

Moraine Township, Illinois

Annual Financial Report

For the Year Ended March 31, 2023

MORAINÉ TOWNSHIP, ILLINOIS

Contents

Year Ended March 31, 2023

	<u>Pages</u>
Independent Auditor's Report	1-3
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	4-16
Basic Financial Statements:	
Government-wide Statement of Net Position	17
Government-wide Statement of Activities	18
Governmental Funds - Balance Sheet	19
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance	20
Reconciliation of the Governmental Fund Statements to the Statement of Net Position and the Statements of Activities	21
Notes to Basic Financial Statements	22-38
Required Supplementary Information:	
Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	39-42
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



INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Moraine Township's basic financial statements as listed in the table of contents.

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, as of March 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Moraine Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Moraine Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Moraine Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Moraine Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of

management and, 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.

GW & Associates, P.C.

GW & Associates, P.C.
Hillside, Illinois
July 20, 2023

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

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, 2023. 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 is 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 17 & 18) 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

The Town Fund and General Assistance Fund of the Township are governmental funds.

Moraine Township Charitable Fund, Inc. (also known as Community Chest), is a separate 501 (c) (3) entity that funds the Township Food Pantry and other resident assistance programs. The Community Chest Fund is encompassed within the General Assistance Fund of the Township

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

due to the relationship it has with the Township and its mission to supplement the resources of the Township in providing a safety net to residents.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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 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 19) and the governmental fund statement of revenues, expenditures, and changes in fund balances (page 20) 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 filed with the Lake County Clerk. A budgetary comparison statement has been provided for the Town Fund and General Assistance fund to demonstrate comparison with the budgeted appropriation.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year, the Township's governmental activities reported a combined ending net position of \$4,954,598.

- The Township's net position increased \$179,845 in comparison with the prior fiscal year.
 - Routine / ordinary revenue and expense activity (non-FERA, non-COVID, non-pension accrual) did not show any unusual changes from the prior fiscal year.
 - Federal Emergency Rent Assistance (FERA) ended June, 2022, impacting both revenues and expenses compared with the prior fiscal year;
 - Donations, which increased significantly during COVID, and reflected a large bequest from an estate, returned to more normal levels during the current fiscal year;
 - The pension accrual under General Accounting Standards Board (GASB) 68, recorded a significant decrease in "book-entry revenue" vis-à-vis the prior fiscal year;
 - Interest income increased significantly due to Federal Fund Rate increases during the year;

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$4,954,598. for the year ended March 31, 2023.

- Of the Township's net position, \$2,345,357 reflects its investment in capital assets. Capital assets are not available to use as operating funds or other spending, or to liquidate liabilities.
- The remaining net position balance is \$2,609,241, of which \$487,835 is restricted for general assistance and community chest, and \$2,121,406 is unrestricted.

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

Moraine Township Net Position

	Governmental Activities	
	3/31/2023	3/31/2022
Current Assets	\$ 3,631,270	\$ 4,528,769
Capital Assets	2,345,357	2,405,013
Total Assets	5,976,627	6,933,782
Deferred Outflows	323,454	-
Total Liabilities	25,459	247,938
Deferred Inflows	1,320,024	1,911,091
Net Position:		
Net Investment in Capital Assets	2,345,357	2,405,013
Restricted	487,835	482,182
Unrestricted	2,121,406	1,887,558
Total Net Position	\$ 4,954,598	\$ 4,774,753

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

Moraine Township Changes in Net Position

	Governmental Activities	
	<u>3/31/2023</u>	<u>3/31/2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 16,366	\$ 11,364
Operating Grants	125,731	372,997
Monetary Donations	216,577	366,261
General Revenues:		
Property Taxes	1,315,801	1,310,334
Replacement Taxes	95,510	85,656
Interest	31,045	4,068
Pension - GASB 68	52,499	222,597
Realized and Unrealized gain/(loss)	(19,362)	(11,707)
Other Income	4,115	4,361
Total Revenues	<u>1,838,282</u>	<u>2,365,931</u>
Expenses		
General Government - Supervisor	125,127	110,220
General Government - Assessor	439,756	417,602
General Government - General Assistance	312,946	262,051
Community Assistance and Services	371,644	566,116
Transportation Services	131,424	135,289
Agency Grants	175,000	175,000
Cemeteries	34,495	29,146
GASB 68 Pension	-	-
Passport Processing	8,389	1,830
Depreciation - unallocated	59,656	58,689
Total Expenses	<u>1,658,437</u>	<u>1,755,943</u>
Increase/(Decrease) in Net Assets	<u>179,845</u>	<u>609,988</u>
Net Position - Beginning of Year	<u>4,774,753</u>	<u>4,164,765</u>
Net Position - End of Year	<u>\$4,954,598</u>	<u>\$4,774,753</u>

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

Governmental Activities

The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

- Debt: Moraine Township has no long-term or short-term debt.
- Levy: The Township Property Tax Levy is the primary funding source for spendable resources. Moraine Township's Board of Trustees froze the property tax levy for current residents; this revenue was collected during fiscal year April 1, 2022 to March 31, 2023.
In the past ten years, Moraine Township reduced the property tax levy in three years separate years and froze property tax for existing taxpayers during the other seven years.

As of March 31, 2023, the Township's governmental funds (without GASB 68 accrual) reported combined ending fund balances of \$2,118,059, an increase of \$187,002 compared with the prior fiscal year.

Revenue of \$52,499 is attributed to GASB 68 (Governmental Accounting Standards Board) actuarial pension accrual. This accounting entry does not represent funds received by, or available to, the Township.

The Town Fund is the chief operating fund of the Township. As of March 31, 2023, the fund balance was \$1,630,224, an increase of \$181,349 in comparison with the prior fiscal year.

Illinois statute allows Townships to transfer funds from the Town Fund to the General Assistance Fund. During the fiscal year ended March 31, 2023, Moraine Township transferred \$100,000 from the Town Fund to the General Assistance Fund.

The General Assistance Fund (including Community Chest) supports programs and services for residents in need, including the administration of general assistance. As of March 31, 2023, the fund balance was \$487,835, an increase of \$5,653 in comparison with the prior fiscal year.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

BUDGETARY HIGHLIGHTS

Total Revenue: Total revenue of \$1,785,783 decreased by \$369,258 from the prior fiscal year.

Town Fund Revenue Highlights:

- A decrease in Town Fund revenue (and a corresponding increase in General Assistance Fund revenue) results from a change in the levy allocation of property tax between Town Fund and General Assistance Fund in comparison with the prior fiscal year. Other changes to revenue include a \$30,000.00 decrease in the transportation grant from the Healthcare Foundation of Highland Park.
- Illinois Replacement Tax increased slightly from the prior fiscal year.
- Township revenue includes a grant from the Healthcare Foundation of Highland Park in the amount of \$10,000 to support the Township's Door-to-Door Paratransit Van program, a decrease of \$30,000 from the prior fiscal year.
- Moraine Township received a grant of \$6,700 to offset the cost of offering free income tax preparation for low-and-moderate-taxpayers.
- Other increases to revenue include fees for services from transportation, passport processing, and Township cemeteries.

General Assistance Fund Revenue Highlights:

- General Assistance Fund revenue increased due to a change in the levy allocation of property tax between Town Fund and General Assistance Fund referenced above.
- General Assistance revenue decreased during the fiscal year when the FERA (Federal Emergency Rent Assistance) program ended June 2022, and unused grant funds lapsed in September 2022;
- Donations from the public decreased post-COVID;
- Prior year donations reflected a large bequest from an estate, which did not recur during the current fiscal year.

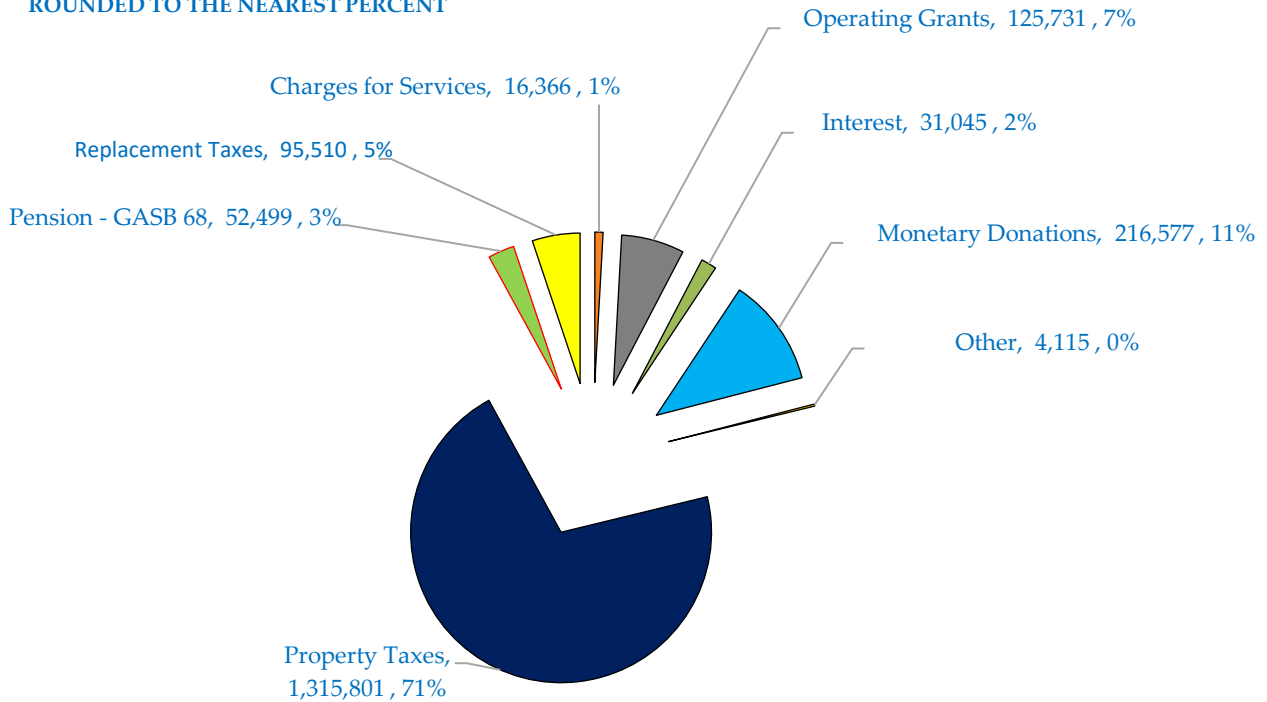
MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

2023 REVENUES

ROUNDED TO THE NEAREST PERCENT



FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Total Expenditures: Township expenditures support the Township Assessor's office, transportation services for seniors and disabled residents, capital and maintenance expenditures for two cemeteries, Emergency and General Assistance, Senior and Youth Services, and grants to local social service agencies that help provide a safety net for the Township's most vulnerable residents. Expenditures during the fiscal year of \$1,598,781 decreased by \$113,743 over the prior fiscal year.

Expenditures in the Town Fund of \$914,191 (plus a transfer of \$100,000 from the Town Fund to the General Assistance Fund) were less than revenues by \$181,349, and total Town Fund expenditures were \$368,965 under the budgeted appropriations, primarily attributed to a new roof which was budgeted, but not bid, during the fiscal year.

Town Fund Expenditures Highlights:

Current year town fund expenditures were less than \$50,000 higher than the prior fiscal year, primarily due to operating cost inflation and modest salary increases for staff.

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

GENERAL ASSISTANCE FUND BUDGETARY HIGHLIGHTS

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 provides short-term emergency shelter, rental assistance, utility reconnections, Alert One medical monitoring for low-income seniors living alone, and senior and youth services.

Blended into the General Assistance Fund is Moraine Township Charitable Fund, Inc. (also known as Community Chest), a separate 501 (c) (3) entity supporting the Township Food Pantry and providing supplemental emergency assistance to residents.

Expenditures of the General Assistance Fund, including Community Chest, exceeded revenues by \$94,347 (offset by a transfer of \$100,000 from the Town Fund).

General Assistance Fund: Expenditures of \$684,590 funded programs and services of general assistance, emergency assistance, and other programs and services to residents in need, as well as administration of General Fund resources.

- General Assistance Fund expenditures include \$246,297 of purchases for food, supplies and equipment for the Food Pantry; these expenditures were funded by donations from the public.
- To help keep seniors safe, the Township provided summer utility assistance to seniors who do not live in buildings with a cooling center.
- Other expenditures funded with donations from the public include the holiday gift drive, PayPal fees, volunteer appreciation, and legal and accounting services. Moraine Township Food Pantry provided over 10,000 individual food pantry resident-visits during the fiscal year (over 4,500 household visits). The Township acknowledges a generous community for helping the Food Pantry offer fresh produce, dairy, and meat. To keep residents safe, the Food Pantry delivered food bi-weekly to shut-in residents year-round, and to residents who walk to the Township during winter months.

TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2022 THROUGH MARCH 31, 2023

During fiscal year April 1, 2022 through March 31, 2023, Moraine Township responded to over 18,000 resident inquiries or requests for services, assistance, or resource information (not including services provided by the Assessor's office).

Direct Services: Examples of direct services provided to residents include applications for Emergency and General Assistance, summer utility assistance, Alert One monitoring service for low-income seniors living alone, van rides for senior and disabled residents, assistance enrolling

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2022 THROUGH MARCH 31, 2023 (CONTINUED)

for health insurance, free income tax preparation for low-income residents, cemetery inquiries and burials, passport application processing, voter registration, notary and fax services.

Emergency rent and utility assistance of \$131,495 was distributed to 93 Moraine Township households during the fiscal year. Of this amount, \$94,703 was funded with a federal grant under the Federal Emergency Rent Assistance program, and \$21,260 was funded with donations from the public. The remaining \$15,532 was funded with Township General Assistance Funds.

The Township's Door-to-Door paratransit program provided almost 3,700 resident trips during the fiscal year, primarily for medical appointments.

Moraine Township partners with CMS (Centers for Medicare and Medicaid Services) to train and certify volunteers to help residents enroll for Medicaid or health insurance on the federal Marketplace, and partners with the IRS (Internal Revenue Service) to offer free income tax preparation through IRS' VITA Program (Volunteer Income Tax Assistance). The Township oversees and supervises volunteers who train and certify with CMS and IRS to provide these services.

The Township loaned its Caseworker to the City of Highland Park's Resource Center to help residents and parade visitors get counseling and other resources after the July 4, 2022 parade shooting.

Indirect Services: Examples of indirect services provided by Township staff include assisting residents applying for benefits such as Medicaid, SNAP (Supplemental Nutrition Assistance Program, formerly known as Food Stamps), utility assistance, Benefit Access, RTA Passes, Share the Warmth, Salvation Army, Safe Link Phones, and responding to other resident inquiries. Township staff also connect residents with housing and other resources as needed.

CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of March 31, 2023 amount to \$2,345,357 (net of accumulated depreciation and asset disposition). This investment in fixed assets includes land improvements, buildings, furniture and other equipment. The Township building, located at 800 Central Avenue in downtown Highland Park, serves as the Township office and Food Pantry.

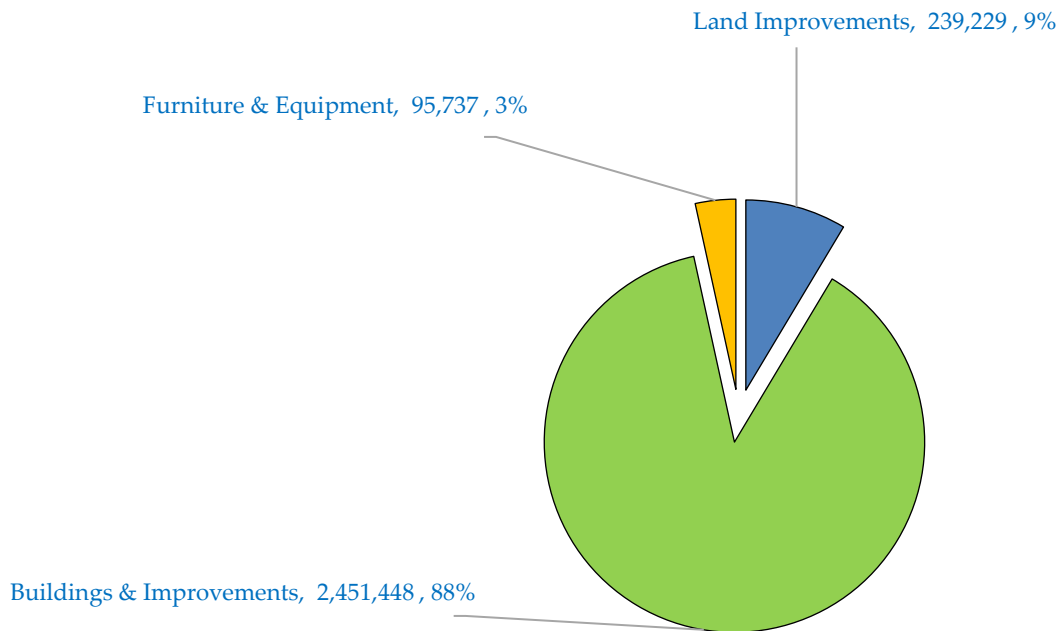
MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

	Balance			Balance
Capital Assets	April 1, 2022	Increases	Decreases	March 31, 2023
Land Improvements (Cemeteries)	\$ 239,229	\$ -	\$ -	\$ 239,229
Buildings & Improvements	2,451,448	-	-	2,451,448
Furniture & Equipment	95,737	-	-	95,737
Total Capital Assets	2,786,414	-	-	2,786,414
Less: Accumulated Depreciation	381,401	59,656	-	441,057
Capital Assets (Net)	\$ 2,405,013	\$ (59,656)	\$ -	\$ 2,345,357

CAPITAL ASSETS (COST)



MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for the 2022 levy is \$2,480,781,452. That represents an increase in EAV of \$97,987,503 over the prior year.

Property tax receivable and deferred property tax amounts reported in these financial statements are from the 2022 levy passed in November, 2021, and recapture per PA102-519, paid to the Township in June and September 2022, during the fiscal year ended March 31, 2023.

During the past ten years, the Township Board of Trustees has reduced the property tax levy by 5% in two separate years, reduced the levy again by 2.6% in November of 2020, and froze the levy the other seven years. Moraine Township's property tax levy has not been raised in the last ten years for existing property owners (small increases capture tax for new construction to provide additional services to those residents).

A summary of the assessed valuations and extensions for tax years 2022, 2021, and 2020 is as follows:

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

Tax Levy Year	2022		2021		2020	
Assessed Valuation						
Collections from: Lake County						
Moraine Township	\$	2,480,781,452	\$	2,382,793,949	\$	2,381,449,155
Tax Rates and Percentage Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Corporate	0.042729	79.57	0.044486	79.42	0.055219	100.00
General Assistance	0.010481	19.52	0.010702	19.11	0.000000	0.00
PTAB/CE RECAPTURE	0.000489	0.91	0.000825	1.47	0.000000	0.00
Totals	0.053699	100.00	0.056013	100.00	0.055219	100.00
Property Tax Extensions						
Funds	2022		2021		2020	
Corporate	\$	1,060,013	\$	1,060,010	\$	1,315,012
General Assistance		260,011		255,006		-
PTAB/CE RECAPTURE		12,131		19,658		-
Totals	\$	1,332,155	\$	1,334,674	\$	1,315,012

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2023

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

Currently, management is not aware of any other significant changes in conditions that could have a material 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, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,084,732
Property tax receivable	1,320,024
Accounts receivable	31,979
Prepaid items	26,807
Pension asset	167,728
Capital assets - net	2,345,357
Total Assets	5,976,627
Deferred Outflows of Resources	
Deferred pension outflows	323,454
Total Deferred Outflows of Resources	323,454
Liabilities	
Accounts payable	18,320
Accrued payroll liabilities	1,914
Unearned grant revenue	5,103
Unemployment Taxes Payable	122
Total Liabilities	25,459
Deferred Inflows of Resources	
Deferred inflows - property taxes	1,320,024
Total Deferred Inflows of Resources	1,320,024
Net Position	
Net investment in capital assets	2,345,357
Restricted - general assistance	189,617
Restricted - community chest	298,218
Unrestricted	2,121,406
Total Net Position	\$ 4,954,598

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

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Activities

Year Ended March 31, 2023

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	\$ 125,127	\$ -	\$ 6,185	\$ -	\$ (118,942)
General Assistance	302,271	-	-	-	(302,271)
Assessor	439,756	-	-	-	(439,756)
Transportation	131,424	10,662	10,000	-	(110,762)
Cemeteries	34,495	250	-	-	(34,245)
Agency grants	175,000	-	-	-	(175,000)
Assistance programs	382,319	-	326,123	-	(56,196)
Passport processing	8,389	5,454	-	-	(2,935)
Depreciation - unallocated	59,656	-	-	-	(59,656)
Total Governmental Activities	\$ 1,658,437	\$ 16,366	\$ 342,308	\$ -	(1,299,763)
General Revenues:					
					1,315,801
					95,510
					31,045
					52,499
					(19,362)
					4,115
					1,479,608
					179,845
					4,774,753
					\$ 4,954,598

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

MORAINÉ TOWNSHIP, ILLINOIS

Governmental Funds - Balance Sheet

March 31, 2023

Assets	Town Fund	General Assistance Fund	Total
Cash and cash equivalents	\$ 1,629,285	\$ 455,447	\$ 2,084,732
Prepaid items	6,628	20,179	26,807
Interfund receivables	339	7,867	8,206
Accounts receivable	17,344	14,635	31,979
Property tax receivable, net	1,060,013	260,011	1,320,024
Total Assets	\$ 2,713,609	\$ 758,139	\$ 3,471,748
Liabilities			
Accrued payroll liabilities	\$ 1,169	\$ 745	\$ 1,914
Accounts payable	9,130	9,190	18,320
Interfund payables	7,867	339	8,206
Unearned grant revenue	5,103	-	5,103
Unemployment Taxes Payable	103	19	122
Total Liabilities	23,372	10,293	33,665
Deferred Inflows of Resources			
Unavailable property tax revenue	1,060,013	260,011	1,320,024
Total Deferred Inflows of Resources	1,060,013	260,011	1,320,024
Fund Balance			
Nonspendable	6,628	20,179	26,807
Restricted	-	467,656	467,656
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,623,596	-	1,623,596
Total Fund Balance	1,630,224	487,835	2,118,059
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,713,609	\$ 758,139	\$ 3,471,748

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, 2023

	Town Fund	General Assistance Fund	Total
Revenues			
Property taxes	\$ 1,060,642	\$ 255,159	\$ 1,315,801
Replacement taxes	76,991	18,519	95,510
Van user fees	10,662	-	10,662
Cemetery revenue	250	-	250
Grants and donations	16,185	109,546	125,731
Passport income	5,454	-	5,454
Interest income	25,356	5,689	31,045
Contributions - community chest	-	216,577	216,577
Realized and Unrealized gain/(loss)	-	(19,362)	(19,362)
Miscellaneous revenue	-	4,115	4,115
Total Revenues	1,195,540	590,243	1,785,783
Expenditures			
Administrative	125,127	302,271	427,398
Assessor	439,756	-	439,756
Transportation	131,424	-	131,424
Assistance programs	-	382,319	382,319
Cemeteries	34,495	-	34,495
Passport processing	8,389	-	8,389
Agency grants	175,000	-	175,000
Total Expenditures	914,191	684,590	1,598,781
Other Financing Sources (Uses)			
Operating Transfers In/(Out)	(100,000)	100,000	-
Total Other Financing Sources (Uses)	(100,000)	100,000	-
Net Changes in Fund Balance	181,349	5,653	187,002
Fund Balance			
Fund Balance, Beginning	1,448,875	482,182	1,931,057
Total Fund Balance, Ending	\$ 1,630,224	\$ 487,835	\$ 2,118,059

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, 2023*

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

Total Fund Balances -Total Governmental Funds	\$ 2,118,059
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets net of depreciation	2,345,357
Other employee benefit obligations accruals are not reported in funds	
Deferred Outflows and Net Pension Assets/(Liabilities) are not reported in the funds	
Net pension assets/(liabilities)	167,728
Net deferred pension outflows	323,454
Total Net Position of Governmental Activities	<u>\$ 4,954,598</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	\$ 187,002
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life.	
Depreciation expense	(59,656)
Change in Deferred Outflows/Inflows and Net Pension Assets/(Liabilities) are not reported in the funds	52,499
Changes in Net Position Governmental Funds	<u>\$ 179,845</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, 2023

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 property tax levy, Illinois Replacement Tax, operating grants, user fees, and donations. Revenue is used to operate and staff Township services, including direct assistance to residents. 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 Moraine Township Charitable Fund, Inc., also known as 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 available to the Township. 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, 2023

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 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 fees for van riders, passport application and cemetery burials 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, 2023

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 market value.

The Township's investment policies are governed by state statutes and adopted Township policies. All demand accounts are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts, money markets, U.S Treasuries/Agency Securities, and Mutual Funds.

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 January 1st. The 2022 levy was passed by the board on November 15, 2022. The collections are due in June and September of the year following the tax levy.

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, to be used by March 31 of the following year.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There is no liability for unpaid accumulated vacation leave in the current year.

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. On March 31, 2023, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2022-2023 appropriations ordinance was adopted April 19, 2022.

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 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.

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023.

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.

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.

MORAINES TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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

NOTE – 2 CASH AND CASH EQUIVALENTS

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. The Township considers all demand deposits and highly liquid investments purchased with an initial maturity of three months or less to be cash and cash equivalents. Permissible investments include demand accounts and certificates of deposits. The carrying cash balance of the Township is \$2,084,732 and the bank balance is \$2,104,335. Of the bank balance in the Township's name, \$549,982 is insured, \$1,554,353 is collateralized for the Township in the bank's trust department or by the underlying securities owned.

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.

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 Annual Comprehensive 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.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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.

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2022, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	14
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	<u>7</u>
Total	29

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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 2022 was 1.77%. For the fiscal year ended March 31, 2023, the Township contributed \$7,417 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, 2022. 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, 2022:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2020.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

- 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 as of December 31, 2022:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.50%
International Equity	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	<u>1.0%</u>	4.00%
Total	100%	

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

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 4.05%, 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:

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 3,951,940	\$ 3,632,650	\$ 3,372,277
Plan Fiduciary Net Position	3,800,378	3,800,378	3,800,378
Net Pension Liability/(Asset)	<u>\$ 151,562</u>	<u>\$ (167,728)</u>	<u>\$ (428,101)</u>

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period

Calendar Year Ended December 31, 2022

A. Total pension liability

1. Service Cost	\$	40,971
2. Interest on the Total Pension Liability		249,667
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		43,355
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(249,086)
7. Net change in total pension liability		84,907
8. Total pension liability – beginning		3,547,743
9. Total pension liability – ending	\$	<u>3,632,650</u>

B. Plan fiduciary net position

1. Contributions – employer	\$	7,417
2. Contributions – employee		18,857
3. Net investment income		(615,936)
4. Benefit payments, including refunds of employee contributions		(249,086)
5. Other (Net Transfer)		56,626
6. Net change in plan fiduciary net position		(782,122)
7. Plan fiduciary net position – beginning		4,582,500
8. Plan fiduciary net position – ending	\$	<u>3,800,378</u>

C. Net pension liability/(asset)

\$ (167,728)

D. Plan fiduciary net position as a percentage

of the total pension liability 104.62%

E. Covered Valuation payroll

\$ 419,048

F. Net pension liability as a percentage

of covered valuation payroll (40.03%)

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

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, 2023, the Township recognized actual pension payments of \$7,417 and pension income of \$38,758. On December 31, 2022, the Township reported deferred outflows

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 experience	\$ 23,032	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>294,098</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>317,130</u>	<u>-</u>
Pension Contributions made subsequent To the measurement date	<u>6,324</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 323,454</u>	<u>\$ -</u>

or resources and deferred inflows of resources related to pensions from the following sources: Pension contributions made subsequent to the measurement dates will be recognized as a reduction of the net pension liability in the following fiscal year. Amounts reported as net deferred outflows (inflows) of resources related to pensions would have been recognized in pension expense in future periods as follows: 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 March 31	Net Deferred Outflows of Resources
2024	\$ (20,085)
2025	46,540
2026	102,248
2027	188,427
2028	-
Thereafter	-
Total	<u>\$ 317,130</u>

However, under the modified cash basis, the net pension liability, pension income, deferred outflows of resources and deferred inflows of resources are not reported.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements
Year Ended March 31, 2023

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate *

Valuation Date:

December 31, 2022

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Methods and Assumptions Used to Determine 2021 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): 21-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 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

2.75%

Price Inflation

2.25%

Salary Increases

2.85% to 13.75% including inflation

Investment Rate of Return

7.25%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. There were no benefit changes during the year

Other Information:

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 4 – CHANGES IN FIXED ASSETS

	Balance			Balance
Capital Assets Being Depreciated	April 1, 2022	Increases	Decreases	March 31, 2023
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Buildings & Improvements	2,451,448	-	-	2,451,448
Equipment & Furniture	95,737	-	-	95,737
Total Capital Assets	2,786,414	-	-	2,786,414
Less: Accumulated				
Depreciation	381,401	59,656	-	441,057
Capital Assets (Net)	\$ 2,405,013	\$ (59,656)	\$ -	\$ 2,345,357

Depreciation by Governmental Activity

Unallocated \$ 59,656

Total Governmental Activities **\$ 59,656**

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 deferred outflows \$323,454 of net deferred pension activities.

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, 2023

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 that qualifies for reporting in this category. Deferred inflows of resources (\$1,320,024) are ALL from property taxes intended to finance the following year's operations.

NOTE 7 – BLENDED COMPONENT UNIT

Moraine Township Charitable Fund, Inc., also known as 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, 2023 and the date of this audit report requiring disclosure in the financial statements.

NOTE 72 – INVESTMENTS

Investment Type	Investment Maturities			
	Fair Value	Less Than One Year	1 to 5 Years	6 to 10 Years
U.S Treasury/ Agency Securities	\$ 124,988	\$ 124,988		

Additionally, the Township categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of March 31, 2023:

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2023

NOTE 7 – INVESTMENTS (CONTINUED)

Investment by Fair Value Level	Fair Value Measurements Using			
	March 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Markets	\$ 80,655	\$ 80,655		
U.S Treasury/ Agency Securities	\$ 124,988	\$ 124,988		
Mutual Funds	\$ 9,314	\$ 9,314		

REQUIRED SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Property taxes	\$ 1,060,000	\$ 1,060,000	\$ 1,060,642
Replacement taxes	24,183	24,183	76,991
Cemetery revenue	1,000	1,000	250
Grants	16,700	16,700	16,185
Van user revenue	10,000	10,000	10,662
Passport revenue	2,500	2,500	5,454
Interest income	2,000	2,000	25,356
Total Revenues	<u>1,116,383</u>	<u>1,116,383</u>	<u>1,195,540</u>
Expenditures			
Administrative			
Personnel			
Salaries - officers & staff	82,847	82,847	82,954
Health insurance	1,275	1,275	918
Social security & medicare	6,448	6,448	6,457
Municipal retirement	450	450	163
Total Personnel	<u>91,020</u>	<u>91,020</u>	<u>90,492</u>
Contracual Services			
Accounting & auditing	2,400	2,400	2,027
Auto expense/mileage	100	100	-
Legal services	4,000	4,000	1,182
Outside services	4,250	4,250	2,806
Printing/publishing	1,900	1,900	3,727
Postage	50	50	75
Facilities/rent	14,035	14,035	11,624
Special events	1,250	1,250	1,229
Telephone	1,000	1,000	956
Website	500	500	524
Workshops/dues/subscriptions	1,600	1,600	824
Miscellaneous expense	750	750	357
Equipment/computer	500	500	1,141
Contingencies, office of the Supervisor	35,000	35,000	-
Total Contracual Services	<u>67,335</u>	<u>67,335</u>	<u>26,472</u>
Commodities			
VITA supplies	6,700	6,700	-
Office supplies	3,000	3,000	8,163
Total Commodities	<u>9,700</u>	<u>9,700</u>	<u>8,163</u>
Capital Outlay			
Building	175,000	175,000	-
Total Capital Outlay	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Total Administrative	<u>343,055</u>	<u>343,055</u>	<u>125,127</u>

MORAINES TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2023

	Original Budget	Final Budget	Modified Accrual Basis
Expenditures (Continued)			
Assessor			
Personnel			
Salaries/consulting	314,870	314,870	314,955
Social security & medicare	24,621	24,621	24,074
Health insurance	47,650	47,650	41,462
Municipal retirement	8,100	8,100	3,703
Total Personnel	395,241	395,241	384,194
Expenditures (Continued)			
Assessor			
Contractual Services			
Accounting & auditing	\$ 4,000	\$ 4,000	\$ 3,378
Auto expense/mileage	2,000	2,000	783
Insurance	-	-	15
Legal services	500	500	95
Outside services	7,500	7,500	4,017
Postage	150	150	209
Printing/publishing/newsletter	2,050	2,050	1,255
Equipment/computer	6,600	6,600	8,873
Facilities/rent	29,030	29,030	24,173
Special events	750	750	1,336
Telephone	2,000	2,000	1,074
Website	1,000	1,000	231
Workshops/dues/subscriptions	5,750	5,750	5,557
Miscellaneous expense	250	250	145
Total Contractual Services	61,580	61,580	51,141
Commodities			
Office supply/postage	6,000	6,000	4,421
Total Commodities	6,000	6,000	4,421
Total Assessor	462,821	462,821	439,756
Transportation			
Personnel			
Salaries	97,020	97,020	82,441
Health insurance	7,825	7,825	5,718
Social security & medicare	9,572	9,572	6,636
Municipal retirement	1,375	1,375	554
Total Personnel	115,792	115,792	95,349
Contractual Services			
Accounting & auditing	4,000	4,000	3,378
Auto expense/mileage	-	-	136
Legal services	1,000	1,000	78
Outside services	1,700	1,700	1,875

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2023

	Original Budget	Final Budget	Modified Accrual Basis
Contractual Services (Continued)			
Printing/publishing/newsletter	1,800	1,800	1,001
Postage	50	50	416
Website	500	500	202
Facilities/rent	8,225	8,225	9,299
Special events	250	250	553
Telephone	500	500	564
Van operations & maintenance	18,400	18,400	15,593
Workshops/dues/subscriptions	-	-	206
Equipment/computer	300	300	579
Miscellaneous expense	250	250	307
Total Contractual Services	36,975	36,975	34,187
Commodities			
Office supply/postage	1,500	1,500	1,888
Total Commodities	1,500	1,500	1,888
Total Transportation	154,267	154,267	131,424
Expenditures			
Cemeteries			
Personnel			
Salaries	\$ 3,500	\$ 3,500	\$ 490
Social security & medicare	150	150	41
Total Personnel	3,650	3,650	531
Contractual Services			
Other Insurance	2,500	2,500	2,136
Legal services	1,500	1,500	80
Maintenance & operations	-	-	1,792
Miscellaneous	100	100	90
Outside services	11,900	11,900	10,186
Printing/publishing	1,800	1,800	-
Software & Database Programs	800	800	600
Repairs	15,700	15,700	18,600
Utilities	300	300	474
Website/ E-mail Licenses	500	500	6
Workshops/dues/subscriptions	500	500	-
Total Contractual Services	35,600	35,600	33,964
Total Cemeteries	39,250	39,250	34,495
Agency Grants			
Contractual Services			
Grants	175,000	175,000	175,000
Total Agency Grants	175,000	175,000	175,000

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Expenditures (Concluded)			
Passport Processing			
Personnel			
Salaries	5,175	5,175	5,226
Health insurance	1,800	1,800	1,683
Social security & medicare	450	450	378
Municipal retirement	238	238	80
Total Personnel	<u>7,663</u>	<u>7,663</u>	<u>7,367</u>
Contractual Services			
Newsletter	350	350	48
Outside services	-	-	31
Website	250	250	3
Workshops	-	-	59
Total Contractual Services	<u>600</u>	<u>600</u>	<u>141</u>
Commodities			
Office supplies/postage	500	500	881
Total Commodities	<u>500</u>	<u>500</u>	<u>881</u>
Total Passport Processing	<u>8,763</u>	<u>8,763</u>	<u>8,389</u>
Total Expenditures	<u>1,183,156</u>	<u>1,183,156</u>	<u>914,191</u>
Other Financing Sources (Uses)			
Transfer in/(out)	(100,000)	(100,000)	(100,000)
Net Change in Fund Balance	<u>\$ (166,773)</u>	<u>\$ (166,773)</u>	<u>\$ 181,349</u>

MORAIN TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Property taxes	\$ 255,000	\$ 255,000	\$ 255,159
Replacement taxes	5,817	5,817	18,519
Interest income	500	500	5,689
Contributions - community chest	220,500	220,500	216,577
Grants	221,155	221,155	109,546
Realized and Unrealized gain/(loss)	-	-	(19,362)
Miscellaneous	500	500	4,115
Total Revenues	<u>703,472</u>	<u>703,472</u>	<u>590,243</u>
Expenditures			
Administrative			
Personnel			
Salaries - officers & staff	170,487	170,487	170,333
Health insurance	38,450	38,450	36,456
Social security & medicare	13,520	13,520	12,900
Municipal retirement	5,838	5,838	2,070
Total Personnel	<u>228,295</u>	<u>228,295</u>	<u>221,759</u>
Contracual Services			
Accounting & auditing	5,600	5,600	4,729
Auto expense/mileage	200	200	323
Insurance	3,200	3,200	3,032
Legal services	500	500	185
Outside services	3,850	3,850	2,987
Printing/publishing/newsletter	7,800	7,800	6,105
Facilities	70,685	70,685	51,217
Special events	250	250	934
Telephone	1,000	1,000	642
Postage	750	750	223
Software & database programs	2,500	2,500	2,350
Website	2,000	2,000	260
Workshops/dues/subscriptions	500	500	2,015
Miscellaneous expense	500	500	208
Equipment/computer	700	700	940
Total Contracual Services	<u>100,035</u>	<u>100,035</u>	<u>76,150</u>
Commodities			
Office supplies	3,000	3,000	4,362
Total Commodities	<u>3,000</u>	<u>3,000</u>	<u>4,362</u>
Capital Outlay			
Building equipment	5,348	5,348	-
Total Capital Outlay	<u>5,348</u>	<u>5,348</u>	<u>-</u>
Total Administrative	<u>336,678</u>	<u>336,678</u>	<u>302,271</u>

MORAINÉ TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Expenditures (Concluded)	Original Budget	Final Budget	Modified Accrual Basis
Assistance programs			
General Assistance - Other	\$ 10,000	\$ 10,000	\$ 10,675
General assistance - Gift Cards	7,500	\$ 7,500	11,823
Emergency assistance	220,115	220,115	110,235
Senior/youth services	13,000	13,000	11,417
Community chest	328,350	328,350	238,169
Total Assistance Programs	<u>578,965</u>	<u>578,965</u>	<u>382,319</u>
Total Expenditures	<u>915,643</u>	<u>915,643</u>	<u>684,590</u>
Other Financing Sources (Uses)			
Transfer in/(out)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	<u>\$ (112,171)</u>	<u>\$ (112,171)</u>	<u>\$ 5,653</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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service Cost	\$ 40,971	\$ 36,600	\$ 37,629	\$ 37,151	\$ 39,113	\$ 56,784	\$ 62,280	\$ 60,557		
Interest on the Total Pension Liability	249,667	248,150	244,942	239,112	235,238	247,276	244,772	215,742		
Benefit Changes	-	-	-	-	-	-	-	-		
Difference between Expected and Actual Experience	43,355	(20,281)	36,589	46,296	53,444	(44,863)	12,834	313,585		
Assumption Changes	-	-	(31,834)	-	72,937	(112,677)	(3,580)	3,497		
Benefit Payments and Refunds	(249,086)	(242,383)	(242,723)	(242,056)	(234,265)	(362,111)	(206,939)	(198,715)		
Net Change in Total Pension Liability	84,907	22,086	44,603	80,503	166,467	(215,591)	109,367	394,666		
Total Pension Liability - Beginning	3,547,743	3,525,657	3,481,054	3,400,551	3,234,084	3,449,675	3,340,308	2,945,642		
Total Pension Liability - Ending (a)	\$ 3,632,650	\$ 3,547,743	\$ 3,525,657	\$ 3,481,054	\$ 3,400,551	\$ 3,234,084	\$ 3,449,675	\$ 3,340,308		
Plan Fiduciary Net Position										
Employer Contributions	7,417	20,789	24,881	11,870	27,450	34,400	39,501	43,983		
Employee Contributions	18,857	16,384	15,465	15,090	15,421	19,744	22,247	23,387		
Pension Plan Net Investment Income	(615,936)	719,306	554,811	649,335	(238,769)	575,883	227,752	15,125		
Benefit Payments and Refunds	(249,086)	(242,383)	(242,723)	(242,056)	(234,265)	(362,111)	(206,939)	(198,715)		
Other	56,626	(24,084)	29,607	44,181	96,817	(87,363)	20,927	306,792		
Net Change in Plan Fiduciary Net Position	(782,122)	490,012	382,041	478,420	(333,346)	180,553	103,488	190,572		
Plan Fiduciary Net Position - Beginning	4,582,500	4,092,488	3,710,447	3,232,027	3,565,373	3,384,820	3,281,332	3,090,760		
Plan Fiduciary Net Position - Ending (b)	\$ 3,800,378	\$ 4,582,500	\$ 4,092,488	\$ 3,710,447	\$ 3,232,027	\$ 3,565,373	\$ 3,384,820	\$ 3,281,332		
Net Pension Liability/(Asset) - Ending (a) - (b)	(167,278)	(1,034,757)	(566,831)	(229,393)	168,524	(331,289)	64,855	58,976		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.62%	129.17%	116.08%	106.59%	95.04%	110.24%	98.12%	98.23%		
Covered Valuation Payroll	\$ 419,048	\$ 364,095	\$ 343,661	\$ 335,339	\$ 342,684	\$ 438,016	\$ 494,388	\$ 511,428		
Net Pension Liability as a Percentage of Covered Valuation Payroll	(40.03%)	(284.20%)	(164.94%)	(68.41%)	49.18%	(75.63%)	13.12%	11.53%		

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

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
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%
2019	11,871	11,870	1	335,339	3.54%
2020	24,881	24,881	-	343,661	7.24%
2021	20,790	20,789	1	364,095	5.71%
2022	7,417 *	7,417	-	419,048	1.77%

* Estimated based on a contribution rate of 1.77% and covered payroll of \$419,048.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2023

NOTE 1 - BUDGETARY INFORMATION

The accounting policies of Moraine Township include the preparation of governmental fund 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 asset 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 Town Fund and General Assistance Fund; total expenditures disbursed may not legally exceed the budgeted amount in each Fund. 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 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 April 19, 2022.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2023

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 accrual basis of accounting. 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 appropriation ordinance for the Town Fund and General Assistance Fund was adopted on April 19, 2022.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund expenditures exceeded appropriations during the fiscal year ended March 31, 2023.