

**TROY TOWNSHIP
WILL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2019**



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

***Mack & Associates, P.C.
Certified Public Accountants***

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INDEPENDENT AUDITORS' REPORT



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Troy Township
Will County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Troy Township, as of and for the year ended March 31, 2019, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 from 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 auditors' 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 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 modified cash basis financial position of the governmental activities and each major fund of Troy Township, as of March 31, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Troy Township's basic financial statements. The Other Information, including Notes to Other Information, on pages 21-34 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Individual Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the Individual Fund Financial Statements and Notes to Other Information are fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The IMRF Schedules, Notes to Other Information, and Supplementary Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Comparative Data

Other auditors previously audited, in accordance with the modified cash basis of accounting, the basic financial statements of Troy Township, for the year ended March 31, 2018, which are presented for comparison purposes with the accompanying financial statements. In their report dated May 24, 2018, they expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 15, 2019

BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statement-
Statement of Net Position - Modified Cash Basis
March 31, 2019**

	Primary Government Total Governmental Activities	
	2019	2018
<u>Assets</u>		
Cash	\$ 55,926	51,862
Short-term certificates of deposit and savings	1,422,654	1,366,050
Restricted cash	185,031	146,016
Capital assets:		
Land	25,000	25,000
Buildings	2,565,171	2,565,171
Transportation equipment	499,668	631,574
Machinery & equipment	431,515	480,654
Accumulated Depreciation	(1,669,295)	(1,721,425)
Total assets	3,515,670	3,544,902
<u>Liabilities</u>		
Current liabilities:		
Accrued liabilities	9,249	9,845
Long term liabilities:		
Due within one year	140,292	136,189
Due in more than one year	217,174	357,934
Total long term liabilities	357,466	494,123
Total liabilities	366,715	503,968
<u>Net Position</u>		
Net investment in capital assets	1,494,593	1,486,851
Restricted	221,131	178,504
Unrestricted	1,433,231	1,375,579
Total net position	\$ 3,148,955	3,040,934

The Notes to Basic Financial Statements are an integral part of this statement.

Government -wide Financial Statement- Statement of Activities-
Modified Cash Basis
For the Year Ended March 31, 2019

Program Activities	Expenditures	Program Revenues		Net (Expenditure) Revenue And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2019	2018
Governmental activities:					
General government	\$ 959,964	1,523	-	(958,441)	(825,038)
Road and bridges	850,842	20,585	-	(830,257)	(619,271)
Health and welfare	17,681	-	-	(17,681)	(16,505)
Unallocated depreciation expense	167,791	-	-	(167,791)	(168,357)
Unallocated interest expense	13,296	-	-	(13,296)	(17,498)
Total governmental activities	2,009,574	22,108	-	(1,987,466)	(1,646,669)
General revenues:					
Taxes:					
Property taxes				\$ 1,798,358	1,744,067
Replacement taxes				138,041	149,012
Motor Fuel Tax Allotment				43,943	46,000
Interest income				7,787	2,710
Miscellaneous				9,181	16,498
Total general revenues				1,997,310	1,941,998
Special items					
Sale of assets - equipment				98,177	-
Change in net position				108,021	295,329
Net position at beginning of year, as originally reported				3,040,934	2,645,589
Prior period adjustment				-	100,016
Net postion at beginning of year, as restated				-	2,745,605
Net position at end of year				\$ 3,148,955	3,040,934

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Assets, Liabilities, and Fund Balance- Modified Cash Basis-
Governmental Funds
March 31, 2019**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2019	2018
<u>Assets</u>					
Cash	\$ 24,144	24,416	7,366	55,926	51,862
Cash - restricted for Motor Fuel Tax	-	185,031	-	185,031	146,016
Short-term certificates of deposit and savings	628,946	764,609	29,099	1,422,654	1,366,050
Total Assets	<u>\$ 653,090</u>	<u>974,056</u>	<u>36,465</u>	<u>1,663,611</u>	<u>1,563,928</u>
<u>Liabilities</u>					
Accrued Liabilities	\$ 7,107	1,777	365	9,249	9,845
Total Liabilities	<u>7,107</u>	<u>1,777</u>	<u>365</u>	<u>9,249</u>	<u>9,845</u>
<u>Fund Balances</u>					
Fund Balances:					
Unassigned	645,983	-	-	645,983	595,306
Assigned	-	787,248	-	787,248	780,273
Restricted	-	185,031	36,100	221,131	178,504
Total Fund Balances	<u>645,983</u>	<u>972,279</u>	<u>36,100</u>	<u>1,654,362</u>	<u>1,554,083</u>
Total Liabilities and Fund Balances	<u>\$ 653,090</u>	<u>974,056</u>	<u>36,465</u>	<u>1,663,611</u>	<u>1,563,928</u>

Reconciliation to Statement of Net Position:

Total fund balance - governmental funds	\$ 1,654,362	1,554,083
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities of \$3,521,354 (net of accumulated depreciation of \$1,669,295) are not financial resources and, therefore, are not reported in the funds.	1,852,059	1,980,974
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore, are not reported in the funds	(357,466)	(494,123)
Net position of governmental activities	<u>\$ 3,148,955</u>	<u>3,040,934</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balances- Governmental Funds
For the Year Ended March 31, 2019**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2019	2018
<u>Revenues Received:</u>					
Property taxes	\$ 1,080,893	696,643	20,822	1,798,358	1,744,067
Replacement taxes	30,246	107,795	-	138,041	149,012
State reimbursements & grants	-	6,758	-	6,758	16,289
Fines & permits	-	13,827	-	13,827	26,380
Interest income	3,846	3,882	59	7,787	2,710
Rental Income	1,523	-	-	1,523	1,164
Motor fuel tax	-	43,943	-	43,943	46,000
Miscellaneous	5,155	4,026	-	9,181	15,334
Total revenues received	1,121,663	876,874	20,881	2,019,418	2,000,956
<u>Expenditures Disbursed:</u>					
Current:					
Administration	560,722	39,343	41,719	641,784	604,264
Assessor	229,961	-	-	229,961	221,668
Road and bridge maintenance	-	569,203	-	569,203	612,193
Public assistance	17,131	-	550	17,681	16,505
Capital outlay	88,219	320,515	-	408,734	140,638
Debt service:					
Principal	136,657	-	-	136,657	163,119
Interest	13,296	-	-	13,296	17,498
Total Expenditures disbursed	1,045,986	929,061	42,269	2,017,316	1,775,885
Excess (deficiency) of revenues received over (under) expenditures disbursed	75,677	(52,187)	(21,388)	2,102	225,071
Other financing sources (uses)					
Sale of fixed assets - equipment	-	98,177	-	98,177	-
Transfer (out)	(25,000)	-	25,000	-	-
Total other financing sources (uses)	(25,000)	98,177	25,000	98,177	-
Net change in fund balance	50,677	45,990	3,612	100,279	225,071
Fund balances - beginning, as originally stated	595,306	926,289	32,488	1,554,083	1,228,996
Prior period adjustment	-	-	-	-	100,016
Fund balance, beginning, as restated	595,306	926,289	32,488	1,554,083	1,329,012
Fund balances - ending	\$ 645,983	972,279	36,100	1,654,362	1,554,083

The Notes to Basic Financial Statements are an integral part of this statement.

TROY TOWNSHIP

Statement D
(Continued)Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balances- Governmental Funds
For the Year Ended March 31, 2019

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds	\$ 100,279	225,071
Amount reported for governmental activities in the State of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Principal payments	136,657	163,119
Governmental funds report capital outlays as expenditures. However, in the State of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense:		
Capital purchases	79,113	75,496
Capital disposals, net	(40,237)	-
Depreciation	(167,791)	(168,357)
Change in net position of governmental activities (Statement B)	<u>\$ 108,021</u>	<u>295,329</u>

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Troy Township (the Township) is an Illinois unit of local government. The Township maintains a general assistance fund which assists eligible residents within the Township's boundaries by subsidizing costs for shelter, food and medical supplies. Assessing property values within the Township and contributing to various community and senior programs are additional activities of the Township. The Township operates a road and bridge district which maintains the roads and bridges within the Township that are not under the jurisdiction of another governmental unit.

These financial statements are presented using the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. The Reporting Entity

The Township follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The Township, for financial purposes, includes all funds relevant to the operations of the Township. The accompanying financial statements present the Township's primary government over which the Township exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Township.

The Township has determined that the Troy Road District fits the definition of a component unit. Although legally separate from the Township, the Road District's purpose is to construct and maintain roads solely within the Township. The Road District's funds have been blended with the Township on the accompanying financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., The Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

B. Government-wide and Fund Financial Statements – (continued)

Government-wide Financial Statements – (continued)

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Township does not report any proprietary or fiduciary funds.

A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. at least 10 percent of the corresponding total for all funds of total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at that category or type, and
- b. total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All of the Township's funds are considered to be major funds. The funds reported by the Township are described below.

Governmental Funds Types – the focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the governmental funds of the Township:

Town 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.

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

B. Government-wide and Fund Financial Statements – (continued)

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The major Special Revenue Funds of the Township are:

Road & Bridge Fund – The Road & Bridge Fund is the general operating fund of the Troy Township Road District, which is included in these financial statements as a component unit of the Township. Proceeds of this specific tax levy may be used for any necessary expenditures of the Road District. As such, the balance of the Road & Bridge Fund is reported as assigned for the Road District in the accompanying financial statements.

General Assistance Fund - The General Assistance Fund is used to account for the proceeds of specific revenue sources for the expenditures for relief within the Township and related administration.

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All governmental funds utilize current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position, Statement of Activities and fund financial statements the governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Township utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis. All government-wide financials would be presented on the accrual basis of accounting.

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (continued)

D. Assets, Liabilities and Net Position

Cash & Cash Equivalents and Investments

Cash Equivalents – The Township considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments.

Investments – Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agency, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. At March 31, 2019, the Township has no investments other than the short-term investments reported as cash equivalents above.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. All capital assets are reported at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to February 1, 2004. Donated capital assets are reported at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of all exhaustible capital assets arising from cash transactions are recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

A capitalization thresholds for the capital asset classes are disclosed below:

Equipment and vehicles	\$2,500
Buildings	\$10,000
Infrastructure	\$50,000

The range of estimated useful lives by type of asset is as follows:

Equipment and vehicles	5-7 years
Buildings	40 years
Infrastructure	40 years

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. Assets, Liabilities and Net Position - (Continued)

Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2019, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 3,521,354
Less: Accumulated depreciation	1,669,295
Less: Outstanding obligations	<u>357,466</u>
Net investment in capital assets	<u>\$ 1,494,593</u>

- b. Restricted Net Position—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position—All other net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first, then unrestricted resources as they are needed.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

NOTE 2: PROPERTY TAXES

The Township’s property tax is levied each year on all taxable real property located within the Township during the month of December. The 2017 levy in the amount of \$2,445,630, adjusted to \$2,403,708, was received by the Township during the current fiscal year. The 2018 levy was passed by the Board on December 17, 2018 in the amount of \$2,521,490, adjusted to \$2,486,475, and will be received by the Township in the subsequent fiscal year. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in June and September.

The following are the tax rate limits and the actual levied per \$100 of assessed valuation:

	Limit	Actual		
		2018	2017	2016
Corporate	0.2500	0.0763	0.0777	0.0793
General Assistance	0.1000	0.0014	0.0015	0.0008
Road and Bridge	0.6600	<u>0.0916</u>	<u>0.0934</u>	<u>0.0945</u>
		<u>0.1693</u>	<u>0.1726</u>	<u>0.1746</u>

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAXES

The Township receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

Revenues are collected by the State of Illinois under the replacement tax and are allocated and paid by the State eight times a year. The replacement tax law provides that monies received should be first applied toward payment of the proportionate share of the pension or retirement obligation which were previously levied on personal property. Remaining allocations are made at the discretion of the Board of Trustees.

NOTE 4: DEPOSITS

Illinois statute authorizes the Township to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Township may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township's deposit policy for custodial credit risk requires that 105% of the deposit balance will be covered when collateralization is required.

The Township's deposits and short-term investments may be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Township's deposits at each financial institution, for each account type. Deposit balances over \$250,000 may be collateralized with securities held by the pledging financial institution at the discretion of the Supervisor. At March 31, 2019, the carrying amount of the Township's deposits (excluding MFT restricted cash) was \$1,478,580 and the bank balance was \$1,482,255. At March 31, 2019, \$978,294 of the Township's uninsured deposits were collateralized with securities held by the pledging financial institution. The remaining balance of uninsured deposits, \$3,962, was uncollateralized and exposed to custodial credit risk as of March 31, 2019.

NOTE 5: MOTOR FUEL TAX

The Township received an allotment of Motor Fuel Tax Funds from the State of Illinois. The allotment is paid directly to the Will County Treasurer. The Treasurer holds the funds and makes payments on approved road projects. The Township reports these funds in its Road & Bridge Fund. The Township recorded a prior period adjustment as of April 1, 2017 to account for the Township Motor Fuel Tax funds that are maintained by Will County because the balances were not previously reported by the Township. The following is a summary of the activity of the Township's motor fuel tax allotment for the period ended March 31, 2019:

Balance, April 1, 2018	\$ 146,016
Allotments received	43,943
Less: disbursements	4,928
Balance, March 31, 2019	<u>\$ 185,031</u>

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 6: CAPITAL ASSETS

A summary of changes in capital assets follows:

	2018	Additions	Deletions	2019
Capital Assets Not Being Depreciated:				
Land	\$ 25,000	-	-	25,000
Capital Assets Being Depreciated:				
Buildings	2,565,171	-	-	2,565,171
Transportation equipment	631,574	-	(131,906)	499,668
Machinery & equipment	480,654	79,113	(128,252)	431,515
Total Capital Assets Being Depreciated	3,677,399	79,113	(260,158)	3,496,354
Total Capital Assets, at Cost	3,702,399	79,113	(260,158)	3,521,354
Accumulated Depreciation:				
Buildings	(880,377)	(69,547)	-	(949,924)
Transportation equipment	(457,079)	(56,316)	92,348	(421,047)
Machinery & equipment	(383,969)	(41,928)	127,573	(298,324)
Total Accumulated Depreciation	(1,721,425)	(167,791)	219,921	(1,669,295)
Total Capital Assets, Net	\$ 1,980,974	(88,678)	(40,237)	1,852,059

Significant purchases for the year included the following:

John Deere Track Loader	\$ 48,913
Used Titan Leaf Pro Leaf Vacuum	25,000

Depreciation in the amount of \$167,791 was unallocated during the year ended March 31, 2019.

NOTE 7: CHANGE IN LONG-TERM OBLIGATIONS

A summary of the changes in long-term obligations is included below:

	Principal Outstanding 4/1/2018	Additions	Reductions	Principal Outstanding 3/31/2019	Amount Due in One Year
Note Payable-Senior Center Addition	\$ 494,123	-	136,657	357,466	140,292

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 7: CHANGE IN LONG-TERM OBLIGATIONS – (continued)

The Township acquired financing to fund the addition to the Senior Center through Chase Bank. The loan proceeds were \$1,700,000. The loan bears an interest rate of 2.99%. The debt is being retired by semi-annual principal and interest payments of \$74,997 every August 1 and February 1. The maturity date of the loan is August 1, 2021. The principal balance due at March 31, 2019 is \$357,466. The annual requirements to amortize the debts, including interest, is as follows

Chase Bank			
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payable</u>
3/31/2020	\$ 140,292	9,661	149,953
3/31/2021	144,518	5,435	149,953
3/31/2022	72,656	2,321	74,977
	<u>\$ 357,466</u>	<u>17,417</u>	<u>374,883</u>

All principal and interest payments are made from the General Fund.

NOTE 8: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and net income losses. The Township participates in a public entity risk pool to administer property and liability coverage and employee compensation and liability insurance programs. The public entity risk pool does not transfer risk from the Township. There have been no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage for the current year or the three prior years. TOIRMA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Township Officials of Illinois Risk Management Association, P.O. Box 517, Astoria, IL 61501.

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND

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.

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (continued)

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

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 services, 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms – As of December 31, 2018, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	19
Inactive Plan Members entitled to but not yet receiving benefits	17
Active Plan Members	<u>16</u>
Total	<u><u>52</u></u>

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 and actual Township contributions for calendar year 2018 and the fiscal year ended March 31, 2019 are summarized below. 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.

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (continued)

Contributions – (continued)

Plan member required contribution rate	4.50%
Township required contribution rate for 2018	12.19%
Township required contribution rate for 2019	9.55%
Township actual contributions for 2018	\$ 82,005
Township actual contributions for fiscal year 2019	\$ 78,018

Net Pension Liability – The Township's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2018, the Township had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 3,343,777
Plan Fiduciary Net Position	<u>2,894,654</u>
Net Pension Liability	<u>\$ 449,123</u>

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- 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.
- 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 (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 as of December 31, 2018:

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (continued)

Actuarial Assumptions – (continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	1%	2.50%
Total	100%	

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 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:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability – The schedule of changes in net pension liability for the calendar year ending December 31, 2018 is included as Other Information on page 30 of this report.

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:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Total Pension Liability	\$ 3,734,636	3,343,777	3,019,521
Plan Fiduciary Net Position	2,894,654	2,894,654	2,894,654
Net Pension Liability (Asset)	<u>\$ 839,982</u>	<u>449,123</u>	<u>124,867</u>

**Notes to Basic Financial Statements
For the Year Ended March 31, 2019**

NOTE 10: LEGAL DEBT MARGIN

Legal debt margin is the percent of the Township's assessed valuation which is subject to debt limitation. The statutory debt limitation for the Township is 2.875%. The Township's legal debt margin limitation is as follows for the period ended March 31, 2019:

Assessed valuation (2018)	<u>\$ 1,468,680,049</u>
Statutory debt limitation (2.875%)	\$ 42,224,551
Amount of debt applicable to debt limitation	<u>357,466</u>
Legal Debt Margin	<u>\$ 41,867,085</u>

NOTE 11: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 15, 2019, the date the financial statements were available to be issued. There were no other events that require or adjustments or disclosure in the Township's financial statements as of March 31, 2019.

NOTE 12: INTERFUND ACTIVITY

The Board approved a \$25,000 transfer from the General Fund to the General Assistance Fund to cover operating expenditures during the year ended March 31, 2019.

NOTE 13: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Non-spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has several revenue sources within different funds that fall into this category.

1. Motor Fuel Tax. Receipts and related disbursements of these restricted funds are accounted for in the Road & Bridge Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in an increase in the restricted fund balance to \$185,031, accounted for in the Road and Bridge Fund.
2. General Assistance Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the General Assistance Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in a restricted fund balance of \$36,100.

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

NOTE 13: FUND BALANCE – GASB 54 PRESENTATION – (continued)

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. There were no committed fund balances as of March 31, 2019.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board itself or the Supervisor when the Board has delegated the authority to assign amounts to be used for specific purposes.

At the direction of the Board of Trustees, unexpended funds in the Road & Bridge Fund are designated for use by the Troy Township Road District, a blended component unit of the Township. At March 31, 2019, \$787,248 of the Road & Bridge Fund Balance is considered assigned for this purpose.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance was \$645,983.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

OTHER INFORMATION

**TROY TOWNSHIP
TOWN FUND**

Schedule A-1

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash in bank	\$ 24,144
Short-term certificates of deposit and savings accounts	<u>628,946</u>
Total assets	<u>\$ 653,090</u>
<u>Liabilities and fund balance</u>	
Liabilities:	
Accrued liabilities	<u>\$ 7,107</u>
Fund balance:	
Unassigned fund balance	<u>645,983</u>
Total liabilities and fund balance	<u>\$ 653,090</u>

**TROY TOWNSHIP
TOWN FUND**

Schedule A-2

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Revenues received:				
Property taxes	\$ 1,079,866	1,079,866	1,080,893	1,057,216
Replacement taxes	23,400	23,400	30,246	32,650
State grants and reimbursements	1,500	1,500	-	1,814
Rental income	1,500	1,500	1,523	1,164
Interest income	1,000	1,000	3,846	1,197
Miscellaneous income	1,500	1,500	5,155	5,970
Total revenues received	1,108,766	1,108,766	1,121,663	1,100,011
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	314,500	314,500	311,936	304,628
Illinois municipal retirement fund	35,700	35,700	33,878	37,440
Social security	25,400	25,400	24,644	22,956
Health insurance	84,200	84,200	64,112	64,365
State unemployment tax	800	800	495	597
Printed material	350	350	325	325
Youth & parks	500	500	-	500
Insurance	16,700	16,700	14,863	14,998
Office supplies	1,900	1,900	1,363	2,337
Telephone services	2,900	2,900	2,779	2,706
Postage	500	500	490	473
Postage - newsletter	2,300	2,300	2,248	2,152
Printing & publishing	3,000	3,000	2,576	2,648
Mileage & travel	5,500	5,500	3,102	4,161
Dues	3,500	3,500	3,439	3,903
Training	2,500	2,500	1,513	1,942
Utilities	22,000	22,100	22,040	20,969
Maintenance - building	21,500	23,800	23,601	19,914
Maintenance - equipment	24,500	24,500	13,632	16,713
Legal assistance	2,000	2,400	2,340	780
Senior services - in house	1,500	1,500	730	1,137
Senior services - out of house	14,000	16,500	16,401	12,738
Other professional services	3,800	3,800	3,330	3,468
Accounting services	5,000	5,000	4,220	4,789
Capital outlay	95,000	89,700	87,201	13,933

**TROY TOWNSHIP
TOWN FUND**

**Schedule A-2
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Expenditures disbursed (continued):				
Administration (continued):				
Community events	\$ 1,400	1,400	1,351	900
Mosquito management	25,000	25,000	18,692	21,281
Debt service - principal	136,700	136,700	136,657	132,456
Debt service - interest	14,000	14,000	13,296	17,498
Contingencies	4,000	4,000	3,753	3,951
Assessor:				
Personnel:				
Salaries	167,500	167,500	151,972	146,762
Illinois municipal retirement fund	18,900	18,900	17,178	17,526
Social security	13,000	13,000	11,456	12,232
Health insurance	29,100	29,100	24,770	19,358
Insurance- workmen's comp	2,500	2,500	2,035	2,138
Printed materials	1,400	1,400	1,380	1,340
Insurance	125	125	74	89
Office supplies	600	600	358	383
Telephone	2,020	2,020	1,928	1,959
Postage	50	50	20	20
Postage - newsletter	2,100	2,100	2,058	1,993
Printing & publishing	2,420	2,420	2,086	2,082
Mileage & travel	4,000	4,000	3,754	3,841
Dues	150	150	100	50
Training	6,000	6,000	4,072	1,372
Maintenance - vehicles	500	500	61	86
Maintenance - equipment	500	500	230	254
Other professional services	10,000	10,000	5,184	7,280
Accounting services	825	825	825	825
Capital outlay	5,500	5,500	1,018	1,463
Contingencies	600	600	420	635
Total expenditures disbursed	1,138,440	1,138,440	1,045,986	958,346
Excess (deficiency) of revenues received over (under) expenditures disbursed	(29,674)	(29,674)	75,677	141,665
Other Financing sources (uses):				
Transfer out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	\$ (54,674)	(54,674)	50,677	141,665
Fund balance, beginning of year			595,306	453,641
Fund balance, end of year			645,983	595,306

**TROY TOWNSHIP
ROAD AND BRIDGE FUND**

Schedule B-1

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash in Bank	\$ 24,416
Short-term certificates of deposit and savings accounts	764,609
Cash restricted for Motor Fuel Tax	<u>185,031</u>
Total assets	<u>\$ 974,056</u>
<u>Liabilities and fund balance</u>	
Liabilities:	
Accrued Liabilities	<u>\$ 1,777</u>
Fund balance:	
Restricted fund balance	185,031
Assigned fund balance	<u>787,248</u>
Total fund balance	<u>972,279</u>
Total liabilities and fund balance	<u>\$ 974,056</u>

**TROY TOWNSHIP
ROAD AND BRIDGE FUND**

Schedule B-2

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Revenues received:				
Property taxes	\$ 696,770	696,770	696,643	676,172
Replacement taxes	86,950	86,950	107,795	116,362
Motor fuel tax	-	-	43,943	46,000
State reimbursements	12,500	12,500	6,758	16,289
Fines & permits	1,500	1,500	13,827	26,380
Interest income	1,440	1,440	3,882	1,438
Rental Income	100	100	-	-
Miscellaneous and reimbursements	100	100	4,026	4,267
Total revenues received	799,360	799,360	876,874	886,908
Expenditures disbursed:				
Administration:				
Insurance	18,100	18,100	17,855	17,230
Office supply	750	750	462	-
Telephone service	4,960	5,460	5,150	5,790
Postage	500	500	255	252
Postage-newsletter	2,100	2,100	2,058	1,993
Printing & publishing	3,200	3,200	2,386	2,229
Mileage & travel	1,500	1,500	190	187
Dues	300	350	350	275
Training	750	750	45	75
Janitorial services	3,634	3,634	2,357	2,995
Legal servies	4,220	4,220	1,170	731
Accounting services	4,600	4,600	3,865	4,117
Capital outlay	4,550	4,550	150	400
Other Professional Services	19,000	19,000	3,200	200
Replacement tax reimbursement	50,000	50,000	-	-

**TROY TOWNSHIP
ROAD AND BRIDGE FUND**

**Schedule B-2
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Expenditures disbursed - (continued):				
Maintenance:				
Personnel:				
Salaries	\$ 243,000	263,000	258,652	221,339
Illinois municipal retirement fund	28,000	28,000	24,369	23,141
Social security	18,600	18,600	17,795	14,617
Health insurance	38,000	38,000	19,234	17,806
State unemployment tax	1,000	1,000	480	472
Utilities	5,000	5,000	4,764	3,944
Utilities R&B street lights	22,000	22,000	19,385	19,176
Maintenance - roads	160,000	160,000	103,760	75,546
Maintenance - bridges	4,000	4,000	-	-
Maintenance - building	10,000	10,000	3,778	6,631
Maintenance - vehicles	36,000	42,000	38,882	40,471
Maintenance - equipment	36,500	36,500	31,623	21,696
Gas & Oil	62,000	62,000	41,353	29,112
Capital Outlay:				
R&B equipment	315,000	315,000	85,394	115,401
R&B roads	310,000	283,450	226,046	107,800
Building	27,000	27,000	8,925	9,442
Debt Service Principal	70,000	70,000	-	30,663
Contingencies	5,000	5,000	200	180
MFT Expenditures	-	-	4,928	-
Total expenditures disbursed	1,509,264	1,509,264	929,061	773,911
Excess (deficiency) of revenues received over (under) expenditures disbursed	(709,904)	(709,904)	(52,187)	112,997
Other financing sources (uses):				
Loan proceeds	150,000	150,000	-	-
Sale of assets - equipment	-	-	98,177	1,308
Total other financing sources (uses)	150,000	150,000	98,177	1,308
Net Change in Fund Balance	\$ (559,904)	(559,904)	45,990	114,305
Fund balance, beginning of year			926,289	711,968
Prior period adjustment			-	100,016
Fund balance, beginning of year as restated			926,289	811,984
Fund balance, end of year			972,279	926,289

**TROY TOWNSHIP
GENERAL ASSISTANCE FUND**

Schedule B-3

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2019**

Assets

Cash in Bank	\$ 7,366
Short-term certificates of deposit and savings accounts	<u>29,099</u>
Total Assets	<u>\$ 36,465</u>

Liabilities and fund balance

Liabilities:	
Accrued liabilities	<u>\$ 365</u>
Fund balance:	
Restricted fund balance	<u>36,100</u>
Total liabilities and fund balance	<u>\$ 36,465</u>

**TROY TOWNSHIP
GENERAL ASSISTANCE FUND**

Schedule B-4

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Revenues received:				
Property taxes	\$ 19,940	19,940	20,822	10,679
Interest income	75	75	59	75
Miscellaneous income	-	-	-	1,975
Total revenues received:	20,015	20,015	20,881	12,729
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	22,500	22,500	22,392	20,665
Illinois municipal retirement fund	2,800	2,800	2,593	2,598
Social security	1,750	1,750	1,620	1,490
Health insurance	5,000	5,000	3,663	4,004
State unemployment tax	90	90	40	44
Insurance	2,400	2,400	2,360	2,360
Postage-newsletter	2,100	2,100	2,012	1,927
Printing & publishing	2,420	2,420	2,090	2,083
Mileage & travel	1,000	1,000	72	43
Dues	50	50	50	-
Training	500	500	200	569
Maintenance- equipment	250	250	245	232
Other professional services	1,000	1,000	1,000	1,000
Accounting services	3,500	3,500	3,347	3,585
Other Expenditures:				
Contingencies	500	500	35	398
Home Relief:				
Contractual services:				
Utilities	2,000	2,000	-	-
Shelter/rent	5,000	5,000	-	100
Medical care	500	500	-	-
Commodities:				
Drugs	500	500	-	-
Fuel-Gasoline	500	500	-	-
Food	1,500	1,500	550	1,880
Clothing	500	500	-	-
Emergency assistance	2,500	2,500	-	650
Total expenditures disbursed:	58,860	58,860	42,269	43,628

**TROY TOWNSHIP
GENERAL ASSISTANCE FUND**

Schedule B-4
(Continued)

**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Original Budget	Final Budget	Year Ended March 31,	
			2019	2018
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (38,845)	(38,845)	(21,388)	(30,899)
Other financing sources (uses):				
Transfer in	25,000	25,000	25,000	-
Net change in fund balance	<u>\$ (13,845)</u>	<u>(13,845)</u>	3,612	(30,899)
Fund balance, beginning of year			32,488	63,387
Fund balance, end of year			<u>36,100</u>	<u>32,488</u>

TROY TOWNSHIP

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 56,120	64,841	63,251	58,949
Interest on Total Pension Liability	241,404	246,297	238,110	227,584
Benefit Changes	-	-	-	-
Differences Between Expected and Actual Experience	(126,650)	(38,174)	18,686	49,450
Assumption Changes	86,651	(123,769)	(11,652)	-
Benefit Changes, Assumption Changes, and Refunds	(208,808)	(211,352)	(214,200)	(180,260)
Net Change in Total Pension Liability	48,717	(62,157)	94,195	155,723
Total Pension Liability - Beginning	3,295,060	3,357,217	3,263,022	3,107,299
Total Pension Liability - Ending	<u>\$ 3,343,777</u>	<u>3,295,060</u>	<u>3,357,217</u>	<u>3,263,022</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 82,005	80,636	87,106	73,274
Contributions - Member	30,273	28,594	28,759	26,463
Pension Plan Net Investment Income	(189,821)	504,882	176,595	12,625
Benefit Payments and Refunds	(208,808)	(211,352)	(214,200)	(180,260)
Other	89,898	(41,213)	47,852	106,151
Net Change in Plan Fiduciary Net Position	(196,453)	361,547	126,112	38,253
Plan Net Position - Beginning	3,091,107	2,729,560	2,603,448	2,565,195
Plan Net Position - Ending	<u>\$ 2,894,654</u>	<u>3,091,107</u>	<u>2,729,560</u>	<u>2,603,448</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 449,123</u>	<u>203,953</u>	<u>627,657</u>	<u>659,574</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.57%	93.81%	81.30%	79.79%
Covered Valuation Payroll	\$ 672,719	635,424	639,076	588,067
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	66.76%	32.10%	98.21%	112.16%

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TROY TOWNSHIP

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions**

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage of Covered Valuation Payroll
2018	\$ 82,004	82,005	(1)	672,719	12.19%
2017	80,635	80,636	(1)	635,424	12.69%
2016	87,106	87,106	-	639,076	13.63%
2015	73,273	73,274	(1)	588,067	12.46%

Note to Schedule

Valuation Date:

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

Methods and assumptions used to determine 2018 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). 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.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

NOTES TO OTHER INFORMATION

TROY TOWNSHIP

Notes to Other Information For the Year Ended March 31, 2019

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Township adheres to the following procedures in establishing the budgetary data included in the financial statements:

1. Within the first three months of its fiscal year, the Township Board prepares the proposed combined annual budget and appropriation ordinance for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the annual budget and appropriations ordinance is legally adopted through passage of an ordinance.
4. The Township Board may transfer up to 10% of the total appropriation between various items within any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.
6. The 2018-2019 budget and appropriation ordinances, formulated on the cash basis of accounting, were adopted by the Board on April 16, 2018 and were not amended; however, line transfers of appropriations were approved by the Board on March 18, 2019. Such transfers are reflected in the final budgeted amounts.

A summary of budget to actual comparisons for the major funds is disclosed below:

Description	Budget	Actual	Variance	Percent Variance
General Town Fund	\$ 1,138,440	1,045,986	92,454	8%
Road Fund*	1,509,264	924,133	585,131	39%
General Assistance	58,860	42,270	16,590	28%

* The Township does not include appropriations for Motor Fuel Tax expenditures in its budget. Motor Fuel Tax expenditures have, therefore, been excluded from the "Actual" Road and Bridge expenditures included in the comparison above, as they are maintained by the County on behalf of the Township.

All funds operated within the confines of the approved budget for the year ended March 31, 2019.

SUPPLEMENTAL INFORMATION

**Consolidating Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual - Road and Bridge Fund
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2019	2018
Revenues received:				
Property taxes	\$ 696,643	-	696,643	676,172
Replacement taxes	107,795	-	107,795	116,362
Motor fuel tax allotments	-	43,943	43,943	46,000
State reimbursements	6,758	-	6,758	16,289
Fines & permits	13,827	-	13,827	26,380
Interest income	3,882	-	3,882	1,438
Miscellaneous and reimbursements	4,026	-	4,026	4,267
Total revenues received	832,931	43,943	876,874	886,908
Expenditures disbursed:				
Administration:				
Insurance	17,855	-	17,855	17,230
Office supply	462	-	462	-
Telephone service	5,150	-	5,150	5,790
Postage	255	-	255	252
Postage-newsletter	2,058	-	2,058	1,993
Printing & publishing	2,386	-	2,386	2,229
Mileage & travel	190	-	190	187
Dues	350	-	350	275
Training	45	-	45	75
Janitorial services	2,357	-	2,357	2,995
Legal servies	1,170	-	1,170	731
Accounting services	3,865	-	3,865	4,117
Capital outlay	150	-	150	400
Other Professional Services	3,200	-	3,200	200

TROY TOWNSHIP
ROAD AND BRIDGE FUND

Schedule C-1
(Continued)

**Consolidating Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual - Road and Bridge Fund
For the Year Ended March 31, 2019
(with comparative figures for March 31, 2018)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2019	2018
Expenditures disbursed - (continued):				
Maintenance:				
Personnel:				
Salaries	\$ 258,652	-	258,652	221,339
Illinois municipal retirement fund	24,369	-	24,369	23,141
Social security	17,795	-	17,795	14,617
Health insurance	19,234	-	19,234	17,806
State unemployment tax	480	-	480	472
Utilities	4,764	-	4,764	3,944
Utilities R&B street lights	19,385	-	19,385	19,176
Maintenance - roads	103,760	-	103,760	75,546
Maintenance - building	3,778	-	3,778	6,631
Maintenance - vehicles	38,882	-	38,882	40,471
Maintenance - equipment	31,623	-	31,623	21,696
Gas & Oil	41,353	-	41,353	29,112
Capital Outlay:			-	
R&B equipment	85,394	-	85,394	115,401
R&B roads	226,046	-	226,046	107,800
Building	8,925	-	8,925	9,442
Debt Service Principal	-	-	-	30,663
Contingencies	200	-	200	180
MFT Expenditures	-	4,928	4,928	-
Total expenditures disbursed	924,133	4,928	929,061	773,911
Excess (deficiency) of revenues received over (under) expenditures disbursed	(91,202)	39,015	(52,187)	112,997
Other financing sources (uses):				
Sale of assets - equipment	98,177	-	98,177	1,308
Total other financing sources (uses)	98,177	-	98,177	1,308
Net Change in Fund Balance	6,975	39,015	45,990	114,305
Fund balance, beginning of year	780,273	146,016	926,289	711,968
Prior period adjustment	-	-	-	100,016
Fund balance, beginning of year as restated	780,273	146,016	926,289	811,984
Fund balance, end of year	\$ 787,248	185,031	972,279	926,289