	8,905	-	8,905
Golf supplies for resale	-	1,102	-	1,102
Gasoline and oil	-	3,297	-	3,297
Chemicals	730	13,418	-	14,148
Miscellaneous	62,120	1,768	5,000	68,888
Depreciation and amortization	<u>1,188,198</u>	<u>14,258</u>	<u>-</u>	<u>1,202,456</u>
Total operating expense	<u>\$ 2,787,086</u>	<u>\$159,778</u>	<u>\$1,118,711</u>	<u>\$ 4,065,575</u>
Net operating income (loss)	<u>\$ (70,835)</u>	<u>\$ (67,370)</u>	<u>\$ (26,075)</u>	<u>\$ (164,280)</u>
<u>Nonoperating revenue (expense)</u>				
Real estate taxes	\$ -	\$ -	\$ -	\$ -
Interest income	1,105	-	29	1,134
Interest and fiscal charges	(52,673)	-	-	(52,673)
Transfers in (out)	536,869	48,000	-	584,869
Grants	-	-	-	-
Reimbursements	<u>7,627</u>	<u>-</u>	<u>1,818</u>	<u>9,445</u>
Total nonoperating revenue (expense)	<u>\$ 492,928</u>	<u>\$ 48,000</u>	<u>\$ 1,847</u>	<u>\$ 542,775</u>
Change in net position	\$ 422,093	\$(19,370)	\$(24,228)	\$ 378,495
Total net position, beginning of year	<u>27,928,346</u>	<u>645,917</u>	<u>74,603</u>	<u>28,648,866</u>
Total net position, end of year	<u>\$28,350,439</u>	<u>\$626,547</u>	<u>\$ 50,375</u>	<u>\$29,027,361</u>

The accompanying notes are an integral part of the financial statements.
 See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 INCREASE (DECREASES) IN CASH AND CASH EQUIVALENTS
 Year Ended April 30, 2015

	<u>Sewer Fund</u>	<u>Golf Course</u>	<u>Solid Waste</u>	<u>Totals</u>
<u>Cash flows from operating activities</u>				
Cash received from customers	\$ 2,729,951	\$ 97,400	\$1,085,536	\$ 3,912,887
Cash payments to suppliers for goods and services	(977,744)	(56,114)	(1,048,176)	(2,082,034)
Cash payments to employees for services	(338,978)	(79,113)	(48,397)	(466,488)
Cash payments to employee benefit programs	<u>(136,439)</u>	<u>(11,273)</u>	<u>(18,205)</u>	<u>(165,917)</u>
Net cash provided (used) by operating activities	<u>\$ 1,276,790</u>	<u>\$ (49,100)</u>	<u>\$ (29,242)</u>	<u>\$ 1,198,448</u>
<u>Cash flows from noncapital financing activities</u>				
Reimbursements	\$ 7,627	\$ -	\$ 1,818	\$ 9,445
Operating transfers in (out)	536,869	48,000	-	584,869
Cash received from real estate taxes	-	-	-	-
Repayment of interfund loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>\$ 544,496</u>	<u>\$ 48,000</u>	<u>\$ -</u>	<u>\$ 594,314</u>
<u>Cash flows from capital and related financing activities</u>				
Grant proceeds	\$ -	\$ -	\$ -	\$ -
Proceeds from general obligation/revenue bonds	754,978	-	-	754,978
Acquisition and construction of capital assets	(1,064,981)	-	-	(1,064,981)
Net gain on sale of equipment	-	-	-	-
Net equity transfer of capital assets	-	-	-	-
Principal paid on ILEPA loan	(505,976)	-	-	(505,976)
Tax anticipation warrants paid	-	-	-	-
Principal paid on bonds	(855,000)	-	-	(855,000)
Interest paid on general obligation/revenue bonds	(52,673)	-	-	(52,673)
Principal paid on capital lease	-	-	-	-
Interest paid on notes payable	-	-	-	-
Repayment of interfund loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>\$ (1,723,652)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,723,652)</u>
<u>Cash flows from investing activities</u>				
Proceeds from sales and maturities of investments	\$ -	\$ -	\$ -	\$ -
Interest on investments	<u>1,105</u>	<u>-</u>	<u>29</u>	<u>1,134</u>
Net cash provided (used) by investing activities	<u>\$ 1,105</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 1,134</u>
Net increase (decrease) in cash and cash equivalents	\$ 98,739	\$ (1,100)	\$ (27,395)	\$ 70,244
Cash and cash equivalents, beginning of year	<u>1,124,913</u>	<u>2,565</u>	<u>56,457</u>	<u>1,183,935</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,223,652</u></u>	<u><u>\$ 1,465</u></u>	<u><u>\$ 29,062</u></u>	<u><u>\$ 1,254,179</u></u>
Reconciliation of net operating income (loss) to net cash provided by operating activities:				
Nonoperating income (loss)	\$ (70,835)	\$ (67,370)	\$ (26,075)	\$ (164,280)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	\$ 1,188,198	\$ 14,258	\$ -	\$ 1,202,456
Changes in assets and liabilities:				
Inventory and deferred charges	(20,820)	2,360	-	(18,460)
Accounts receivable	(13,700)	-	(7,100)	(20,800)
Accounts payable	192,750	1	3,946	196,697
Accrued payroll	1,197	(3,349)	(13)	(2,165)
Deferred revenue	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total adjustments	<u>\$ 1,347,625</u>	<u>\$ 18,270</u>	<u>\$ (3,167)</u>	<u>\$ 1,362,728</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,276,790</u></u>	<u><u>\$ (49,100)</u></u>	<u><u>\$ (29,242)</u></u>	<u><u>\$ 1,198,448</u></u>

The accompanying notes are an integral part of the financial statements.

See Independent Auditors' Reports.

CITY OF STREATOR, ILLINOIS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
April 30, 2015

	Pension Trust Funds			Deferred Compensation Fund <u>4-30-15</u>
	Police	Fire-	Total	
	<u>Pension</u>	fighter's <u>Pension</u>	<u>2014</u>	
<u>ASSETS</u>				
Cash	\$ 377,800	\$ 226,530	\$ 604,330	\$ -
Investments, at fair market value	8,169,412	3,962,549	12,131,961	613,843
Real estate taxes receivable	741,500	535,381	1,276,881	-
Interest receivable	-	-	-	-
Accounts receivable	-	-	-	-
Other receivables	-	-	-	-
Total assets	<u>\$ 9,288,712</u>	<u>\$ 4,724,460</u>	<u>\$14,013,172</u>	<u>\$ 613,843</u>
<u>LIABILITIES</u>				
Liabilities:				
Deferred compensation benefits payable	\$ -	\$ -	\$ -	\$ 613,843
Net position held in trust for pension benefits	<u>\$ 9,288,712</u>	<u>\$ 4,724,460</u>	<u>\$14,013,172</u>	<u>\$ -</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended April 30, 2015

	Pension Trust Funds			Deferred Compensation Fund <u>4-30-15</u>
	Police	Fire-	Total	
	<u>Pension</u>	fighter's <u>Pension</u>	<u>2014</u>	
<u>Additions to plan net position</u>				
Real estate taxes	\$ 743,497	\$ 535,392	\$ 1,278,889	\$ -
Replacement tax	4,601	-	4,601	-
Payroll deductions from members	161,260	80,276	241,536	-
Investment income	184,574	872	185,446	-
Gain (loss) in value of investments	<u>455,044</u>	<u>36,390</u>	<u>491,434</u>	<u>-</u>
Total additions to plan net position	<u>\$ 1,548,976</u>	<u>\$ 652,930</u>	<u>\$ 2,201,906</u>	<u>\$ -</u>
<u>Deductions from plan net position</u>				
Benefit payments	\$ 984,757	\$ 656,684	\$ 1,641,441	\$ -
Salaries	-	-	-	-
Administrative expense	<u>41,758</u>	<u>9,104</u>	<u>50,862</u>	<u>-</u>
Total deductions from plan net position	<u>\$ 1,026,515</u>	<u>\$ 665,788</u>	<u>\$ 1,692,303</u>	<u>\$ -</u>
Net increase (decrease) for the year in net plan positions	\$ 522,461	\$ (12,858)	\$ 509,603	\$ -
<u>Plan net position,</u> Beginning of year	<u>8,766,251</u>	<u>4,737,318</u>	<u>13,503,569</u>	<u>-</u>
Plan net position, end of year	<u>\$ 9,288,712</u>	<u>\$ 4,724,460</u>	<u>\$14,013,172</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.
 See Independent Auditors' Reports.

NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

		<u>Page #</u>
Note 1.	Summary of Significant Accounting Policies	13-19
	A. Reporting Entity	13
	B. Fund Accounting	13-14
	C. Basis of Accounting and Measurement Focus	14-15
	D. Budgets	15
	E. Cash and Investments	15
	F. Short-term Interfund Receivables/Payables	16
	G. Inventory	16
	H. Restricted Assets	16
	I. Capital Assets	16-17
	J. Bond Issuance Costs	17
	K. Compensated Absences	17
	L. Long-term Obligations	17
	M. Net Assets	17-18
	N. Interfund Transactions	18-19
	O. Statement of Cash Flows	19
	P. Use of Estimates	19
	Q. Comparative Data	19
Note 2.	Legal Compliance - Budgets	19
Note 3.	Deposits and Investments	20
Note 4.	Real Estate Taxes	21
Note 5.	Changes in General Fixed Assets	22-23
Note 6.	Long-term Debt	23-26
	A. General Fund Long-term Debt	24
	B. Proprietary (Sewer) Fund Debt	25
	C. Loans Payable - General Fund	26
Note 7.	Interfund Receivables/Payables and Transfers	26
Note 8.	Segment Information - Proprietary Funds	26
Note 9.	Retirement Fund Commitments	27-34
	I. Plan Descriptions	27-29
	A. Deferred Compensation Plan	27
	B. Illinois Municipal Retirement Fund	27-28
	C. Police Pension Fund	28-29
	D. Firefighter's Pension Fund	29
	II. Funding Status and Progress	30-31
	III. Actuarially Determined Contribution Requirements and Contribution Made	32
	IV. Trend Information	33-34
Note 10.	Contingent Liabilities	34
Note 11.	Special Tax Allocation Fund	34
Note 12.	Emergency Telephone System Fund	34
Note 13.	Hotel/Motel Tax Fund	34
Note 14.	New Accounting Standards	35
Note 15.	Municipal Tax - Gas and Electricity	35
Note 16.	Postemployment Benefit Plans	35-37
Note 17.	Insurance Risk Management	37
Note 18.	Risk Management	37-38
Note 19.	Related Party Transactions	38
Note 20.	Subsequent Events	38
Note 21.	Individual Funds With Deficit Fund Balances	38

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015

Note 1 - Summary of Significant Accounting Policies

The City of Streator, Illinois was incorporated in 1868 and operates under a Council-Manager form of government as amended July, 1987.

The accounting policies of the City of Streator, Illinois conform to generally accepted accounting principles as applied to governments. The following is a summary of the more significant policies:

A. Reporting Entity

For financial reporting purposes, the City of Streator, Illinois, includes all funds, agencies, boards, commissions and authorities that are controlled by or dependent upon the City was determined on the basis of taxing authority, authority to appoint members to the governing board of the component unit, budget adoption, outstanding debt secured by revenues or general obligation of the City, obligation of the City to finance any deficits that may occur or receipt of significant subsidies from the City.

Based on the foregoing criteria, the operations of the Streator Library Board, the Police Pension Board and the Firemen's Pension Board are included in the financial statements. The Streator City Council is responsible for the adoption of tax levies for these funds and has delegated the adoption of the annual operating budgets to the respective boards of these funds.

B. Fund Accounting

The City of Streator, Illinois uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds (governmental activities) are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies, the acquisition or construction of assets, and the servicing of long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Governmental funds reported as special revenue funds are the Motor Fuel Tax Fund, Library Fund, Special Tax Allocation Fund, Emergency Telephone System Fund, Hotel/Motel Tax Fund and Development - Revolving Loan Fund.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Proprietary funds (business-type activities) are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Services from such activities are provided to outside parties.

Fiduciary funds are used to account for assets held on behalf of other funds within the government. Pension trust funds are established in accordance with state statutes for the benefits of the City's police officers and firefighters.

C. Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers real estate taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are real estate taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The government reports deferred revenue on its balance sheet. Deferred revenue arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental and proprietary fund types. All annual appropriations lapse at fiscal year end. Expenditures should not exceed budgeted amounts at the object level within funds.

E. Cash and Investments

Cash includes amounts in demand deposits, negotiable order of withdrawal (N.O.W.) accounts, money market accounts and certificates of deposit and repurchase agreements with a maturity of three months or less.

The types of investments authorized for public funds are governed by Illinois Revised Statutes chapter 85, paragraph 902 "Permitted Investments". Police Pension Fund and Firefighter's Pension Fund investments are further regulated by chapter 108 1/2, paragraphs 8-135 and 4-128 respectively.

The city has followed a policy of investing all excess cash in accordance with the above mentioned Statutes. The majority of investments belong to the pension trust funds.

Investments include certificates of deposit and repurchase agreements with a maturity of more than three months. Pension funds are also invested in intermediate and long-term U.S. government and government agency securities and insurance company contracts.

Investments are reported at fair value. For U.S. Government Securities, fair value is determined from the last reported data from established national exchanges. For certificates of deposits and repurchase agreements, the face value reasonably estimates fair value. For insurance company contracts, held only in the Firefighters' Pension Fund, the fair value is the cash value as provided by the insurance companies as of the financial statement date. The city invests only in securities with a fixed amount of income from time of purchase to maturity. Intermediate and long-term pension funds so invested have only a remote possibility that they would be needed to pay benefits before maturity.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

F. Short-term Interfund Receivables/Payables

Temporary loans between funds of the city are classified on the balance sheet as other receivables/payables.

G. Inventory

Inventory is valued at cost, which approximates market, using the first in, first out method.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond operation and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments. The "revenue bond depreciation" account is used to segregate resources to pay the cost of necessary replacements. The "revenue bond and interest" account is used to report resources set aside to make up potential future deficiencies in the revenue bond and interest account. The "construction" account is used to report resources including bond and grant proceeds to be used in an extensive ongoing sewer system construction project.

I. Capital Assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at estimated historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair market value on the date donated. The City generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets acquired are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Infrastructure	20-45 years
Sewer System	50 years
Buildings	20-40 years
Equipment	5-10 years

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

J. Bond Issuance Costs

Bond issuance costs for the Proprietary and Governmental Fund debt are deferred and amortized over the term of the bonds using the straight-line method. Bond issuance costs are recorded as "other assets - deferred charges".

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

L. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service funds for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Net Position

Invested in capital assets, net of related debt - This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net assets through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions enabling legislation.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Unrestricted - This component of net position consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt," above.

Fund Financial Statements

Proprietary fund equity is classified as in the government-wide statements. Governmental fund equity is classified as fund balance. Fund balance is classified in five categories, as applicable:

- (1) Non-spendable fund balance - Amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- (2) Restricted fund balance - Amounts with constraints placed on their use by external groups or by law through constitutional provisions or enabling legislation.
- (3) Committed fund balance - Amounts that can only be used for specific purposes as determined by formal action (an ordinance) of the City's highest level of decision-making authority (the City Council). The committed amounts cannot be used for any other purpose unless the City Council Board takes the same formal action to remove or change the imposed constraints.
- (4) Assigned fund balance - Amounts intended for a specific purpose which do not meet the criteria to be classified as restricted or committed. The City Council through ordinance establishing the City's fund balance policy, has delegated to the Mayor the authority to assign amounts to specific purposes. Pursuant to the City's fund balance policy, any fund balance assigned by the City Mayor must be reported to the City Council at its next regular meeting. The City Council has the authority to remove or change the assigned fund balance with a simple majority vote.
- (5) Unassigned fund balance - Amounts in the general fund that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes in the general fund. In other governmental funds, the unassigned fund balance classification is only used, as applicable, to report a deficit balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance is available, the City considers restricted amounts to have been spent first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, the City considers committed amounts to have been spent first, followed by assigned amounts and then unassigned amounts.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Statement of Cash Flows

In all funds, for purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments (including restricted assets) with a maturity of three months or less. The composition of cash and cash equivalents at April 30, 2015 as reported in the statement of cash flows is as follows:

	Proprietary Funds			<u>Total</u>
	<u>Sewer</u>	<u>Solid Waste</u>	<u>Golf Course</u>	
Cash (overdraft) (current assets)	\$ 113,959	\$ 29,062	\$ 1,465	\$ 144,486
Investments (current assets)	-	-	-	-
Cash (overdraft) (restricted assets)	1,109,693	-	-	1,109,693
Investments	-	-	-	-
Totals	<u>\$1,223,652</u>	<u>\$ 29,062</u>	<u>\$ 1,465</u>	<u>\$1,254,179</u>

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted auditing principles requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and fund operations. Prior year comparative totals are an incomplete presentation and are presented for comparative purposes.

2 - Legal Compliance - Budgets

In accordance with state statutes, the City of Streator, Illinois adopts an annual budget before the beginning of the fiscal year to which it applies. Authority for the Library Fund budget has been delegated to the appointed Library Board of Directors. The annual budget may be revised by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves only by a vote of two-thirds of the City Council. The Council may revise the budget prior to year-end, transferring amounts among various line items, without changing totals, in order to prevent or to minimize overexpenditure. Expenditures, therefore, may not legally exceed budgeted appropriations at the object level. No revision of the budget shall be made increasing the budget in the event that funds are not available to effectuate the purpose of the revision. The annual budget was not revised during the year ending April 30, 2015.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

3 - Deposits and Investments

At year-end, the carrying amount of City deposits was \$7,243,778 and the financial institution balances aggregated \$6,706,980. Total amounts on deposit are classified into the following categories of risk:

The City's cash (checking and money market accounts) are categorized as follows:

<u>Category</u>	<u>Amount</u>
1	\$ 796,013
2	3,745,929
3	-
Totals	<u>\$4,541,942</u>

The categories listed above are defined as follows:

- Category 1 - Insured or collateralized with securities held by the City or by its agents in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized.

The City's investments are categorized as follows:

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	1	2	3	<u>Amount</u>	<u>Value</u>
Certificates of Deposit	\$ 1,987,993	\$ -	\$ -	\$ 1,987,993	\$ 1,987,993
U.S. Government securities	-	-	-	-	-
Insurance contracts and mutual funds	<u>95,939</u>	-	-	<u>100,000</u>	<u>95,939</u>
Totals	<u>\$ 2,083,932</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 2,087,993	\$ 2,083,932
Investment in deferred compensation mutual fund				<u>613,843</u>	<u>613,843</u>
Total investments				<u>\$ 2,701,836</u>	<u>\$ 2,697,775</u>

The investment categories above are defined as follows:

- Category 1 - Investments insured or registered or for which the securities are held by the City or its agent in the City's name.
- Category 2 - Investments which are uninsured or unregistered for which the securities are held by the broker's or dealer's trust department or agent in the City's name.
- Category 3 - Investments which are uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

The information included in this note does not include information related to the Firefighter's and Police Pension Trust Funds. That information was prepared by other auditors and is included in their respective audited financial statements.

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

4 - Real Estate Taxes

Real estate taxes attach as an enforceable lien as of January 1. Generally, taxes are levied on April 1 and are payable in three installments in August, September and October. The actual timing of these events depends upon receipt of the equalization factors from the State of Illinois and subsequent processing by the respective counties. Since the real estate taxes assessed for the prior year are generally not available to the City within the sixty (60) day billing cycle, those taxes are not recognized as revenue at the current year end. The 2014 real estate taxes receivable is recorded as a current asset with a corresponding deferred revenue liability account.

The following are the tax rate limits permitted by state law and local referendum and the actual rates levied for 2014 per \$100 of assessed valuation:

Assessed valuation in:

LaSalle County	\$ 95,821,117
Livingston County	<u>2,489,805</u>
Total	<u>\$ 98,310,922</u>

<u>Type of Tax</u>	<u>Limit</u>	<u>Rate</u>	<u>Extension</u>
General corporate	.28400	.28400	\$ 279,203
Workmens compensation	-	-	-
School crossing guard	.02000	.02000	19,662
Fire protection	.40000	.40000	393,244
Liability insurance	As needed	.58183	573,267
Police protection	.07500	.07500	73,733
Garbage	.20000	.01526	15,041
Parks	.07500	.07500	73,733
IMRF	As needed	.27464	270,605
Social security	As needed	.23562	232,158
Unemployment insurance	As needed	.00814	8,022
Street lighting	.05000	.05000	49,155
Police pension As needed	As needed	.76022	749,027
Fire pension	As needed	.54458	536,570
Library	.15000	.15000	147,467
Audit	As needed	.02060	20,300
Public benefit	.05000	.05000	49,155
Civil defense	.05000	.00204	2,006
Working cash bond	-	-	-
Prior year adjustment	-	.01364	356
Lease	As needed	.40133	395,423
Library building construction	.02000	.02000	19,662
Public comfort station	.03300	<u>.01526</u>	<u>15,041</u>
Total		<u>3.99716</u>	<u>\$3,922,830</u>

The City is limited under state law to aggregate indebtedness of 8.625% of assessed valuation. This limitation does not apply to indebtedness used to finance sewer system upgrades mandated by federal or state agencies.

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

5 - Capital Assets

	Cost/Present Value	Salvage Value	<u>Accumulated Depreciation</u>			
			Net Amount to be <u>Depreciation</u>	Beginning 5-1-14	Additions/ Depreciation <u>Expense</u>	Ending 4-30-15
Capital Assets (Governmental Activities):						
Equipment:						
Department:						
General government	\$ 19,850	\$ 4,895	\$ 14,955	\$ 14,686	\$ -	\$ 14,686
Public safety - police	389,745	97,436	292,309	293,730	39,373	333,103
Public safety - fire	1,414,151	353,538	1,060,613	412,883	39,034	451,917
Public works	1,422,900	355,725	1,067,175	985,280	56,795	1,042,075
Fund;						
Emergency telephone system	506,218	126,554	379,664	262,940	35,149	298,089
Sub-totals	<u>\$ 3,752,864</u>	<u>\$ 938,148</u>	<u>\$ 2,814,716</u>	<u>\$ 1,969,519</u>	<u>\$ 170,351</u>	<u>\$ 2,139,870</u>
Fire station	\$ 2,836,867	\$ 1,418,433	\$ 1,418,434	\$ 421,159	\$ 46,407	\$ 467,566
Buildings	6,351,640	3,358,287	2,993,353	449,763	24,862	474,625
Park equipment	1,055,905	-	1,055,905	185,918	19,395	205,313
	<u>\$10,244,412</u>	<u>\$ 4,776,720</u>	<u>\$ 5,467,692</u>	<u>\$ 1,056,840</u>	<u>\$ 90,664</u>	<u>\$ 1,147,504</u>
Recreation area - James Street	\$ 1,574,100	\$ -	\$ 1,574,100	\$ 216,486	\$ 29,521	\$ 246,007
Infrastructure:						
Paved alleys	\$ 2,577,791	\$ 644,448	\$ 1,933,343	\$ 850,685	\$ 77,335	\$ 928,020
Roads	27,948,715	6,987,190	20,961,525	9,223,742	838,522	10,062,264
Combined sewer - storm	856,741	-	856,741	235,609	21,419	257,028
Storm drainage	232,493	-	232,493	63,965	5,815	69,780
Parking lots	152,247	46,388	105,859	38,686	2,894	41,580
Bridges	2,081,967	-	2,081,967	508,178	46,198	554,376
Sub-totals	<u>\$33,849,954</u>	<u>\$ 7,678,026</u>	<u>\$26,171,928</u>	<u>\$10,920,865</u>	<u>\$ 992,183</u>	<u>\$11,913,048</u>
Totals	<u>\$49,421,330</u>	<u>\$13,392,894</u>	<u>\$36,028,436</u>	<u>\$14,163,710</u>	<u>\$1,282,719</u>	<u>\$15,446,429</u>
Land & Land Rights:						
Land - occupied by City property	\$ 2,288,720					
Land - vacant lots	172,867					
Roads - right of ways	262,011					
Alleys - right of ways	24,581					
Totals	<u>\$ 2,748,179</u>					

Depreciation expense of \$1,282,719 and capital additions of \$93,206 for the year ended April 30, 2015 are allocated as follows:

	<u>Depreciation Expense</u>	<u>Capital Additions</u>
General government	\$ 24,862	\$ -
Public safety - police	74,183	24,646
Public safety - fire	85,441	27,826
Public works	1,049,317	-
Buildings	-	40,734
Culture and recreation	48,916	-
	<u>\$ 1,282,719</u>	<u>\$ 93,206</u>

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

A summary of proprietary fund type property, plant and equipment at April 30, 2015 follows:

Land	\$ 289,364
Sewer system/plant	56,287,413
Buildings	827,351
Equipment	543,909
Construction in progress	<u>161,469</u>
Total	\$58,109,506
Less accumulated depreciation	<u>20,048,665</u>
Net	<u>\$38,060,841</u>

Capital additions totaled \$ 903,512 on the sewer system. Depreciation expense of \$1,181,636 is allocated as follows:

Golf Course Fund	\$ 14,258
Sewer Fund	<u>1,167,378</u>
	<u>\$ 1,181,636</u>

6 - Long-term Debt

The following is a summary of all long-term debt transactions of the City for the year ended April 30, 2015:

	Balance <u>May 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>April 30, 2015</u>
General obligation bonds	\$13,370,550	\$ 754,978	\$1,470,976	\$12,654,552
Loans payable-General Fund	<u>667,162</u>	<u>-</u>	<u>331,273</u>	<u>335,889</u>
Total	<u>\$14,037,712</u>	<u>\$ 754,978</u>	<u>\$1,802,249</u>	<u>\$12,990,441</u>

A. Details of the amounts carried in the General Fund at April 30, 2015 are as follows:

	Maturities in Year End	Interest			Total Debt Service
	<u>April 30</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
General obligation Bonds, Alternate Revenue Source Series 2006 - Dated 12/27/06; Principal due 05/01; Interest due 11/01 and 05/01	2016	4.000	80,000	68,750	148,750
	2017	4.000	90,000	65,350	155,350
	2018	4.000	95,000	61,650	156,650
	2019	4.000	105,000	57,650	162,650
	2020	4.000	110,000	53,350	163,350
	2021	4.125	120,000	48,675	168,675
	2022	4.125	130,000	43,519	173,519
	2023	4.125	140,000	37,950	177,950
	2024	4.125	150,000	31,969	181,969
	2025	4.125	160,000	25,575	185,575
	2026	4.125	170,000	18,769	188,769
	2027	4.125	180,000	11,550	191,550
	2028	4.125	<u>190,000</u>	<u>3,919</u>	<u>193,919</u>
Sub-total			<u>\$1,720,000</u>	<u>\$ 528,674</u>	<u>\$2,248,674</u>

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

General obligation Bonds,
 Alternate Revenue Source
 Series 2010 - Dated
 10/04/10; Principal due
 12/30; Interest due 6/30
 and 12/30

	2016	3.10	35,000	30,018	65,018
	2017	3.40	35,000	28,932	63,932
	2018	3.75	35,000	27,742	62,742
	2019	3.90	35,000	26,430	61,430
	2020	4.00	40,000	25,066	65,066
	2021	4.15	40,000	23,466	63,466
	2022	4.30	40,000	21,806	61,806
	2023	4.40	45,000	20,084	65,084
	2024	4.50	45,000	18,106	63,106
	2025	4.65	50,000	16,080	66,080
	2026	4.75	50,000	13,756	63,756
	2027	4.90	50,000	11,380	61,380
	2028	5.00	55,000	8,930	63,930
	2029	5.10	60,000	6,180	66,180
	2030	5.20	<u>60,000</u>	<u>3,120</u>	<u>63,120</u>
Sub-total			<u>\$ 675,000</u>	<u>\$ 281,096</u>	<u>\$ 956,096</u>
Total General Fund Debt			<u><u>\$2,395,000</u></u>	<u><u>\$ 809,770</u></u>	<u><u>\$3,204,770</u></u>

B. Proprietary (Sewer) Fund Debt

The City has various bond issues which are debt-serviced with income derived from acquired or constructed assets. General obligation bonds also make the additional pledge of the full faith and credit of the City for the payment of the debt service.

The Proprietary Fund debt at April 30, 2015 is comprised of the following individual issues:

Loan payable - Illinois
 Environmental Protection
 Agency

Loan proceeds through
 fiscal year 4/30/15.
 Interest rate 1.995%
 for a term of 20 years;
 principal due 7/16, total loan
 proceeds available \$1,021,825

	2016	-	754,978	-	754,978
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CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

General Obligation Sewer
 Refunding Bonds, Series
 2009 - Dated March 26,
 2009; principal due 12/30;
 interest due 6/30 and
 12/30

	2016	3.600	<u>650,000</u>	<u>23,400</u>	<u>673,400</u>
Sub-total			<u>\$ 650,000</u>	<u>\$ 23,400</u>	<u>\$ 673,400</u>

Loan payable - Illinois
 Environmental Protection
 Agency

Loan proceeds through
 fiscal year 4/30/12.
 Interest rate 0% for
 a term of 20 years;
 principal due 10/15
 and 4/15

	2016	-	505,976	-	505,976
	2017	-	505,976	-	505,976
	2018	-	505,976	-	505,976
	2019	-	505,976	-	505,976
	2020	-	505,976	-	505,976
	2021	-	505,976	-	505,976
	2022	-	505,976	-	505,976
	2023	-	505,976	-	505,976
	2024	-	505,976	-	505,976
	2025	-	505,976	-	505,976
	2026	-	505,976	-	505,976
	2027	-	505,976	-	505,976
	2028	-	505,976	-	505,976
	2029	-	505,976	-	505,976
	2030	-	505,976	-	505,976
	2031	-	505,976	-	505,976
	2032	-	505,976	-	505,976
	2033	-	<u>252,982</u>	<u>-</u>	<u>252,982</u>
			<u>\$ 8,854,574</u>	<u>\$ -</u>	<u>\$ 8,854,574</u>
Total Sewer Fund Debt Service			<u>\$10,259,552</u>	<u>\$ 23,400</u>	<u>\$10,282,952</u>

C. Loans Payable - General Fund

Debt in this fund consists of three separate installment loans for the purchase of various equipment in the General Fund.

General Fund Loan Payable - Street Sweeper
 Loan dated 7/16/10; interest rate 3.65%.

		Total Principal and Interest	Loan Balance 4-30-15
<u>Loan Principal</u>	<u>Interest</u>	<u>and Interest</u>	<u>Balance</u>
<u>\$ 74,720</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ 74,720</u>

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

General Fund (City Park & Band Pavilion) Loan Payable

Loan dated 9/06/12; interest rate 2.35%, 3 annual payments of \$130,953

<u>Loan Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Loan Balance 4-30-15</u>
<u>\$375,000</u>	<u>\$ 17,859</u>	<u>\$ 392,859</u>	<u>\$ 127,598</u>

General Fund (Fire Truck) Loan Payable

Loan dated 7/30/08; interest rate 3.43%, 7 annual payments

<u>Loan Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Loan Balance 4-30-15</u>
<u>\$400,778</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ 133,571</u>

Total loan balances 4-30-15 \$ 335,889

7 - Interfund Receivable/Payables and Transfers

Interfund transfers as of April 30, 2015 are:

General Fund

Transfer out to Sewer Fund	\$(536,869)
Transfer out to Hotel/Motel Tax Fund	(5,000)
Transfer out to Golf Course Fund	<u>(48,000)</u>
Total	<u>\$(589,869)</u>

The transfers are to provide the cash flow to operate.

8 - Segment Information - Proprietary Funds

The City maintains three business-type funds which provide sewer service, a golf course, and garbage collection service. Segment information for the year ended April 30, 2015 is as follows:

	<u>Sewer Fund</u>	<u>Golf Course Fund</u>	<u>Solid Waste Fund</u>	<u>Total Proprietary Funds</u>
Operating revenues	\$ 2,716,251	\$ 92,408	\$1,092,636	\$ 3,901,295
Depreciation and amortization expense	\$ 1,188,198	\$ 14,258	\$ -	\$ 1,202,456
Net operating income (loss)	\$(70,835)	\$(67,370)	\$(26,075)	\$(165,280)
Non-operating revenue (expenses):				
Property tax revenue	\$ -	\$ -	\$ -	\$ -
Other	\$(43,941)	\$ -	\$ 1,847	\$(42,094)
Operating transfers:				
In	\$ 536,869	\$ 48,000	\$ -	\$ 584,869
Out	\$ -	\$ -	\$ -	\$ -
Change in net assets	\$ 422,093	\$(19,370)	\$(24,228)	\$ 378,495
Property, plant and equipment additions	\$ 1,064,981	\$ -	\$ -	\$ 1,064,981
Capitalized interest expense	\$ -	\$ -	\$ -	\$ -
Net working capital (deficit)	\$ 30,932	\$(25,087)	\$ 50,375	\$ 56,220
Total assets	\$38,854,835	\$ 656,370	\$ 138,262	\$39,649,467
Bonds/loans payable	\$10,259,549	\$ -	\$ -	\$10,259,549
Total net position	\$28,350,439	\$ 626,547	\$ 50,375	\$29,027,361

9 - Retirement Fund Commitments

I. Plan Descriptions

A. Deferred Compensation Plan

The City of Streator, Illinois offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plans are administered by ICMA Retirement Corporation and IPPFA.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred account for each participant. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The City believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of investment options is made by each participant.

B. Illinois Municipal Retirement Fund

The City's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement benefits, disability benefits, post retirement increases and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

As set by statute, the City's regular plan members are required to contribute 4.50 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2014 was 12.06 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2012 was 29 years.

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

For December 31, 2014, the City's annual pension cost of \$247,049 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

C. Police Pension Fund

Police sworn personnel are covered by the Police Pension Fund which is a defined benefits single-employer pension plan. Although this is a single-employer benefit plan, the defined benefits and employee and employer contributions level are governed by Illinois State Statutes (Chapter 108 1/2 Article 3) and may be amended only by the Illinois legislature. The City of Streator accounts for the plan as a pension trust fund.

The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2014 was \$1,503,481. At April 30, 2015 the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>26</u>
Current employees:	
Vested	15
Nonvested	<u>9</u>
	<u>24</u>
Total	<u><u>50</u></u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2% of such salary for each additional year of service over 20 years up to 30 years, and 1% for such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

D. Firefighter's Pension Fund

Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois State Statutes (Chapter 108 1/2 - Pensions - Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighter's Pension Plan for the year ended December 31, 2014 was \$877,704 out of a total payroll of \$992,988. At April 30, 2015 the Firefighter's Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>19</u>
Current employees:	
Vested	11
Nonvested	<u>5</u>
	<u>16</u>
Total	<u><u>35</u></u>

The following is a summary of the Firefighter's Pension Plan as provided for in Illinois State Statutes.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service and one-twelfth of 1% of such monthly service for each additional month over 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions will accumulate to the point where the past service cost for the Firefighter's Pension Plan is 90% funded.

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

II. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the system.

	<u>IMRF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Actuarial valuation date	12/31/14	4/30/14	4/30/14
Significant actuarial assumptions			
a) Rate of return on investment of present and future assets	7.50%/yr compounded annually	6.50%/yr compounded annually	6.00%/yr compounded annually
b) Projected salary increases - attributable to inflation	4.00%/yr compounded annually	4.50%/yr compounded annually	4.50%/yr compounded annually
c) Additional projected salary increases - attributable to seniority/merit/cost of living adjustments	0.4% to 10.0%/yr.	1.25%/yr	1.25%/yr
d) Postretirement benefit increases	3.00%/yr	3.00%/yr	3.00%/yr

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

	<u>IMRF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Pension benefit obligation; Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits (Note a)	\$5,840,193	\$17,292,958	\$12,590,093
Current employees accumulated employee contributions including allocated investment earnings	-	-	-
Employer-financed vested (Note b)	-	-	-
Employer-financed nonvested (Note b)	-	-	-
Total pension benefit obligation	\$5,840,193	\$17,292,958	\$12,590,093
Net assets available for benefits, at lower of cost or market	<u>4,355,182</u>	<u>9,030,356</u>	<u>4,724,460</u>
Unfunded pension benefit obligation (surplus)	<u>\$1,485,011</u>	<u>\$ 8,262,602</u>	<u>\$ 7,865,633</u>

(Note a) For IMRF the pension benefit obligation applicable to retirees and beneficiaries currently receiving benefits is not included in the above schedule due to the fact that this obligation was transferred from the City to IMRF as a whole when the annuity became payable.

(Note b) The concept of vesting is not clearly defined in Illinois State Statutes. Benefit accrual rates are delineated, but they do not assist in definitively determining vesting status. As such, no detail allocation was determined for the IMRF, Police and Firefighter's Pension Fund by the Illinois Department of Insurance which provided the above information for the Police and Firefighter's Pension Funds.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

III. Actuarially Determined Contribution Requirements and Contribution Made

The Police Pension Pension Funds used a level dollar amount method to amortize the unfunded liability over a 30 year period.

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighter's Pension</u>
Actuarial valuation date (Note c)	12/31/14	4/30/14	4/30/14
Actuarially determined contribution requirement:			
As a dollar amount			
Normal cost	\$247,049	\$206,157	\$535,381
Amortization of unfunded actuarial accrued liability	-	541,213	-
Interest to the end of the fiscal year	-	-	-
Cost of supplemental retirement benefit	-	-	-
	<u>\$247,049</u>	<u>\$747,370</u>	<u>\$535,381</u>
As a % of current covered payroll			
Normal cost	12.05 %	14.74 %	53.92 %
Amortization of unfunded actuarial accrued liability	-	30.80	-
Death and disability cost	-	-	-
Cost of supplemental retirement benefit	-	-	-
	<u>12.05 %</u>	<u>45.54 %</u>	<u>53.92 %</u>
Contribution made as a dollar amount			
Employer	\$154,866	\$743,497	\$535,381
Employee	<u>92,183</u>	<u>161,260</u>	<u>80,276</u>
	<u>\$247,049</u>	<u>\$904,757</u>	<u>\$615,657</u>
As a % of current covered payroll			
Employer	7.55 %	46.26 %	53.92 %
Employee	<u>4.50</u>	<u>11.07</u>	<u>8.08</u>
	<u>12.05 %</u>	<u>57.33 %</u>	<u>62.00 %</u>

(Note c) Because of the timing of the City's fiscal year as opposed to the calendar year levying of real estate taxes and the processes involved - preparation of the actuarially determined contribution requirements, budgeting by the City and the request for levy against real estate to fund the contribution, and the levying, collection and remittance of the real estate taxes - the time lag from the actuarial valuation date to the close of the fiscal year in which the taxes are received is 2-3 years.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

IV. Trend Information

	<u>Year</u>	<u>IMRF</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Net assets available for benefits as a percentage of the pension benefit obligation (PBO)	2006	114.0 %	52.0 %	62.4 %
	2007	110.0 %	55.7 %	58.6 %
	2008	113.6 %	53.0 %	57.9 %
	2009	84.9 %	50.9 %	53.5 %
	2010	78.8 %	41.7 %	49.1 %
	2011	82.0 %	46.6 %	46.9 %
	2012	79.2 %	52.6 %	47.2 %
	2013	78.2 %	50.0 %	41.0 %
	2014	78.5 %	52.1 %	44.9 %
	2015	74.6 %	50.7 %	37.5 %
Unfunded PBO as a percentage of annual covered payroll (expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes)	2006	0.0 %	449.4 %	472.0 %
	2007	0.0 %	574.6 %	494.0 %
	2008	0.0 %	552.18%	584.6 %
	2009	35.0 %	590.5 %	637.8 %
	2010	50.0 %	536.9 %	649.7 %
	2011	46.3 %	459.2 %	658.9 %
	2012	50.9 %	590.5 %	831.0 %
	2013	62.2 %	575.3 %	751.0 %
	2014	58.1 %	567.2 %	792.1 %
	2015	72.5 %	N/A	N/A
Employer contributions as a percentage of annual covered payroll	2006	1.5 %	39.1 %	42.2 %
	2007	3.0 %	41.8 %	43.0 %
	2008	2.4 %	43.4 %	48.2 %
	2009	2.6 %	47.6 %	51.7 %
	2010	2.1 %	42.0 %	52.7 %
	2011	6.0 %	37.0 %	57.4 %
	2012	6.7 %	44.8 %	57.1 %
	2013	6.5 %	46.3 %	54.5 %
	2014	7.4 %	41.1 %	53.9 %
	2015	7.6 %	N/A	N/A
Employer required contributions	2006	\$ 83,345	\$458,624	\$255,909
	2007	\$114,804	\$446,035	\$280,561
	2008	\$101,865	N/A	\$300,435
	2009	\$115,408	\$493,843	\$348,253
	2010	\$121,560	\$658,499	\$387,867
	2011	\$195,303	\$660,103	\$416,987
	2012	\$206,052	\$636,787	\$435,058
	2013	\$209,994	\$620,355	\$458,820
	2014	\$236,022	\$650,681	\$444,253
	2015	\$247,049	\$747,370	\$535,381

CITY OF STREATOR, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Employer contributions made	2006	\$ 83,345	\$458,624	\$255,919
	2007	\$114,804	\$446,039	\$278,250
	2008	\$101,865	\$508,119	\$298,128
	2009	\$115,408	N/A	\$346,685
	2010	\$121,560	\$698,057	\$385,918
	2011	\$111,919	\$644,085	\$417,020
	2012	\$123,558	\$603,406	\$433,217
	2013	\$124,165	\$651,208	\$460,653
	2014	\$146,900	\$650,681	\$444,255
	2015	\$154,866	\$747,370	\$535,381

Required supplemental information that provides additional trend information about the progress made in accumulating sufficient assets to pay benefits when due is presented at the end of the Financial Section of this Comprehensive Annual Financial Report.

10 - Contingent Liabilities

Contingencies

Litigation

In the opinion of the City Attorney, there are no lawsuits or pending claims nor is there any other litigation which may materially affect the financial condition of the City.

11 - Special Tax Allocation Fund

On August 15, 1995 the City passed an ordinance adopting tax increment financing with respect to the City's redevelopment plan and project. Part of this redevelopment area consists of 13 acres occupied by a auto dealership. As an incentive for owners of real property to develop, redevelop and rehabilitate property the City will reimburse such owners for certain costs from resulting increases in real estate tax revenues and municipal sales taxes. In this particular project the developer will be reimbursed for 94% of the net incremental increases in real estate taxes and 75% of the incremental increases in City sales and use taxes.

12 - Emergency Telephone System Fund

On April 20, 1993 the City passed an ordinance to establish a 911 Emergency Telephone System Board and to establish a surcharge of \$1.50 to be added to monthly telephone bills per network connection. The monthly surcharge was first assessed for November, 1993 and collected by the City January, 1994. As of April 30, 2001 the 911 telephone system was in service.

13 - Hotel/Motel Tax Fund

During the year ended April 30, 1997 the City established a Hotel/Motel tax fund to promote tourism and development in the Streator area. The 5.0% tax is assessed upon the net receipts for non-permanent room rentals.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

14 - New Accounting Standards

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of net assets is renamed the statement of net position and includes four components - assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for periods beginning after December 15, 2011. The City has implemented this Statement for the year ended April 30, 2013. The City has no reportable deferred outflows of resources or deferred inflows of resources.

15 - Municipal Tax - Gas and Electricity

During the fiscal year ending April 30, 2005, the City passed an ordinance imposing a municipal tax on persons engaged in the business of furnishing gas, electricity or water in the City. Collections during the year totaled \$1,117,999.

16 - Other Postemployment Benefits (other than pension)

The Governmental Accounting Standards Board (GASB) issued Statements No. 43 & 45 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>April 30, 2012</u>
Retirees and beneficiaries receiving benefits	36
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	43
Active nonvested plan members	<u>33</u>
Total	<u><u>112</u></u>
 Number of participating employers	 1

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/11	\$ -	\$5,543,229	\$5,543,229	0.0 %	\$3,863,408	143.5 %
4/30/12	\$ -	\$6,062,548	\$6,062,548	0.0 %	\$3,882,671	156.1 %

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Annual OPEB cost and net OPEB obligation

	<u>April 30, 2011</u>	<u>April 30, 2012</u>
Annual required contribution	\$230,108	\$230,108
Interest on net OPEB obligation	(765)	(1,162)
Adjustment to annual required contribution	<u>510</u>	<u>968</u>
Annual OPEB cost	\$229,853	\$229,914
Contributions made	<u>243,594</u>	<u>243,594</u>
Increase (decrease) in net OPEB obligation	\$(13,741)	\$(13,680)
Net OPEB obligation beginning of year	<u>(15,300)</u>	<u>(29,041)</u>
Net OPEB obligation end of year	<u><u>\$(29,041)</u></u>	<u><u>\$(42,721)</u></u>

Trend Information

Fiscal Year	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
<u>Ending</u> 4/30/09	\$241,811	100.7 %	\$(1,783)
4/30/10	\$230,078	105.9 %	\$(15,299)
4/30/11	\$229,853	106.0 %	\$(29,041)
4/30/12	\$229,914	105.9 %	\$(42,721)

Annual Required Contribution

	<u>April 30, 2011</u>	<u>April 30, 2012</u>
Service Cost	\$ 49,559	\$ 34,376
Amortization	202,085	184,774
Interest	<u>10,066</u>	<u>10,958</u>
Annual required contribution	<u><u>\$261,710</u></u>	<u><u>\$230,108</u></u>

Funding Policy and Actuarial Assumptions

Contribution rates:

City	6.27 %
Plan members	0.00 %

Actuarial valuation date	4/30/2013
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

Actuarial assumptions:	
Investment rate of return*	4.00 %
Projected salary increases	4.00 %
Healthcare inflation rate	8.00 % initial 6.00 % ultimate
Mortality, Turnover, Disability, Retirement Ages	Same rates utilized for IMRF, Police and Firefighter Pension Funds
Percentage of Active Employees Assumed to Elect Benefit	If eligible for explicit benefit 100%, otherwise 20%
Employer provided Benefit	Explicit (Eligibility based on date of hire, IMRF 5/1/88, Police 1/1/88, Fire 5/1/91): 100% of single premium for life Implicit (All): 40% of premium to age 65 (50% of \$765/mo + 50% of \$1,495/mo) (Premium after age 65: \$475/mo)

* Includes inflation at 3.00 %

GASB 45 Summary as of April 30, 2012

<u>Division</u>	<u>Service Cost</u>	<u>Active Liability</u>	<u>Retired Liability</u>	<u>Total Liability</u>	<u>Annual Required Contribution</u>	<u>Expected Payments</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
IMRF	\$12,523	\$ 830,037	\$1,315,626	\$2,145,663	\$ 87,407	\$ 96,970	33	12	45
Police	10,932	132,545	1,694,181	1,826,726	74,696	119,268	24	13	37
Fire	25,847	779,790	1,522,754	2,302,544	106,702	101,743	15	11	26
Library	<u>257</u>	<u>6,803</u>	<u>-</u>	<u>6,803</u>	<u>503</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Total	<u>\$49,559</u>	<u>\$1,749,175</u>	<u>\$4,532,561</u>	<u>\$6,281,736</u>	<u>\$269,308</u>	<u>\$317,981</u>	<u>76</u>	<u>36</u>	<u>112</u>

Discount Rate: 4.0%

Medical Inflation Rate: 8.0% initial, 6.0% ultimate

Future Payroll Increases: 4.0%

17 - Insurance Risk Management

The City provides for risk management by securing comprehensive insurance through the Municipal Insurance Cooperative Agency. The Mayor reports no major changes in insurance coverage or risk during the current fiscal year. The majority of insurance premiums are paid through the General Fund and Sewer Fund.

18 - Risk Management

The City faces several types of risk. The following is a discussion of the nature of the risks, the significance to the government, and the policies in place to reduce the risk:

- i. Custodial credit risk for deposits is the risk that in the event of bank failure, the deposits may be in peril. The government policy is to either keep deposits amounts below F.D.I.C. insurance levels at a specific institution or to require the institution pledge securities to insure the deposits in excess of F.D.I.C. levels. The results are disclosed in Note 3. This risk is low.

CITY OF STREATOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
April 30, 2015

- ii. Interest rate risk is the risk that interest rate changes may adversely affect the fair value of investments or debt issues. Since the government's investments are all cash or cash equivalents, this risk is minimal. However, the debt interest rate is guaranteed is fixed; therefore that risk is also minimal.
- iii. Concentration of credit risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. The government does not invest in entities; its investments are strictly money market and certificates of deposit. This risk is minimal.
- iv. Risk of loss of fixed assets is the risk that fire, wind, theft, etc. may reduce or eliminate the value of buildings, property, equipment, and other assets. The government has comprehensive insurance coverage to minimize this risk. During the past three years, settlements have been less than coverage.
- v. Risks of claims and judgments is the risk that the assets of the government may be impaired due to an employee or officer's actions or failure to act. This risk is minimized by the comprehensive coverage provided by commercial insurance.

19 - Related Party Transactions

There were no transactions involving "related parties" during the fiscal year ended April 30, 2015.

20 - Subsequent Events

Subsequent events are events or transactions that affect the financial statements and occur subsequent to the end of the reporting period but before financial statements are issued or are available to be issued.

Each subsequent event evaluated should be placed into one of the following two categories, which determines the required accounting and disclosures for the subsequent event:

- 1. Recognized Subsequent Event - Events or transactions that provide additional evidence about conditions that existed at the balance sheet date, including estimates.
- 2. Non recognized Subsequent Event - Events or transactions that provide evidence about conditions that arose after the balance sheet date.

Management is not aware of any subsequent events requiring disclosure in the financial statements.

21 - Individual Funds With Deficit Fund Balances

No fund had a deficit fund balance as of April 30, 2015.

REQUIRED SUPPLEMENTAL INFORMATION

BIRKEY & NOBLE, P.C.

CITY OF STREATOR, ILLINOIS
LIBRARY FUND
BALANCE SHEET
April 30, 2015

	2015
<u>ASSETS</u>	
Cash	\$ 45,359
Investments	700,708
Real estate taxes receivable and other	<u>181,000</u>
Total assets	<u>\$ 927,067</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ -
Deferred revenue	<u>181,000</u>
Total liabilities	\$ 181,000
Fund balance:	
Unreserved	<u>746,067</u>
Total liabilities and fund balance	<u>\$ 927,067</u>

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended April 30, 2015

	Budget	Actual 2015
<u>Revenue</u>		
Real estate taxes	\$ 210,000	\$ 210,274
Replacement tax	19,000	29,074
Per capita and other grants	17,137	-
Charges for services	6,500	6,137
Non-resident subscriptions	5,000	5,524
Fines collected	4,000	4,241
Book sales (used)	700	718
Interest	2,825	2,402
Gifts and contributions and other	<u>6,700</u>	<u>33,501</u>
Total revenue	<u>\$ 271,862</u>	<u>\$ 291,871</u>
<u>Expenditures</u>		
Salaries and wages	\$ 132,536	\$ 147,193
Payroll taxes and retirement	26,974	28,894
Insurance	32,368	36,605
Legal and accounting	1,150	1,075
Office supplies	4,400	5,254
Postage	325	251
Books purchased	28,000	26,287
Periodicals purchased	5,800	6,095
Repairs and maintenance	31,990	31,277
Utilities	9,670	8,921
Miscellaneous expense	2,890	391
Restoration/remodeling/capital	<u>3,000</u>	<u>5,680</u>
Total expenditures	<u>\$ 279,103</u>	<u>\$ 297,923</u>
Revenue over (under) expenditures	<u>\$ (7,241)</u>	<u>\$ (6,052)</u>
<u>Other financing sources (uses)</u>		
Bond proceeds	-	-
Bond principal	(35,000)	(35,000)
Bond interest	<u>(32,000)</u>	<u>(31,033)</u>
Total other financing sources (uses)	<u>\$ (67,000)</u>	<u>\$ (66,033)</u>
Revenue over (under) other financing sources (uses)	<u>\$ (74,241)</u>	<u>\$ (72,085)</u>
<u>Fund balance</u> , beginning of year	<u>818,152</u>	<u>818,152</u>
Fund balance, end of year	<u>\$ 743,911</u>	<u>\$ 746,067</u>

CITY OF STREATOR, ILLINOIS
TAX INCREMENT FINANCING FUND
April 30, 2015 And 2014

	<u>TIF I</u>	<u>TIF II</u>	<u>Total</u> 2015	<u>2014</u>
<u>ASSETS</u>				
Cash on hand and in bank	\$ 236,636	\$ 70,668	\$ 307,304	\$ 215,555
Investments	-	-	-	-
Total assets	<u>\$ 236,636</u>	<u>\$ 70,668</u>	<u>\$ 307,304</u>	<u>\$ 215,555</u>
 Liabilities:				
Accounts payable	\$ 2,191	\$ 2,168	\$ 4,359	\$ 4,294
Total liabilities	\$ 2,191	\$ 2,168	\$ 4,359	\$ 4,294
 Fund balance (deficit):				
Reserved	<u>234,445</u>	<u>68,500</u>	<u>302,945</u>	<u>211,261</u>
Total liabilities and fund balance	<u>\$ 236,636</u>	<u>\$ 70,668</u>	<u>\$ 307,304</u>	<u>\$ 215,555</u>

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL
Year Ended April 30, 2015
With Comparative Actual Amounts for Year Ended April 30, 2014

	<u>TIF I</u>	<u>TIF II</u>	<u>Total</u> 2015	<u>2014</u>
<u>Revenue</u>				
General property taxes - current and prior years	\$ 97,251	\$ 319,166	\$ 416,417	\$ 413,263
Sales of property	-	-	-	-
Interest	<u>189</u>	<u>132</u>	<u>321</u>	<u>124</u>
Total revenue	<u>\$ 97,440</u>	<u>\$ 319,298</u>	<u>\$ 416,738</u>	<u>\$ 413,387</u>
 <u>Expenditures</u>				
Sales tax reimbursement	\$ -	\$ -	\$ -	\$ -
Legal and consulting	7,786	6,432	14,218	14,981
Development	-	310,336	310,336	338,986
Other	<u>500</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total expenditures	<u>\$ 8,286</u>	<u>\$ 316,768</u>	<u>\$ 325,054</u>	<u>\$ 354,467</u>
Revenue over (under) expenditures	<u>\$ 89,154</u>	<u>\$ 2,530</u>	<u>\$ 91,684</u>	<u>\$ 58,920</u>
 <u>Other financing sources (uses)</u>				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Transfers (out) in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue and other sources over (under) expenditures and other uses	\$ 89,154	\$ 2,530	\$ 91,684	\$ 58,920
Fund balance (deficit), May 1	<u>145,291</u>	<u>65,970</u>	<u>211,261</u>	<u>152,341</u>
Fund balance (deficit), April 30	<u>\$ 234,445</u>	<u>\$ 68,500</u>	<u>\$ 302,945</u>	<u>\$ 211,261</u>

CITY OF STREATOR, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
ANALYSIS OF FUNDING PROGRESS
April 30, 2015

Fiscal <u>Year</u>	(1) Net Assets Available for Benefits (Lower of Cost) <u>or Market)</u>	(2) Pension Benefit <u>Obligation</u>	(3) Percentage Funded <u>(1) / (2)</u>	(4) Unfunded Pension Benefit Obligation <u>(2) - (1)</u>	(5) Annual Covered <u>Payroll</u>	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll <u>(4) / (5)</u>
1990	\$ 548,913	\$ 928,637	59.10 %	\$ 379,724	\$ 647,514	58.60 %
1991	\$ 568,251	\$1,105,003	51.40 %	\$ 536,752	\$ 765,319	70.10 %
1992	\$ 681,506	\$1,149,588	59.30 %	\$ 468,082	\$ 883,786	53.00 %
1993	\$ 912,142	\$1,270,372	71.80 %	\$ 358,230	\$ 918,221	39.00 %
1994	\$1,108,730	\$1,448,838	76.53 %	\$ 340,108	\$ 939,906	36.19 %
1995	\$ 878,751	\$1,346,421	65.27 %	\$ 467,670	\$1,026,041	45.58 %
1996	\$1,333,253	\$1,342,525	99.31 %	\$ 9,272	\$ 926,022	1.00 %
1997	\$1,608,001	\$1,440,090	111.66 %	\$ -0-	\$ 851,295	-0-
1998	\$2,010,085	\$1,964,318	102.33 %	\$ -0-	\$ 855,650	-0-
1999	\$2,366,963	\$2,257,216	104.86 %	\$ -0-	\$ 971,515	-0-
2000	\$2,788,773	\$2,309,432	120.76 %	\$ -0-	\$1,049,596	-0-
2001	\$3,000,646	\$2,454,018	122.27 %	\$ -0-	\$1,163,049	-0-
2002	\$2,931,854	\$2,404,102	121.95 %	\$ -0-	\$1,188,124	-0-
2003	\$3,043,318	\$2,444,308	124.51 %	\$ -0-	\$1,218,162	-0-
2004	\$3,205,519	\$2,587,770	123.87 %	\$ -0-	\$1,188,010	-0-
2005	\$3,345,502	\$3,024,745	110.60 %	\$ -0-	\$1,279,484	-0-
2006	\$3,600,364	\$3,167,159	113.68 %	\$ -0-	\$1,393,736	-0-
2007	\$3,303,407	\$3,006,800	109.86 %	\$ -0-	\$1,522,596	-0-
2008	\$3,854,315	\$3,392,829	113.60 %	\$ -0-	\$1,474,175	-0-
2009	\$3,200,664	\$3,767,823	84.95 %	\$ 567,159	\$1,616,359	35.09 %
2010	\$3,477,946	\$4,411,859	78.83 %	\$ 933,913	\$1,850,233	50.48 %
2011	\$3,895,636	\$4,753,220	81.96 %	\$ 857,584	\$1,852,969	46.28 %
2012	\$3,825,087	\$4,825,997	79.26 %	\$1,000,910	\$1,833,202	54.60 %
2013	\$4,261,063	\$5,447,800	78.22 %	\$1,186,737	\$1,907,305	62.22 %
2014	\$4,207,988	\$5,358,226	78.53 %	\$1,150,238	\$1,980,049	58.09 %
2015	\$4,355,182	\$5,840,193	74.57 %	\$1,485,011	\$2,048,503	72.49 %

(During the implementation transition period all information required is presented for as many years as is available.)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage (column 3), the stronger the Public Employee Retirement System (PERS).

Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage (column 6), the stronger the PERS.

CITY OF STREATOR, ILLINOIS
POLICE PENSION FUND
ANALYSIS OF FUNDING PROGRESS
April 30, 2015

Fiscal <u>Year</u>	(1) Net Assets Available for Benefits (Lower of Cost) <u>or Market)</u>	(2) Pension Benefit <u>Obligation</u>	(3) Percentage Funded <u>(1) / (2)</u>	(4) Unfunded Pension Benefit Obligation <u>(2) - (1)</u>	(5) Annual Covered <u>Payroll</u>	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll <u>(4) / (5)</u>
1990	\$2,888,000	\$ 4,022,535	71.80 %	\$1,134,535	\$ 482,069	235.30 %
1991	\$3,162,373	\$ 4,375,964	72.30 %	\$1,213,591	\$ 572,998	211.80 %
1992	\$3,466,579	\$ 4,692,158	73.90 %	\$1,225,579	\$ 842,888	145.40 %
1993	\$3,770,149	\$ 5,464,507	69.00 %	\$1,694,358	\$ 872,661	194.20 %
1994	\$4,161,543	\$ 5,681,228	73.30 %	\$1,519,685	\$ 875,190	173.20 %
1995	\$4,299,304	\$ 6,063,967	70.90 %	\$1,764,663	\$ 613,549	287.60 %
1996	\$4,365,302	\$ 6,589,100	66.25 %	\$2,223,798	\$ 643,350	345.70 %
1997	\$4,710,230	N/A	N/A	N/A	\$ 643,357	N/A
1998	\$4,801,116	\$ 6,980,511	68.79 %	\$2,179,395	\$ 661,707	329.40 %
1999	\$4,966,274	\$ 7,410,281	67.02 %	\$2,444,007	\$ 660,613	369.96 %
2000	\$5,452,686	\$ 7,642,944	71.34 %	\$3,245,973	\$ 776,679	417.93 %
2001	\$5,669,904	\$ 7,781,260	77.87 %	\$3,247,788	\$ 798,569	406.70 %
2002	\$5,906,493	\$ 8,902,802	66.34 %	\$2,996,311	\$ 867,195	345.52 %
2003	N/A	N/A	N/A	N/A	\$ 979,158	N/A
2004	N/A	N/A	N/A	N/A	\$1,088,961	N/A
2005	\$6,304,220	\$12,112,895	52.05 %	\$5,808,675	\$1,250,970	464.33 %
2006	\$6,634,942	\$11,902,576	55.74 %	\$5,267,634	\$1,172,206	449.38 %
2007	\$6,924,076	\$13,060,540	53.02 %	\$6,136,464	\$1,067,974	574.59 %
2008	\$6,707,071	\$13,165,284	50.95 %	\$6,458,213	\$1,169,579	552.18 %
2009	\$6,194,036	\$14,851,350	41.70 %	\$8,657,314	\$1,466,166	590.50 %
2010	\$7,182,448	\$15,410,093	46.60 %	\$8,227,645	\$1,532,471	536.90 %
2011	\$8,293,154	\$15,768,290	52.60 %	\$7,475,136	\$1,627,972	459.20 %
2012	\$8,590,834	\$17,172,774	50.00 %	\$8,581,940	\$1,453,374	590.50 %
2013	\$8,351,652	\$16,034,448	52.10 %	\$7,682,796	\$1,335,523	575.30 %
2014	\$9,030,356	\$17,292,958	52.21 %	\$8,262,602	\$1,453,374	568.52 %
2015	N/A	N/A	N/A	N/A	N/A	N/A

(During the implementation transition period all information required is presented for as many years as is available.)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage (column 3), the stronger the Public Employee Retirement System (PERS).

Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage (column 6), the stronger the PERS.

CITY OF STREATOR, ILLINOIS
POLICE PENSION FUND
REVENUES BY SOURCE AND EXPENSES BY TYPE
April 30, 2015

Fiscal Year	<u>Revenues by Source</u>					<u>Totals</u>
	<u>Employee Contributions</u>	<u>Employer Contributions</u>		<u>Investment Income</u>	<u>Other</u>	
		<u>Amount</u>	<u>% of covered payroll</u>			
1995	\$ 55,908	\$149,987	24.40 %	\$268,723	\$ -	\$ 474,618
1996	\$ 58,252	\$159,990	24.90 %	\$229,750	\$ -	\$ 447,992
1997	\$ 59,951	\$177,625	27.60 %	\$277,736	\$ -	\$ 515,312
1998	\$ 65,114	\$186,718	28.20 %	\$302,321	\$ -	\$ 554,153
1999	\$ 69,677	\$189,467	28.70 %	\$320,865	\$ -	\$ 580,009
2000	\$ 72,293	\$186,051	24.00 %	\$240,285	\$ -	\$ 498,629
2001	\$ 75,120	\$204,087	25.60 %	\$325,677	\$ 4,915	\$ 609,799
2002	\$ 78,462	\$212,031	24.50 %	\$295,557	\$ (69,923)	\$ 516,127
2003	\$ 90,844	\$252,796	25.80 %	\$242,224	\$ (72,026)	\$ 513,838
2004	\$ 70,949	\$258,087	23.70 %	\$198,194	\$ 52,501	\$ 579,731
2005	\$112,109	\$349,124	23.20 %	\$157,757	\$ 56,270	\$ 675,260
2006	\$213,777	\$359,646	28.80 %	\$178,696	\$ 299,903	\$1,052,022
2007	\$112,863	\$458,624	39.10 %	\$232,479	\$ 294,495	\$1,098,461
2008	\$116,868	\$446,039	41.76 %	\$172,099	\$ (44,458)	\$ 690,548
2009	\$134,752	\$508,119	43.44 %	\$144,069	\$ (855,038)	\$ (68,098)
2010	\$145,275	\$698,057	47.61 %	\$155,961	\$1,059,298	\$2,058,591
2011	\$152,600	\$639,349	41.72 %	\$112,340	\$ 711,549	\$1,615,838
2012	\$145,405	\$603,406	37.00 %	\$198,711	\$ (391,545)	\$ 555,977
2013	\$136,932	\$651,208	44.81 %	\$318,297	\$ 255,786	\$1,362,223
2014	\$157,646	\$644,099	48.23 %	\$186,352	\$ 447,352	\$1,435,449
2015	\$161,260	\$748,098	51.47 %	\$184,574	\$ 455,044	\$1,548,976

Fiscal Year	<u>Expenses by Type</u>			<u>Totals</u>
	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	
1995	\$250,177	\$ 7,923	\$ -	\$ 258,100
1996	\$291,578	\$ 6,730	\$ 3,193	\$ 301,501
1997	\$335,821	\$ 6,006	\$ 8,328	\$ 350,155
1998	\$305,918	\$ 7,542	\$ -	\$ 313,460
1999	\$309,559	\$ 9,274	\$ -	\$ 318,833
2000	\$318,303	\$ 8,921	\$ 32,999	\$ 360,223
2001	\$385,777	\$ 10,072	\$ -	\$ 395,849
2002	\$363,062	\$ 9,707	\$ 15,528	\$ 388,297
2003	\$377,486	\$ 6,916	\$ -	\$ 384,405
2004	\$493,722	\$ 11,944	\$ -	\$ 505,666
2005	\$473,239	\$ 9,559	\$ -	\$ 482,798
2006	\$676,169	\$ 12,149	\$ -	\$ 688,318
2007	\$652,052	\$ 93,007	\$ -	\$ 745,059
2008	\$716,490	\$ 25,215	\$ -	\$ 741,705
2009	\$690,634	\$ 37,125	\$ -	\$ 727,759
2010	\$710,982	\$ 49,039	\$ -	\$ 760,021
2011	\$789,808	\$ 45,826	\$ -	\$ 835,634
2012	\$833,409	\$ 44,354	\$ 18,103	\$ 895,866
2013	\$909,050	\$ 54,784	\$ -	\$ 963,834
2014	\$965,180	\$ 55,672	\$ -	\$1,020,852
2015	\$984,757	\$ 41,758	\$ -	\$1,026,515

CITY OF STREATOR, ILLINOIS
 FIREFIGHTER'S PENSION FUND
 ANALYSIS OF FUNDING PROGRESS
April 30, 2015

Fiscal Year	(1) Net Assets Available for Benefits (Lower of Cost) or Market)	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5)
1990	\$1,968,069	\$ 3,225,298	61.00 %	\$1,257,229	\$ 304,381	413.0 %
1991	\$2,145,250	\$ 3,441,422	62.30 %	\$1,296,172	\$ 344,855	375.9 %
1992	\$2,333,102	\$ 3,437,117	67.90 %	\$1,104,015	\$ 426,246	259.0 %
1993	\$2,529,525	\$ 3,881,090	65.20 %	\$1,351,565	\$ 408,965	330.5 %
1994	\$2,741,220	\$ 4,054,023	67.60 %	\$1,312,803	\$ 421,371	311.6 %
1995	\$3,235,981	\$ 4,245,324	76.20 %	\$1,009,343	\$ 432,663	233.3 %
1996	\$3,375,974	\$ 4,527,191	74.60 %	\$1,151,217	\$ 454,477	266.0 %
1997	\$3,524,124	\$ 4,787,697	73.60 %	\$1,263,573	\$ 426,772	278.0 %
1998	\$3,630,730	\$ 4,930,023	73.60 %	\$1,299,293	\$ 522,395	305.0 %
1999	N/A	N/A	N/A	N/A	\$ 405,932	N/A
2000	\$4,247,138	\$ 5,692,177	74.60 %	\$1,445,039	\$ 522,395	277.0 %
2001	\$4,128,456	\$ 6,180,525	66.80 %	\$2,052,069	\$ 558,716	367.0 %
2002	\$4,335,264	\$ 6,416,260	67.60 %	\$2,080,996	\$ 587,472	354.0 %
2003	\$4,301,312	\$ 6,838,312	62.90 %	\$2,537,000	\$ 604,601	420.0 %
2004	\$4,510,740	\$ 6,969,523	64.70 %	\$2,458,783	\$ 635,383	387.0 %
2005	\$4,570,757	\$ 7,321,220	62.40 %	\$2,750,463	\$ 658,280	418.0 %
2006	\$4,407,848	\$ 7,521,743	58.60 %	\$3,113,895	\$ 659,424	472.0 %
2007	\$4,714,217	\$ 8,142,689	57.90 %	\$3,428,472	\$ 693,664	494.3 %
2008	\$4,836,250	\$ 9,040,266	53.50 %	\$4,204,016	\$ 719,089	584.6 %
2009	\$4,581,665	\$ 9,341,728	49.10 %	\$4,760,063	\$ 746,370	637.8 %
2010	\$4,533,220	\$ 9,674,163	46.90 %	\$5,140,943	\$ 791,233	650.0 %
2011	\$4,435,531	\$ 9,406,744	47.15 %	\$4,971,213	\$ 754,462	658.9 %
2012	\$4,666,382	\$11,372,881	41.00 %	\$6,706,499	\$ 806,753	831.0 %
2013	\$4,981,139	\$11,094,705	44.90 %	\$6,113,566	\$ 814,452	751.0 %
2014	\$4,724,400	\$12,590,093	37.53 %	\$7,865,633	\$ 992,988	792.1 %
2015	N/A	N/A	N/A	N/A	N/A	N/A

(During the implementation transition period all information required is presented for as many years as is available.)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage (column 3), the stronger the Public Employee Retirement System (PERS).

Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage (column 6), the stronger the PERS.

CITY OF STREATOR, ILLINOIS
 FIREFIGHTER'S PENSION FUND
 REVENUES BY SOURCE AND EXPENSES BY TYPE
April 30, 2015

Fiscal Year	Revenues by Source				Totals
	Employee Contributions	Employer Contributions		Investment Income	
		Amount	% of covered payroll		
1995	\$ 35,413	\$123,609	28.2 %	\$ 170,572	\$ 329,594
1996	\$ 36,824	\$117,883	25.9 %	\$ 50,600	\$ 205,307
1997	\$ 35,436	\$130,858	27.4 %	\$ 273,785	\$ 440,079
1998	\$ 34,312	\$144,035	26.9 %	\$ 601,882	\$ 780,229
1999	\$ 40,486	\$140,579	34.6 %	\$ 72,764	\$ 253,829
2000	\$ 45,159	\$156,195	N/A	\$ 146,871	\$ 348,225
2001	\$ 47,241	\$162,744	31.2 %	\$ (37,936)	\$ 172,049
2002	\$ 49,163	\$161,798	29.0 %	\$ 147,040	\$ 358,001
2003	\$ 49,633	\$201,828	27.7 %	\$ 378,116	\$ 629,577
2004	\$ 53,579	\$204,356	33.3 %	\$ 290,810	\$ 548,745
2005	\$ 58,558	\$232,250	36.6 %	\$ 186,035	\$ 476,843
2006	\$ 62,174	\$255,919	38.9 %	\$ (83,896)	\$ 234,197
2007	\$ 63,248	\$278,250	42.2 %	\$ 410,109	\$ 751,607
2008	\$ 65,795	\$298,128	43.0 %	\$ 284,410	\$ 648,333
2009	\$ 67,878	\$346,685	48.2 %	\$ (126,854)	\$ 287,709
2010	\$ 70,137	\$385,918	51.7 %	\$ 41,555	\$ 497,610
2011	\$ 73,203	\$417,020	52.7 %	\$ (31,086)	\$ 459,137
2012	\$ 71,327	\$433,217	57.4 %	\$ 591,073	\$1,095,617
2013	\$ 73,936	\$460,653	57.1 %	\$ 290,774	\$ 825,363
2014	\$ 77,774	\$444,255	54.5 %	\$ (319,964)	\$ 202,065
2015	\$ 80,276	\$535,392	53.9 %	\$ 37,262	\$ 652,930

Fiscal Year	Expenses by Type			Totals
	Benefits	Administrative Expenses	Refunds	
1995	\$184,380	\$ 3,601	\$ -	\$ 187,981
1996	\$179,165	\$ 3,492	\$ -	\$ 182,657
1997	\$219,482	\$ 3,988	\$ -	\$ 223,470
1998	\$249,282	\$ 3,859	\$ -	\$ 253,141
1999	\$269,597	\$ 4,915	\$ -	\$ 274,512
2000	\$302,600	\$ 5,021	\$ -	\$ 307,621
2001	\$316,386	\$ 4,816	\$ 10,133	\$ 331,335
2002	\$336,226	\$ 5,231	\$ -	\$ 341,457
2003	\$383,471	\$ 5,392	\$ 4,331	\$ 393,194
2004	\$413,588	\$ 5,800	\$ -	\$ 419,388
2005	\$397,272	\$ 5,672	\$ -	\$ 402,944
2006	\$402,587	\$ 8,401	\$ -	\$ 410,988
2007	\$439,087	\$ 6,151	\$ -	\$ 445,238
2008	\$520,249	\$ 6,051	\$ -	\$ 526,300
2009	\$535,575	\$ 6,719	\$ -	\$ 542,294
2010	\$539,053	\$ 7,002	\$ -	\$ 546,055
2011	\$549,824	\$ 7,002	\$ -	\$ 556,826
2012	\$560,623	\$ 9,700	\$ 39,945	\$ 610,268
2013	\$575,180	\$ 8,296	\$ -	\$ 583,476
2014	\$618,353	\$ 9,161	\$ -	\$ 627,514
2015	\$656,684	\$ 9,104	\$ -	\$ 665,788

CITY OF STREATOR, ILLINOIS
REAL ESTATE TAX LEVIES AND COLLECTIONS (1)

<u>Fiscal</u> <u>Year</u> <u>Ended</u> <u>April 30</u>	<u>Tax</u> <u>Year</u>	<u>Total</u> <u>Tax</u> <u>Levy</u>	<u>Current</u> <u>Tax</u> <u>Collections</u>	<u>Percent of</u> <u>Current</u> <u>Taxes</u> <u>Collected</u>	<u>Delinquent</u> <u>Tax and</u> <u>Interest</u> <u>Collections</u>	<u>Total</u> <u>Tax</u> <u>Collections</u>	<u>Ratio of Total</u> <u>Collections</u> <u>to Total</u> <u>Tax Levy</u>
1994	1992	\$1,459,985	\$1,382,424 (2)	94.7 %	\$ 6,826	\$1,389,250	95.2 %
1995	1993	\$1,499,619	\$1,438,339 (2)	95.9 %	\$ 4,864	\$1,443,203	96.2 %
1996	1994	\$1,468,318	\$1,465,439 (2)	99.8 %	\$ 8,167	\$1,473,606	100.4 %
1997	1995	\$1,510,608	\$1,473,872 (2)	98.7 %	\$ 10,478	\$1,484,350	98.3 %
1998	1996	\$1,569,040	\$1,495,862 (2)	95.3 %	\$ 14,365	\$1,510,227	96.3 %
1999	1997	\$1,756,754	\$1,555,456 (2)	99.1 %	\$ 5,186	\$1,560,642	99.5 %
2000	1998	\$1,816,800	\$1,725,834 (2)	98.2 %	\$ 16,585	\$1,742,419	99.2 %
2001	1999	\$1,902,206	\$1,801,571 (2)	99.2 %	\$ 13,891	\$1,815,462	99.9 %
2002	2000	\$1,974,470	\$1,901,822 (2)	99.9 %	\$ 4,306	\$1,906,128	100.2 %
2003	2001	\$1,989,342	\$1,964,736 (2)	98.8 %	\$ 11,029	\$1,975,765	99.3 %
2004	2002	\$2,063,746	\$2,038,266 (2)	98.8 %	\$ 18,140	\$2,056,406	99.6 %
2005	2003	\$2,152,283	\$2,147,735 (2)	99.8 %	\$ 7,095	\$2,140,640	99.5 %
2006	2004	\$2,363,602	\$2,361,238 (2)	99.9 %	\$ 1,353	\$2,359,885	99.8 %
2007	2005	\$2,760,171	\$2,727,875 (2)	98.8 %	\$ 1,044	\$2,726,831	98.8 %
2008	2006	\$2,934,035	\$2,741,043 (2)	93.4 %	\$ 3,442	\$2,737,601	93.3 %
2009	2007	\$3,223,201	\$3,207,018 (2)	99.5 %	\$ 7,860	\$3,199,158	99.3 %
2010	2008	\$3,658,563	\$3,591,087 (2)	98.2 %	\$ 2,405	\$3,588,682	98.1 %
2011	2009	\$4,218,441	\$3,980,494 (2)	94.4 %	\$ 21,795	\$3,958,699	93.8 %
2012	2010	\$4,219,974	\$4,110,255 (2)	97.4 %	\$ 9,596	\$4,100,659	97.2 %
2013	2011	\$4,239,651	\$4,183,290 (2)	98.7 %	\$ 6,086	\$4,177,204	98.5 %
2014	2012	\$4,136,463	\$4,106,886 (2)	99.2 %	\$ 1,868	\$4,105,018	99.2 %
2015	2013	\$4,339,246	\$4,252,941 (2)	98.0 %	\$ 2,781	\$4,255,722	98.1 %

(1) Source: County Collector's records.

(2) Does not include levied road and bridge tax, which was included in prior years as part of tax collections but not as part of tax levy.

CITY OF STREATOR, ILLINOIS
ASSESSED AND ESTIMATED ACTUAL VALUE OF REAL ESTATE (1)

Fiscal Year Ended <u>April 30</u>	Tax Levy Year	LaSalle County				Livingston County		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
		Equalized Assessed Value	Estimated Actual Value (2)	Exemptions (3)	Net Assessed Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	1993	\$ 79,551,522	\$238,654,566	\$19,535,940	\$ 60,015,582	\$ 979,345	\$2,938,035	\$ 60,994,927	\$241,592,601	25.25 %
1995	1994	\$ 81,771,042	\$245,558,685	\$20,740,266	\$ 61,030,776	\$1,655,588	\$4,971,736	\$ 62,686,364	\$250,530,421	25.02 %
1996	1995	\$ 84,654,330	\$253,988,389	\$22,088,743	\$ 62,565,587	\$1,381,625	\$4,145,290	\$ 63,947,212	\$258,133,679	24.77 %
1997	1996	\$ 87,806,089	\$263,418,530	\$23,043,732	\$ 64,762,357	\$1,355,820	\$4,067,464	\$ 66,118,177	\$267,485,994	24.72 %
1998	1997	\$ 90,136,909	\$270,410,997	\$22,986,041	\$ 67,150,868	\$1,413,812	\$4,241,440	\$ 68,564,680	\$274,652,437	24.96 %
1999	1998	\$ 92,980,376	\$278,969,025	\$22,428,207	\$ 70,552,169	\$1,414,189	\$4,242,991	\$ 71,966,358	\$283,212,016	25.41 %
2000	1999	\$ 96,624,762	\$289,877,185	\$24,464,802	\$ 72,159,960	\$1,428,170	\$4,284,553	\$ 73,588,130	\$294,161,738	25.02 %
2001	2000	\$ 98,009,295	\$294,057,291	\$23,581,563	\$ 74,427,732	\$1,457,654	\$4,373,399	\$ 75,885,386	\$298,430,690	25.43 %
2002	2001	\$100,941,827	\$302,825,783	\$24,052,402	\$ 77,164,045	\$1,501,992	\$4,506,021	\$ 78,666,037	\$307,331,804	25.60 %
2003	2002	\$105,240,684	\$315,753,627	\$24,110,959	\$ 81,129,725	\$1,859,874	\$5,580,180	\$ 82,989,599	\$321,333,807	25.83 %
2004	2003	\$114,949,834	\$344,852,951	\$26,239,488	\$ 88,710,346	\$1,991,990	\$5,976,568	\$ 90,702,336	\$350,829,519	25.85 %
2005	2004	\$117,999,864	\$353,999,946	\$31,376,397	\$ 86,623,467	\$2,053,833	\$6,161,561	\$ 88,677,300	\$360,161,507	24.62 %
2006	2005	\$123,841,909	\$371,562,883	\$31,059,151	\$ 92,782,758	\$2,205,473	\$6,617,081	\$ 94,988,231	\$378,179,964	25.12 %
2007	2006	\$128,789,335	\$386,371,869	\$30,367,085	\$ 98,422,250	\$2,292,699	\$6,878,166	\$100,714,949	\$393,250,035	25.61 %
2008	2007	\$136,378,694	\$409,136,491	\$31,229,240	\$105,149,454	\$2,287,094	\$6,861,351	\$107,436,548	\$415,997,842	25.83 %
2009	2008	\$140,134,665	\$420,403,999	\$33,380,921	\$106,753,744	\$2,360,607	\$7,081,828	\$109,114,351	\$427,485,827	25.52 %
2010	2009	\$144,944,030	\$434,832,133	\$33,830,535	\$111,113,495	\$2,611,612	\$7,834,837	\$113,725,107	\$442,666,970	25.69 %
2011	2010	\$142,570,969	\$427,716,365	\$33,478,074	\$109,092,895	\$2,633,773	\$7,901,398	\$111,726,668	\$435,617,763	25.65 %
2012	2011	\$145,024,988	\$435,075,008	\$36,633,668	\$108,391,320	\$2,608,343	\$7,825,812	\$110,999,663	\$442,900,820	25.64 %
2013	2012	\$139,999,610	\$419,999,250	\$34,979,143	\$105,020,467	\$2,511,945	\$7,535,843	\$107,532,412	\$427,535,093	25.15 %
2014	2013	\$130,502,481	\$391,507,835	\$33,894,563	\$ 96,607,918	\$2,341,758	\$7,025,344	\$ 98,949,676	\$398,533,179	24.83 %
2015	2014	\$129,644,469	\$388,933,446	\$33,823,352	\$ 95,821,117	\$2,489,805	\$7,469,416	\$ 98,310,922	\$396,402,862	24.80 %

- (1) Source: County Clerk's tax extension.
- (2) Estimated actual value based on statutory standard of equalization of assessments to 33 1/3% of fair market value.
- (3) Owner occupied and homestead exemptions.

CITY OF STREATOR, ILLINOIS
 ASSESSED VALUATION, REAL ESTATE TAX RATES AND TAX EXTENSIONS
 Last Five Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed valuation in:					
LaSalle County	\$ 95,821,117	\$ 96,607,918	\$105,020,467	\$108,391,320	\$109,092,895
Livingston County	2,489,805	2,341,758	2,511,945	2,608,343	2,633,773
Total	<u>\$ 98,310,922</u>	<u>\$ 98,949,675</u>	<u>\$107,532,412</u>	<u>\$110,999,663</u>	<u>\$111,726,668</u>
Tax rates (per \$100 of assessed valuation)					
General corporate	.28400	.28216	.28400	.28400	.2840
Workmens' compensation	-	-	-	.32334	.3917
School crossing guard	.02000	.01988	.02000	.02000	.0200
Fire protection	.40000	.39741	.40000	.40000	.4000
Liability insurance	.58183	.53883	.48405	.30888	.2552
Police protection	.07500	.07452	.07500	.07500	.0750
Garbage	.01526	.02224	.01871	.01812	.0180
Parks	.07500	.07452	.07500	.07500	.0750
IMRF	.27464	.28923	.21143	.18643	.1879
Social security	.23562	.22805	.18697	.17309	.1731
Unemployment insurance	.00814	.00809	.00651	.04464	.0053
Street lighting	.05000	.04968	.05000	.05000	.0500
Police pension	.76022	.65759	.57863	.57369	.5909
Fire pension	.54458	.44897	.42669	.39195	.3733
Library	.15000	.14903	.15000	.15000	.1500
Audit	.02060	.02032	.01846	.01722	.0171
Public benefit	.05000	.04968	.05000	.05000	.0500
Civil defense	.00204	.00298	.00289	.00353	.0035
Working cash bond	-	.01364	-	-	-
Prior year adjustment	.01364	-	-	-	-
Lease	.40133	.47347	.37574	.23277	.2471
Library building construction	.02000	.01988	.02000	.02000	.0200
Public comfort station	.01526	.03309	.02832	.03330	.0333
Total	<u>3.99716</u>	<u>3.83962</u>	<u>3.46240</u>	<u>3.43096</u>	<u>3.4204</u>
Tax extensions					
General corporate	\$ 279,203	\$ 279,176	\$ 305,392	\$ 315,239	\$ 317,313
Workmens compensation	-	-	-	358,906	437,633
School crossing guard	19,662	19,661	21,506	22,200	22,345
Fire protection	393,244	393,202	430,130	443,999	446,906
Liability insurance	573,267	533,125	520,510	342,856	285,126
Police protection	73,733	73,727	80,649	83,250	83,795
Garbage	15,041	22,007	20,119	20,113	20,110
Parks	73,733	73,727	80,649	83,250	83,795
IMRF	270,605	286,165	227,356	206,937	209,934
Social security	232,158	225,634	201,053	192,129	193,399
Unemployment insurance	8,022	8,002	7,000	49,550	5,921
Street lighting	49,155	49,158	53,766	55,500	55,863
Police pension	749,027	650,628	622,215	636,794	660,192
Fire pension	536,570	444,212	458,830	435,063	417,075
Library	147,467	147,453	161,299	166,500	167,589
Audit	20,300	20,105	19,850	19,114	19,105
Public benefit	49,155	49,158	53,766	55,500	55,863
Civil defense	2,006	2,956	3,108	3,918	3,910
Working cash bond	-	-	-	-	-
Prior year adjustment	356	-	-	-	-
Lease	395,423	468,456	404,042	258,374	276,076
Library building construction	19,662	19,661	21,507	22,200	22,345
Public comfort station	15,041	32,739	30,453	36,963	37,205
Total	<u>\$ 3,922,830</u>	<u>\$ 3,798,952</u>	<u>\$ 3,723,200</u>	<u>\$ 3,808,355</u>	<u>\$ 3,821,500</u>

CITY OF STREATOR, ILLINOIS
COMPUTATION OF LEGAL DEBT MARGIN
April 30, 2015

Assessed valuation for 2014		<u>\$ 98,310,922</u>
Debt limit - 8.625% of assessed valuation		\$ 8,479,317
Amount of debt applicable to debt limit		
Total bonded debt	\$ 3,045,000	
Less:		
Assets available in debt service fund	\$ -	
Bonds issued under Section 8-4-1 (13) of the Illinois Municipal Code	650,000	
Special assessment bonds	-	
Total deductions	<u>\$ 650,000</u>	
Total amount of debt applicable to debt limit		<u>2,395,000</u>
Legal debt margin		<u>\$ 6,084,317</u>

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Independent Auditor's Report - Compliance With State of Illinois
Public Act 85-1142 in Relation to Tax Increment Financing

To the Mayor and City Council
City of Streator, Illinois

We have audited the basic financial statements of the City of Streator, Illinois, as of April 30, 2015, and for the year ended, and have issued our report thereon dated October 13, 2015. These basic financial statements are the responsibility of the City of Streator, Illinois' management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to City's implementation of projects associated with TIF I and TIF II districts pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The management of the City of Streator, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the Village's compliance with State of Illinois Public Act 85-1142, "Tax Increment Allocation Redevelopment Act."

The results of our tests indicate that for the items tested, the City of Streator, Illinois, complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142. Nothing came to our attention that caused us to believe that for the items not tested the City of Streator, Illinois was not in compliance with Subsection (q) Section 11-74.4-3 of Public Act 85-1142.

October 13, 2015