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Accounting • Auditing • Consulting

Moraine Township, Illinois

Annual Financial Report

For the Year Ended March 31, 2019

MORAINÉ TOWNSHIP, ILLINOIS

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Year Ended March 31, 2019

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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, 2019, 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.

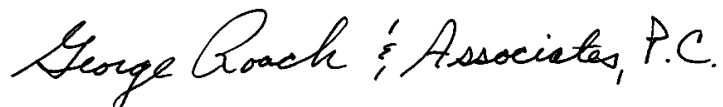
Opinions

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, 2019, 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.

A handwritten signature in cursive script that reads "George Roach & Associates, P.C.".

George Roach & Associates, P.C.
Crystal Lake, Illinois
June 14, 2019

REQUIRED SUPPLEMENTARY INFORMATION –
MANAGEMENT DISCUSSION AND ANALYSIS -
UNAUDITED

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

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, 2019. 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, 2019

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 \$3,465,382, an increase of \$264,226 in comparison with the prior fiscal year (page 16).

Of this \$3,465,382 net position:

- \$2,382,457 is the Township's investment in net fixed assets, an increase of \$190,543. The increase is comprised of \$351,737 of new equipment and buildout cost for the new building, less \$161,194 of depreciation expense and disposals, primarily from the write-off of leasehold improvements for the prior location.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

FINANCIAL HIGHLIGHTS (CONTINUED)

- \$249,943 includes resources restricted for general assistance and community chest.
- \$114,159 represents an increase of net position to reflect changes in actuarially-computed Deferred Pension Outflows, Inflows and Pension Liabilities in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

At March 31, 2019, the Township's governmental funds reported combined ending fund balances of \$968,766 (page 18), an increase of \$7,178 from the prior year. This increase is comprised of \$160,169 in the Town Fund, and a decrease of \$152,992 in General Assistance and Community Chest Funds (page 17).

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 \$3,465,382 for the year ended March 31, 2019. Of the Township's net position, \$2,382,457 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 \$1,082,925, of which \$249,943 is restricted and \$832,982 is unrestricted. The unrestricted balance includes deferred outflows of \$282,683, in accordance with Governmental Accounting Standards Board Statement No. 68. 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, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Moraine Township Net Position

| | Governmental Activities | |
|----------------------------------|-------------------------|--------------------|
| | 3/31/2018 | 3/31/2019 |
| Current Assets | \$2,702,288 | \$2,378,583 |
| Fixed Assets | 2,191,914 | 2,382,457 |
| Total Assets | \$4,894,202 | \$4,761,040 |
| Deferred Outflows | \$ 100,587 | \$ 282,683 |
| Total Liabilities | \$ 74,386 | \$ 233,322 |
| Deferred Inflows | 1,701,247 | 1,345,019 |
| Net Position: | | |
| Net Investment in Capital Assets | 2,191,914 | 2,382,457 |
| Restricted | 402,933 | 249,943 |
| Unrestricted | 624,309 | 832,982 |
| Total Net Position | \$3,219,156 | \$3,465,382 |

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

| | Governmental Activities | |
|--|-------------------------|--------------------|
| | 3/31/2018 | 3/31/2019 |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | \$ 13,510 | \$ 19,038 |
| Charges for Services - Rent | 32,090 | - |
| Operating Grants | 65,000 | 61,000 |
| Monetary Donations | 95,975 | 119,465 |
| General Revenues: | | |
| Property Taxes | 1,312,072 | 1,327,094 |
| Replacement Taxes | 32,578 | 27,243 |
| Reimbursements | 17,040 | 20,818 |
| Interest | 4,377 | 12,968 |
| Pension - GASB 68 | - | 48,505 |
| Other Income | 76 | 5,683 |
| Total Revenues | <u>1,572,718</u> | <u>1,641,814</u> |
| Expenses | | |
| General Government | 351,251 | 322,895 |
| Community Assistance and Services | 75,693 | 76,206 |
| Assessor | 486,690 | 457,650 |
| Transportation Services | 223,682 | 181,602 |
| Agency Grants | 200,000 | 176,000 |
| Cemeteries | 15,851 | 10,986 |
| Rental | 12,149 | - |
| GASB 68 Pension | 92,601 | - |
| Capital Asset Disposal | - | 120,123 |
| Passport Processing | - | 9,055 |
| Depreciation - unallocated | 39,929 | 41,071 |
| Total Expenses | <u>1,497,846</u> | <u>1,395,588</u> |
| Increase/(Decrease) in Net Assets | <u>74,872</u> | <u>246,226</u> |
| Net Position - Beginning of Year | <u>3,144,284</u> | <u>3,219,156</u> |
| Net Position - End of Year | <u>\$3,219,156</u> | <u>\$3,465,382</u> |

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities

Total Revenue: Revenue increased by \$69,096, primarily due to an increase in pension gains.

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 \$60,000.00 to support the Township's Door-to-Door Paratransit Van program.

During the fiscal year, the Township finished the buildout of the building purchased during the 2017 fiscal year. The new facility is conveniently located across the street from its prior location with adequate parking and pedestrian-and-transit-oriented access to ensure clients can access critical services and food. The new Food Pantry is located on one floor and provides a full client-choice experience, ADA compliant.

Moraine Township's net position increased by \$246,226 during the fiscal year. Financial highlights include:

- **Debt:** Moraine Township has no long-term or short-term debt.
- **Revenue** increased primarily due to an increase in pension gains.
- **Levy:** The Township Board of Trustees has reduced the property tax levy by 5% in two of the last six years, and frozen the property tax levy in four of the last six years.
- **Total expenses** for Governmental Activities before pension accrual, capital asset disposal, and depreciation decreased by \$130,922 during the fiscal year. The decrease is attributed to a variety of expense reductions including compensation for elected officials, rent savings when the office moved to an owned facility, reduction in Agency grant awards, Assessor office expenses and staff reorganization.
- The actuarially-computed accrual required to comply with the Governmental Accounting Standards Board Statement No. 68 referenced above decreased by \$92,601 during the year.

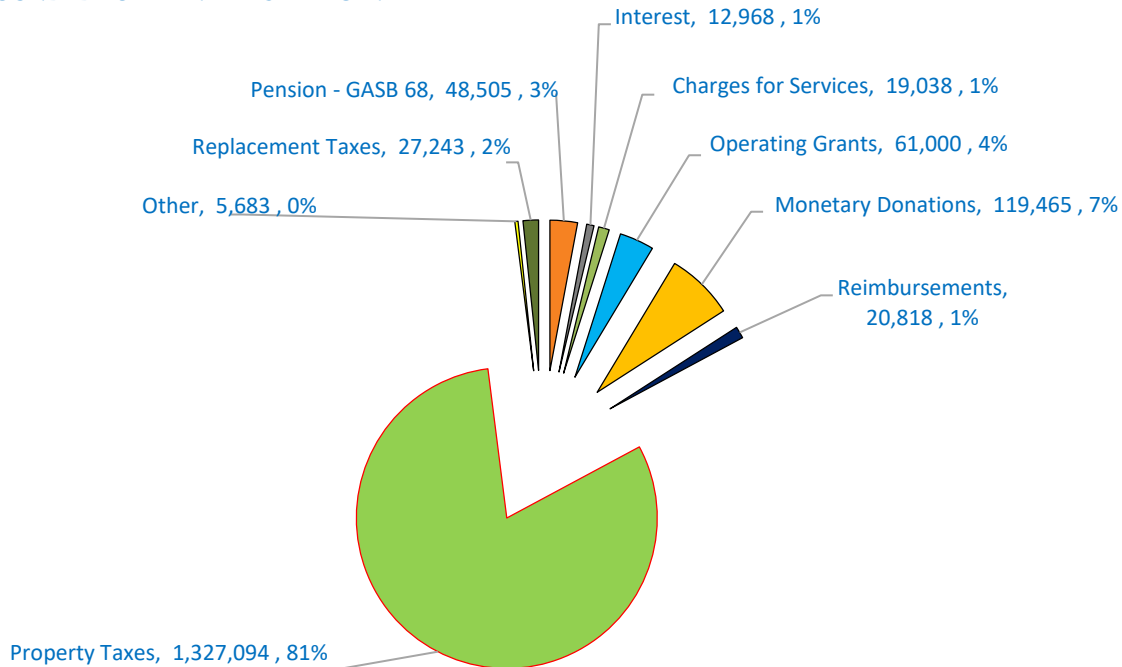
MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended March 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

2019 REVENUES

ROUNDED TO THE NEAREST PERCENT



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, 2019, the Township's governmental funds reported combined ending fund balances of \$968,767, an increase of \$7,178 in comparison with the prior year.

MORAINES TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (CONTINUED)

The Town Fund is the chief operating fund of the Township. At March 31, 2019, the fund balance of the Town Fund was \$718,823. This represents an increase of \$160,169 compared to the prior fiscal year, primarily due to an increase in the percent of the property tax levy allocated to the Town Fund (and a decrease in the percent allocated to the General Assistance Fund).

TOWN FUND BUDGETARY HIGHLIGHTS

Expenditures in the Town Fund of \$1,187,954 were less than revenues by \$160,170 due to capital expenditures associated with the buildout; Town Fund expenditures were \$213,296 under the budgeted appropriations of \$1,401,250.

Town Fund non-capital expenditures decreased by \$130,922 primarily attributed to decreases in administration, Assessor, transportation, cemetery expense, and agency grants.

- Administrative expenses of \$322,895 reflect a decrease of almost \$40,000 from prior year, reflecting reductions in elected official compensation and rent expense savings when the office moved to the new building. Administrative costs are partially offset by revenue of over \$20,000 for reimbursement for case worker salary whose time is shared 20% with West Deerfield Township.
- Expenditures for the Township's paratransit van service and taxi coupons for seniors and disabled residents totaled \$181,602, representing a 23% decrease from prior year. This expense was partially offset by rider fees of \$16,488 and a generous \$60,000 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 in place and continue to be contributing citizens in the community.
- Expenditures for the Office of Assessor totaling \$426,634 decreased \$34,974 compared with the prior fiscal year.
- Moraine Township owns and maintains two cemeteries; fiscal year maintenance costs were \$10,401.

General Assistance non-capital expenditures decreased by \$3,113. Total General Assistance non-capital expenditures of \$283,177 fund programs, services and administration of general assistance, emergency assistance, senior and youth services to residents in need.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

- 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 \$77,278 due primarily to a capital campaign to fund equipment purchases for the new Food Pantry.

- Community Chest expenditures of \$159,467 include \$106,413 contributed by residents and businesses to build out and equip the new Food Pantry. Community Chest expenditures are included in the General Assistance Fund. In addition to cash expenditures for food of \$53,055, in-kind food donations were received from area businesses, community food drives, and food donated from local stores.
- Moraine Township served over 7,300 resident-visits to its Food Pantry from April 1, 2018 through March 31, 2019. Food programs to residents include continuation of a school vacation food assistance program for income-qualified families of school children.
- A generous community, and over 60 weekly volunteers, and hundreds of other volunteers, make it possible for Moraine Township to provide residents in need with fresh produce, eggs, cheese, frozen meat, shelf-stable food and toiletries at the Food Pantry.
- Six area stores (Sunset Foods Highland Park, Target Highland Park, Jewel Foods Highland Park, Whole Foods Market Deerfield, Mariano's in Buffalo Grove and Heinen's in Bannockburn) made weekly donations of fresh produce, frozen meat, shelf-stable food and toiletries to the Food Pantry.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

- The Township also facilitates volunteers who train with CMS to offer assistance enrolling residents for Medicaid or health insurance on the federal Marketplace and assisted 108 residents to obtain health insurance for 2019.
- A Township program facilitates volunteers who train with the IRS to offer free income tax preparation for low-income residents and prepared over 150 tax returns during the 2019 filing season.

TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2018 THROUGH MARCH 31, 2019

During the fiscal year April 1, 2018 through March 31, 2019, Moraine Township responded to over 21,000 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 and General Assistance, utility and housing assistance, Alert One monitoring service for low-income seniors living alone, van rides for senior and disabled residents, distribution of taxi coupons to seniors and disabled residents, assistance enrolling for health insurance, free income tax preparation for low-income residents, cemetery inquiries and burials, and voter and notary services, and over 7,300 resident-visits to our Food Pantry. The Township has a program in partnership with the City of Highland Park to provide short-term emergency housing assistance and food for families displaced by fire or other emergencies during the year.

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.

Two Door-to-Door paratransit vans operate Monday to Friday taking seniors and disabled residents up to 15 miles beyond the Township borders. Medical appointments are a priority, but we also provide transportation for quality-of-life trips to enable Township seniors to age in place and continue to be contributing members of the community. The Township leases the vans from Pace for \$100 per month including all maintenance costs.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

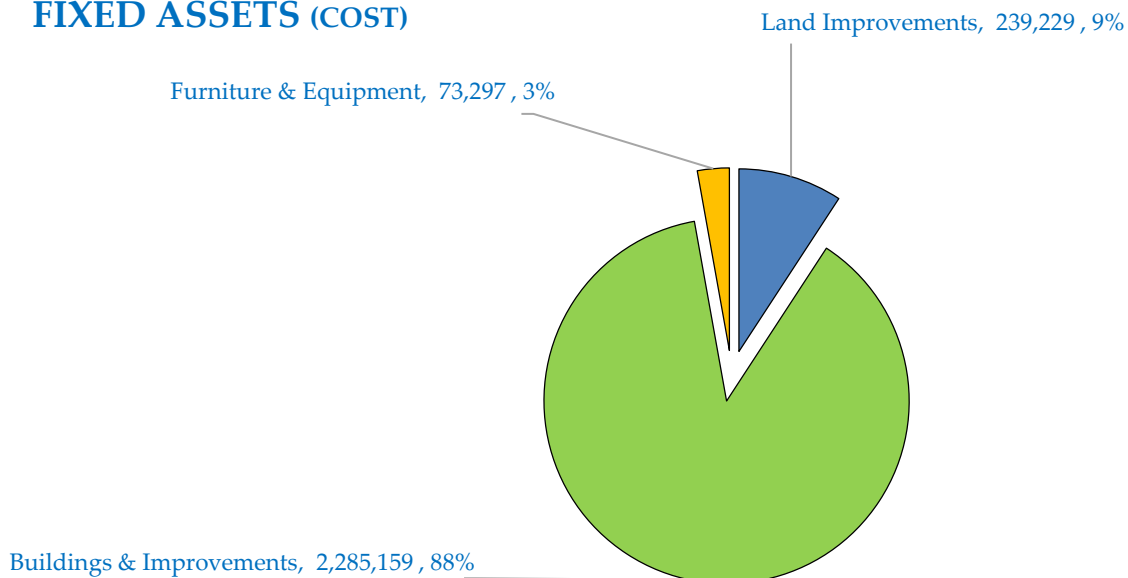
CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of March 31, 2019, amount to \$2,382,457 (net of accumulated depreciation and asset disposition). 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 completion of the buildout of 800 Central Avenue in downtown Highland Park, which serves as the Township office and Food Pantry, replacing the facility formerly 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, 2019 |
|--------------------------------|---------------------|-------------------|------------------|---------------------------|
| | March 31, 2018 | Increases | Decreases | |
| Construction in Progress | \$ 265,614 | \$ - | \$265,614 | \$ - |
| Land Improvements | 239,229 | - | - | 239,229 |
| Leasehold Improvements | 158,522 | - | 158,522 | - |
| Buildings & Improvements | 1,667,808 | 617,351 | - | 2,285,159 |
| Furniture & Equipment | 73,297 | - | - | 73,297 |
| Total Fixed Assets | 2,404,470 | 617,351 | 424,136 | 2,597,685 |
| Less: Accumulated Depreciation | 212,556 | 41,071 | 38,399 | 215,228 |
| Fixed Assets (Net) | \$ 2,191,914 | \$ 576,280 | \$385,737 | \$ 2,382,457 |

FIXED ASSETS (COST)



MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for the 2018 levy is \$2,238,203,158. That represents a decrease in EAV of \$231,272,986 over the prior year's EAV. Property tax revenues recorded in these financial statements are from the 2017 levy paid to the Township in 2018 and reflected in the financial statements for the Fiscal Year Ended March 31, 2019. Property tax receivable and deferred property tax amounts reported in these financial statements are from the 2018 levy, to be paid to the Township in fiscal year 2020.

Moraine Township reduced its property tax levy by 5% in two of the last six years, and froze its property tax levy in four of the last six 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 2018, 2017, and 2016 is as follows:

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

| Tax Levy Year | 2018 | | 2017 | | 2016 | |
|---------------------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| Assessed Valuation | | | | | | |
| Lake County | \$ | 2,238,203,158 | \$ | 2,469,476,144 | \$ | 2,365,697,184 |
| Tax Rates and Percentage | | | | | | |
| Allocations by Fund | | | | | | |
| Funds | Rate | Percentage | Rate | Percentage | Rate | Percentage |
| Corporate | 0.044566 | 81.78 | 0.050011 | 92.51 | 0.043328 | 77.36 |
| General Assistance | 0.009926 | 18.22 | 0.004050 | 7.49 | 0.012682 | 22.64 |
| Totals | 0.054492 | 100.00 | 0.054061 | 100.00 | 0.056010 | 100.00 |
| Property Tax Extensions | | | | | | |
| Funds | 2018 | | 2017 | | 2016 | |
| Corporate | \$ | 1,100,017 | \$ | 1,235,010 | \$ | 1,025,009 |
| General Assistance | | 245,002 | | 100,014 | | 300,018 |
| Totals | \$ | 1,345,019 | \$ | 1,335,024 | \$ | 1,325,027 |

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2019

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

March 31, 2019

| | Assets | Governmental Activities |
|---|---------------|------------------------------------|
| Cash and cash equivalents | | \$ 958,295 |
| Property tax receivable | | 1,345,019 |
| Accounts receivable | | 60,946 |
| Other receivables | | 2,373 |
| Prepaid items | | 11,950 |
| Fixed assets - net | | 2,382,457 |
| Total Assets | | 4,761,040 |
| Deferred Outflows of Resources | | |
| Net deferred pension outflows | | 282,683 |
| Total Deferred Outflows of Resources | | 282,683 |
| Liabilities | | |
| Accounts payable | | 22,117 |
| Accrued payroll liabilities | | 2,681 |
| Pension liability | | 168,524 |
| Unearned grant revenue | | 40,000 |
| Total Liabilities | | 233,322 |
| Deferred Inflows of Resources | | |
| Unavailable property tax revenue | | 1,345,019 |
| Total Deferred Inflows of Resources | | 1,345,019 |
| Net Position | | |
| Net investment in capital assets | | 2,382,457 |
| Restricted - general assistance | | 158,940 |
| Restricted - community chest | | 91,003 |
| Unrestricted | | 82,982 |
| Total Net Position | | \$ 3,465,382 |

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

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Activities

Year Ended March 31, 2019

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue & Changes in Net Position |
|--------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities: | | | | | |
| Administration: | | | | | |
| Town | \$ 115,924 | \$ - | \$ - | \$ - | \$ (113,874) |
| General Assistance | 206,971 | - | - | - | (206,971) |
| Assessor | 457,650 | - | - | - | (457,650) |
| Transportation | 181,602 | 16,488 | 60,000 | - | (105,114) |
| Cemeteries | 10,986 | 500 | - | - | (10,486) |
| Agency grants | 176,000 | - | - | - | (176,000) |
| Assistance programs | 76,206 | - | 120,465 | - | 44,259 |
| Passport processing | 9,055 | 2,050 | - | - | (9,055) |
| Capital asset disposal | 120,123 | - | - | - | (120,123) |
| Depreciation - unallocated | 41,071 | - | - | - | (41,071) |
| Total Governmental Activities | \$ 1,395,588 | \$ 19,038 | \$ 180,465 | \$ - | (1,196,085) |
| General Revenues: | | | | | |
| | | | | | 1,327,094 |
| | | | | | 27,243 |
| | | | | | 20,818 |
| | | | | | 12,968 |
| | | | | | 48,505 |
| | | | | | 5,683 |
| | | | | | 1,442,311 |
| | | | | | 246,226 |
| | | | | | 3,219,156 |
| | | | | | \$ 3,465,382 |

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

MORAINES TOWNSHIP, ILLINOIS

Governmental Funds - Balance Sheet

March 31, 2019

| | Town | General | |
|--|---------------------|-------------------|---------------------|
| Assets | Fund | Assistance | Total |
| Cash | \$ 723,935 | \$ 234,360 | \$ 958,295 |
| Prepaid items | 4,797 | 7,153 | 11,950 |
| Interfund receivables | - | 3,211 | 3,211 |
| Accounts receivable | 44,173 | 16,773 | 60,946 |
| Other receivables | 2,345 | 28 | 2,373 |
| Property tax receivable, net | 1,100,017 | 245,002 | 1,345,019 |
| Total Assets | \$ 1,875,267 | \$ 506,527 | \$ 2,381,794 |
| Liabilities | | | |
| Accrued payroll liabilities | \$ 2,177 | \$ 504 | \$ 2,681 |
| Accounts payable | 11,039 | 11,078 | 22,117 |
| Interfund payables | 3,211 | - | 3,211 |
| Unearned grant revenue | 40,000 | - | 40,000 |
| Total Liabilities | 56,427 | 11,582 | 68,009 |
| Deferred Inflows of Resources | | | |
| Unavailable property tax revenue | 1,100,017 | 245,002 | 1,345,019 |
| Total Deferred Inflows of Resources | 1,100,017 | 245,002 | 1,345,019 |
| Fund Balance | | | |
| Nonspendable | - | - | - |
| Restricted | - | 249,943 | 249,943 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | 718,823 | - | 718,823 |
| Total Fund Balance | 718,823 | 249,943 | 968,766 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 1,875,267 | \$ 506,527 | \$ 2,381,794 |

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

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2019

| | Town Fund | General Assistance Fund | Total |
|------------------------------------|----------------------|--|-------------------|
| Revenues | | | |
| Property taxes | \$ 1,227,674 | \$ 99,420 | \$ 1,327,094 |
| Replacement taxes | 25,165 | 2,078 | 27,243 |
| Van user fees | 16,488 | - | 16,488 |
| Cemetery revenue | 500 | - | 500 |
| Grants and donations | 60,000 | 1,000 | 61,000 |
| Passport income | 2,050 | - | 2,050 |
| Interest income | 11,575 | 1,393 | 12,968 |
| Reimbursements | - | 20,818 | 20,818 |
| Contributions - community chest | - | 119,465 | 119,465 |
| Miscellaneous revenue | 4,672 | 1,011 | 5,683 |
| Total Revenues | 1,348,124 | 245,185 | 1,593,309 |
| Expenditures | | | |
| Administrative | 115,924 | 206,971 | 322,895 |
| Assessor | 426,634 | - | 426,634 |
| Transportation | 181,602 | - | 181,602 |
| Assistance programs | - | 76,206 | 76,206 |
| Cemeteries | 10,401 | - | 10,401 |
| Agency grants | 176,000 | - | 176,000 |
| Passport processing | 9,055 | - | 9,055 |
| Capital outlay | 268,338 | 115,000 | 383,338 |
| Total Expenditures | 1,187,954 | 398,177 | 1,586,131 |
| Net Changes in Fund Balance | 160,170 | (152,992) | 7,178 |
| Fund Balance | | | |
| Fund Balance, Beginning | 558,654 | 402,935 | 961,589 |
| Total Fund Balance, Ending | \$ 718,824 | \$ 249,943 | \$ 968,767 |

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, 2019*

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

| | |
|---|----------------------------|
| Total Fund Balances -Total Governmental Funds | \$ 968,766 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | |
| Capital assets net of depreciation | 2,382,457 |
| Deferred Outflows and Net Pension Liabilities are not reported in the funds | |
| Net Pension liabilities | (168,524) |
| Deferred pension outflows | 282,683 |
| Total Net Position of Governmental Activities | <u><u>\$ 3,465,382</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 | \$ 7,178 |
| Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life. | |
| Capitalized asset additions | 351,737 |
| Capitalized asset disposals | (120,123) |
| Depreciation expense | (41,071) |
| Change in Deferred Outflows and Net Pension Liabilities are not reported in the funds | 48,505 |
| Changes in Net Position Governmental Funds | <u><u>\$ 246,226</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, 2019

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 donations. Revenue is used to operate and staff Township services and provide direct assistance. 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 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, 2019

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 residents who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or service and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or program. 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 judgments are recorded only when payment is due. Moraine Township does not currently have long-term debt outstanding, claims or judgments pending.

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, passport application, and cemetery 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 primary 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, 2019

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's investment policies are governed by state statutes and adopted Township policies. 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 no later than the last Tuesday of December, based on the taxable valuation of the property as of the preceding December 31st. The 2018 levy was passed by the board on November 15, 2018.

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A liability for these amounts is reported in the governmental 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, 2019, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2018-2019 appropriations ordinance was adopted May 10, 2018.

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, 2019

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, 2019.

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, 2019

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 \$957,995 and the bank balance is \$980,603. Of the bank balance in the Township's name, \$554,318 is FDIC insured, \$426,285 is collateralized 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.

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

MORAINES TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

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.

MORAINES TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

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 | 8 |
| Active Plan Members | <u>6</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 2018 was 8.01%. For the fiscal year ended March 31, 2019, the Township contributed \$22,748 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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- 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 7.25%.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

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% | 7.15% |
| International Equity | 18% | 67.25% |
| Fixed Income | 28% | 3.75% |
| Real Estate | 9% | 6.25% |
| Alternative Investments | 7% | 3.2-8.5% |
| Cash Equivalentents | <u>1%</u> | 2.5% |
| Total | 100% | |

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2018

| | | |
|--|--------------------|-------------------|
| Actuarial Valuation Date | 12/31/2018 | |
| Measurement Date of the Net Pension Liability | 12/31/2018 | |
| Fiscal Year End | 3/31/2019 | |
| Membership | | |
| Number of | | |
| - Retirees and Beneficiaries | | 17 |
| - Inactive, Non-Retired Members | | 8 |
| - Active Members | | 6 |
| - Total | | <u>31</u> |
| Covered Valuation Payroll (1) | \$ | <u>342,684</u> |
| Net Pension Liability | | |
| Total Pension Liability/(Asset) | \$ | 3,400,551 |
| Plan Fiduciary Net Position | | <u>3,232,027</u> |
| Net Pension Liability/(Asset) | \$ | 168,524 |
| Plan Fiduciary Net Position as a Percentage | | |
| of Total Pension Liability | | 95.04% |
| Net Pension Liability as a Percentage | | |
| of Covered Valuation Payroll | | 49.18% |
| Development of the Single Discount Rate as of December 31, 2018 | | |
| Long-Term Expected Rate of Investment Return | | 7.25% |
| Long-Term Municipal Bond Rate (2) | | 3.71% |
| Last year ending December 31 in the 2019 to 2118 projection period | | |
| for which projected benefit payments are fully funded | | 2118 |
| Resulting Single Discount Rate based on the above development | | 7.25% |
| Single Discount Rate calculated using December 31, 2017 | | |
| Measurement Date | | 7.50% |
| Total Pension Expense/(Income) | \$ | (12,505) |
| Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses | | |
| | Deferred | Deferred |
| | Outflows of | Inflows of |
| | Resources | Resources |
| Difference between expected and actual experience | \$ 28,250 | \$ 9,751 |
| Changes in assumptions | 38,554 | 24,489 |
| Net difference between projected and actual earnings on pension plan investments | 452,227 | 202,108 |
| Total | <u>\$ 519,031</u> | <u>\$ 236,348</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 31, 2018. 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, 2019

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

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

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2018

A. Total pension liability

| | |
|--|---------------------|
| 1. Service Cost | \$ 39,113 |
| 2. Interest on the Total Pension Liability | 235,238 |
| 3. Changes of benefit terms | - |
| 4. Difference between expected and actual experience of the Total Pension Liability | 53,444 |
| 5. Changes of assumptions | 72,937 |
| 6. Benefit payments, including refunds of employee contributions | (234,265) |
| 7. Net change in total pension liability | 166,467 |
| 8. Total pension liability – beginning | 3,234,084 |
| 9. Total pension liability – ending | <u>\$ 3,400,551</u> |

B. Plan fiduciary net position

| | |
|---|---------------------|
| 1. Contributions – employer | \$ 27,450 |
| 2. Contributions – employee | 15,421 |
| 3. Net investment income | (238,769) |
| 4. Benefit payments, including refunds of employee contributions | (234,265) |
| 5. Other (Net Transfer) | 96,817 |
| 6. Net change in plan fiduciary net position | (333,346) |
| 7. Plan fiduciary net position – beginning | 3,565,373 |
| 8. Plan fiduciary net position – ending | <u>\$ 3,232,027</u> |

C. Net pension liability/(asset)

\$ 168,524

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

95.04%

E. Covered Valuation payroll

\$ 342,684

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

49.18%

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

| | 1% Decrease <u>6.25%</u> | Current Single Discount Rate Assumption <u>7.25%</u> | 1% Increase <u>8.25%</u> |
|-------------------------------|-----------------------------|--|-----------------------------|
| Total Pension Liability | \$ 3,733,267 | \$ 3,400,551 | \$ 3,125,940 |
| Plan Fiduciary Net Position | 3,232,027 | 3,232,027 | 3,232,027 |
| Net Pension Liability/(Asset) | <u>\$ 501,240</u> | <u>\$ 168,524</u> | <u>\$ (106,087)</u> |

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

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, 2019, the Township recognized pension expense of \$22,748. At March 31, 2019, 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 Resources | Deferred Inflows of Resources |
|--|---|--|
| <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i> | | |
| Differences between expected and actual | \$ 28,250 | \$ 9,751 |
| Changes of assumptions | 38,554 | 24,489 |
| Net difference between projected and actual earnings on pension plan investments | <u>452,227</u> | <u>202,108</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | <u>519,031</u> | <u>236,348</u> |
| Pension Contributions made subsequent To the measurement date | <u>2,891</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u>\$ 516,140</u> | <u>\$ 236,348</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 December 31 | Net Deferred Outflows of Resources |
|------------------------------------|---|
| 2019 | \$ 105,884 |
| 2020 | 43,119 |
| 2021 | 33,155 |
| 2022 | 100,525 |
| 2023 | - |
| Thereafter | - |
| Total | <u>\$ 282,683</u> |

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date: December 31, 2018

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 2018 Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Aggregate Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years). |
| Asset Valuation Method | 5-Year smoothed market; 20% corridor |
| Wage growth | 3.50% |
| Price Inflation | 2.75% -- 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (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 2012). 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, 2016 actuarial valuation

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2019

NOTE 4 – CHANGES IN FIXED ASSETS

| | Balance | | | Balance |
|---------------------------|---------------------|-------------------|-------------------|---------------------|
| Fixed Assets | April 1, 2018 | Increases | Decreases | March 31, 2019 |
| Construction in Progress | \$ 265,614 | \$ - | \$ 265,614 | \$ - |
| Land Improvements | 239,229 | - | - | 239,229 |
| Buildings & Improvements | 1,667,808 | 617,351 | - | 2,285,159 |
| Leasehold Improvements | 158,522 | - | 158,522 | - |
| Equipment & Furniture | 73,297 | - | - | 73,297 |
| Total Fixed Assets | 2,404,470 | 617,351 | 424,136 | 2,597,685 |
| Less: Accumulated | | | | |
| Depreciation | 212,556 | 41,071 | 38,399 | 292,026 |
| Fixed Assets (Net) | \$ 2,191,914 | \$ 576,280 | \$ 385,737 | \$ 2,382,457 |

Depreciation by Governmental Activity

Unallocated

| | |
|----|--------|
| \$ | 41,071 |
|----|--------|

Total Governmental Activities

| | |
|----|--------|
| \$ | 41,071 |
|----|--------|

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 \$282,683 of net 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, 2019

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 (\$1,345,019) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

NOTE 7 – 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 8 – 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, 2019 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, 2019

| | Original & Final Budget | Modified Accrual Basis |
|---|--|-----------------------------------|
| Revenues | | |
| Property taxes | \$ 1,235,000 | \$ 1,227,674 |
| Replacement taxes | 25,000 | 25,165 |
| Cemetery revenue | 500 | 500 |
| Grants | 60,000 | 60,000 |
| Van user revenue | 12,000 | 16,488 |
| Passport revenue | 5,000 | 2,050 |
| Miscellaneous | - | 4,672 |
| Interest income | 500 | 11,575 |
| Total Revenues | 1,338,000 | 1,348,124 |
| Expenditures | | |
| Administrative | | |
| Personnel | | |
| Salaries - officers & staff | 72,000 | 77,740 |
| Health insurance | 2,200 | 191 |
| Social security & medicare | 5,550 | 6,286 |
| Municipal retirement | 700 | - |
| Total Personnel | 80,450 | 84,217 |
| Contracual Services | | |
| Accounting & auditing | 4,000 | 3,783 |
| Auto expense/milage | 200 | - |
| Insurance (TORIMA) | 1,200 | - |
| Legal services | 5,000 | 2,212 |
| Outside services | 500 | 2,787 |
| Printing/publishing | 500 | 699 |
| Facilities/rent | 8,400 | 10,752 |
| Special events | 2,000 | 1,148 |
| Telephone | 1,000 | 354 |
| Newsletter | 1,500 | - |
| Website | 500 | 577 |
| Workshops/dues/subscriptions | 2,500 | 1,489 |
| Miscellaneous expense | 200 | 882 |
| Equipment maintenance | 1,000 | 1,680 |
| Property maint. - 794 Central | 1,000 | 3,002 |
| Contingencies, office of the Supervisor | 15,000 | - |
| Total Contracual Services | 44,500 | 29,365 |
| Commodities | | |
| Operating supplies | 250 | 42 |
| VITA supplies | 250 | - |
| Office supply/postage | 3,500 | 2,300 |
| Total Commodities | 4,000 | 2,342 |

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2019

| | <u>Original & Final Budget</u> | <u>Modified Accrual Basis</u> |
|---------------------------------------|--|-----------------------------------|
| Administrative (Continued) | | |
| Capital Outlay | | |
| Personnel | \$ 8,000 | \$ - |
| Building equipment | 312,000 | 236,737 |
| Total Capital Outlay | <u>320,000</u> | <u>236,737</u> |
| Total Administrative | <u>448,950</u> | <u>352,661</u> |
| Assessor Personnel | | |
| Salaries/consulting | 327,250 | 306,237 |
| Social security & medicare | 28,500 | 20,369 |
| Health insurance | 64,000 | 39,304 |
| Municipal retirement | 18,500 | 14,626 |
| Total Personnel | <u>438,250</u> | <u>380,536</u> |
| Contracual Services | | |
| Accounting & auditing | 6,000 | 5,541 |
| Auto expense/milage | 1,700 | 1,655 |
| Legal services | 750 | 1,182 |
| Outside services | 550 | 2,038 |
| Printing/publishing | - | 110 |
| Facilities/rent | 11,500 | 29,382 |
| Special events | 150 | 471 |
| Telephone | 3,300 | 1,597 |
| Newsletter | 1,000 | 236 |
| Website | 1,500 | 11 |
| Workshops/dues/subscriptions | 2,000 | 355 |
| CAMA conversion | 7,500 | - |
| Miscellaneous expense | 350 | 1,153 |
| Contingencies, office of the Assessor | 8,000 | - |
| Total Contracual Services | <u>44,300</u> | <u>43,731</u> |
| Commodities | | |
| Operating supplies | 1,000 | 671 |
| Office supply/postage | 1,200 | 1,696 |
| Total Commodities | <u>2,200</u> | <u>2,367</u> |
| Capital Outlay | | |
| Building equipment | 25,000 | 31,016 |
| Total Capital Outlay | <u>25,000</u> | <u>31,016</u> |
| Total Assesor | <u>509,750</u> | <u>457,650</u> |

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2019

| Expenditures (Continued) | Original & Final Budget | Modified Accrual Basis |
|---|----------------------------|---------------------------|
| Transportation | | |
| Personnel | | |
| Salaries | \$ 113,000 | \$ 109,290 |
| Health insurance | 12,000 | 8,241 |
| Social security & medicare | 9,800 | 9,703 |
| Municipal retirement | 4,000 | 2,095 |
| Total Personnel | 138,800 | 129,329 |
| Contractual Services | | |
| Accounting & auditing | 3,000 | 3,774 |
| Auto expense/milage | 500 | 73 |
| Legal services | 750 | 2,315 |
| Outside services | 1,000 | 1,079 |
| Printing/publishing | 1,000 | 110 |
| Website | 1,500 | 48 |
| Facilities/rent | 11,650 | 15,725 |
| Special events | 500 | 157 |
| Telephone | 1,500 | 618 |
| Newsletter | 2,000 | 28 |
| Van operations & maintenance | 17,500 | 14,697 |
| Workshops/dues/subscriptions | 250 | - |
| Equipment maintenance | 1,500 | 1,057 |
| Miscellaneous expense | 250 | 392 |
| Contingencies, office of the Supervisor | 15,000 | - |
| Total Contractual Services | 57,900 | 40,073 |
| Commodities | | |
| Operating supplies | 500 | 95 |
| Office supply/postage | 4,000 | 1,849 |
| Total Commodities | 4,500 | 1,944 |
| Other Programs | | |
| Taxi program | 20,000 | 10,256 |
| Total Other Programs | 20,000 | 10,256 |
| Total Transportation | 221,200 | 181,602 |
| Cemeteries | | |
| Personnel | | |
| Salaries | 5,000 | - |
| Health insurance | 1,200 | - |
| Social security & medicare | 400 | - |
| Municipal retirement | 400 | - |
| Total Personnel | 7,000 | - |

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2019

| | <u>Original & Final Budget</u> | <u>Modified Accrual Basis</u> |
|---|--|-----------------------------------|
| Contractual Services | | |
| Auto expense/milage | 100 | - |
| Legal services | 500 | - |
| Maintenance & operations | - | 9,966 |
| Cemeteries (Concluded) | | |
| Outside services | \$ 1,000 | \$ 325 |
| Rent | 11,200 | - |
| Supplies | 100 | 110 |
| Website | 1,000 | - |
| Workshops/dues/subscriptions | 500 | - |
| Contingencies, office of the Supervisor | 5,000 | - |
| Total Contractual Services | <u>19,400</u> | <u>10,401</u> |
| Capital Outlay | | |
| Equipment | - | 585 |
| Total Capital Outlay | <u>-</u> | <u>585</u> |
| Total Cemeteries | <u>26,400</u> | <u>10,986</u> |
| Website | \$ 500 | \$ - |
| Total Contractual Services | <u>500</u> | <u>-</u> |
| Total Elections | <u>500</u> | <u>-</u> |
| Agency Grants | | |
| Contractual Services | | |
| Grants | 175,000 | 176,000 |
| Total Agency Grants | <u>175,000</u> | <u>176,000</u> |
| Passport Processing | | |
| Personnel | | |
| Salaries | 12,000 | 5,733 |
| Health insurance | 3,150 | 1,448 |
| Social security & medicare | 900 | 440 |
| Municipal retirement | 900 | 395 |
| Total Personnel | <u>16,950</u> | <u>8,016</u> |
| Contractual Services | | |
| Auto expense/milage | - | 73 |
| Website | - | 75 |
| Total Contractual Services | <u>-</u> | <u>148</u> |
| Commodities | | |
| Operating supplies | - | 626 |
| Office supplies/postage | 2,500 | 265 |
| Total Commodities | <u>2,500</u> | <u>891</u> |

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2019

| | Original & Final Budget | Modified Accrual Basis |
|-----------------------------------|--|-----------------------------------|
| Total Passport Processing | <u>19,450</u> | <u>9,055</u> |
| Total Expenditures | <u>1,401,250</u> | <u>1,187,954</u> |
| Net Change in Fund Balance | <u>\$ (63,250)</u> | <u>\$ 160,170</u> |

MORAINÉ TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2019

| | <u>Original & Final Budget</u> | <u>Modified Accrual Basis</u> |
|-----------------------------------|--|-----------------------------------|
| Revenues | | |
| Property taxes | \$ 100,000 | \$ 99,420 |
| Replacement taxes | 5,500 | 2,078 |
| Interest income | 100 | 1,393 |
| Reimbursements | 32,000 | 20,818 |
| Contributions - community chest | 35,000 | 119,465 |
| Grants | - | 1,000 |
| Miscellaneous | - | 1,011 |
| Total Revenues | <u>172,600</u> | <u>245,185</u> |
| Expenditures | | |
| Administrative | | |
| Personnel | | |
| Salaries - officers & staff | 104,000 | 106,481 |
| Health insurance | 29,000 | 19,591 |
| Social security & medicare | 8,500 | 8,493 |
| Municipal retirement | 8,000 | 5,632 |
| Total Personnel | <u>149,500</u> | <u>140,197</u> |
| Contractual Services | | |
| Accounting & auditing | 8,000 | 6,594 |
| Auto expense/milage | 150 | 565 |
| Legal services | 1,000 | 217 |
| Outside services | 500 | 1,709 |
| Printing/publishing | 1,000 | 43 |
| Facilities/rent | 31,700 | 46,743 |
| Special events | 500 | 81 |
| Telephone | 2,000 | 1,238 |
| Newsletter | 6,500 | - |
| Website | 5,000 | 542 |
| Workshops/dues/subscriptions | 1,000 | 1,201 |
| Miscellaneous expense | 200 | 346 |
| Equipment/computer | 2,500 | 4,795 |
| Property maintenance 794 Central | - | 534 |
| Contingencies, General Assistance | 25,000 | - |
| Total Contractual Services | <u>85,050</u> | <u>64,608</u> |

MORAINÉ TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2019

| | <u>Original & Final Budget</u> | <u>Modified Accrual Basis</u> |
|-----------------------------------|--|-----------------------------------|
| Administrative (concluded) | | |
| Commodities | | |
| Operating supplies | \$ 1,000 | \$ 26 |
| Office supply/postage | 1,000 | 2,140 |
| Total Commodities | <u>2,000</u> | <u>2,166</u> |
| Capital Outlay | | |
| Building equipment | 52,500 | 115,000 |
| Total Capital Outlay | <u>52,500</u> | <u>115,000</u> |
| Total Administrative | <u>289,050</u> | <u>321,971</u> |
| Assistance programs | | |
| General assistance | 10,000 | 695 |
| Emergency assistance | 20,000 | 7,821 |
| Senior/youth services | 40,000 | 14,636 |
| Community chest | 35,000 | 53,054 |
| Total Assistance Programs | <u>105,000</u> | <u>76,206</u> |
| Total Expenditures | <u>394,050</u> | <u>398,177</u> |
| Net Change in Fund Balance | <u>\$ (221,450)</u> | <u>\$ (152,992)</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 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------------|---------------------|---------------------|---------------------|------|------|------|------|------|------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 39,113 | \$ 56,784 | \$ 62,280 | \$ 60,557 | | | | | | |
| Interest on the Total Pension Liability | 235,238 | 247,276 | 244,772 | 215,742 | | | | | | |
| Benefit Changes | - | - | - | - | | | | | | |
| Difference between Expected and Actual Experience | 53,444 | (44,863) | 12,834 | 313,585 | | | | | | |
| Assumption Changes | 72,937 | (112,677) | (3,580) | 3,497 | | | | | | |
| Benefit Payments and Refunds | (234,265) | (362,111) | (206,939) | (198,715) | | | | | | |
| Net Change in Total Pension Liability | 166,467 | (215,591) | 109,367 | 394,666 | | | | | | |
| Total Pension Liability - Beginning | 3,234,084 | 3,449,675 | 3,340,308 | 2,945,642 | | | | | | |
| Total Pension Liability - Ending (a) | \$ 3,400,551 | \$ 3,234,084 | \$ 3,449,675 | \$ 3,340,308 | | | | | | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer Contributions | 27,450 | 34,400 | 39,501 | 43,983 | | | | | | |
| Employee Contributions | 15,421 | 19,744 | 22,247 | 23,387 | | | | | | |
| Pension Plan Net Investment Income | (238,769) | 575,883 | 227,752 | 15,125 | | | | | | |
| Benefit Payments and Refunds | (234,265) | (362,111) | (206,939) | (198,715) | | | | | | |
| Other | 96,817 | (87,363) | 20,927 | 306,792 | | | | | | |
| Net Change in Plan Fiduciary Net Position | (333,346) | 180,553 | 103,488 | 190,572 | | | | | | |
| Plan Fiduciary Net Position - Beginning | 3,565,373 | 3,384,820 | 3,281,332 | 3,090,760 | | | | | | |
| Plan Fiduciary Net Position - Ending (b) | \$ 3,232,027 | \$ 3,565,373 | \$ 3,384,820 | \$ 3,281,332 | | | | | | |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 168,524 | (331,289) | 64,855 | 58,976 | | | | | | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 95.04% | 110.24% | 98.12% | 98.23% | | | | | | |
| Covered Valuation Payroll | \$ 342,684 | \$ 438,016 | \$ 494,388 | \$ 511,428 | | | | | | |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 49.18% | (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% |
| 2018 | 27,449 * | 27,450 | (1) | 342,684 | 8.01% |

* Estimated based on a contribution rate of 8.01% and covered valuation payroll of \$342,684.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2019

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 10, 2018.

MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information
Year Ended March 31, 2019*

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 10, 2018.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Assistance fund expenditures exceeded appropriations by \$3,627.