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Moraine Township, Illinois

Annual Financial Report
For the Year Ended March 31, 2018

MORAINES TOWNSHIP, ILLINOIS

Contents

Year Ended March 31, 2018

	<u>Pages</u>
Independent Auditor's Report	1-2
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	3-15
Basic Financial Statements:	
Government-wide Statement of Net Position	16
Government-wide Statement of Activities	17
Governmental Funds - Balance Sheet	18
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance	19
Reconciliation of the Governmental Fund Statements to the Statement of Net Position and the Statements of Activities	20
Notes to Basic Financial Statements	21-37
Required Supplementary Information:	
Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	38-42
General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	43-44
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios	45
Multi-year Schedule of Pension Contributions	46
Notes to Required Supplementary Information	47-48



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INDEPENDENT AUDITOR'S REPORT

To the Township Supervisor and
the Members of the Moraine Township Board
Highland Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moraine Township, Illinois as of and for the year ended March 31, 2018, which collectively comprise the Township's basic financial statements as listed in the accompanying 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement 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.

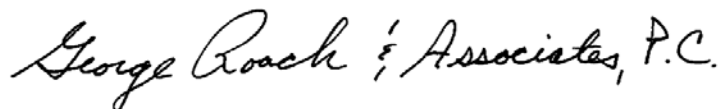
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moraine Township, Illinois as of March 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



George Roach & Associates, P.C.
Crystal Lake, Illinois
May 22, 2018

REQUIRED SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

The following section of Moraine Township's annual financial report is intended to provide readers with a narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2018. The Management of the Township encourages readers to consider the information presented herein to enhance their understanding of the Township's activities and financial operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information.

Government-wide financial statements

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses. The statement of net position presents financial information on all of the Township's assets plus deferred outflows, liabilities plus deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements (pages 15 & 16) distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township include general government, services for youth and family, seniors, transportation, cemeteries and assistance for residents in need.

Fund financial statements

All of the funds of the Township are governmental funds. The fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the

MORAINES TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

fiscal year. The fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's two funds.

Both the governmental fund balance sheet (page 17) and the governmental fund statement of revenues, expenditures, and changes in fund balances (page 18) provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget and actual revenues and expenditures.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning Moraine Township's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance, plus budget vs. actual for each major fund is presented in this section.

The Township adopts an annual budget for all funds, which is submitted to Lake County. A budgetary comparison statement has been provided for the Town Fund and General Assistance fund to demonstrate comparison with the budgeted appropriation.

FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year, the Township's governmental activities reported a combined ending net position of \$3,219,156, an increase of \$74,872 in comparison with the prior fiscal year (page 16).

Of this \$3,219,156 net position:

- \$2,191,914 is the Township's investment in net fixed assets. The Township's total net fixed assets increased by \$265,614 with the buildout on the new building and decreased by \$39,929 due to depreciation expense.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

FINANCIAL HIGHLIGHTS (CONTINUED)

- \$402,933 includes resources restricted for general assistance and community chest.
- \$271,404 represents an increase of net position to reflect changes in actuarially-computed Deferred Pension Outflows and Pension Assets in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and a decrease in net position in the amount of \$364,005 for changes in Deferred Pension Inflows.

At March 31, 2018, the Township's governmental funds reported combined ending fund balances of \$961,589 (page 18), a decrease of \$58,212 from the prior year. This decrease is comprised of (\$184,761) in the Town Fund, and an increase of \$126,549 in General Assistance and Community Chest Funds (page 18). Excluding the build out costs on the new building (\$265,614), the Town Fund would have had an increase in fund balance of \$80,853.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$3,219,156 for the year ended March 31, 2018. Of the Township's net position, \$2,191,914 reflects its investment in capital assets. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is \$1,027,242, of which \$402,933 is restricted and \$624,309 is unrestricted. The unrestricted balance includes illiquid, actuarially-computed pension assets of \$331,289 and deferred outflows of \$100,587, in accordance with Governmental Accounting Standards Board Statement No. 68. Pension assets and deferred outflows, which are added to assets to arrive at total net position, are not available to liquidate liabilities or for other spending within the Township's control.

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Moraine Township Net Position

	Governmental Activities	
	<u>3/31/2017</u>	<u>3/31/2018</u>
Current Assets	\$ 2,478,739	\$ 2,702,288
Fixed Assets	<u>1,966,229</u>	<u>2,191,914</u>
Total Assets	<u>\$ 4,444,968</u>	<u>\$ 4,894,202</u>
Deferred Outflows	<u>\$ 225,327</u>	<u>\$ 100,587</u>
Total Liabilities	<u>\$ 211,766</u>	<u>\$ 74,386</u>
Deferred Inflows	<u>1,314,245</u>	<u>1,701,247</u>
Net Position:		
Net Investment in Capital Assets	1,966,229	2,191,914
Restricted	276,386	402,933
Unrestricted	<u>901,669</u>	<u>624,309</u>
Total Net Position	<u>\$ 3,144,284</u>	<u>\$ 3,219,156</u>

MORAINES TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Moraine Township Changes in Net Position		
	Governmental Activities	
	<u>3/31/2017</u>	<u>3/31/2018</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 12,213	\$ 13,510
Charges for Services - Rent	46,582	32,090
Operating Grants	65,000	65,000
Monetary Donations	75,841	95,975
General Revenues:		
Property Taxes	1,371,802	1,312,072
Replacement Taxes	35,286	32,578
Reimbursements	-	17,040
Interest	7,542	4,377
Other Income	-	76
Total Revenues	<u>1,614,266</u>	<u>1,572,718</u>
Expenses		
General Government	347,604	351,251
Community Assistance and Services	64,692	75,693
Assessor	475,658	486,690
Transportation Services	202,674	223,682
Agency Grants	225,000	200,000
Cemeteries	24,471	15,851
Rental expense	24,028	12,149
Pension expense - GASB 68	160,985	92,601
Depreciation - unallocated	30,473	39,929
Total Expenses	<u>1,555,585</u>	<u>1,497,846</u>
Increase/(Decrease) in Net Assets	<u>58,681</u>	<u>74,872</u>
Net Position - Beginning of Year	<u>2,642,497</u>	<u>3,144,284</u>
Restatement for GASB 68	<u>361,203</u>	<u>-</u>
Net Position - Beginning as restated	<u>3,085,603</u>	<u>-</u>
Net Position - End of Year	<u>\$3,144,284</u>	<u>\$3,219,156</u>

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities

Total Revenue: Revenue decreased by \$41,548 resulting primarily due to a decrease in property tax revenue, and also a decrease in rental income when the tenant in the new building vacated early to allow the Township to begin its buildout; there was a substantial increase in revenue from donations for the capital drive to equip the new Food Pantry.

Total Expenses: Township revenues fund the Township Assessor's office, transportation services for seniors and disabled residents, capital and maintenance expenses for two cemeteries, Emergency and General Assistance, Senior and Youth Services, and grants to local social service agencies that provide a safety net for the Township's most vulnerable residents.

Additional Township revenue received during the fiscal year was a generous grant from the Healthcare Foundation of Highland Park in the amount of \$65,000.00 to support the Township's Door-to-Door Paratransit Van program.

During the fiscal year, the Township began the buildout of the building purchased during the prior fiscal year. The new facility is conveniently located across the street from its current location with adequate parking and pedestrian-and-transit-oriented access to ensure clients can access critical services and food. The new Food Pantry will be located on one floor and will provide a full client-choice experience, ADA compliant.

Generous residents and local businesses contributed over \$90,000 to the capital campaign to help the Township equip its new Food Pantry.

Moraine Township's net position increased by \$74,872 during the fiscal year. Financial highlights include:

- **Debt:** Moraine Township has no long-term or short-term debt.
- **Revenue** decreased primarily due to a decrease in property tax revenue and a decrease in rental income when the tenant vacated in July to allow the Township to begin its buildout.
- **Levy:** The Township Board of Trustees has reduced the property tax levy by 5% in two of the last five years, and frozen the property tax levy in three of the last five years.
- **Total expenses** for Governmental Activities before pension accrual and depreciation increased less than \$1,200 during the fiscal year.
- The actuarially-computed accrual required to comply with the Governmental Accounting Standards Board Statement No. 68 referenced above decreased more than \$90,000 during the year.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

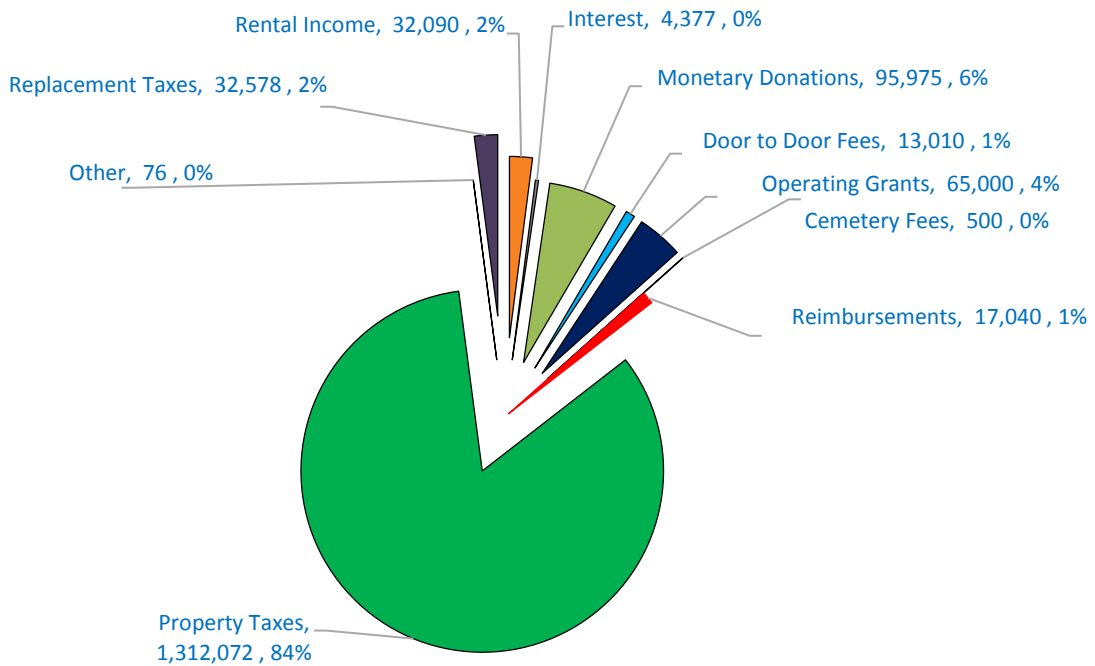
Year Ended March 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Depreciation expense increased almost 10,000 due to the purchase of the new building at the end of 2016.

2018 REVENUES

ROUNDED TO THE NEAREST PERCENT



MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the fiscal year.

At March 31, 2018, the Township's governmental funds reported combined ending fund balances of \$961,589, a decrease of \$58,212 in comparison with the prior year due to the purchase of new capital assets.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (CONTINUED)

The Town Fund is the chief operating fund of the Township. At March 31, 2018, the fund balance of the Town Fund was \$558,654. This represents a decrease of \$184,761, compared to the prior fiscal year, primarily related to the cost of the build out on the new building.

TOWN FUND BUDGETARY HIGHLIGHTS

Expenditures in the Town Fund of \$1,342,600, were greater than revenues by \$184,761 due to capital expenditures, however the Town Fund expenditures were \$89,250 under the budgeted appropriations of \$1,431,850.

Expenditures among programs and departments varied. Excluding Capital outlay, total expenditures decreased by less than \$2,000 from the prior fiscal year.

Town Fund non-capital expenditures decreased by \$45,266 primarily attributed to decreases in administration, cemetery expense, agency grants, an increases in Assessor and resident transportation costs.

- Expenditures for the Township's paratransit van service and taxi coupons for seniors and disabled residents totaled \$223,682, representing a 9% increase over the prior year. This expense was partially offset by rider fees of \$13,010 and a generous \$65,000 grant from the Healthcare Foundation of Highland Park. The Foundation grant enables the Township to keep rider fees affordable for all residents, enabling residents who do not drive to age

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

in place and continue to be contributing citizens in the community.

- Expenditures for the Office of Assessor totaling \$486,690 increased \$11,032 compared with the prior fiscal year.
- Moraine Township owns and maintains two cemeteries; fiscal year maintenance costs were \$15,851.

General Assistance non-capital expenditures increased by \$43,512. Total General Assistance expenditures of \$286,290 fund programs, services and administration of general assistance, emergency assistance, senior and youth services to residents in need increased only slightly from the prior fiscal year.

- The General Assistance Fund is used by the Township to provide assistance to income-qualified residents as set forth in the Illinois General Assistance Guidelines. General and Emergency Assistance includes resident help such as short-term emergency shelter, rental assistance, utility disconnections and reconnections, Alert One for low-income seniors living alone, job search assistance, and senior and youth services.

Community Chest Moraine Township Community Chest Fund ended the fiscal year with a cash balance of \$130,859 due primarily to a capital campaign to fund equipment purchases for the new Food Pantry.

- Expenditures of \$44,591, included in the General Assistance Fund, reflect an increase of over \$9,000 from the prior fiscal year, primarily due to spending on food programs. In addition to cash expenditures for food, more in-kind food donations were received from community food drives and food donated from local stores.
- Moraine Township served over 6,000 resident-visits to its Food Pantry from April 1, 2017 through March 31, 2018.
- Food distributions to residents include continuation of a school vacation food assistance program for income-qualified families of school children.
- A generous community, and 40-50 weekly volunteers, and hundreds of other volunteers, make it possible for Moraine Township to provide residents in need fresh produce, eggs, cheese, frozen meat, shelf-stable food and toiletries

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

- at the Food Pantry. In the Township's Food Pantry alone, volunteers contribute approximately 4,000 hours per year.
- Five area stores (Sunset Foods Highland Park, Target Highland Park, Whole Foods Market Deerfield, Fresh Thyme Deerfield and Heinen's in Bannockburn) made weekly donations of fresh produce, frozen meat, shelf-stable food and toiletries to the Food Pantry.
- The Township also facilitates volunteers who train with CMS to offer assistance enrolling residents for Medicaid or health insurance on the federal Marketplace.
- A Township program facilitates volunteers who train with the IRS to offer free income tax preparation for low-income residents.

TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2017 THROUGH MARCH 31, 2018

During the fiscal year April 1, 2017 through March 31, 2018, Moraine Township responded to over 18,000 resident inquiries or requests for services or information (excluding services to residents offered at the Assessor's Office).

Examples of direct services provided to residents include applications for Emergency or General Assistance, utility and housing assistance, Alert One monitoring service for low-income seniors living alone, van rides for senior and disabled residents, over 6,000 resident-visits to our Food Pantry, distribution of taxi coupons to seniors and disabled residents, cemetery inquiries and burials, passport processing and voter registration and notary services.

The Township has a program in partnership with Highland Park to provide short-term emergency housing assistance and food for families displaced by fire or other emergencies.

Indirect services provided by Township staff include assisting residents applying for benefits such as Medicaid, LINK Cards (formerly Food Stamps), utility assistance, Benefit Access, RTA Passes, Share the Warmth, Salvation Army assistance and Safe Link Phones. Township staff also connect residents with housing or other resources.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

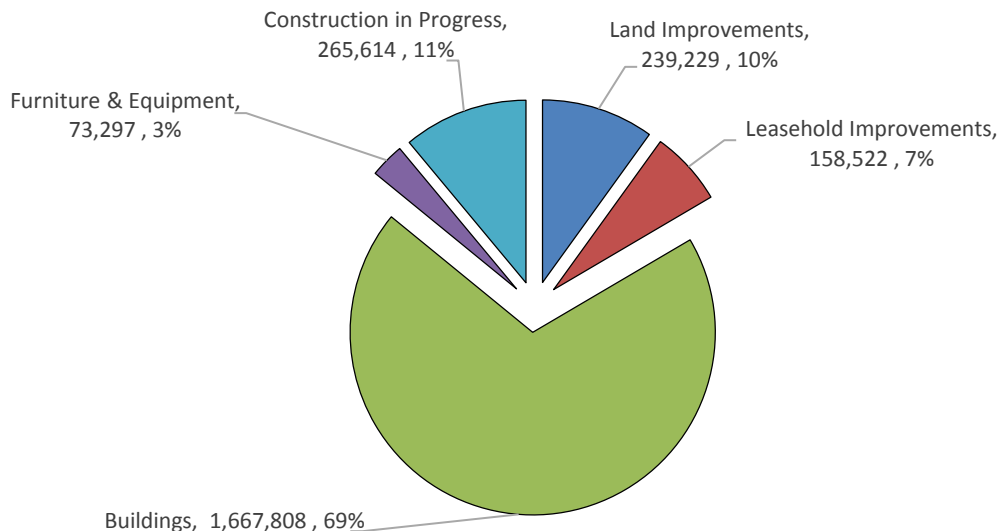
CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of March 31, 2018, amount to \$2,191,914 (net of accumulated depreciation). This investment in fixed assets includes land improvements, leasehold improvements, buildings, furniture and other equipment.

Major fixed asset events during the current fiscal year included the buildout of a building which will serve as the Township office and Food Pantry, replacing the facility currently rented for \$82,200 per year. The following is a summary of current year fixed asset additions and balances.

Fixed Assets	Balance			Balance March 31, 2018
	March 31, 2017	Increases	Decreases	
Construction in Progress	\$ -	\$ 265,614	\$ -	\$ 265,614
Land Improvements	239,229	-	-	239,229
Leasehold Improvements	158,522	-	-	158,522
Buildings	1,667,808	-	-	1,667,808
Furniture & Equipment	73,297	-	-	73,297
Total Fixed Assets	2,138,856	265,614	-	2,404,470
Less: Accumulated Depreciation	172,627	39,929	-	212,556
Fixed Assets (Net)	\$ 1,966,229	\$ 225,685	\$ -	\$ 2,191,914

FIXED ASSETS (COST)



MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for the 2017 levy is \$2,469,476,144. That represents an increase in EAV of \$103,778,960 over the prior year's EAV. Property tax revenues recorded in these financial statements are from the 2016 levy paid to the Township in 2017 and reflected in the financial statements for the Fiscal Year Ended March 31, 2018. Property tax receivable and deferred property tax amounts reported in these financial statements are from the 2017 levy, to be paid to the Township in 2018.

Moraine Township reduced its property tax levy by 5% in two of the last five years, and froze its property tax levy in three of the last five years. The Township's tax rate has declined in each year of the summary below. A summary of the assessed valuations and extensions for tax years 2016, 2015, and 2014 is as follows: (Note that 2015 was a quadrennial reassessment year).

ASSESSED VALUATIONS, EXTENDED TAX RATE PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES AND TAX EXTENSIONS

Tax Levy Year	2017		2016		2015	
Assessed Valuation						
Lake County	\$	2,469,476,144	\$	2,365,697,184	\$	2,221,237,687
Tax Rates and Percentage Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Corporate	0.050011	92.51	0.043328	77.36	0.049748	79.50
General Assistance	0.004050	7.49	0.012682	22.64	0.012831	20.50
Totals	0.054061	100.00	0.056010	100.00	0.062579	100.00
Property Tax Extensions						
Funds	2017		2016		2015	
Corporate	\$	1,235,010	\$	1,025,009	\$	1,105,021
General Assistance		100,014		300,018		285,007
Totals	\$	1,335,024	\$	1,325,027	\$	1,390,028

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2018

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor, Moraine Township, 800 Central Avenue, Highland Park, Illinois, 60035.

BASIC FINANCIAL STATEMENTS

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Net Position

Year Ended March 31, 2018

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 939,060
Property tax receivable	1,335,024
Corporate replacement tax receivable	6,228
Grants and donations receivable	73,747
Prepaid items	16,940
Pension asset	331,289
Fixed assets - net	2,191,914
Total Assets	4,894,202
Deferred Outflows of Resources	
Deferred pension outflows	100,587
Total Deferred Outflows of Resources	100,587
Liabilities	
Accounts payable	14,386
Unearned grant revenue	60,000
Total Liabilities	74,386
Deferred Inflows of Resources	
Unavailable property tax revenue	1,335,024
Deferred pension inflows	366,223
Total Deferred Inflows of Resources	1,701,247
Net Position	
Net investment in capital assets	2,191,914
Restricted - general assistance	272,074
Restricted - community chest	130,859
Unrestricted	624,309
Total Net Position	\$ 3,219,156

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

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Activities

Year ended March 31, 2018

Functions/Programs Governmental Activities:	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Administration:					
Town	\$ 140,654	\$ -	\$ -	\$ -	\$ (140,654)
General Assistance	210,597	-	-	-	(210,597)
Assessor	486,690	-	-	-	(486,690)
Cemeteries	15,851	500	-	-	(15,351)
Agency Grants	200,000	-	-	-	(200,000)
General/Emergency assistance	19,253	-	-	-	(19,253)
Senior/Youth services	11,849	-	-	-	(11,849)
Door to door services	205,034	13,010	65,000	-	(127,024)
Taxi services	18,648	-	-	-	(18,648)
Community Chest	44,591	-	95,975	-	51,384
Rental	12,149	32,090	-	-	19,941
Pension expense - GASB 68	92,601	-	-	-	(92,601)
Depreciation - unallocated	39,929	-	-	-	(39,929)
Total Governmental Activities	\$ 1,497,846	\$ 45,600	\$ 160,975	\$ -	(1,291,271)
		General Revenues:			
					1,312,072
					32,578
					17,040
					4,377
					76
			Total Revenues		1,366,143
			Change in Net Position		74,872
			Net Position, Beginning		3,144,284
			Total Net Position, Ending		\$ 3,219,156

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

MORAINÉ TOWNSHIP, ILLINOIS

Governmental Funds - Balance Sheet

Year Ended March 31, 2018

	Town	General	
Assets	Fund	Assistance	Total
Cash	\$ 495,412	\$ 443,648	\$ 939,060
Prepaid items	10,449	6,491	16,940
Interfund receivables	57,970	-	57,970
Grants and donations receivable	60,000	13,747	73,747
Personal property replacement tax receivable	4,818	1,410	6,228
Property tax receivable, net	1,235,010	100,014	1,335,024
Total Assets	\$ 1,863,659	\$ 565,310	\$ 2,428,969
Liabilities			
Accounts payable	\$ 9,995	\$ 4,391	\$ 14,386
Interfund payables	-	57,970	57,970
Unearned grant revenue	60,000	-	60,000
Total Liabilities	69,995	62,361	132,356
Deferred Inflows of Resources			
Unavailable property tax revenue	1,235,010	100,014	1,335,024
Total Deferred Inflows of Resources	1,235,010	100,014	1,335,024
Fund Balance			
Nonspendable	10,449	6,491	16,940
Restricted	-	396,444	396,444
Committed	-	-	-
Assigned	-	-	-
Unassigned	548,205	-	548,205
Total Fund Balance	558,654	402,935	961,589
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,863,659	\$ 565,310	\$ 2,428,969

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

MORAINES TOWNSHIP, ILLINOIS

Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 2018

	Town Fund	General Assistance Fund	Total
Revenues			
Property taxes	\$ 1,018,016	\$ 294,056	\$ 1,312,072
Replacement taxes	25,599	6,979	32,578
Van user fees	13,010	-	13,010
Cemetery revenue	500	-	500
Grants and donations	65,000	95,975	160,975
Rental income	32,090	-	32,090
Interest income	3,548	829	4,377
Reimbursements	-	17,040	17,040
Miscellaneous revenue	76	-	76
Total Revenues	1,157,839	414,879	1,572,718
Expenditures			
Administrative	151,735	210,597	362,332
Assessor	461,608	-	461,608
Transportation	223,682	-	223,682
Assistance programs	-	75,693	75,693
Cemeteries	15,248	-	15,248
Agency grants	200,000	-	200,000
Capital outlay	290,327	2,040	292,367
Total Expenditures	1,342,600	288,330	1,630,930
Net Changes in Fund Balance	(184,761)	126,549	(58,212)
Fund Balance			
Fund Balance, Beginning	743,415	276,386	1,019,801
Total Fund Balance, Ending	\$ 558,654	\$ 402,935	\$ 961,589

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

MORAINÉ TOWNSHIP, ILLINOIS

*Reconciliations of the Governmental Fund Statements to the
Statement of Net Position and the Statement of Activities
Year Ended March 31, 2018*

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balances -Total Governmental Funds	\$ 961,589
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets net of depreciation	2,191,914
Deferred Outflows and Net Pension Liabilities are not reported in the funds	
Net Pension liabilities	331,289
Deferred pension inflows	(366,223)
Deferred pension outflows	100,587
Total Net Position of Governmental Activities	<u><u>\$ 3,219,156</u></u>

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to Governmental Statement of Activities and Changes in Net Position

Net Change in Fund Balance	
Governmental Funds	\$ (58,212)
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life.	
Capitalized assets	265,614
Depreciation expense	(39,929)
Change in Deferred Outflows and Net Pension Liabilities are not reported in the funds	(92,601)
Changes in Net Position Governmental Funds	<u><u>\$ 74,872</u></u>

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

NOTES TO THE BASIC
FINANCIAL STATEMENTS

MORAINÉ TOWNSHIP, ILLINOIS

*Notes to The Basic Financial Statements
Year Ended March 31, 2018*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Moraine Township, Illinois (Township) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

REPORTING ENTITY –

The Township is located in Highland Park, Illinois and is governed by a board of trustees. The Township is primarily funded through a tax levy, Illinois Replacement Tax, operating grants, user fees, and charitable donations. Revenue is used to operate and staff Township services. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Township, the Community Chest is a blended component unit and included in these financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION –

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Township patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgements are recorded only when payment is due. Moraine Township does not currently have long-term debt outstanding.

Primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Program revenues include van rider fees that are reported as charges for services in the government-wide financial statements. Transportation grants are reported as operating grants in the government-wide financial statements.

The following fund types are used by the Township:

Governmental Funds

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The General Assistance Fund is a Special Revenue Fund.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

THE TOWNSHIP REPORTS ALL THE FUNDS AS MAJOR GOVERNMENTAL FUNDS –

The Town Fund and the General Assistance Fund are both considered major funds by the Township.

FINANCIAL STATEMENT AMOUNTS –

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Township maintains a cash and investment pool which is available for use by the Town and General Assistance Funds.

The Township's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts.

Receivables and Payables - In general, outstanding balances between funds are reported as "Interfund receivables" and "Interfund payables." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st. The 2017 levy was passed by the board on November 9, 2017.

Capital Assets - Capital assets are defined by the Township as assets with an initial cost of more than \$2,500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	10-50 years
Equipment, furniture, and fixtures	5-20 years

Compensated Absences - (Vacation Leave) - It is the Township's policy to permit employees to accumulate up to five days of earned but unused vacation pay benefits with permission from their supervisor. There is no liability for unpaid accumulated vacation leave in the current year.

MORAINES TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A liability for these amounts is reported in the governmental fund - General Fund only for employee terminations as of year end.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, debt issued is reported as another financing source and payments are reported as debt service expenditures.

The Township has a pension plan covering salaried employees and employees working in excess of 1,000 hours annually. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2018, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2017-2018 appropriations ordinance was adopted May 11, 2017.

FUND BALANCE CLASSIFICATION –

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable –

This classification includes 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. The Township has classified prepaid items as being Nonspendable.

Restricted –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Township did not have any committed resources as of March 31, 2018.

Assigned –

This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township Board or through the Township Board delegating this responsibility to the Township Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the Town Fund.

Unassigned –

This classification includes the residual fund balance for the Town Fund and the amount established for minimum funding which represents the portion of the Town Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Township would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

EQUITY CLASSIFICATIONS USED IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Restricted Net Position - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – all other net position is reported in this category.

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

GASB Statement No. 68 – In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014, therefore, the Township implemented this Statement in fiscal year ending March 31, 2016.

NOTE – 2 CASH AND INVESTMENTS

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits. The carrying cash balance of the Township is \$939,060 and the bank balance is \$1,193,621. Of the bank balance in the Township's name, \$629,744 is FDIC insured, \$497,555 is collateralized and the remaining \$66,322 is uncollateralized for the Township in the bank's trust department.

Interest Rate Risk – The Township limits its interest rate risk by having demand deposits.

Custodial Credit Risk – The Township limits its credit risk by holding its deposits in FDIC insured institutions with collateral backing its deposits. Of the Township's cash and deposits on March 31, 2018, \$66,322 is uninsured and uncollateralized.

Concentration of Credit Risk - The Township places no limit on the amount held in any one institution.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

IMRF PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

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

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

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	7
Active Plan Members	<u>7</u>
Total	31

CONTRIBUTIONS

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2017 was 7.84%. For the fiscal year ended March 31, 2018, the Township contributed \$31,970 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The Township's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2017

Actuarial Valuation Date	12/31/2017	
Measurement Date of the Net Pension Liability	12/31/2017	
Fiscal Year End	3/31/2018	
Membership		
Number of		
- Retirees and Beneficiaries	17	
- Inactive, Non-Retired Members	7	
- Active Members	7	
- Total	<u>31</u>	
Covered Valuation Payroll (1)	<u>\$ 438,016</u>	
Net Pension Liability		
Total Pension Liability/(Asset)	\$ 3,234,084	
Plan Fiduciary Net Position	<u>3,565,373</u>	
Net Pension Liability/(Asset)	\$ (331,289)	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.24%	
Net Pension Liability as a Percentage of Covered Valuation Payroll	-75.63%	
Development of the Single Discount Rate as of December 31, 2017		
Long-Term Expected Rate of Investment Return	7.50%	
Long-Term Municipal Bond Rate (2)	3.31%	
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117	
Resulting Single Discount Rate based on the above development	7.50%	
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%	
Total Pension Expense/(Income)	\$ 133,661	
Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,070	\$ 27,307
Changes in assumptions	-	69,439
Net difference between projected and actual earnings on pension plan investments	<u>97,517</u>	<u>269,477</u>
Total	<u>\$ 100,587</u>	<u>\$ 366,223</u>

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68. (2) Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 29, 2017. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios -- Current Period Calendar Year Ended December 31, 2017

A. Total pension liability

1. Service Cost	\$ 56,784
2. Interest on the Total Pension Liability	247,276
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(44,863)
5. Changes of assumptions	(112,677)
6. Benefit payments, including refunds of employee contributions	(362,111)
7. Net change in total pension liability	(215,591)
8. Total pension liability – beginning	3,449,675
9. Total pension liability – ending	<u>\$ 3,234,084</u>

B. Plan fiduciary net position

1. Contributions – employer	\$ 34,400
2. Contributions – employee	19,744
3. Net investment income	575,883
4. Benefit payments, including refunds of employee contributions	(362,111)
5. Other (Net Transfer)	(87,363)
6. Net change in plan fiduciary net position	180,553
7. Plan fiduciary net position – beginning	3,384,820
8. Plan fiduciary net position – ending	<u>\$ 3,565,373</u>

C. Net pension liability/(asset)

\$ (331,289)

D. Plan fiduciary net position as a percentage of the total pension liability

110.24%

E. Covered Valuation payroll

\$ 438,016

F. Net pension liability as a percentage of covered valuation payroll

-75.63%

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 3,541,291	\$ 3,234,084	\$ 2,975,653
Plan Fiduciary Net Position	3,565,373	3,565,373	3,565,373
Net Pension Liability/(Asset)	<u>\$ (24,082)</u>	<u>\$ (331,289)</u>	<u>\$ (589,720)</u>

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2018, the Township recognized pension expense of \$31,970. At March 31, 2018, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ 3,070	\$ 27,307
Changes of assumptions	-	69,439
Net difference between projected and actual earnings on pension plan investments	<u>97,517</u>	<u>269,477</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>100,587</u>	<u>366,223</u>
Pension Contributions made subsequent To the measurement date	<u>7,592</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 92,995</u>	<u>\$ 366,223</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending <u>December 31</u>	Net Deferred <u>Outflows of Resources</u>
2018	\$ (79,415)
2019	(54,218)
2020	(64,633)
2021	(67,370)
2022	-
Thereafter	<u>-</u>
Total	<u>\$ (265,636)</u>

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate*

Valuation Date: December 31, 2017

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (based on 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to

Other Information:

Notes There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements
Year Ended March 31, 2018

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based on 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2017 Illinois Municipal Retirement annual actuarial valuation report.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 4 – CHANGES IN FIXED ASSETS

	Balance			Balance
Fixed Assets	April 1, 2017	Increases	Decreases	March 31, 2018
Construction in Progress	\$ -	\$ 265,614	\$ -	\$ 265,614
Land Improvements	239,229	-	-	239,229
Buildings	1,667,808	-	-	1,667,808
Leasehold Improvements	158,522	-	-	158,522
Equipment & Furniture	73,297	-	-	73,297
Total Fixed Assets	2,138,856	265,614	-	2,404,470
Less: Accumulated				
Depreciation	172,627	39,929	-	212,556
Fixed Assets (Net)	\$ 1,966,229	\$ 225,685	\$ -	\$ 2,191,914

Depreciation by Governmental Activity

Unallocated	\$ 39,929
Total Governmental Activities	\$ 39,929

NOTE 5 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Township has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has \$100,587 of deferred pension outflows in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2018

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$1,335,024) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year and (\$366,223) of deferred pension inflows.

NOTE 7 – LEASE OBLIGATIONS

At January 1, 2018 the Township has agreed to pay a monthly rental rate until May 31, 2018 and then transfer to a daily rate until the date upon which the Township can move from their current premises to their new building. The lease obligation at March 31, 2018 is \$13,700. The arrangement will be terminated upon moving in 2018.

NOTE 8 – BLENDED COMPONENT UNIT

The Community Chest Fund is a 501(c)3 legally separate entity that is encompassed within the General Assistance Fund of the Township due to the relationship that it has with the Township.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date). There have been no other recognized or non-recognized subsequent events that have occurred between March 31, 2018 and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended March 31, 2018

	Original & Final Budget	Modified Accrual Basis
Revenues		
Property taxes	\$ 1,025,000	\$ 1,018,016
Replacement taxes	24,600	25,599
Cemetery revenue	500	500
Grants	65,000	65,000
Van user revenue	12,000	13,010
Rental income	97,954	32,090
Miscellaneous	-	76
Interest income	5,000	3,548
Total Revenues	1,230,054	1,157,839
Expenditures		
Administrative		
Personnel		
Salaries - officers & staff	77,000	90,097
Health insurance	1,700	5,492
Social security & medicare	6,300	6,362
Municipal retirement	1,000	1,821
Total Personnel	86,000	103,772
Contractual Services		
Accounting & auditing	1,500	1,981
Auto expense/milage	500	184
Insurance (TORIMA)	400	598
Legal services	5,000	6,322
Maintenance/pest control	350	552
Outside services	1,000	624
Printing/publishing	50	432
Facilities/rent	13,000	12,205
Special events	1,000	1,497
Telephone	1,000	851
Newsletter	900	-
Utilities	1,300	1,095
Website	1,250	1,298
Workshops/dues/subscriptions	2,500	2,213
Janitorial services	1,500	1,473
Miscellaneous expense	400	516
Equipment maintenance	1,000	478
Property maint. - 794 Central	24,400	9,910
Property maint. - 800 Central	36,400	1,761
Contingencies, office of the Supervisor	15,000	-
Total Contractual Services	108,450	43,990

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Administrative (continued)		
Commodities		
Operating supplies	\$ 250	\$ 59
VITA supplies	250	173
Office supply/postage	1,500	3,741
Total Commodities	<u>2,000</u>	<u>3,973</u>
Capital Outlay		
Equipment	-	694
Building	258,200	263,758
Total Capital Outlay	<u>258,200</u>	<u>264,452</u>
Total Administrative	<u>454,650</u>	<u>416,187</u>
Assessor Personnel		
Salaries	307,000	313,430
Social security & medicare	27,000	24,186
Health insurance	53,500	54,691
Municipal retirement	17,500	17,196
Total Personnel	<u>405,000</u>	<u>409,503</u>
Contracual Services		
Accounting & auditing	14,500	5,625
Auto expense/milage	1,500	2,064
Insurance (TORIMA)	3,250	2,990
Legal services	1,000	17
Maintenance/pest control	250	98
Outside services	1,200	1,076
Facilities/rent	27,000	26,829
Special events	10,300	89
Telephone	3,300	2,759
Newsletter	1,000	-
Utilities	3,000	3,170
Website	300	197
Workshops/dues/subscriptions	3,500	688
Janitorial services	2,800	3,840
Miscellaneous expense	200	428
Contingencies, office of the Supervisor	10,000	-
Total Contracual Services	<u>83,100</u>	<u>49,870</u>

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Assessor (continued)		
Commodities		
Operating supplies	\$ 1,100	\$ 1,451
Office supply/postage	1,300	784
Total Commodities	<u>2,400</u>	<u>2,235</u>
Capital Outlay		
Equipment	25,000	25,082
Total Capital Outlay	<u>25,000</u>	<u>25,082</u>
Total Assesor	<u>515,500</u>	<u>486,690</u>
Transportation Personnel		
Salaries	125,000	122,537
Health insurance	13,000	15,179
Social security & medicare	14,000	9,525
Municipal retirement	5,500	5,258
Total Personnel	<u>157,500</u>	<u>152,499</u>
Contracual Services		
Accounting & auditing	3,500	5,943
Auto expense/milage	100	560
Insurance (TORIMA)	4,500	4,187
Legal services	1,000	665
Maintenance/pest control	200	46
Outside services	1,000	1,073
Printing/publishing	500	1,657
Website	250	302
Facilities/rent	10,500	9,756
Special events	500	1,329
Telephone	1,500	1,650
Newsletter	2,000	-
Utilities	1,000	1,104
Van operations & maintenance	15,000	18,527
Workshops/dues/subscriptions	250	-
Janitorial services	1,500	1,473
Equipment maintenance	500	383
Miscellaneous expense	100	164
Total Contracual Services	<u>43,900</u>	<u>48,819</u>

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Transportation (continued)		
Commodities		
Operating supplies	\$ 500	\$ 59
Office supply/postage	1,500	3,657
Total Commodities	<u>2,000</u>	<u>3,716</u>
Capital Outlay		
Equipment	-	190
Total Capital Outlay	<u>-</u>	<u>190</u>
Other Programs		
Taxi program	25,000	18,648
Total Other Programs	<u>25,000</u>	<u>18,648</u>
Total Transportation	<u>228,400</u>	<u>223,872</u>
Cemeteries		
Personnel		
Salaries	3,000	3,168
Health insurance	400	543
Social security & medicare	300	250
Municipal retirement	150	188
Total Personnel	<u>3,850</u>	<u>4,149</u>
Contractual Services		
Auto expense/milage	100	-
Insurance (TORIMA)	1,500	1,196
Legal services	500	-
Maintenance & operations	20,000	9,523
Outside services	1,000	-
Supplies	100	7
Utilities	400	373
Website	100	-
Workshops/dues/subscriptions	500	-
Contingencies, office of the Supervisor	5,000	-
Total Contractual Services	<u>29,200</u>	<u>11,099</u>
Capital Outlay		
Equipment	-	603
Total Capital Outlay	<u>-</u>	<u>603</u>
Total Cemeteries	<u>33,050</u>	<u>15,851</u>

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Elections (concluded)		
 Contractual Services		
Website	\$ 250	\$ -
 Total Contractual Services	<u>250</u>	<u>-</u>
 Total Elections	<u>250</u>	<u>-</u>
Agency Grants		
 Contractual Services		
Grants	<u>200,000</u>	<u>200,000</u>
 Total Agency Grants	<u>200,000</u>	<u>200,000</u>
Total Expenditures	<u>1,431,850</u>	<u>1,342,600</u>
Net Change in Fund Balance	<u>\$ (201,796)</u>	<u>\$ (184,761)</u>

MORAINÉ TOWNSHIP, ILLINOIS

General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues		
Property taxes	\$ 300,000	\$ 294,056
Replacement taxes	5,400	6,979
Interest income	-	829
Reimbursements	-	17,040
Contributions - community chest	50,000	95,975
Total Revenues	<u>355,400</u>	<u>414,879</u>
Expenditures		
Administrative		
Personnel		
Salaries - officers & staff	85,000	103,017
Health insurance	19,000	24,739
Social security & medicare	7,750	7,466
Municipal retirement	6,500	7,507
Total Personnel	<u>118,250</u>	<u>142,729</u>
Contractual Services		
Accounting & auditing	5,000	6,261
Auto expense/milage	150	403
Insurance (TORIMA)	6,500	6,029
Legal services	1,000	3,218
Maintenance/pest control	1,300	583
Outside services	500	350
Printing/publishing	6,500	306
Facilities/rent	35,000	32,544
Janitorial services	7,500	7,354
Special events	500	230
Telephone	2,000	2,172
Utilities	3,500	3,615
Website	500	864
Workshops/dues/subscriptions	1,000	894
Miscellaneous expense	200	-
Equipment/computer	500	1,009
Contingencies, office of the Supervisor	25,000	-
Total Contractual Services	<u>96,650</u>	<u>65,832</u>

MORAINÉ TOWNSHIP, ILLINOIS

General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual

Year Ended March 31, 2018

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Administrative (concluded)		
Commodities		
Operating supplies	\$ 1,000	\$ 240
Office supply/postage	1,000	1,796
Total Commodities	<u>2,000</u>	<u>2,036</u>
Capital Outlay		
Equipment	-	2,040
Total Capital Outlay	<u>-</u>	<u>2,040</u>
Total Administrative	<u>216,900</u>	<u>212,637</u>
Assistance programs		
General assistance	10,000	11,000
Emergency assistance	20,000	8,253
Senior/youth services	35,000	11,849
Community chest	50,000	44,591
Total Assistance Programs	<u>115,000</u>	<u>75,693</u>
Total Expenditures	<u>331,900</u>	<u>288,330</u>
Net Change in Fund Balance	<u>\$ 23,500</u>	<u>\$ 126,549</u>

MORAINÉ TOWNSHIP, ILLINOIS
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar Year Ending	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 56,784	\$ 62,280	\$ 60,557							
Interest on the Total Pension Liability	247,276	244,772	215,742							
Benefit Changes	-	-	-							
Difference between Expected and Actual Experience	(44,863)	12,834	313,585							
Assumption Changes	(112,677)	(3,580)	3,497							
Benefit Payments and Refunds	(362,111)	(206,939)	(198,715)							
Net Change in Total Pension Liability	(215,591)	109,367	394,666							
Total Pension Liability - Beginning	3,449,675	3,340,308	2,945,642							
Total Pension Liability - Ending (a)	\$ 3,234,084	\$ 3,449,675	\$ 3,340,308							
Plan Fiduciary Net Position										
Employer Contributions	34,400	39,501	43,983							
Employee Contributions	19,744	22,247	23,387							
Pension Plan Net Investment Income	575,883	227,752	15,125							
Benefit Payments and Refunds	(362,111)	(206,939)	(198,715)							
Other	(87,363)	20,927	306,792							
Net Change in Plan Fiduciary Net Position	180,553	103,488	190,572							
Plan Fiduciary Net Position - Beginning	3,384,820	3,281,332	3,090,760							
Plan Fiduciary Net Position - Ending (b)	\$ 3,565,373	\$ 3,384,820	\$ 3,281,332							
Net Pension Liability/(Asset) - Ending (a) - (b)	(331,289)	64,855	58,976							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.24%	98.12%	98.23%							
Covered Valuation Payroll	\$ 438,016	\$ 494,388	\$ 511,428							
Net Pension Liability as a Percentage of Covered Valuation Payroll	-75.63%	13.12%	11.53%							

MORAINÉ TOWNSHIP, ILLINOIS
Multi-year Schedule of Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 43,983	\$ 43,983	\$ -	\$ 511,428	8.60%
2016	39,502	39,501	1	494,388	7.99%
2017	34,340 *	34,400	(60)	438,016	7.85%

* Estimated based on a contribution rate of 7.84% and covered valuation payroll of \$438,016.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information
Year Ended March 31, 2018*

NOTE 1 - BUDGETARY INFORMATION

The accounting policies of Moraine Township include the preparation of financial statements on the modified accrual basis of accounting. The Township also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Township procedures in establishing the budgetary data reflected in the General Fund Financial Statements are presented below:

1. Prior to June 15th the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding April 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to June 30th.
4. The Township Treasurer, in conjunction with the Township Board, is authorized to expend the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The budget was passed on May 11, 2017.

MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information
Year Ended March 31, 2018*

NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

6. Formal budgetary integration is not employed as a management control device during the year for any fund.
7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.
10. The budget for Town Fund and General Assistance Fund were adopted on May 11, 2017.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No funds had expenditures exceeding the appropriations.