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Accounting • Auditing • Consulting

# Moraine Township, Illinois

Annual Financial Report  
For the Year Ended March 31, 2016

# MORAINÉ TOWNSHIP, ILLINOIS

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*Year ended March 31, 2016*

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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, 2016, 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, 2016, 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.

## Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective for fiscal years' beginning after June 15, 2014 as discussed in Note 1 to the financial statements:

Statement No. 68 – Accounting and Financial Reporting for Pensions

The emphasis of this matter does not constitute modifications to our opinion.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

George Roach & Associates, P.C.

Crystal Lake, Illinois

June 29, 2016

REQUIRED SUPPLEMENTARY INFORMATION –  
MANAGEMENT DISCUSSION AND ANALYSIS –  
UNAUDITED

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

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, 2016. 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

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This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise 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.

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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##### 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 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 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

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As of the close of the current fiscal year, the Township's government funds reported a combined ending fund balance of \$3,085,603, an increase of \$443,106 in comparison with the prior fiscal year (page 17).



## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### FINANCIAL HIGHLIGHTS (CONTINUED)

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Of this \$443,106 increase:

- \$378,214 represents a restatement of net position to reflect implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* for Deferred Pension Outflows, and a decrease in net position in the amount of \$58,976 for Pension Liability.
- \$328,894 is the Township's investment in net fixed assets. The Township's total net fixed assets decreased by \$19,361 during the year ended March 31, 2016, due solely to depreciation expense.
- \$151,715 includes resources restricted for general assistance and community chest.

At March 31, 2016, the Township's governmental funds reported combined ending fund balances of \$2,437,471 (page 19), an increase of \$143,229 from the prior year. This increase is comprised of \$85,159 in the general Town Fund, and \$58,070 in General Assistance and Community Chest Funds (page 20).

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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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 and deferred inflows by \$3,085,603 for the year ended March 31, 2016. A portion of the Township's net position reflects its investment in capital assets; \$328,894. 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 \$2,756,709, of which \$151,715 is restricted and \$2,604,994 is unrestricted. The unrestricted balance includes deferred outflows of \$378,214, 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.

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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##### Moraine Township Net Position

	Governmental Activities	
	3/31/2015	3/31/2016
Current Assets	\$3,726,532	\$3,916,760
Fixed Assets	348,255	328,894
<b>Total Assets</b>	<b>4,074,787</b>	<b>4,245,654</b>
<b>Deferred Outflows</b>	<b>-</b>	<b>378,214</b>
<b>Total Liabilities</b>	<b>72,274</b>	<b>178,238</b>
<b>Deferred Inflows</b>	<b>1,360,016</b>	<b>1,360,027</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	348,255	328,894
Restricted	93,645	151,715
Unrestricted	2,200,597	2,604,994
<b>Total Net Position</b>	<b>\$2,642,497</b>	<b>\$3,085,603</b>

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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##### Moraine Township Changes in Net Position

	Governmental Activities	
	3/31/2015	3/31/2016
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 16,732	\$ 16,983
Operating Grants	69,300	71,000
Donations	50,996	47,306
General Revenues		
Property Taxes	1,472,752	1,345,031
Replacement Taxes	33,157	29,530
Interest	9,560	10,491
Other Income	7	-
<b>Total Revenues</b>	<u>1,652,504</u>	<u>1,520,341</u>
<b>Expenses</b>		
General Government	326,227	335,756
Community Assistance and Services	62,854	77,828
Assessor	485,743	479,028
Transportation Services	214,326	221,801
Agency Grants	250,000	225,000
Cemeteries	25,392	37,029
Enrollment Services	6,715	670
Pension expense - GASB 68	-	41,965
Depreciation - unallocated	19,064	19,361
<b>Total Expenses</b>	<u>1,390,321</u>	<u>1,438,438</u>
<b>Increase/(Decrease) in Net Assets</b>	262,183	81,903
<b>Net Position - Beginning of Year</b>	<u>2,380,314</u>	<u>2,642,497</u>
<b>Restatement for GASB 68</b>	-	361,203
<b>Net Position - Beginning as restated</b>	<u>2,380,314</u>	<u>3,003,700</u>
<b>Net Position - End of Year</b>	<u>\$ 2,642,497</u>	<u>\$ 3,085,603</u>

#### Governmental activities

Governmental activities increased the Township's net position by \$81,903.

Key elements of the increase to net position by governmental activities are as follows:

- Revenue decreased \$132,163 compared with the prior fiscal year-end, primarily attributed to a reduction of 5% in the property tax levy voted by the Township Board of Trustees in December 2014 (page 8).

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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- Levy reallocation: In addition to a decrease in the total dollars levied, the Board of Trustees reallocated the Township Levy over a 2-year period, allocating more of the levy into the General Assistance Fund. Over the 2-year period, the result is that the Town Fund levy has decreased by 16%, while the General Assistance levy increased by 37%. This reallocation is aimed at directing more resources to services and programs for residents in need.
  
- Total expenses for Governmental Activities of \$1,438,438 represent an increase of \$48,117 over the prior fiscal year. Of this increase, \$41,965 is an accrual required to comply with the Governmental Accounting Standards Board Statement No. 68 referenced above. This accrual is not a current-year expenditure, but rather a set-aside for estimated future pension outflows.
  
- Other expenses remained constant from the prior fiscal year, but allocations among programs and departments varied:
  - Township expenditures funding programs, services and administration of general assistance, emergency assistance, senior and youth services totaled \$205,399, a slight decrease over the prior fiscal year, despite a 20% increase in services delivered to residents.
  - Community Chest expenditures of \$38,737 reflect an increase of 28% from the prior fiscal year. This increase primarily results from increased Food Pantry usage and school vacation food assistance for income-qualified families of school children.
  - Grant awards to local social service agencies who serve Township clients were reduced by \$25,000. Agency grants were increased by the Board during the economic downturn. The Board of Trustees has been reducing the amount allocated as the economic recovery continues.

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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- Expenditures for the Township's paratransit van service and taxi coupons for seniors and disabled residents totaled \$221,801. This expense was partially offset by rider fees of \$15,483 and a generous \$65,000 grant from the Healthcare Foundation of Highland Park. The Foundation grant enables the Township to keep rider fees affordable for all residents, allowing residents who do not drive to age in place and continue to be contributing citizens in our community.
- Expenditures for the Office of Assessor decreased \$6,715 compared with the prior fiscal year.
- Other Township programs include maintenance of two cemeteries, election/voter service assistance, health insurance enrollment and income tax assistance for low-and-moderate-income taxpayers. Expenditures for these programs and services totaled \$37,699 for the fiscal year.

Moraine Township Community Chest Fund ended the fiscal year with a cash balance of \$35,281, an increase of \$2,868 over the prior fiscal year. Moraine Township served 8,136 resident-visits to our Food Pantry from April 1, 2015 through March 31, 2016.

- A generous community, and almost 40 weekly volunteers, and hundreds of other volunteers, make it possible for Moraine Township to provide residents in need fresh produce, eggs, cheese, frozen meat, shelf-stable food and toiletries at the Food Pantry. In the Township's Food Pantry alone, volunteers contribute over 4,000 hours per year.
- Five area stores (Sunset Foods Highland Park, Target Highland Park, Whole Foods Market Deerfield, Fresh Thyme Deerfield and Heinen's in Bannockburn) make weekly donations of fresh produce, frozen meat, shelf-stable food and toiletries to the Food Pantry.
- Food drives by schools, religious organizations, businesses and civic organizations and other governmental units keep the Food Pantry's shelves stocked year-round.
- Coldwell Banker, Keyth Security and American Legion Highland Park Post #145 partner with the Township to provide Thanksgiving meals for Food Pantry Clients.

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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##### TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2015 THROUGH MARCH 31, 2016

Moraine Township provided over 17,000 services or responses to resident inquiries during the 12-month period ended March 31, 2016, an increase of 20% over the prior 12-month period. This does not include services provided by the Township Assessor's office.

- VITA - New for 2016: Moraine Township partnered with the Internal Revenue Service to offer free income tax preparation to low-and-moderate-income taxpayers, as part of the IRS Volunteer Income Tax Assistance Program (VITA). Through March of 2016, 107 taxpayers had been assisted by the Township, and the program continued through the April 2016 filing deadline.
- Health Insurance Enrollment: Moraine Township continued its partnership with the Lake County Health Department to enroll residents for healthcare under the Affordable Care Act, and received a \$4,500 grant to provide this assistance.
- Utility Assistance: Moraine Township assisted over 200 income-qualified residents obtain utility assistance through Share the Warmth and LIHEAP (Low Income Heat Electric Assistance) Programs, in addition to direct summer electric assistance to income-qualified senior households.
- Cemeteries: Moraine Township owns and maintains two cemeteries. Township cemetery services include burials, deed transfers, and responses to other inquiries.
- Housing: Township assistance with resident housing issues and information increased 35%.
- Social Service Assistance: Miscellaneous other social services increased over 20%. Examples include assisting residents with renewal of Benefit Access programs, Illinois Department of Human Service program assistance, and Social Security and Health Department issues.
- Volunteers: In addition to hundreds of Food Pantry volunteers, other Township volunteers helped residents enroll in health insurance and prepare income tax returns. These services account for more than 2,000 estimated volunteer hours during the fiscal year, including 40+ hours of annual training per volunteer to be certified to provide assistance.

# MORAINÉ TOWNSHIP, ILLINOIS

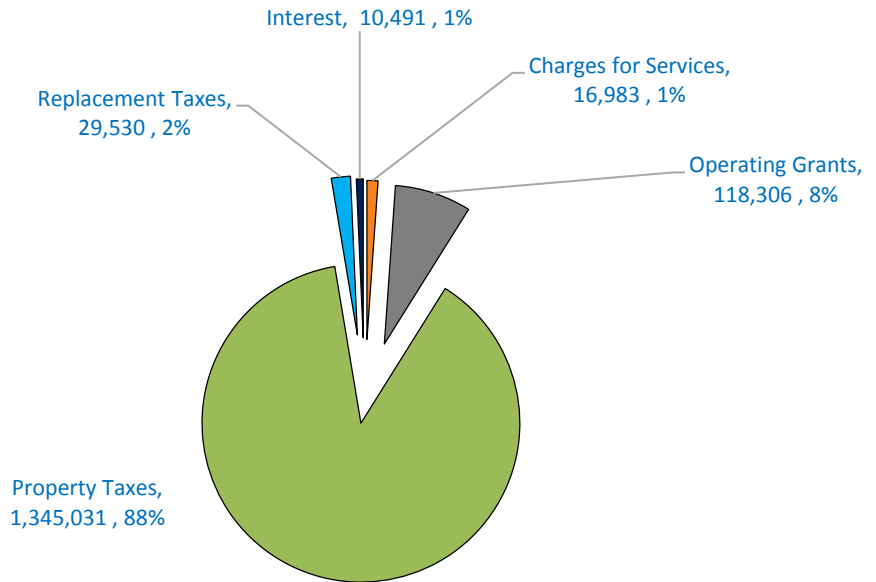
## MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

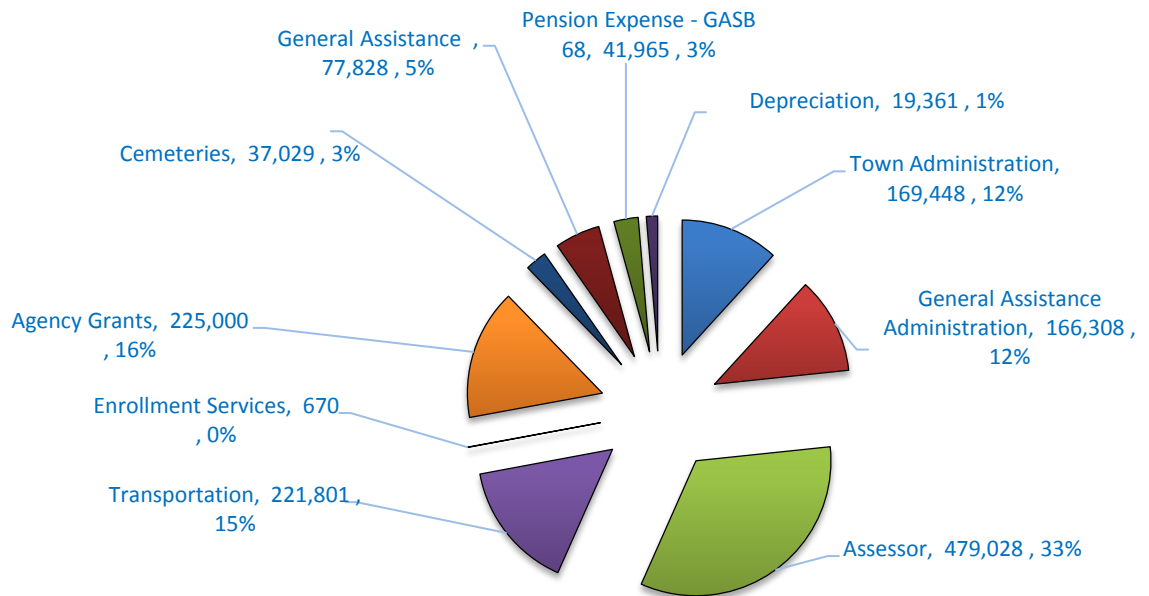
## 2016 REVENUES

ROUNDED TO THE NEAREST PERCENT



## 2016 EXPENSES

ROUNDED TO THE NEAREST PERCENT



## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

#### FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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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, 2016, the Township's governmental funds reported combined ending fund balances of \$2,437,471, an increase of \$143,229 in comparison with the prior year.

The Town Fund is the chief operating fund of the Township. At March 31, 2016, the fund balance of the Town Fund was \$2,285,756. This represents an increase of \$85,159, compared to the prior fiscal year.

#### TOWN FUND BUDGETARY HIGHLIGHTS

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Expenditures in the Town Fund of \$1,132,976, were under revenues by \$85,159 and was \$178,824 less than the appropriation of \$1,311,800.

#### CAPITAL ASSETS

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The Township's capital fixed assets for its governmental activities as of March 31, 2016, amount to \$328,894 (net of accumulated depreciation). This investment in fixed assets includes land improvements, leasehold improvements, furniture and other equipment.

Major fixed asset events during the current fiscal year included the following:

	Balance			Balance
Fixed Assets	March 31, 2015	Increases	Decreases	March 31, 2016
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Leasehold Improvements	158,522	-	-	158,522
Furniture & Equipment	73,297	-	-	73,297
<b>Total Fixed Assets</b>	<b>471,048</b>	<b>-</b>	<b>-</b>	<b>471,048</b>
Less: Accumulated Depreciation	122,793	19,361	-	142,154
<b>Fixed Assets (Net)</b>	<b>\$ 348,255</b>	<b>\$ (19,361)</b>	<b>\$ -</b>	<b>\$ 328,894</b>

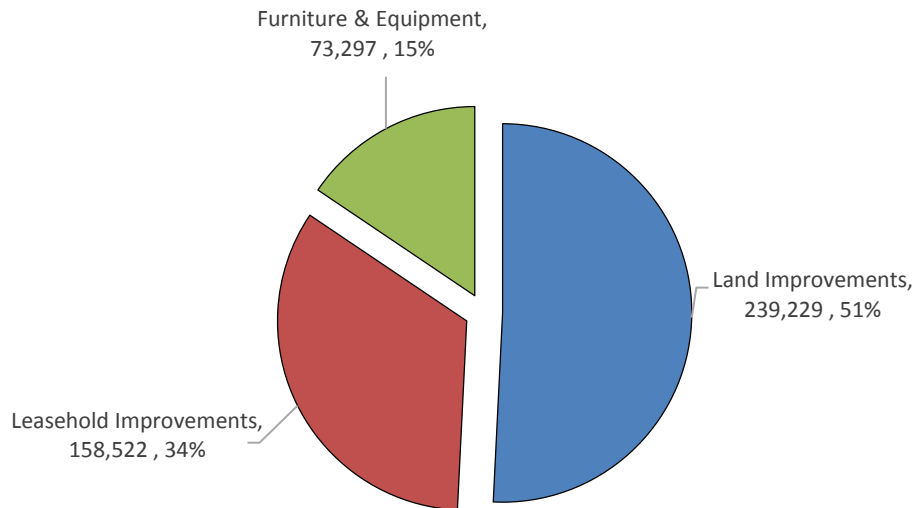


## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

## FIXED ASSETS, NET



## ECONOMIC FACTORS AND PROPERTY TAXES

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The equalized assessed valuation (EAV) of the Township for 2015 is \$2,221,237,687. That represents an increase in EAV of \$ 118,212,651 over the prior year's EAV. Property tax revenues recorded in these financial statements are from the 2014 levy paid to the Township in 2015 and reflected in the financial statements for the Fiscal Year Ended March 31, 2016. Property tax receivable and deferred property tax is reported in these financial statements are from the 2015 levy, to be paid to the Township in 2016.

Moraine Township froze its 2013 and 2015 property tax levies, and reduced the 2014 levy by 5%. 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 2015, 2014, and 2013 is as follows: (Note that 2015 was a quadrennial reassessment year).

## MORAINÉ TOWNSHIP, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2016

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

Tax Levy Year	2015		2014		2013	
<b>Assessed Valuation</b>						
Lake County	\$	2,221,237,687	\$	2,103,025,036	\$	2,118,131,898
<b>Tax Rates and Percentage Allocations by Fund</b>						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Corporate	0.049748	79.50	0.054208	82.01	0.060999	87.14
General Assistance	0.012831	20.50	0.011888	17.99	0.009000	12.86
<b>Totals</b>	<b>0.062579</b>	<b>100.00</b>	<b>0.066096</b>	<b>100.00</b>	<b>0.069999</b>	<b>100.00</b>
<b>Property Tax Extensions</b>						
Funds	2015		2014		2013	
Corporate	1,105,021		1,140,008		1,292,060	
General Assistance	285,007		250,008		190,632	
<b>Totals</b>	<b>1,390,028</b>		<b>1,390,016</b>		<b>1,482,692</b>	

#### 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, 777 Central Avenue, Highland Park, Illinois, 60035.

# BASIC FINANCIAL STATEMENTS

# MORAINÉ TOWNSHIP, ILLINOIS

## Government-wide Statement of Net Position

March 31, 2016

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,463,379
Property tax receivable	1,360,027
Corporate replacement tax receivable	6,547
Accounts receivable	6,045
Grants receivable	65,000
Prepaid items	15,762
Fixed assets - net	328,894
<b>Total Assets</b>	<b>4,245,654</b>
<b>Deferred Outflows of Resources</b>	
Deferred pension outflows	378,214
<b>Total Deferred Outflows of Resources</b>	<b>378,214</b>
<b>Liabilities</b>	
Accounts payable	53,978
Accrued payroll liabilities	284
Pension Liability	58,976
Unearned grant revenue	65,000
<b>Total Liabilities</b>	<b>178,238</b>
<b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	1,360,027
<b>Total Deferred Inflows of Resources</b>	<b>1,360,027</b>
<b>Net Position</b>	
Net investment in capital assets	328,894
Restricted - general assistance	110,700
Restricted - community chest	41,015
Unrestricted	2,604,994
<b>Total Net Position</b>	<b>\$ 3,085,603</b>

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



# MORAINÉ TOWNSHIP, ILLINOIS

## Governmental Funds - Balance Sheet

March 31, 2016

	Town Fund	General Assistance Fund	Total
<b>Assets</b>			
Cash	\$ 2,318,341	\$ 145,038	\$ 2,463,379
Prepaid items	11,313	4,449	15,762
Interfund receivables	2,793	-	2,793
Accounts receivable	-	6,045	6,045
Grants receivable	65,000	-	65,000
Personal property replacement tax receivable	4,767	1,780	6,547
Property tax receivable, net	1,081,172	278,855	1,360,027
<b>Total Assets</b>	<b>\$ 3,483,386</b>	<b>\$ 436,167</b>	<b>\$ 3,919,553</b>
<b>Liabilities</b>			
Accrued Payroll Liabilities	\$ 135	\$ 149	\$ 284
Accounts payable	51,323	2,655	53,978
Interfund payables	-	2,793	2,793
Unearned grant revenue	65,000	-	65,000
<b>Total Liabilities</b>	<b>116,458</b>	<b>5,597</b>	<b>122,055</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	1,081,172	278,855	1,360,027
<b>Total Deferred Inflows of Resources</b>	<b>1,081,172</b>	<b>278,855</b>	<b>1,360,027</b>
<b>Fund Balance</b>			
Nonspendable	11,313	4,449	15,762
Restricted	-	147,266	147,266
Committed	-	-	-
Assigned	-	-	-
Unassigned	2,274,443	-	2,274,443
<b>Total Fund Balance</b>	<b>2,285,756</b>	<b>151,715</b>	<b>2,437,471</b>
<b>Total Liabilities, Deferred Outflows of Resources and Fund Balance</b>	<b>\$ 3,483,386</b>	<b>\$ 436,167</b>	<b>\$ 3,919,553</b>

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

# MORAINÉ TOWNSHIP, ILLINOIS

## Governmental Funds - Statement of Revenue, Expenditures and Changes in Fund Balance

Year ended March 31, 2016

	<b>Town Fund</b>	<b>General Assistance Fund</b>	<b>Total</b>
<b>Revenue</b>			
Property taxes	\$ 1,095,866	\$ 249,165	\$ 1,345,031
Replacement taxes	24,010	5,520	29,530
Van user fees	15,483	-	15,483
Cemetery revenue	1,500	-	1,500
Grants and donations	71,000	47,306	118,306
Interest income	10,276	215	10,491
<b>Total Revenue</b>	<b>1,218,135</b>	<b>302,206</b>	<b>1,520,341</b>
<b>Expenditures</b>			
Administrative	166,234	164,678	330,912
Assessor	455,367	-	455,367
Transportation	221,801	-	221,801
Assistance programs	-	77,828	77,828
Cemeteries	32,852	-	32,852
Agency grants	225,000	-	225,000
Elections	670	-	670
Capital outlay	31,052	1,630	32,682
<b>Total Expenditures</b>	<b>1,132,976</b>	<b>244,136</b>	<b>1,377,112</b>
<b>Net Changes in Fund Balance</b>	<b>85,159</b>	<b>58,070</b>	<b>143,229</b>
<b>Fund Balance</b>			
Fund Balance, Beginning	2,200,597	93,645	2,294,242
<b>Total Fund Balance, Ending</b>	<b>\$ 2,285,756</b>	<b>\$ 151,715</b>	<b>\$ 2,437,471</b>

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, 2016*

## Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

<b>Total Fund Balances --Total Governmental Funds</b>	\$ 2,437,471
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets net of depreciation	328,894
Deferred Outflows and Net Pension Liabilities are not reported in the funds	
Net Pension liabilities	(58,976)
Deferred pension outflows	378,214
<b>Total Net Position of Governmental Activities</b>	<u>\$ 3,085,603</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

<b>Excess (Deficiency) of Revenue Over Expenditures</b>	
<b>Governmental Funds</b>	\$ 143,229
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	(19,361)
Change in Deferred Outflows and Net Pension Liabilities are not reported in the funds	(41,965)
<b>Changes in Net Position Governmental Funds</b>	<u>\$ 81,903</u>

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



NOTES TO THE BASIC  
FINANCIAL STATEMENTS

# MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Financial Statements*

*Year ended March 31, 2016*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### REPORTING ENTITY –

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

### MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION –

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

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

# MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Financial Statements*

*Year ended March 31, 2016*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The following fund types are used by the Township:

### Governmental Funds

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

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

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### THE TOWNSHIP REPORTS ALL THE FUNDS AS MAJOR GOVERNMENTAL FUNDS –

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

### FINANCIAL STATEMENT AMOUNTS –

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

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

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

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st. The 2015 levy was passed by the Board on December 10, 2015.

**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.

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2016, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2015-2016 appropriations ordinance was adopted April 23, 2015.

### 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.

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.

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### *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, 2016.

### *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)

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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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

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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 \$2,463,379 and the bank balance is \$2,480,757. Of the bank balance in the Township's name, \$1,345,578 is FDIC insured, \$1,090,517 is collateralized and the remaining \$44,662 is uncollateralized for the Township in the bank's trust department.

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

**Custodial Credit Risk** – The Township limits its credit risk by holding its deposits in FDIC insured institutions with collateral backing its deposits. Of the Township's cash and deposits on March 31, 2016, \$44,662 is uninsured and uncollateralized.

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

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

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### 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](http://www.imrf.org).

### BENEFITS PROVIDED

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

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

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

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



# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2015, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	15
Inactive Plan Members entitled to but not yet receiving benefits	7
Active Plan Members	<u>10</u>
<b>Total</b>	<b>32</b>

### 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 2015 was 8.60%. For the fiscal year ended March 31, 2016, the Township contributed \$43,095 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, 2015. 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, 2015:

- 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 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- 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-2014 (base year 2014). 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-2014 (base year 2014). 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	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

### Executive Summary as of December 31, 2015

Actuarial Valuation Date	12/31/2015
Measurement Date of the Net Pension Liability	12/31/2015
Fiscal Year End	3/31/2016

#### Membership

Number of	
- Retirees and Beneficiaries	15
- Inactive, Non-Retired Members	7
- Active Members	10
- Total	32
Covered Valuation Payroll	\$ 511,428

#### Net Pension Liability

Total Pension Liability/(Asset)	\$ 3,340,308
Plan Fiduciary Net Position	3,281,332
Net Pension Liability/(Asset)	\$ 58,976
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.23%
Net Pension Liability as a Percentage of Covered Valuation Payroll	11.53%

#### Development of the Single Discount Rate as of December 31, 2015

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate*	3.57%
Last year ending December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2078
Resulting Single Discount Rate based on the above development	7.49%
Single Discount Rate calculated using December 31, 2014 Measurement Date	7.50%
<b>Total Pension Expense/(Income)</b>	<b>\$ (130,137)</b>

#### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 197,404	\$ -
Changes in assumptions	2,201	-
Net difference between projected and actual earnings on pension plan investments	178,609	-
Total	<u>\$ 378,214</u>	<u>\$ -</u>

\* "State & local bonds" rate from Federal Reserve statistical release (H.15) as of December 31, 2015. The statistical release describes this rate as "Bond Buyer Index, general obligation, 20 years to maturity, mixed quality." In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Services's Aa2 rating and Standard & Poor's Corp.'s AA.

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### SINGLE DISCOUNT RATE

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.49%.

### 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 7.49%, 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 Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

### Schedule of Changes in Net Pension Liability and Related Ratios -- Current Period Calendar Year Ended December 31, 2015

#### A. Total pension liability

1. Service Cost	\$ 60,557
2. Interest on the Total Pension Liability	215,742
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	313,585
5. Changes of assumptions	3,497
6. Benefit payments, including refunds of employee contributions	(198,715)
7. Net change in total pension liability	394,666
8. Total pension liability – beginning	2,945,642
9. Total pension liability – ending	<u>\$ 3,340,308</u>

#### B. Plan fiduciary net position

1. Contributions – employer	\$ 43,983
2. Contributions – employee	23,387
3. Net investment income	15,125
4. Benefit payments, including refunds of employee contributions	(198,715)
5. Other (Net Transfer)	306,792
6. Net change in plan fiduciary net position	190,572
7. Plan fiduciary net position – beginning	3,090,760
8. Plan fiduciary net position – ending	<u>\$ 3,281,332</u>

#### C. Net pension liability/(asset)

\$ 58,976

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

98.23%

#### E. Covered Valuation payroll

\$ 511,428

#### F. Net pension liability as a percentage

of covered valuation payroll

11.53%

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

	1% Decrease <u>6.49%</u>	Current Single Discount Rate Assumption <u>7.49%</u>	1% Increase <u>8.49%</u>
Total Pension Liability	\$ 3,725,006	\$ 3,340,308	\$ 3,030,563
Plan Fiduciary Net Position	3,281,332	3,281,332	3,250,769
Net Pension Liability/(Asset)	<u>\$ 75,537</u>	<u>\$ 58,976</u>	<u>\$ (250,769)</u>

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## 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, 2016, the Township recognized pension expense of \$43,095. At March 31, 2016, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ 197,404	\$ -
Changes of assumptions	2,201	-
Net difference between projected and actual earnings on pension plan investments	<u>178,609</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>378,214</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 368,482</u></b>	<b><u>\$ -</u></b>

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:

<b>Year Ending</b>	<b>Net Deferred</b>	<b>Net Deferred</b>
<b><u>December 31</u></b>	<b><u>Outflows of Resources</u></b>	<b><u>Inflows of Resources</u></b>
2016	\$ 162,129	\$ -
2017	126,780	-
2018	44,652	-
2019	44,653	-
2020	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>\$ 378,214</u>	<u>\$ -</u>

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate\*

#### Valuation Date: December 31, 2015

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 2015 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): 28-year closed period until remaining period reaches 15 years (then 15-year rolling 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 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% 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 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

#### Other Information:

Notes There were no benefit changes during the year

\* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation





# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 4 – CHANGES IN FIXED ASSETS

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	<b>Balance</b>			<b>Balance</b>
<b>Fixed Assets</b>	<b>April 1, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>March 31, 2016</b>
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Leasehold Improvements	158,522	-	-	158,522
Equipment & Furniture	73,297	-	-	73,297
<b>Total Fixed Assets</b>	471,048	-	-	471,048
Less: Accumulated				
Depreciation	122,793	19,361	-	142,154
<b>Fixed Assets (Net)</b>	<b>\$ 348,255</b>	<b>\$(19,361)</b>	<b>\$ -</b>	<b>\$ 328,894</b>

### Depreciation by Governmental Activity

Unallocated                   \$ 19,361

### Total Governmental

**Activities**                   \$ 19,361

## 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 \$378,214 of deferred pension outflows in this category.

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

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## 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 (\$1,360,027) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

## NOTE 7 – LEASE OBLIGATIONS

---

In January 2009, the Township entered into an operating lease agreement with Green Bay Central Joint Venture for the office at 777 central Avenue. The terms of the lease were for payments of \$6,360 per month for the first 12 months, increasing to \$6,750 for the final 12 months. There is an option to renew the lease for another 5 years with monthly rent starting at \$6,850 and increasing to \$7,250 for the final 12 months. Total cost of the lease was \$79,950 for the year ended March 31, 2016. The future minimum lease payments for this lease are as follows:

Minimum future lease payments are:

Year Ended:	Total
3/31/2017	\$ 80,550
4/1/17 thru 12/31/17	60,750
	<u>\$ 141,300</u>

## NOTE 8 – BLENDED COMPONENT UNIT

---

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

# MORAINÉ TOWNSHIP, ILLINOIS

Notes to Financial Statements

Year ended March 31, 2016

## NOTE 9 – SUBSEQUENT EVENTS

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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, 2016 and the date of this audit report requiring disclosure in the financial statements.

## NOTE 10 – CONTINGENCIES

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The Township is aware of pending litigation for a 2014 tax objection and has created an allowance within the property tax receivable reported, in the amount of \$30,000, to account for this potential settlement.

## NOTE 11 – RESTATEMENT OF NET POSITION

---

The Township restated the March 31, 2015 net position in the government-wide statements to reflect the change in accounting principles from GASB Statement No. 68. This restatement represents the IMRF pension net pension asset and deferred outflows that existed at March 31, 2015 and were reported to the Township in the IMRF pension actuarial report dated December 31, 2015.

Net Position, Beginning as previously reported	\$	2,642,497
Add: Deferred outflows		216,085
Add: Net pension asset		145,118
		<hr/>
Net Position, Beginning as restated	\$	3,003,700

## REQUIRED SUPPLEMENTARY INFORMATION

# MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

Year ended March 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
<b>Revenues</b>			
Property taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,095,866
Replacement taxes	34,000	34,000	24,010
Cemetery revenue	500	500	1,500
Grants	65,000	65,000	71,000
Van user revenue	16,000	16,000	15,483
Interest income	5,000	5,000	10,276
<b>Total Revenues</b>	<u>1,260,500</u>	<u>1,260,500</u>	<u>1,218,135</u>
<b>Expenditures</b>			
<b>Administrative</b>			
<b>Personnel</b>			
Salaries - officers & staff	105,000	105,000	111,902
Health insurance	6,000	6,000	4,638
Social security & medicare	8,100	8,100	8,684
Municipal retirement	6,500	6,500	6,895
<b>Total personnel</b>	<u>125,600</u>	<u>125,600</u>	<u>132,119</u>
<b>Contractual services</b>			
Accounting & auditing	1,800	1,800	3,630
Auto expense/milage	500	500	283
Insurance (TORIMA)	640	640	3
Legal services	2,000	2,000	4,373
Maintenance/pest control	300	300	533
Outside services	500	500	2,740
Printing/publishing	750	750	625
Facilities/rent	12,000	12,000	12,205
Special events	250	250	361
Telephone	600	600	678
Utilities	1,300	1,300	1,017
Website	1,000	1,000	573
Workshops/dues/subscriptions	500	500	1,515
Janitorial services	2,000	2,000	1,603
Miscellaneous expense	50	50	741
Contingencies, office of the Supervisor	2,500	2,500	-
<b>Total contractual services</b>	<u>26,690</u>	<u>26,690</u>	<u>30,880</u>

Continued

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

# MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

Year ended March 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
<i>Continued</i>			
<b>Commodities</b>			
Operating supplies	\$ 500	\$ 500	\$ 737
Office supply/postage	2,000	2,000	2,498
<b>Total commodities</b>	<u>2,500</u>	<u>2,500</u>	<u>3,235</u>
<b>Capital outlay</b>			
Equipment	300	300	2,508
<b>Total capital outlay</b>	<u>300</u>	<u>300</u>	<u>2,508</u>
<b>Total Administrative</b>	<u>155,090</u>	<u>155,090</u>	<u>168,742</u>
<b>Assessor Personnel</b>			
Salaries	346,000	346,000	306,013
Social security & medicare	29,000	29,000	24,353
Health insurance	68,000	68,000	45,624
Municipal retirement	30,000	30,000	22,896
<b>Total personnel</b>	<u>473,000</u>	<u>473,000</u>	<u>398,886</u>
<b>Contracual services</b>			
Accounting & auditing	3,000	3,000	4,866
Auto expense/milage	3,000	3,000	2,290
Insurance (TORIMA)	3,200	3,200	2,815
Legal services	1,000	1,000	2,197
Maintenance/pest control	1,000	1,000	155
Outside services	800	800	602
Printing/publishing	2,000	2,000	146
Facilities/rent	26,400	26,400	26,398
Special events	500	500	309
Telephone	3,000	3,000	3,221
Utilities	3,000	3,000	2,615
Website	2,800	2,800	224
Workshops/dues/subscriptions	3,500	3,500	4,898
Janitorial services	3,000	3,000	3,168
Miscellaneous expense	1,000	1,000	13
Contingencies, office of the Supervisor	15,000	15,000	-
<b>Total contracual services</b>	<u>72,200</u>	<u>72,200</u>	<u>53,917</u>

*Continued*

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

# MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance  
- Budget and Actual

Year ended March 31, 2016

Continued

	Original Budget	Final Budget	Modified Accrual Basis
<b>Commodities</b>			
Operating supplies	\$ 900	\$ 900	\$ 1,118
Office supply/postage	2,000	2,000	1,446
<b>Total commodities</b>	<b>2,900</b>	<b>2,900</b>	<b>2,564</b>
<b>Capital outlay</b>			
Equipment	12,000	12,000	23,661
<b>Total capital outlay</b>	<b>12,000</b>	<b>12,000</b>	<b>23,661</b>
<b>Total Assesor</b>	<b>560,100</b>	<b>560,100</b>	<b>479,028</b>
<b>Transportation</b>			
<b>Personnel</b>			
Salaries	130,000	130,000	128,864
Health insurance	13,000	13,000	12,987
Social security & medicare	14,000	14,000	11,217
Municipal retirement	6,500	6,500	5,750
<b>Total personnel</b>	<b>163,500</b>	<b>163,500</b>	<b>158,818</b>
<b>Contractual services</b>			
Accounting & auditing	3,600	3,600	3,089
Auto expense/milage	100	100	53
Insurance (TORIMA)	4,480	4,480	4,922
Legal services	1,000	1,000	2,398
Maintenance/pest control	100	100	49
Outside services	900	900	1,496
Printing/publishing	2,250	2,250	50
Facilities/rent	9,600	9,600	9,640
Special events	250	250	154
Telephone	1,200	1,200	1,212
Utilities	1,300	1,300	849
Van operations & maintenance	20,000	20,000	15,786
Website	2,500	2,500	142
Workshops/dues/subscriptions	250	250	-
Janitorial services	2,000	2,000	1,602
Miscellaneous expense	100	100	127
Contingencies, office of the Supervisor	13,500	13,500	-
<b>Total contractual services</b>	<b>63,130</b>	<b>63,130</b>	<b>41,569</b>

Continued

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

# MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance  
- Budget and Actual

Year ended March 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Accrual Basis</b>
<i>Continued</i>			
<b>Commodities</b>			
Operating supplies	\$ 500	\$ 500	\$ 19
Office supply/postage	2,000	2,000	2,528
<b>Total commodities</b>	<b>2,500</b>	<b>2,500</b>	<b>2,547</b>
<b>Capital outlay</b>			
Equipment	1,500	1,500	706
<b>Total capital outlay</b>	<b>1,500</b>	<b>1,500</b>	<b>706</b>
<b>Other programs</b>			
Taxi program	22,500	22,500	18,867
<b>Total other programs</b>	<b>22,500</b>	<b>22,500</b>	<b>18,867</b>
<b>Total Transportation</b>	<b>253,130</b>	<b>253,130</b>	<b>222,507</b>
<b>Cemeteries</b>			
<b>Personnel</b>			
Salaries	8,500	8,500	10,355
Health insurance	600	600	234
Social security & medicare	700	700	852
Municipal retirement	750	750	877
<b>Total personnel</b>	<b>10,550</b>	<b>10,550</b>	<b>12,318</b>
<b>Contractual services</b>			
Auto expense/milage	500	500	-
Insurance (TORIMA)	1,280	1,280	1,407
Legal services	500	500	840
Maintenance & operations	15,000	15,000	14,836
Outside services	2,500	2,500	2,995
Printing/publishing	500	500	-
Special events	500	500	-
Supplies	100	100	148
Utilities	300	300	308
Website	500	500	-
Workshops/dues/subscriptions	500	500	-
Contingencies, office of the Supervisor	10,000	10,000	-
<b>Total contractual services</b>	<b>32,180</b>	<b>32,180</b>	<b>20,534</b>

*Continued*

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



# MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

Year ended March 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<i>Concluded</i> <u>Modified Accrual Basis</u>
<b>Capital outlay</b>			
Equipment	\$ -	\$ -	\$ 4,177
<b>Total capital outlay</b>	<u>-</u>	<u>-</u>	<u>4,177</u>
<b>Total Cemeteries</b>	<u>42,730</u>	<u>42,730</u>	<u>37,029</u>
<b>Elections Personnel</b>			
Salaries	-	-	559
Health insurance	-	-	20
Social security & medicare	-	-	43
Municipal retirement	-	-	48
<b>Total personnel</b>	<u>-</u>	<u>-</u>	<u>670</u>
<b>Contractual services</b>			
Office supplies	250	250	-
Website	500	500	-
<b>Total contractual services</b>	<u>750</u>	<u>750</u>	<u>-</u>
<b>Total Elections</b>	<u>750</u>	<u>750</u>	<u>670</u>
<b>Agency Grants Contractual services</b>			
Grants	225,000	225,000	225,000
Committed funds	75,000	75,000	-
<b>Total Agency Grants</b>	<u>300,000</u>	<u>300,000</u>	<u>225,000</u>
<b>Total Expenditures</b>	<u>1,311,800</u>	<u>1,311,800</u>	<u>1,132,976</u>
<b>Net Change in Fund Balance</b>	<u>\$ (51,300)</u>	<u>\$ (51,300)</u>	<u>\$ 85,159</u>

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

# MORAINÉ TOWNSHIP, ILLINOIS

General Assistance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

Year ended March 31, 2016

	Original Budget	Final Budget	Modified Accrual Basis
<b>Revenues</b>			
Property taxes	\$ 250,000	\$ 250,000	\$ 249,165
Replacement taxes	-	-	5,520
Interest income	-	-	215
Contributions - community chest	35,000	35,000	47,306
<b>Total Revenues</b>	<b>285,000</b>	<b>285,000</b>	<b>302,206</b>
<b>Expenditures</b>			
<b>Administrative</b>			
<b>Personnel</b>			
Salaries - officers & staff	85,000	85,000	79,581
Health insurance	16,000	16,000	11,022
Social security & medicare	7,000	7,000	6,348
Municipal retirement	7,100	7,100	6,628
Other	-	-	919
<b>Total personnel</b>	<b>115,100</b>	<b>115,100</b>	<b>104,498</b>
<b>Contractual services</b>			
Accounting & auditing	3,600	3,600	3,406
Auto expense/milage	250	250	61
Insurance (TORIMA)	5,700	5,700	5,175
Legal services	1,000	1,000	501
Maintenance/pest control	1,000	1,000	463
Outside services	1,500	1,500	2,006
Printing/publishing	6,500	6,500	132
Facilities/rent	32,000	32,000	32,219
Janitorial services	6,000	6,000	7,095
Special events	500	500	821
Telephone	1,800	1,800	1,821
Utilities	3,900	3,900	2,799
Website	4,000	4,000	334
Workshops/dues/subscriptions	1,000	1,000	41
Miscellaneous expense	100	100	-
Contingencies, office of the Supervisor	24,000	24,000	-
<b>Total contractual services</b>	<b>92,850</b>	<b>92,850</b>	<b>56,874</b>

*Continued*

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

# MORAINÉ TOWNSHIP, ILLINOIS

General Assistance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance

- Budget and Actual

Year ended March 31, 2016

			<i>Concluded</i>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Accrual Basis</b>
<b>Commodities</b>			
Operating supplies	\$ 500	\$ 500	\$ 218
Office supply/postage	2,500	2,500	3,088
<b>Total commodities</b>	<u>3,000</u>	<u>3,000</u>	<u>3,306</u>
<b>Capital outlay</b>			
Equipment	1,500	1,500	1,630
<b>Total capital outlay</b>	<u>1,500</u>	<u>1,500</u>	<u>1,630</u>
<b>Total Administrative</b>	<u>212,450</u>	<u>212,450</u>	<u>166,308</u>
<b>Assistance programs</b>			
General assistance	10,000	10,000	-
Emergency assistance	20,000	20,000	9,814
Senior/youth services	25,000	25,000	29,277
Community chest	41,250	41,250	38,737
<b>Total Assistance Programs</b>	<u>96,250</u>	<u>96,250</u>	<u>77,828</u>
<b>Total Expenditures</b>	<u>308,700</u>	<u>308,700</u>	<u>244,136</u>
<b>Net Change in Fund Balance</b>	<u>\$ (23,700)</u>	<u>\$ (23,700)</u>	<u>\$ 58,070</u>

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

**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 2014)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2005
<b>Calendar Year Ending</b>										
<b>Total Pension Liability</b>										
Service Cost	\$ 60,557									
Interest on the Total Pension Liability	215,742									
Benefit Changes	-									
Difference between Expected and Actual Experience	313,585									
Assumption Changes	3,497									
Benefit Payments and Refunds	(198,715)									
<b>Net Change in Total Pension Liability</b>	394,666									
<b>Total Pension Liability - Beginning</b>	2,945,642									
<b>Total Pension Liability - Ending (a)</b>	\$ 3,340,308									
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	43,983									
Employee Contributions	23,387									
Pension Plan Net Investment Income	15,125									
Benefit Payments and Refunds	(198,715)									
Other	306,792									
<b>Net Change in Plan Fiduciary Net Position</b>	190,572									
<b>Plan Fiduciary Net Position - Beginning</b>	3,090,760									
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 3,281,332									
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	58,976									
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	98.23%									
<b>Covered Valuation Payroll</b>	\$ 511,428									
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	11.53%									

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

<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2015	\$ 43,983 *	\$ 43,983	-	\$ 511,428	8.60%

\* Estimated based on a contribution rate of 8.60% and covered valuation payroll of \$511,428.

# MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information*  
*Year ended March 31, 2016*

## NOTE 1 - BUDGETARY INFORMATION

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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 original budget was not amended during the fiscal year.
6. Formal budgetary integration is not employed as a management control device during the year for any fund.

## MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information*  
*Year ended March 31, 2016*

### NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

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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 April 23, 2015

### NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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No funds had expenditures exceeding the appropriations.