



44 N. Walkup Ave.
Crystal Lake, IL 60014
T: 815-459-0700
GRA-CPA.COM

Accounting • Auditing • Consulting

Moraine Township, Illinois

Annual Financial Report

For the Year Ended March 31, 2020

MORAINÉ TOWNSHIP, ILLINOIS

Contents

Year Ended March 31, 2020

	<u>Pages</u>
Independent Auditor's Report	1-2
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	3-14
Basic Financial Statements:	
Government-wide Statement of Net Position	15
Government-wide Statement of Activities	16
Governmental Funds - Balance Sheet	17
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance	18
Reconciliation of the Governmental Fund Statements to the Statement of Net Position and the Statements of Activities	19
Notes to Basic Financial Statements	20-36
Required Supplementary Information:	
Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	37-41
General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	42-43
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios	44
Multi-year Schedule of Pension Contributions	45
Notes to Required Supplementary Information	46-47



44 N. Walkup Ave.
Crystal Lake, IL 60014
T: 815-459-0700
GRA-CPA.com

INDEPENDENT AUDITOR'S REPORT

To the Township Supervisor and
the Members of the Moraine Township Board of Trustees
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, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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.

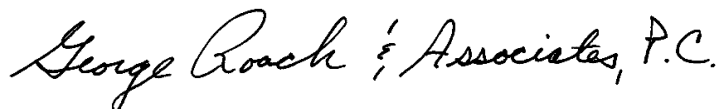
Opinions

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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



George Roach & Associates, P.C.
Crystal Lake, Illinois
July 19, 2020

REQUIRED SUPPLEMENTARY INFORMATION –
MANAGEMENT DISCUSSION AND ANALYSIS -
UNAUDITED

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

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, 2020. The Management of the Township encourages readers to consider the information presented herein to enhance their understanding of the Township's activities and financial operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

Fund financial statements

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

MORAINES TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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

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

Notes to the financial statements

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

Required Supplementary Information

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

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

FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year, the Township's governmental activities reported a combined ending net position of \$4,058,368, an increase of \$592,986 in comparison with the prior fiscal year (page 16).

Of this \$4,058,368 net position:

- \$2,506,368 is the Township's investment in net fixed assets, an increase of \$123,911. The increase is comprised of \$173,459 of new equipment and new roof for the office portion of the Township building, less depreciation expense.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

FINANCIAL HIGHLIGHTS (CONTINUED)

- \$363,612 includes resources restricted for general assistance and community chest.
- Almost \$70,000 of the increase is accounted for by a surge in COVID-19 donations in March 2020 to assist residents during the crisis.

At March 31, 2020, the Township's governmental funds reported combined ending fund balances of \$1,184,023 (page 17), an increase of \$215,256 from the prior year. This increase is comprised of \$101,587 in the Town Fund, and \$113,669 in General Assistance and Community Chest Funds (page 18). As noted above, almost \$70,000 of the Community Chest increase is attributed to COVID-19 donations in March 2020, as the fiscal year was ending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$4,058,368 for the year ended March 31, 2020. Of the Township's net position, \$2,506,368 reflects its investment in capital assets, and \$367,977 of actuarially-computed pension assets and deferred outflows; these funds are not available to the Township for use as operating funds. The remaining net position balance is \$1,552,000, of which \$363,612 is restricted and \$1,188,388 is unrestricted.

- The Township uses capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.
- The unrestricted balance includes deferred outflows of \$138,584, in accordance with Governmental Accounting Standards Board Statement No. 68. Deferred outflows, which are added to assets to arrive at total net position, are not available to liquidate liabilities or for other spending within the Township's control.

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Moraine Township Net Position

	Governmental Activities	
	3/31/2020	3/31/2019
Current Assets	\$ 2,810,770	\$ 2,378,583
Fixed Assets	2,506,368	2,382,457
Total Assets	\$ 5,317,138	\$ 4,761,040
Deferred Outflows	\$ 138,584	\$ 282,683
Total Liabilities	\$ 47,326	\$ 233,322
Deferred Inflows	1,350,028	1,345,019
Net Position:		
Net Investment in Capital Assets	2,506,368	2,382,457
Restricted	363,612	249,943
Unrestricted	1,188,388	832,982
Total Net Position	\$ 4,058,368	\$ 3,465,382

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Moraine Township Changes in Net Position

	Governmental Activities	
	3/31/2020	3/31/2019
Revenues		
Program Revenues:		
Charges for Services	\$ 17,354	\$ 19,038
Operating Grants	41,000	61,000
Monetary Donations	150,281	119,465
General Revenues:		
Property Taxes	1,337,851	1,327,094
Replacement Taxes	41,768	27,243
Reimbursements	20,744	20,818
Interest	16,876	12,968
Pension - GASB 68	253,818	48,505
Other Income	5,939	5,683
Total Revenues	<u>1,885,631</u>	<u>1,641,814</u>
Expenses		
General Government	331,717	322,895
Community Assistance and Services	89,006	76,206
Assessor	433,092	457,650
Transportation Services	188,693	181,602
Agency Grants	175,000	176,000
Cemeteries	15,853	10,986
Capital Asset Disposal	-	120,123
Passport Processing	9,736	9,055
Depreciation - unallocated	49,548	41,071
Total Expenses	<u>1,292,645</u>	<u>1,395,588</u>
Increase/(Decrease) in Net Assets	<u>592,986</u>	<u>246,226</u>
Net Position - Beginning of Year	<u>3,465,382</u>	<u>3,219,156</u>
Net Position - End of Year	<u>\$ 4,058,368</u>	<u>\$ 3,465,382</u>

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities

Total Revenue: Total revenue increased by \$38,504 (not including pension items). Although there was a \$20,000 decrease in transportation grant revenue, this was offset by increased revenue in donations, property taxes and replacement taxes.

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

Additional Township revenue received during the fiscal year was a generous grant from the Healthcare Foundation of Highland Park in the amount of \$40,000 to support the Township's Door-to-Door Paratransit Van program.

Moraine Township's net position increased by \$592,986 during the fiscal year. Financial highlights include:

- **Debt:** Moraine Township has no long-term or short-term debt.
- **Revenue** increased primarily due to an increase in pension gains and March 2020 surge in donations for COVID-19 relief.
- **Levy:** The Township Board of Trustees has reduced the property tax levy by 5% in two of the last seven years, and frozen the property tax levy in five of the last seven years. During the current fiscal year property tax revenue increased by \$10,000 due to new construction added to the tax rolls.
- **Total expenses** for Governmental Activities (not including prior year capital asset disposals) had increased by \$17,180 from the prior fiscal year, the majority being attributed to an increase in general assistance expenses and cemetery maintenance.
- The actuarially-computed accrual required to comply with the Governmental Accounting Standards Board Statement No. 68 referenced above decreased by \$49,548.

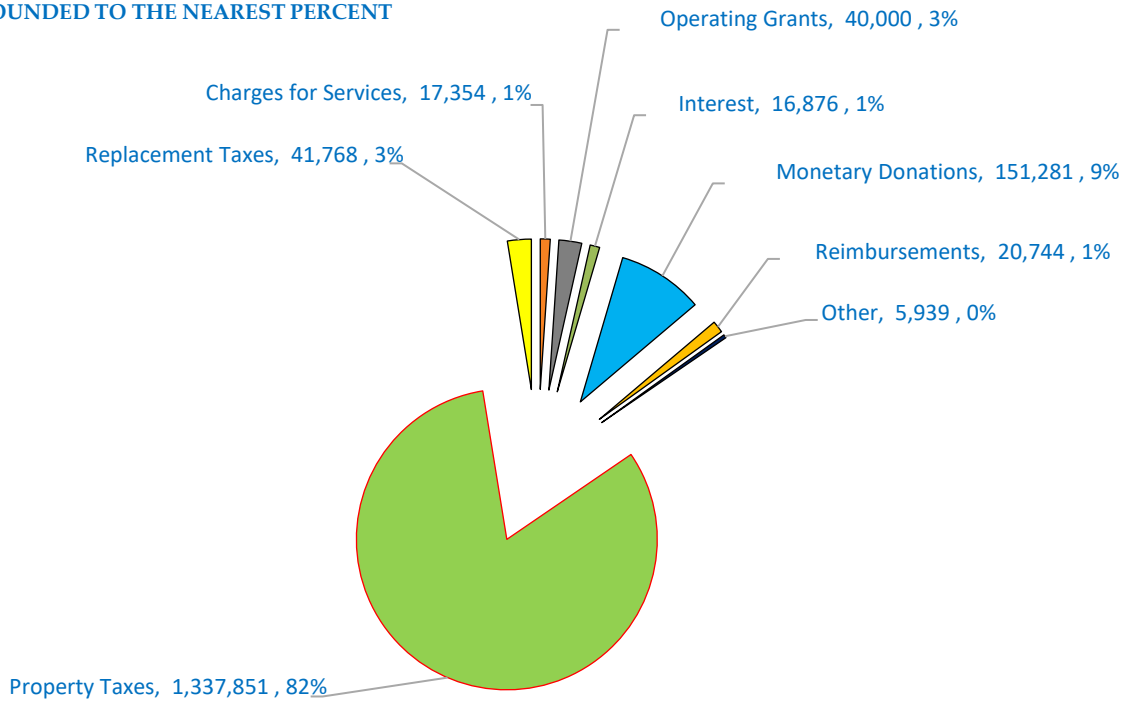
MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended March 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

2020 REVENUES

ROUNDED TO THE NEAREST PERCENT



FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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

Governmental funds

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

At March 31, 2020, the Township's governmental funds reported combined ending fund balances of \$1,184,023, an increase of \$215,256 in comparison with the prior year.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (CONTINUED)

The Town Fund is the chief operating fund of the Township. At March 31, 2020, the fund balance of the Town Fund was \$820,411. This represents an increase of \$101,587 compared to the prior fiscal year.

TOWN FUND BUDGETARY HIGHLIGHTS

Expenditures in the Town Fund of \$1,099,943 were less than revenues by \$101,587; Town Fund expenditures were \$22,042 under the budgeted appropriations of \$1,121,985.

Town Fund non-capital expenditures increased by a little over \$5,000 over the prior fiscal year end.

General Assistance non-capital expenditures increased by around \$26,000, attributable to a significant increase in funds spent for assistance programs, and increase in costs to administer programs and help residents with assistance applications. Total General Assistance non-capital expenditures of \$309,192 fund programs, services and administration of general assistance, emergency assistance, senior and youth services to residents in need.

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

Community Chest Moraine Township Charitable Fund, Inc., also known as the Community Chest Fund, ended the fiscal year with a cash balance of \$143,981.58 due primarily to a significant surge in COVID-19 donations in March 2020, before the end of the fiscal year.

- Community Chest expenditures of \$74,680 are included in the General Assistance Fund. Expenditures include Pantry food, supplies and equipment, gift cards distributed to residents, and school food programs. Other Community Chest expenditures include emergency rent and other resident assistance, holiday gift drive, PayPal fees, volunteer appreciation, cleaning, legal and accounting services.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

- In-kind food donations, not included in the financial statements, were received from area businesses, community food drives, and food donated from local stores, and distributed to Pantry clients.
- Food programs to residents include continuation of a school vacation food assistance program for income-qualified families of school children.
- A generous community, and over 70 weekly volunteers, and hundreds of other volunteers, make it possible for Moraine Township to provide residents in need with fresh produce, eggs, cheese, frozen meat, shelf-stable food and toiletries at the Food Pantry.
- Six area stores (Sunset Foods Highland Park, Target Highland Park, Jewel Foods Highland Park, Whole Foods Market Deerfield, Mariano's in Buffalo Grove and Heinen's in Bannockburn) made weekly donations of fresh produce, frozen meat, shelf-stable food and toiletries to the Food Pantry.
- The Township also facilitates volunteers who train with CMS to offer assistance enrolling residents for Medicaid or health insurance on the federal Marketplace. Between Marketplace and Medicaid enrollments, the Township helped almost 150 residents to obtain health insurance during the fiscal year.
- A Township program facilitates volunteers who train with the IRS to offer free income tax preparation for low-income residents and prepared over 150 tax returns during the fiscal year. The 2020 filing season was disrupted and prolonged due to the COVID crisis, but volunteers continued to help taxpayers remotely even after the office was closed to the public.

TOWNSHIP PROGRAM HIGHLIGHTS APRIL 1, 2019 THROUGH MARCH 31, 2020

During the fiscal year April 1, 2019 through March 31, 2020, Moraine Township responded to over 20,000 resident inquiries or requests for services or information (excluding services to residents offered at the Assessor's Office).

Examples of direct services provided to residents include applications for Emergency and General Assistance, utility and housing assistance, Alert One monitoring service for low-income seniors living alone, van rides for senior and disabled residents, distribution of taxi coupons to seniors and disabled residents, assistance enrolling for health insurance, free income tax preparation for low-income residents, cemetery inquiries and burials, and voter and notary services, and over 7,000 resident-visits to our Food Pantry.

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

TOWN FUND BUDGETARY HIGHLIGHTS (CONTINUED)

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

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

CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of March 31, 2020, amount to \$2,506,368 (net of accumulated depreciation and asset disposition). This investment in fixed assets includes land improvements, buildings, furniture and other equipment.

Major fixed asset events during the current fiscal year included a new roof for the office side of the Township building. The Township building, located at 800 Central Avenue in downtown Highland Park, serves as the Township office and Food Pantry.

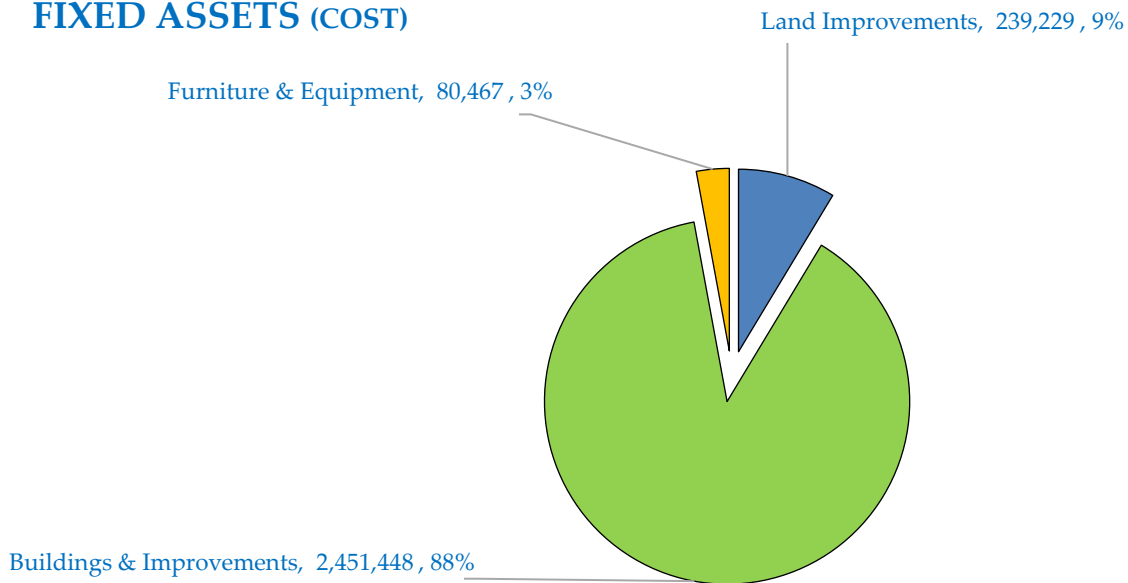
	Balance			Balance
Fixed Assets	April 1, 2019	Increases	Decreases	March 31, 2020
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Buildings & Improvements	2,285,159	166,289	-	2,451,448
Furniture & Equipment	73,297	7,170	-	80,467
Total Fixed Assets	2,597,685	173,459	-	2,771,144
Less: Accumulated Depreciation	215,228	49,548	-	264,776
Fixed Assets (Net)	\$ 2,382,457	\$ 123,911	\$ -	\$ 2,506,368

MORaine TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

FIXED ASSETS (COST)



ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for the 2019 levy is \$2,428,721,027. That represents a decrease in EAV of \$39,565,936 over the prior year's EAV. Property tax revenues recorded in these financial statements are from the 2018 levy paid to the Township in 2019 and reflected in the financial statements for the Fiscal Year Ended March 31, 2020. Property tax receivable and deferred property tax amounts reported in these financial statements are from the 2019 levy, to be paid to the Township in 2020.

Moraine Township reduced its property tax levy by 5% in two of the last seven years, and froze its property tax levy in four of the last six years. A summary of the assessed valuations and extensions for tax years 2019, 2018, and 2017 is as follows:

MORAINÉ TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Year Ended March 31, 2020

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

Tax Levy Year	2019		2018		2017	
Assessed Valuation						
Lake County	\$	2,428,721,027	\$	2,468,286,963	\$	2,469,476,144
Tax Rates and Percentage						
Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Corporate	0.045292	81.48	0.044566	81.78	0.050011	92.51
General Assistance	0.010294	18.52	0.009926	18.22	0.004050	7.49
Totals	0.055586	100.00	0.054492	100.00	0.054061	100.00
Property Tax Extensions						
Funds		2019		2018		2017
Corporate	\$	1,100,016	\$	1,100,017	\$	1,235,010
General Assistance		250,013		245,002		100,014
Totals	\$	1,350,029	\$	1,345,019	\$	1,335,024

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Net Position

March 31, 2020

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,108,475
Property tax receivable	1,350,028
Accounts receivable	59,705
Prepaid items	63,169
Pension asset	229,393
Fixed assets - net	2,506,368
Total Assets	5,317,138
Deferred Outflows of Resources	
Net deferred pension outflows	138,584
Total Deferred Outflows of Resources	138,584
Liabilities	
Accounts payable	6,032
Accrued payroll liabilities	1,294
Unearned grant revenue	40,000
Total Liabilities	47,326
Deferred Inflows of Resources	
Unavailable property tax revenue	1,350,028
Total Deferred Inflows of Resources	1,350,028
Net Position	
Net investment in capital assets	2,506,368
Restricted - general assistance	128,978
Restricted - community chest	173,015
Unrestricted	1,250,007
Total Net Position	\$ 4,058,368

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

MORAINÉ TOWNSHIP, ILLINOIS

Government-wide Statement of Activities

Year Ended March 31, 2020

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	\$ 108,347	\$ -	\$ -	\$ -	\$ (108,347)
General Assistance	223,370	-	-	-	(223,370)
Assessor	433,092	-	-	-	(433,092)
Transportation	188,693	14,069	41,000	-	(133,624)
Cemeteries	15,853	1,000	-	-	(14,853)
Agency grants	175,000	-	-	-	(175,000)
Assistance programs	89,006	-	150,281	-	61,275
Passport processing	9,736	2,285	-	-	(7,451)
Depreciation - unallocated	49,548	-	-	-	(49,548)
Total Governmental Activities	\$ 1,292,645	\$ 17,354	\$ 191,281	\$ -	(1,084,010)
General Revenues:					
					1,337,851
					41,768
					20,744
					16,876
					253,818
					5,939
					1,676,996
					592,986
					3,465,382
					\$ 4,058,368

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

MORAINÉ TOWNSHIP, ILLINOIS

Governmental Funds - Balance Sheet

March 31, 2020

	Town	General	
Assets	Fund	Assistance	Total
Cash	\$ 807,235	\$ 301,240	\$ 1,108,475
Prepaid items	1,550	61,619	63,169
Interfund receivables	5,709	-	5,709
Accounts receivable	52,087	7,618	59,705
Property tax receivable, net	1,100,016	250,012	1,350,028
Total Assets	\$ 1,966,597	\$ 620,489	\$ 2,587,086
Liabilities			
Accrued payroll liabilities	\$ 886	\$ 408	\$ 1,294
Accounts payable	5,284	748	6,032
Interfund payables	-	5,709	5,709
Unearned grant revenue	40,000	-	40,000
Total Liabilities	46,170	6,865	53,035
Deferred Inflows of Resources			
Unavailable property tax revenue	1,100,016	250,012	1,350,028
Total Deferred Inflows of Resources	1,100,016	250,012	1,350,028
Fund Balance			
Nonspendable	1,550	61,619	63,169
Restricted	-	301,993	301,993
Committed	-	-	-
Assigned	-	-	-
Unassigned	818,861	-	818,861
Total Fund Balance	820,411	363,612	1,184,023
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,966,597	\$ 620,489	\$ 2,587,086

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, 2020

	Town Fund	General Assistance Fund	Total
Revenues			
Property taxes	\$ 1,093,831	\$ 244,020	\$ 1,337,851
Replacement taxes	34,448	7,320	41,768
Van user fees	14,069	-	14,069
Cemetery revenue	1,000	-	1,000
Grants and donations	40,000	2,917	42,917
Passport income	2,285	-	2,285
Interest income	14,682	2,194	16,876
Reimbursements	-	20,744	20,744
Contributions - community chest	-	148,364	148,364
Miscellaneous revenue	1,215	4,724	5,939
Total Revenues	1,201,530	430,283	1,631,813
Expenditures			
Administrative	105,127	220,186	325,313
Assessor	432,597	-	432,597
Transportation	186,447	-	186,447
Assistance programs	-	89,006	89,006
Cemeteries	15,853	-	15,853
Agency grants	175,000	-	175,000
Passport processing	9,736	-	9,736
Capital outlay	175,183	7,422	182,605
Total Expenditures	1,099,943	316,614	1,416,557
Net Changes in Fund Balance	101,587	113,669	215,256
Fund Balance			
Fund Balance, Beginning	718,824	249,943	968,767
Total Fund Balance, Ending	\$ 820,411	\$ 363,612	\$ 1,184,023

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, 2020*

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

Total Fund Balances -Total Governmental Funds	\$ 1,184,023
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets net of depreciation	2,506,368
Deferred Outflows and Net Pension Assets/(Liabilities) are not reported in the funds	
Net pension assets/(liabilities)	229,393
Deferred pension outflows	138,584
Total Net Position of Governmental Activities	<u><u>\$ 4,058,368</u></u>

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

Net Change in Fund Balance	
Governmental Funds	\$ 215,256
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life.	
Capitalized asset additions	173,459
Depreciation expense	(49,548)
Change in Deferred Outflows and Net Pension Assets/(Liabilities) are not reported in the funds	253,819
Changes in Net Position Governmental Funds	<u><u>\$ 592,986</u></u>

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

NOTES TO THE BASIC
FINANCIAL STATEMENTS

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

REPORTING ENTITY –

The Township is located in Highland Park, Illinois and is governed by a board of trustees. The Township is primarily funded through a tax levy, Illinois Replacement Tax, operating grants, user fees, and donations. Revenue is used to operate and staff Township services and provide direct assistance. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of operational or financial relationships with the Township, the 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 levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The following fund types are used by the Township:

Governmental Funds

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

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

MORAINES TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

Assistance Fund is a Special Revenue Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

THE TOWNSHIP REPORTS ALL THE FUNDS AS MAJOR GOVERNMENTAL FUNDS –

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

FINANCIAL STATEMENT AMOUNTS –

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

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

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

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied no later than the last Tuesday of December, based on the taxable valuation of the property as of the preceding December 31st. The 2019 levy was passed by the board on November 21, 2019.

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 The Basic Financial Statements

Year Ended March 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2020, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2019-2020 appropriations ordinance was adopted May 16, 2019.

FUND BALANCE CLASSIFICATION –

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

Nonspendable –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Township has classified prepaid items as being Nonspendable.

Restricted –

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Township did not have any committed resources as of March 31, 2020.

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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

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

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

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

NOTE – 2 CASH AND INVESTMENTS

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits. The carrying cash balance of the Township is \$1,108,475 and the bank balance is \$1,205,837. Of the bank balance in the Township's name, \$440,927 is FDIC insured, \$764,910 is collateralized for the Township in the bank's trust department.

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

Custodial Credit Risk – The Township limits its credit risk by holding its deposits in FDIC insured institutions with collateral backing its deposits.

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

IMRF PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

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

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

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2019, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	<u>5</u>
Total	30

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 2019 was 3.54%. For the fiscal year ended March 31, 2020, the Township contributed \$15,080 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, 2019. 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, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.6-7.6%
Cash Equivalents	<u>1%</u>	1.85%
Total	100%	

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Actuarial Valuation Date	12/31/2019	
Measurement Date of the Net Pension Liability	12/31/2019	
Fiscal Year End	3/31/2020	
Membership		
Number of		
- Retirees and Beneficiaries	17	
- Inactive, Non-Retired Members	8	
- Active Members	5	
- Total	<u>30</u>	
Covered Valuation Payroll (1)	\$ 335,339	
Net Pension Liability		
Total Pension Liability/(Asset)	\$ 3,481,054	
Plan Fiduciary Net Position	<u>3,710,447</u>	
Net Pension Liability/(Asset)	\$ (229,393)	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.59%	
Net Pension Liability as a Percentage of Covered Valuation Payroll	-68.41%	
Development of the Single Discount Rate as of December 31, 2019		
Long-Term Expected Rate of Investment Return	7.25%	
Long-Term Municipal Bond Rate (2)	2.75%	
Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2119	
Resulting Single Discount Rate based on the above development	7.25%	
Single Discount Rate calculated using December 31, 2018 Measurement Date	7.25%	
Total Pension Expense/(Income)	\$ 35,220	
Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 24,640	\$ -
Changes in assumptions	4,171	-
Net difference between projected and actual earnings on pension plan investments	<u>304,311</u>	<u>471,706</u>
Total	<u>\$ 333,122</u>	<u>\$ 471,706</u>

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 68. (2) Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

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 2.75%, and the resulting single discount rate is 7.25%.

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

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2019

A. Total pension liability

1. Service Cost	\$ 37,151
2. Interest on the Total Pension Liability	239,112
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	46,296
5. Changes of assumptions	-
6. Benefit payments, including refunds of employee contributions	(242,056)
7. Net change in total pension liability	80,503
8. Total pension liability – beginning	3,400,551
9. Total pension liability – ending	<u>\$ 3,481,054</u>

B. Plan fiduciary net position

1. Contributions – employer	\$ 11,870
2. Contributions – employee	15,090
3. Net investment income	649,335
4. Benefit payments, including refunds of employee contributions	(242,056)
5. Other (Net Transfer)	44,181
6. Net change in plan fiduciary net position	478,420
7. Plan fiduciary net position – beginning	3,232,027
8. Plan fiduciary net position – ending	<u>\$ 3,710,447</u>

C. Net pension liability/(asset)

\$ (229,393)

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

106.59%

E. Covered Valuation payroll

\$ 335,339

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

68.41%

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	\$ 3,816,489	\$ 3,481,054	\$ 3,203,499
Plan Fiduciary Net Position	3,710,447	3,710,447	3,710,447
Net Pension Liability/(Asset)	<u>\$ 106,042</u>	<u>\$ (229,393)</u>	<u>\$ (506,948)</u>

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

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, 2020, the Township recognized pension expense of \$15,080. At March 31, 2020, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ 24,640	\$ -
Changes of assumptions	4,171	-
Net difference between projected and actual earnings on pension plan investments	<u>304,311</u>	<u>471,706</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>333,122</u>	<u>471,706</u>
Pension Contributions made subsequent To the measurement date	<u>6,100</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 339,222</u>	<u>\$ 471,706</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ (19,539)
2021	(51,087)
2022	16,283
2023	(84,241)
2024	-
Thereafter	-
Total	<u>\$ (138,584)</u>

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date: December 31, 2019

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 2019 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): 24-year closed period. Early Retirement Incentive Plan liabilities: supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.5%
Salary Increases	3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to

Other Information:

Notes There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

MORAIN TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements
Year Ended March 31, 2020

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

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

Methods and Assumptions Used to Determine Total pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
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 2017 valuation pursuant to an experience study of the period 2014-2016
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based on 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 Illinois Municipal Retirement annual actuarial valuation report.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

NOTE 4 – CHANGES IN FIXED ASSETS

	Balance			Balance
Fixed Assets	April 1, 2019	Increases	Decreases	March 31, 2020
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Buildings & Improvements	2,285,159	166,289	-	2,451,448
Equipment & Furniture	73,297	7,170	-	80,467
Total Fixed Assets	2,597,685	173,459	-	2,771,144
Less: Accumulated				
Depreciation	215,228	49,548	-	264,776
Fixed Assets (Net)	\$ 2,382,457	\$ 123,911	\$ -	\$ 2,506,368

Depreciation by Governmental Activity

Unallocated	\$ 49,548
Total Governmental Activities	\$ 49,548

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 \$138,584 of net deferred pension outflows in this category.

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

MORAINÉ TOWNSHIP, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2020

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 (\$1,350,028) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

NOTE 7 – BLENDED COMPONENT UNIT

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

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date). There have been no other recognized or non-recognized subsequent events that have occurred between March 31, 2020 and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2020

	Original & Final Budget	Modified Accrual Basis
Revenues		
Property taxes	\$ 1,090,000	\$ 1,093,831
Replacement taxes	24,500	34,448
Cemetery revenue	500	1,000
Grants	40,000	40,000
Van user revenue	15,000	14,069
Passport revenue	2,500	2,285
Miscellaneous	-	1,215
Interest income	500	14,682
Total Revenues	1,173,000	1,201,530
Expenditures		
Administrative		
Personnel		
Salaries - officers & staff	77,913	76,717
Health insurance	350	100
Social security & medicare	6,862	6,015
Total Personnel	85,125	82,832
Contractual Services		
Accounting & auditing	3,500	1,752
Auto expense/mileage	500	13
Legal services	5,000	1,747
Outside services	4,000	3,465
Printing/publishing	1,000	1,809
Facilities/rent	6,475	6,055
Special events	1,000	363
Telephone	1,000	900
Website	2,500	875
Workshops/dues/subscriptions	2,500	1,845
Miscellaneous expense	500	304
Equipment/computer	2,500	811
Contingencies, office of the Supervisor	2,500	-
Total Contractual Services	32,975	19,939
Commodities		
Operating supplies	750	564
VITA supplies	250	-
Office supply/postage	1,500	1,792
Total Commodities	2,500	2,356

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2020

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Administrative Expenditures (Continued)		
Capital Outlay		
Equipment	\$ 3,000	\$ 4,296
Building	20,000	48,649
Total Capital Outlay	<u>23,000</u>	<u>52,945</u>
Total Administrative	<u>143,600</u>	<u>158,072</u>
Assessor Personnel		
Salaries/consulting	257,125	252,900
Social security & medicare	21,134	19,889
Health insurance	40,150	37,738
Municipal retirement	20,000	9,713
Total Personnel	<u>338,409</u>	<u>320,240</u>
Contracual Services		
Accounting & auditing	5,000	2,920
Auto expense/mileage	2,500	1,769
Insurance	-	200
Legal services	2,500	764
Outside services	5,000	4,486
Printing/publishing	-	270
Facilities/rent	18,550	14,762
Special events	1,000	145
Telephone	1,500	839
Newsletter	3,500	341
Software	17,000	18,124
Website	2,500	432
Workshops/dues/subscriptions	2,500	1,709
Consulting	60,000	61,330
Miscellaneous expense	500	135
Contingencies, office of the Assessor	8,000	-
Total Contracual Services	<u>130,050</u>	<u>108,226</u>
Commodities		
Operating supplies	750	1,069
Office supply/postage	2,500	3,062
Total Commodities	<u>3,250</u>	<u>4,131</u>
Capital Outlay		
Equipment	7,500	4,080
Building	50,000	81,770
Total Capital Outlay	<u>57,500</u>	<u>85,850</u>
Total Assesor	<u>529,209</u>	<u>518,447</u>

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2020

Expenditures (Continued)	Original & Final Budget	Modified Accrual Basis
Transportation		
Personnel		
Salaries	\$ 121,541	\$ 126,388
Health insurance	9,971	7,220
Social security & medicare	11,178	11,514
Municipal retirement	2,516	1,412
Total Personnel	145,206	146,534
Contractual Services		
Accounting & auditing	2,500	2,920
Auto expense/mileage	250	37
Insurance	5,000	-
Legal services	2,500	854
Outside services	1,000	1,698
Printing/publishing	-	298
Website	2,500	601
Facilities/rent	7,600	10,641
Special events	500	149
Telephone	500	813
Newsletter	3,500	1,024
Van operations & maintenance	17,400	13,576
Equipment/computer	2,500	647
Miscellaneous expense	500	5
Contingencies, office of the Supervisor	2,500	-
Total Contractual Services	48,750	33,263
Commodities		
Operating supplies	250	777
Office supply/postage	2,000	1,739
Total Commodities	2,250	2,516
Capital Outlay		
Equipment	1,500	3,680
Building	10,000	32,708
Total Capital Outlay	11,500	36,388
Other Programs		
Taxi program	12,500	4,134
Total Other Programs	12,500	4,134
Total Transportation	220,206	222,835

MORAINÉ TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2020

Expenditures (Continued)	Original & Final Budget	Modified Accrual Basis
Cemeteries		
Personnel		
Salaries	\$ 2,500	\$ 1,251
Social security & medicare	248	124
Total Personnel	2,748	1,375
Contractual Services		
Auto expense/mileage	100	-
Insurance	2,000	1,794
Legal services	500	105
Outside services	10,000	12,231
Equipment/computer	-	341
Supplies	-	7
Utilities	250	-
Website	1,000	-
Workshops/dues/subscriptions	1,500	-
Total Contractual Services	15,350	14,478
Capital Outlay		
Improvements	25,000	-
Total Capital Outlay	25,000	-
Total Cemeteries		
Agency Grants		
Contractual Services		
Grants	175,000	175,000
Total Agency Grants	175,000	175,000
Passport Processing		
Personnel		
Salaries	5,975	6,020
Health insurance	1,582	1,629
Social security & medicare	487	448
Municipal retirement	478	268
Total Personnel	8,522	8,365
Contractual Services		
Auto expense/mileage	100	91
Newsletter	250	-
Utilities	-	355
Miscellaneous	-	90
Website	500	23
Total Contractual Services	850	559

MORAINÉ TOWNSHIP, ILLINOIS

Town Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended March 31, 2020

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Expenditures (Concluded)		
Passport Processing Commodities		
Office supplies/postage	\$ 1,500	\$ 812
Total Commodities	<u>1,500</u>	<u>812</u>
Total Passport Processing	<u>10,872</u>	<u>9,736</u>
Total Expenditures	<u>1,121,985</u>	<u>1,099,943</u>
Net Change in Fund Balance	<u>\$ 51,015</u>	<u>\$ 101,587</u>

MORAINÉ TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2020

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues		
Property taxes	\$ 245,000	\$ 244,020
Replacement taxes	5,500	7,320
Interest income	100	2,194
Reimbursements	21,000	20,744
Contributions - community chest	60,000	148,364
Grants	1,000	2,917
Miscellaneous	-	4,724
Total Revenues	<u>332,600</u>	<u>430,283</u>
Expenditures		
Administrative		
Personnel		
Salaries - officers & staff	119,481	116,456
Health insurance	22,582	24,362
Social security & medicare	10,165	9,567
Municipal retirement	6,566	3,687
Total Personnel	<u>158,794</u>	<u>154,072</u>
Contractual Services		
Accounting & auditing	5,000	4,088
Auto expense/mileage	1,000	492
Insurance	3,500	3,032
Legal services	1,000	2,572
Outside services	3,000	1,928
Printing/publishing	1,000	3,834
Facilities/rent	43,575	41,004
Special events	500	353
Telephone	1,000	583
Newsletter	5,000	-
Website	5,000	357
Workshops/dues/subscriptions	1,500	1,247
Miscellaneous expense	500	4
Equipment/computer	2,500	3,459
Contingencies, General Assistance	10,000	-
Total Contractual Services	<u>84,075</u>	<u>62,953</u>

MORAINÉ TOWNSHIP, ILLINOIS

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

- Budget and Actual

Year Ended March 31, 2020

	<u>Original & Final Budget</u>	<u>Modified Accrual Basis</u>
Administrative Expenditures (Concluded)		
Commodities		
Operating supplies	\$ 750	\$ 268
Office supply/postage	3,500	2,893
Total Commodities	<u>4,250</u>	<u>3,161</u>
Capital Outlay		
Equipment	-	4,260
Building equipment	23,000	3,162
Total Capital Outlay	<u>23,000</u>	<u>7,422</u>
Total Administrative	<u>270,119</u>	<u>227,608</u>
Assistance programs		
General assistance	10,000	-
Emergency assistance	25,000	4,400
Senior/youth services	19,000	9,926
Community chest	60,000	74,680
Total Assistance Programs	<u>114,000</u>	<u>89,006</u>
Total Expenditures	<u>384,119</u>	<u>316,614</u>
Net Change in Fund Balance	<u>\$ (51,519)</u>	<u>\$ 113,669</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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service Cost	\$ 37,151	\$ 39,113	\$ 56,784	\$ 62,280	\$ 60,557					
Interest on the Total Pension Liability	239,112	235,238	247,276	244,772	215,742					
Benefit Changes	-	-	-	-	-					
Difference between Expected and Actual Experience	46,296	53,444	(44,863)	12,834	313,585					
Assumption Changes	-	72,937	(112,677)	(3,580)	3,497					
Benefit Payments and Refunds	(242,056)	(234,265)	(362,111)	(206,939)	(198,715)					
Net Change in Total Pension Liability	80,503	166,467	(215,591)	109,367	394,666					
Total Pension Liability - Beginning	3,400,551	3,234,084	3,449,675	3,340,308	2,945,642					
Total Pension Liability - Ending (a)	\$ 3,481,054	\$ 3,400,551	\$ 3,234,084	\$ 3,449,675	\$ 3,340,308					
Plan Fiduciary Net Position										
Employer Contributions	11,870	27,450	34,400	39,501	43,983					
Employee Contributions	15,090	15,421	19,744	22,247	23,387					
Pension Plan Net Investment Income	649,335	(238,769)	575,883	227,752	15,125					
Benefit Payments and Refunds	(242,056)	(234,265)	(362,111)	(206,939)	(198,715)					
Other	44,181	96,817	(87,363)	20,927	306,792					
Net Change in Plan Fiduciary Net Position	478,420	(333,346)	180,553	103,488	190,572					
Plan Fiduciary Net Position - Beginning	3,232,027	3,565,373	3,384,820	3,281,332	3,090,760					
Plan Fiduciary Net Position - Ending (b)	\$ 3,710,447	\$ 3,232,027	\$ 3,565,373	\$ 3,384,820	\$ 3,281,332					
Net Pension Liability/(Asset) - Ending (a) - (b)	(229,393)	168,524	(331,289)	64,855	58,976					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.59%	95.04%	110.24%	98.12%	98.23%					
Covered Valuation Payroll	\$ 335,339	\$ 342,684	\$ 438,016	\$ 494,388	\$ 511,428					
Net Pension Liability as a Percentage of Covered Valuation Payroll	-68.41%	49.18%	(75.63%)	13.12%	11.53%					

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 43,983	\$ 43,983	\$ -	\$ 511,428	8.60%
2016	39,502	39,501	1	494,388	7.99%
2017	34,340	34,400	(60)	438,016	7.85%
2018	27,449	27,450	(1)	342,684	8.01%
2019	11,871 *	11,870	1	335,339	3.54%

* Estimated based on a contribution rate of 3.54% and covered valuation payroll of \$335,339.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP, ILLINOIS

*Notes to Required Supplementary Information
Year Ended March 31, 2020*

NOTE 1 - BUDGETARY INFORMATION

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

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

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

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

1. Prior to June 15th the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding April 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to June 30th.
4. The Township Treasurer, in conjunction with the Township Board, is authorized to expend the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The budget was passed on April 16, 2019.

MORAINÉ TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2020

NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

6. Formal budgetary integration is not employed as a management control device during the year for any fund.
7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.
10. The appropriation ordinance for the Town Fund and General Assistance Fund was adopted on April 16, 2019.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund expenditures exceeded appropriations during the fiscal year ended March 31, 2020.