

**MORAINÉ TOWNSHIP  
HIGHLAND PARK, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
MARCH 31, 2014**

**MORAIN TOWNSHIP  
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MARCH 31, 2014**

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## EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

1875 Hicks Road  
Rolling Meadows, Illinois 60008

PAUL H. THERMEN, C.P.A.  
JEFFERY M. ROLLEFSON, C.P.A.

### Independent Auditors' Report

Board of Trustees  
Moraine Township  
Highland Park, IL

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Moraine Township, Highland Park, Illinois (the "Township") as of and for the year ended March 31, 2014, 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 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 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 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 the Township, as of March 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

September 24, 2014  
Rolling Meadows, IL  
(10)

## MORAINÉ TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of Moraine Township's annual financial report is the discussion and analysis of the Township's financial activities for the fiscal year ending March 31, 2014.

### ***Financial Highlights***

As of the close of the current fiscal year, the Township's government funds reported a combined ending fund balance of \$2,017,888 (**Exhibit C**), a decrease of \$62,814 in comparison with the prior fiscal year.

- Combined ending balances were comprised of individual fund balances of \$1,937,059, \$71,479 and \$9,350 in Town Fund, General Assistance Fund and Community Chest respectively; ending balances reflected fiscal year-end increases/(decreases) of (\$34,413), (\$33,444) and \$5,043 compared with prior fiscal year-end balances.
- Combined Town Fund and General Assistance Fund expenditures of \$1,549,429 (Exhibit D) consisted of:
  - \$1,338,484 program and operation costs, partially offset by \$67,787 in user fees and direct grants for programs;
  - \$10,988 in expenses for Community Chest direct assistance;
  - \$199,957 capital cost to finalize the drainage project at Moraine Township Mooney Cemetery, partially defrayed by a Stormwater Management Commission grant of \$31,280.
- Some of the Township's program/operation costs assisted residents as follows:
  - \$166,643 General Assistance and Emergency Assistance for residents including rent and food assistance, monthly medical alert monitoring, assistance applying for Medicaid or other benefits, and other help for income-qualified residents in need;
  - \$425,638 to fund the Assessor's Office;
  - \$212,234 support of our two Township Cemeteries includes \$12,277 in operating costs and capital expenditures of \$199,957 to complete the Mooney Cemetery drainage project during the fiscal year. Capital costs were partially defrayed by a \$31,280 grant from Lake County Stormwater Management Commission;
  - \$212,926 for Township Transportation Programs for Township seniors and disabled residents. Expenses included \$190,415 to operate the Township's Door-to-Door Van Program, and \$22,511 for the Taxi Voucher program. Door-to-Door program expenses were partially offset by user fees of \$14,987 and a \$45,000 grant from the Healthcare Foundation of Highland Park;
  - \$306,000 funded grants to social service agencies who partner with the Township to ensure a safety net for our residents;
  - A new health insurance enrollment assistance program to help residents enroll for expanded Medicaid and subsidized health insurance. The program was funded by a grant from the Lake County Health Department. Implementation was made possible by Certified Health Insurance Navigators comprised of community volunteers, elected officials, and Township staff; 525 people were assisted between October 2013 and March 2014. The Health Department awarded Moraine Township a grant of \$7,800 to offset Township expenses.

## MORAINÉ TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Moraine Township Community Chest Fund ended the year with a balance of \$9,350 (Exhibit A), thanks to increased contributions from the community. This reflected an increase of \$5,043 over the prior fiscal year. Increased Community Chest contributions enabled the Township to add produce, eggs and cheese to the dry and canned goods, meat and toiletries offered to Township residents in need.

### ***Overview of the Financial Statements***

This financial report consists of three parts:

- Management's Discussion and Analysis (pages 3 to 9)
- Basic Financial Statements (pages 10 to 15)
- Required Supplementary Information (pages 23 to 29)

Basic financial statements include two kinds of statements that present different views of Township financial information:

- Government-wide financial statements, *Statement of Net Position* and *Statement of Activities* (Exhibits A and B), provide both short-term and long-term information about the Township's overall financial status.
- Fund financial statements focus on individual parts of the Township, and comprise the balance of the remaining statements. Fund statements generally report operation in more detail than government-wide financial statements.

The financial statements also include notes which explain financial information in the statements and provide more detailed data. The statements are followed by required supplementary information that further explain and support the financial statements.

**MORAINÉ TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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***Major Features of the Government-Wide and Fund Financial Statements***

	Government-wide Statements	Fund Financial – Governmental Funds	Fund Financial – Proprietary Funds	Fund Financial – Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary such as educational and operations and maintenance	Activities the Township operates similar to private business	Assets held by the Township on behalf of someone else such as student activities monies
Required financial statements	Statement of net position (deficit) and statement of activities	Balance sheet, statement of revenues, expenditures and changes in fund balance (deficit)	Statement of net position, statement of revenues, expenditures and changes in net position and statement of cash flows	Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities; both financial and capital; short-term and long-term	All assets and liabilities, both short-term and long-term; funds may contain capital assets
Type of inflow/outflow information	All revenue and expenditures during the fiscal year	Revenues for which cash is received during the year or soon enough after the end of the year. Expenditures when goods and services have been received and the related liability is due and payable.	All revenues and expenditures during the year	All additions or deductions during the year

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**MORAIN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Net Position**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Assets:		
Current assets	\$ 3,551,197	\$ 3,640,672
Capital assets (net of depreciation)	362,426	188,082
Total Assets	<u>3,913,623</u>	<u>3,828,754</u>
Liabilities:		
Current liabilities	80,616	93,237
Total Liabilities	<u>80,616</u>	<u>93,237</u>
Deferred inflows of resources:		
Unavailable property tax revenue	1,452,693	1,469,295
Total deferred inflows of resources	<u>1,452,693</u>	<u>1,469,295</u>
Net Position:		
Net investment in capital assets	357,383	188,082
Restricted	9,350	4,307
Unrestricted	2,013,581	2,076,395
Total Net Position	<u>\$ 2,380,314</u>	<u>\$ 2,268,784</u>

**Statement of Activities**

Revenues:		
Program Revenue:		
Charges for Services: Transportation User Fees	\$ 14,987	\$ 15,501
Operating Grants and Contributions	99,993	43,448
Total Program Revenue	114,980	58,949
General Revenues:		
Property Taxes	1,328,544	1,402,844
Personal Property Replacement Tax	33,984	29,695
Interest Income	8,201	11,824
Other Income	906	7,645
Total General Revenue	<u>1,371,635</u>	<u>1,452,008</u>
Total Revenue	<u>1,486,615</u>	<u>1,510,957</u>
Expenditures:		
General/Emergency/Other Resident Assistance	177,631	25,601
Transportation Program	212,926	45,925
Cemeteries	12,277	15,465
Voter Service, Elections, Enrollment Assistance	1,949	-
Agency Grants	306,000	225,875
Office of the Assessor	425,638	472,758
Administration, Board and Overhead Expense	221,562	561,449
Depreciation - unallocated	15,610	10,915
All Other	1,492	-
Total Expenditures	<u>1,375,085</u>	<u>1,357,988</u>
Change in Net Position	<u>\$ 111,530</u>	<u>\$ 152,969</u>

## **MORAINÉ TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### ***Government-Wide Financial Statements***

The government-wide financial statements, Exhibits A and B, report information about the Township as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all Township assets and liabilities; current year revenues and expenditures are accounted for in the Statement of Activities.

Unlike a private sector company, the Township cannot readily convert fixed assets to liquid assets. Townships can, and sometimes do, convert fixed assets to cash through the sale of property; however, this is a rare event and not easily accomplished.

- The Statement of Net Position (Exhibit A) shows the difference between the Township's assets and liabilities, and is one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position may be an indication of financial improvement or deterioration.

Net Position (Exhibit A) includes capital assets that are not readily converted into liquid assets. Moraine Township Net Position increased by \$111,530 during the fiscal year, comprised of an increase in capital assets of \$174,344 and a decrease of (\$62,814) in current and more liquid assets.

- The Statement of Activities (Exhibit B) includes most of the Township's basic services such as support services, community programs, administration and overhead. Property taxes, with some grant funding, financed most Township activities.

### ***Fund Financial Statements***

Fund financial statements (pages 12 to 15) provide more detailed information about the Township's funds, focusing on the most significant or "major" funds, rather than the Township as a whole. "Funds" are accounting tools the Township uses to keep track of specific sources of funding and spending on particular programs, and demonstrate compliance with various regulatory requirements.

The focus of fund financial statements is short-term, revolving around how cash and other financial assets that can readily be converted to cash, cash flows, and year-end balances are available for spending. This information does not encompass the additional long-term focus of the government-wide statements.

### **Exhibit D: Township Revenue**

Township revenues declined slightly for the fiscal year ended March 31, 2014, as compared with the prior fiscal year. The decline was primarily attributed to a decrease in property tax revenue resulting from a court-ordered settlement for the tax years 2007 through 2011; the tax revenue decrease was partially offset by increases in grant revenue.

Total Township revenues for all funds for the fiscal year ended March 31, 2014 were \$1,486,615, reflecting a decline of \$(24,342) from the prior fiscal year.

- Fiscal year revenue included local property taxes in the amount of \$1,328,544 and Personal Property Replacement Tax in the amount of \$33,984.
- Township grant revenue increased during the fiscal year due to both an increase in the senior/disabled transportation grant from The Healthcare Foundation of Highland Park, and new grant revenue from Lake County Stormwater Management Commission and Lake County Health Department.

**MORaine TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- Community Chest contributions increased during the year, enabling the Township Food Pantry to expand help to residents. In addition to increasing the number of times residents can access the Pantry monthly, the Pantry also expanded offerings to include produce, cheese and eggs.

**Exhibit D: Township Expenditures**

Total costs for all government programs totaled \$1,549,429, including capital expenses. Expenditures were broken down as follows:

General Assistance Programs and Administration	\$166,643
Assessor's Office	\$425,638
Cemeteries	\$212,234
Senior/Disabled Transportation Programs	\$212,926
Agency Grants	\$306,000
Elections, Health Insurance Assistance, and Other Services	\$ 1,949
Community Chest	\$ 10,988
Administration, Overhead and Board	\$ 213,051

Senior/Disabled Transportation Program costs were expended from both the Town Fund and the General Assistance Fund during the fiscal year.

**Exhibit D: Ending Fund Balance**

As noted earlier, net position may serve as a useful indicator of the Township's financial position. As shown on Exhibit D, assets exceeded liabilities resulting in an ending fund balance of \$2,017,888 as of the close of the fiscal year.

Amounts reported for governmental funds in the audit statement may vary from summary tables because (1) capital assets used in governmental funds are not financial resources, as they are in business, and are not reported as assets in governmental funds; and (2) long-term liabilities, including bonds payable, are not due in the current period and therefore are not reported as liabilities in the fund.

**Schedules 1 and 2: Township Budgetary Highlights**

The Township spent \$376,060 less than the budgeted amount for all funds combined. Some of the budget variances include:

- A new program to assist residents in enrolling for health insurance and the expanded Medicaid was not budgeted, but costs incurred during the fiscal year were offset by a new grant from the Lake County Health Department.
- Budgeted contingencies were not expended.
- Position(s) in the Assessor's office were not filled during the fiscal year.
- A capital grant pledged to the Community Family Center project under a prior administration was budgeted, but not expended during the fiscal year, because the project has not yet come to fruition.
- The Mooney Cemetery Drainage Project cost exceeded the amount originally budgeted.

**MORAINÉ TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- Additional Food Pantry costs included the expense of adding produce, eggs and cheese, and allowing residents to visit the pantry more frequently; costs were offset by increased community contributions.

***Capital Assets and Debt Administration***

*Capital Assets (See Note 4)*

As of March 31, 2014, the Township has \$362,426 invested in capital assets (net of depreciation), including land improvements, furniture and equipment. This represents an increase of \$174,344 from March 31, 2013. Current-year additions included office equipment and land improvements for the Mooney Cemetery Drainage Project. Small current year dispositions included obsolete/irreparable office equipment.

*Long-Term Obligations:*

The Township has operating leases for facilities and copiers as of March 31, 2014. Details can be found in Note 5.

*Long-Term Obligations:*

The Township has operating leases for facilities and copiers as of March 31, 2014. Details can be found in Note 5.

***Contacting the Township's Financial Management Team***

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report please contact Anne Flanigan Bassi, Township Supervisor, Moraine Township, 777 Central Avenue, Highland Park, IL 60035.

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MORAIN TOWNSHIP  
STATEMENT OF NET POSITION  
MARCH 31, 2014

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 2,005,977
Property taxes receivable	1,452,693
Corporate replacement tax receivable	7,405
Grant receivables	65,619
Prepaid items	19,503
Capital assets, net of depreciation	
Land improvements	213,921
Leasehold improvements	139,345
Furniture and equipment	9,160
Total Assets	3,913,623
<b>LIABILITIES</b>	
Accounts payable	12,776
Payroll liabilities	2,840
Unearned grant revenue	65,000
Total Liabilities	80,616
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable property tax revenue	1,452,693
Total Deferred Inflows of Resources	1,452,693
<b>NET POSITION</b>	
Net investment in capital assets	362,426
Restricted - Community Chest	9,350
Unrestricted	2,008,538
Total Net Position	\$ 2,380,314

The accompanying notes to the financial statements are an integral part of this statement.

MORAINÉ TOWNSHIP  
STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2014

Functions/ Programs	Expenses	Program Revenues			Excess (Deficiency) of Revenues Over Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Administration:					
Town	\$ 223,511	\$ -	\$ 7,800	\$ -	\$ (215,711)
General assistance	133,483	-	-	-	(133,483)
Assessor	425,638	-	-	-	(425,638)
Cemeteries	12,277	-	-	31,280	19,003
Agency grants	306,000	-	-	-	(306,000)
General/Emergency assistance	16,752	-	-	-	(16,752)
Senior/Youth services	16,408	-	-	-	(16,408)
Door to door services	190,415	14,987	45,000	-	(130,428)
Taxi services	22,511	-	-	-	(22,511)
Community Chest	10,988	-	15,913	-	4,925
Depreciation - unallocated	15,610	-	-	-	(15,610)
<b>Total Governmental Activities</b>	<b>\$ 1,373,593</b>	<b>\$ 14,987</b>	<b>\$ 68,713</b>	<b>\$ 31,280</b>	<b>(1,258,613)</b>
General Revenues:					
Taxes:					
Personal property replacement taxes					33,984
Property taxes, levied for general purposes					1,328,544
Unrestricted investment earnings					8,201
Other					906
Loss on disposition of capital assets					(1,492)
<b>Total General Revenues</b>					<b>1,370,143</b>
Change in Net Position					111,530
Net Position, Beginning as previously reported					2,266,222
Adjustment for change in prior year accounts payable					2,562
Net Position, Beginning as restated					2,268,784
Net Position, Ending					<b>\$ 2,380,314</b>

The accompanying notes to the financial statements are an integral part of this statement.

MORAIN TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2014

	Town Fund	General Assistance Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 1,927,186	\$ 78,791	\$ 2,005,977
Property tax receivable	1,265,918	186,775	1,452,693
Corporate replacement tax receivable	6,732	673	7,405
Grant receivables	65,619	-	65,619
Prepaid items	14,975	4,528	19,503
Interfund receivable	110	-	110
<b>Total Assets</b>	<b>\$ 3,280,540</b>	<b>\$ 270,767</b>	<b>\$ 3,551,307</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 10,105	\$ 2,671	\$ 12,776
Payroll liabilities payable	2,458	382	2,840
Interfund payable	-	110	110
Unearned grant revenue	65,000	-	65,000
<b>Total Liabilities</b>	<b>77,563</b>	<b>3,163</b>	<b>80,726</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	1,265,918	186,775	1,452,693
<b>Total Deferred Inflows of Resources</b>	<b>1,265,918</b>	<b>186,775</b>	<b>1,452,693</b>
<b>FUND EQUITY</b>			
Fund Balances:			
Nonspendable - prepaid items	14,975	4,528	19,503
Restricted - Community Chest	-	9,350	9,350
Unassigned	1,922,084	66,951	1,989,035
<b>Total Fund Balances</b>	<b>1,937,059</b>	<b>80,829</b>	<b>2,017,888</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,280,540</b>	<b>\$ 270,767</b>	<b>\$ 3,551,307</b>

(CONTINUED)

The accompanying notes to the financial statements are an integral part of this statement.

MORAINÉ TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

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Total fund balances-governmental funds (Exhibit C) \$ 2,017,888

Amounts reported for governmental activities in the statement of assets and liabilities arising from cash transactions are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental fund statements. The assets of the Township as a whole.

Cost of capital assets:

Land improvements	\$ 239,229	
Leasehold improvements	158,522	
Furniture & equipment	<u>68,404</u>	
		466,155

Accumulated depreciation (103,729)

362,426

Total net position - governmental activities (Exhibit A) \$ 2,380,314

The accompanying notes to the financial statements are an integral part of this statement.

MORAINÉ TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2014

	Town Fund	General Assistance Fund	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 1,207,779	\$ 120,765	\$ 1,328,544
Personal property replacement taxes	30,895	3,089	33,984
Earnings on investments	8,125	76	8,201
Charges for services	7,049	7,938	14,987
Donations	-	15,913	15,913
Grants	39,080	45,000	84,080
Cemetery	750	-	750
Other	46	110	156
<u>Total Revenues</u>	<u>1,293,724</u>	<u>192,891</u>	<u>1,486,615</u>
<u>Expenditures</u>			
Administration			
Personnel services	334,471	80,340	414,811
Contractual services	51,511	49,442	100,953
Commodities	4,034	2,497	6,531
Other	1,082	1,204	2,286
Assessor			
Personnel services	359,794	-	359,794
Contractual services	47,492	-	47,492
Commodities	1,687	-	1,687
Other	2,413	-	2,413
Cemeteries			
Contractual services	12,277	-	12,277
Agency grants	306,000	-	306,000
General/Emergency Assistance	-	16,752	16,752
Senior/Youth services	-	16,408	16,408
Door to Door services	-	19,643	19,643
Taxi services	-	22,511	22,511
Community chest	-	10,988	10,988
Capital outlay	207,376	1,507	208,883
<u>Total Expenditures</u>	<u>1,328,137</u>	<u>221,292</u>	<u>1,549,429</u>
<u>Net Change in Fund Balances</u>	<u>(34,413)</u>	<u>(28,401)</u>	<u>(62,814)</u>
<u>Fund Balance, Beginning as previously reported</u>	1,968,910	109,230	2,078,140
Adjustment for change in prior year accounts payable	2,562	-	2,562
<u>Fund Balance, Beginning as restated</u>	<u>1,971,472</u>	<u>109,230</u>	<u>2,080,702</u>
<u>Fund Balance, Ending</u>	<u>\$ 1,937,059</u>	<u>\$ 80,829</u>	<u>\$ 2,017,888</u>

(CONTINUED)

The accompanying notes to the financial statements are an integral part of this statement.

MORAIN TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES

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Total net change in fund balances-governmental funds (Exhibit D) \$ (62,814)

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decreases by the amount of depreciation expense charged for the year. Capital outlays for items below the Township's capitalization policy limits and repairs and maintenance are expensed.

Depreciation expense	\$ (15,610)	
Capital outlay	191,446	
Loss on disposition of capital assets	<u>(1,492)</u>	
		<u>174,344</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 111,530</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**MORAIN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Moraine Township (the "Township") is a political and geographic subdivision of the State of Illinois. The Township is a municipal corporate body that can own property, borrow money, levy taxes and be sued. It is governed by officers elected by general election to a four-year term of office. These are the supervisor, clerk, assessor and four trustees.

Governing state statutes authorize townships among other things, to provide welfare assistance, build and maintain roads, assess property and maintain cemeteries. Moraine Township does not maintain a road and bridge fund because the Township area is contained within boundaries of several incorporated areas having their own obligation for road maintenance.

**A. Financial Reporting Entity**

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as component units. The financial data of the component units are included in the Township's reporting entity because of the significance of their operational or financial relationship with the Township. Financial accountability is defined as: (1) Appointment of voting majority of the component unit's board, and either a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government; or (2) Fiscal dependency on the primary government.

The Township has determined that no other outside agency meets the above criteria and therefore, no other agency has been included as a component unit in the Township's financial statements. In addition, the Township is not aware of any entity that would exercise such oversight that would result in the Township being considered a component unit of the entity.

**B. Basis of Presentation – Fund Accounting**

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the Township as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the Township. Interfund loans are eliminated in these Government-wide statements.

The statement of activities demonstrates the degree to which the direct expenditures of a given function, segment or program are offset by program revenues. Program revenues include door-to-door fees. Direct expenditures are those that are clearly identifiable with a specific function or segment. Indirect expenditures not allocated to functions are reported separately. Interest on general long-term debt is considered to be an indirect expense. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Net investment in capital assets is derived from the total capital assets less accumulated depreciation and any debt that was used to acquire those capital assets.

**MORaine TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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 constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Fund Types**

Governmental fund types are used to account for the Township's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

**General Fund** – The General Fund, consists solely of the legally mandated Town Fund and is the primary operating fund of the Township and is always classified as a major fund. It is used to account for the revenues and expenditures which are used in providing services in the Township. It is used to account for all financial resources except those required to be accounted for in other funds.

**Special Revenue Fund** – The Special Revenue Fund, consists solely of the General Assistance Fund and is used to account for revenue from specific sources that are legally restricted to be expended for specified purposes.

**Proprietary Fund Types**

There are no Proprietary Fund Types.

**Fiduciary Fund Types (not included in government-wide statements)**

There are no Fiduciary Fund Types.

**Major and Nonmajor Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The Township has classified all funds as major as follows:

**Major:**

Town Fund	See above for description.
General Assistance Fund	A Special Revenue Fund used for expenses of the general assistance program.

**MORaine TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**C. Measurement Focus/Basis of Accounting**

**Measurement Focus**

The government-wide financial statements are presented using the economic resources measurement focus. The objectives of this measurement focus are the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The fund financial statements are presented using the “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 statements use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide financial statements, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., both measurable and available. Measurable means the amount of the transaction can be determined and available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated for payment to be made in the following year.

**D. Cash**

The Township maintains cash and deposit accounts for each fund. The Township funds are deposited only in federally insured financial institutions within the State of Illinois.

**E. Capital Assets**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$2,500 or more for individual equipment and all infrastructure is capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to April 1, 2004, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible fixed assets is recorded as an allocation 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. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 10 – 50 years, furniture and equipment 5 – 20 years.

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

**MORAIN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**F. Deferred Inflows of Resources**

Deferred inflows of resources, a financial statement element separated from liabilities, represents an inflow of resources that will be recognized in a future period.

**G. Fund Balance Reporting**

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

*Nonspendable* – the nonspendable 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. The Township includes prepaid amounts as nonspendable fund balance.

*Restricted* – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the Township. Items such as restrictions imposed by creditors (such as debt covenants), Moraine constituents, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The Township has one Moraine revenue source received within the General Assistance fund for Community Chest that falls into this category–

- *Community Chest (\$9,350)* – revenues and the related expenditures of these donor restricted grants are accounted for in the General Assistance Fund.

*Committed* – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of 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.

*Assigned* – the assigned fund balance classification refers to amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed.

*Unassigned* – the unassigned fund balance classification is the residual classification for amounts in the Town Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the Town Fund.

*Expenditures of fund balances* – unless specifically identified, expenditures reduce restricted balances first, then to 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.

**NOTE 2 - CASH**

As of March 31, 2014, the carrying amount of the Township’s deposits totaled \$2,005,977, and the bank balances totaled \$2,029,825. All cash and deposits are short-term in nature and are stated at cost which approximates market value. The Township funds are deposited only in federally insured financial institutions within the State of Illinois.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Township’s cash was invested in bank savings accounts.

*Credit Risk.* Statutes authorized the Township to invest in obligations of the U.S. Treasury and U.S. Agencies’ accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers’ investment pool. During fiscal year ended March 31, 2014, the Township invested its cash in bank savings accounts and certificates of deposit.

**MORaine TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 2 – CASH (Cont'd)**

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Township will not be able to recover the value of its deposits or collateral securities. Of the Township's cash and deposits, \$-0- of deposits are uninsured or uncollateralized.

**NOTE 3 - PROPERTY TAXES**

Property taxes are levied each year on all taxable real property located in the Township on or before the last Tuesday in December. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments on approximately June 1 and September 1. The Township receives significant distributions of tax receipts approximately one month after these due dates. The Township recognizes 2012 levy collections in 2013 as revenue. The 2013 levy was passed December 19, 2013.

	2012		2013	
Assessed Valuation	\$	2,226,204,874	\$	2,118,131,898
	2012 Levy		2013 Levy	
	Rate	Extension	Rate	Extension
Corporate	0.060	\$ 1,335,723	0.061	\$ 1,292,060
General Assistance	0.006	133,572	0.009	190,632
TOTAL	0.066	\$ 1,469,295	0.07	\$ 1,482,692

**NOTE 4 - CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance April 1, 2013	Additions	Deletions	Balance March 31, 2014
Governmental Activities:				
Construction in progress	\$ 26,323	\$ -	\$ 26,323	\$ -
Land Improvements	25,424	214,229	424	239,229
Leasehold Improvements	158,522	-	-	158,522
Furniture and Equipment	70,675	3,540	5,811	68,404
Subtotal	280,944	217,769	32,558	466,155
Accumulated Depreciation				
Land Improvements	17,195	8,508	395	25,308
Leasehold Improvements	15,097	4,080	-	19,177
Furniture and Equipment	60,570	3,022	4,348	59,244
Subtotal	92,862	15,610	4,743	103,729
Net Capital Assets	\$ 188,082	\$ 202,159	\$ 27,815	\$ 362,426

Depreciation was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 15,610
Total Governmental Activities Depreciation Expense	\$ 15,610

**MORaine TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 5 – LEASES**

In January 2009, the Township entered into a non-cancelable operating lease agreement with Green Bay Central Joint Venture for the office at 777 Central Avenue. The terms of the lease were for payments of \$6,360 per month for the first 12 months, increasing to \$6,750 for the final 12 months. There is an option to renew the lease for another 5 years with monthly rent starting at \$6,850 and increasing to \$7,250 for the final 12 months. Total cost of the lease was \$81,107 for the year ended March 31, 2014. The future minimum lease payments for this lease are as follows:

Year ending March 31	Amount
2015	79,350
2016	79,950
2017	80,550
4/1/17 thru 12/31/17	60,750

In the fiscal year ended March 31, 2014, the Township has an operating lease with the Pace Municipal Vehicle Program for 2 transportation vans. The monthly payments are \$100 per month per vehicle and the lease can be cancelled at any time with a 30 day notice.

**NOTE 6– RETIREMENT FUND COMMITMENTS**

*Plan Description.* The employer’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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2013 was 10.74 percent. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2013 was \$51,604. (If you made an additional payment toward your unfunded amount, add this payment to your monthly contributions, based on payroll and recalculate the percentage of APC contributed.)

**Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$51,604	100%	\$0
12/31/12	56,460	100	0
12/31/11	45,186	100	0

**MORAIN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2014**

**NOTE 6– RETIREMENT FUND COMMITMENTS (CONT'D)**

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 99.83 percent funded. The actuarial accrued liability for benefits was \$1,227,009 and the actuarial value of assets was \$1,224,924, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,085. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$480,488 and the ratio of the UAAL to the covered payroll was -0- percent.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 7 - RISK MANAGEMENT**

Significant losses are covered by commercial insurance provided by the Township Officials of Illinois Risk Management Association for all major programs: property, liability and workers' compensation. During the fiscal year ended March 31, 2014, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in any of the past three fiscal years.

**NOTE 8 – RESTATEMENT**

A restatement of Town Fund beginning fund balance and Net Position occurred this year due to the duplication of a prior year accounts payable invoice in the amount of \$2,562.

**NOTE 9 – 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 recognized or non-recognized subsequent events that have occurred between March 31, 2014, and the date of this audit report requiring disclosure in the financial statements.

**NOTE 10 – INTERFUND BALANCES**

The Town Fund paid bills in the amount of \$110 for the GA Fund, creating an interfund balance of this amount.

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**REQUIRED SUPPLEMENTARY INFORMATION**



**MORAIN TOWNSHIP**

**REQUIRED SUPPLEMENTARY INFORMATION  
Schedule of Funding Progress**

**Illinois Municipal Retirement Fund**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -- Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL Percentage of Covered Payroll [(b-a)/c]</b>
12/31/2013	\$ 1,224,924	\$ 1,227,009	\$ 2,085	99.83%	\$ 480,488	0.43%
12/31/2012	1,101,061	1,251,169	150,108	88.00%	549,224	27.33%
12/31/2011	928,088	1,114,915	186,827	83.24%	518,779	36.01%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,508,953. On a market basis, the funded ratio would be 122.98%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Moraine Township. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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MORAIN TOWNSHIP  
 TOWN FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL  
 YEAR ENDED MARCH 31, 2014

	2014		
	Original Budget	Final Budget	Actual
<u>Revenues:</u>			
Property taxes	\$ 1,334,546	\$ 1,334,546	\$ 1,207,779
Personal property replacement taxes	23,302	23,302	30,895
Earnings on investments	11,000	11,000	8,125
Charges for services	10,000	10,000	7,049
Reimbursements	2,000	2,000	-
Grants	31,280	31,280	39,080
Cemetery	-	-	750
Other	1,000	1,000	46
<u>Total Revenues</u>	<u>1,413,128</u>	<u>1,413,128</u>	<u>1,293,724</u>
<u>Expenditures:</u>			
Administration:			
Personnel Services:			
Salaries - Office & Transportation	266,600	268,100	257,817
Health insurance	54,315	52,815	34,274
Social Security & Medicare	50,820	50,820	23,798
Municipal retirement	21,600	21,600	18,582
Unemployment insurance	6,090	6,090	-
Other	500	500	-
<u>Total Personnel Services</u>	<u>399,925</u>	<u>399,925</u>	<u>334,471</u>
Contractual Services:			
Accounting	5,000	5,000	3,438
Automotive	1,000	1,000	566
Workshops/dues/subscriptions	3,000	3,000	1,868
Rent	30,500	30,500	26,823
Legal	1,000	1,000	543
Telephone	2,000	2,000	2,664
Utilities	3,000	3,000	2,960
Janitor	4,800	4,800	3,805
Maintenance/pest control	750	750	165
Printing/publishing	6,900	6,900	3,741
Insurance	6,500	6,500	3,994
ACA Grant	-	-	944
Outside services	100	100	-
<u>Total Contractual Services</u>	<u>64,550</u>	<u>64,550</u>	<u>51,511</u>

(CONTINUED)

MORAINÉ TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2014

	2014		
	Original Budget	Final Budget	Actual
Commodities:			
Operating supplies	\$ 1,000	\$ 1,000	\$ -
Office supplies	3,000	3,000	4,034
<u>Total Commodities</u>	<u>4,000</u>	<u>4,000</u>	<u>4,034</u>
Other:			
Elections	500	500	-
Events	500	500	574
Miscellaneous	500	500	508
<u>Total Other</u>	<u>1,500</u>	<u>1,500</u>	<u>1,082</u>
<u>Total Administration</u>	<u>469,975</u>	<u>469,975</u>	<u>391,098</u>
Assessor:			
Personnel Services:			
Salaries	336,444	336,444	253,433
Social Security & Medicare	-	-	20,684
Health insurance	68,500	68,500	58,957
Municipal retirement	36,000	36,000	26,720
<u>Total Personnel Services</u>	<u>440,944</u>	<u>440,944</u>	<u>359,794</u>
Contractual Services:			
Accounting	5,400	5,400	3,438
Automotive	3,500	3,500	1,092
Rent	28,500	28,500	27,436
Telephone	2,000	2,000	2,533
Utilities	2,500	2,500	2,476
Legal	2,000	2,000	623
Janitor	3,500	3,500	3,295
Maintenance/pest control	1,000	1,000	165
Printing/publishing	6,900	6,900	2,440
Insurance	7,000	7,000	3,994
Outside services	500	500	-
<u>Total Contractual Services</u>	<u>62,800</u>	<u>62,800</u>	<u>47,492</u>
Commodities:			
Operating supplies	900	900	-
Office supplies	2,500	2,500	1,687
<u>Total Commodities</u>	<u>3,400</u>	<u>3,400</u>	<u>1,687</u>

(CONTINUED)

MORAIN TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2014

	2014		
	Original Budget	Final Budget	Actual
Other:			
Workshops	\$ 7,250	\$ 7,250	\$ 1,963
Events	500	500	450
Miscellaneous	1,000	1,000	-
<u>Total Other</u>	<u>8,750</u>	<u>8,750</u>	<u>2,413</u>
<u>Total Assessor</u>	<u>515,894</u>	<u>515,894</u>	<u>411,386</u>
Cemeteries:			
Contractual Services:			
Maintenance & operations	25,000	19,000	11,578
Printing/publishing	-	-	150
Special events	-	-	251
Outside services	160,000	181,000	298
<u>Total Contractual Services</u>	<u>185,000</u>	<u>200,000</u>	<u>12,277</u>
<u>Total Cemeteries</u>	<u>185,000</u>	<u>200,000</u>	<u>12,277</u>
Agency Grants:			
Contractual Services:			
Grants	385,000	385,000	306,000
<u>Total Contractual Services</u>	<u>385,000</u>	<u>385,000</u>	<u>306,000</u>
<u>Total Agency Grants</u>	<u>385,000</u>	<u>385,000</u>	<u>306,000</u>
Capital Outlay:			
Equipment:			
Administration	2,000	7,000	5,218
Assessor	22,000	22,000	14,252
Cemetery	-	-	187,906
<u>Total Capital Outlay</u>	<u>24,000</u>	<u>29,000</u>	<u>207,376</u>
Provision for Contingencies	40,000	20,000	-
<u>Total Expenditures</u>	<u>1,619,869</u>	<u>1,619,869</u>	<u>1,328,137</u>
<u>Net Change in Fund Balance</u>	<u>\$ (206,741)</u>	<u>\$ (206,741)</u>	<u>\$ (34,413)</u>

MORAIN TOWNSHIP  
GENERAL ASSISTANCE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2014

	2014		
	Original Budget	Final Budget	Actual
<u>Revenues:</u>			
Property taxes	\$ 123,571	\$ 123,571	\$ 120,765
Personal property replacement taxes	2,156	2,156	3,089
Earnings on investments	1,500	1,500	76
Charges for Services:			
Door to door services	10,000	10,000	7,938
Contributions - Community chest	6,000	6,000	15,913
Grants	45,000	45,000	45,000
Miscellaneous income	100	100	110
<u>Total Revenues</u>	<u>188,327</u>	<u>188,327</u>	<u>192,891</u>
<u>Expenditures:</u>			
Administration:			
Personnel Services:			
Salaries	56,160	56,160	55,500
Health insurance	15,300	15,300	14,355
Social Security & Medicare	4,410	4,410	4,628
Municipal retirement	6,300	6,300	5,857
Unemployment insurance	1,000	1,000	-
<u>Total Personnel Services</u>	<u>83,170</u>	<u>83,170</u>	<u>80,340</u>
Contractual Services:			
Accounting	5,000	5,000	3,438
Rent	30,500	30,500	26,848
Utilities	3,000	3,000	3,039
Telephone	2,000	2,000	2,395
Printing/publishing	6,900	6,900	2,587
Legal services	1,000	1,000	718
Automotive	500	500	56
Insurance	9,000	9,000	6,021
Janitorial services	4,800	4,800	4,010
Maintenance/pest control	750	750	330
Outside services	100	100	-
<u>Total Contractual Services</u>	<u>63,550</u>	<u>63,550</u>	<u>49,442</u>
Commodities:			
Operating supplies	1,000	1,000	329
Office supplies	2,200	2,200	2,168
<u>Total Commodities</u>	<u>3,200</u>	<u>3,200</u>	<u>2,497</u>

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MORAIN TOWNSHIP  
GENERAL ASSISTANCE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2014

	2014		
	Original Budget	Final Budget	Actual
Other Expenditures:			
Workshops/dues	\$ 1,200	\$ 1,200	\$ 1,060
Events	500	500	144
Miscellaneous	500	500	-
<u>Total Other Expenditures</u>	<u>2,200</u>	<u>2,200</u>	<u>1,204</u>
<u>Total Administration</u>	<u>152,120</u>	<u>152,120</u>	<u>133,483</u>
Other Programs:			
General/emergency assistance	35,000	35,000	16,752
Senior/youth services	10,000	10,000	16,408
Door to door services	26,000	26,000	19,643
Taxi services	27,000	27,000	22,511
Community chest	14,000	14,000	10,988
<u>Total Other Programs</u>	<u>112,000</u>	<u>112,000</u>	<u>86,302</u>
Capital Outlay:			
Administration:			
Equipment	1,500	1,500	1,507
<u>Total Capital Outlay</u>	<u>1,500</u>	<u>1,500</u>	<u>1,507</u>
Provision for Contingencies	40,000	40,000	-
<u>Total Expenditures</u>	<u>305,620</u>	<u>305,620</u>	<u>221,292</u>
<u>Net Change in Fund Balance</u>	<u>\$ (117,293)</u>	<u>\$ (117,293)</u>	<u>\$ (28,401)</u>

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**MORaine TOWNSHIP**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**MARCH 31, 2014**

The budget for all fund types is prepared on the modified accrual basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on March 21, 2013.

The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenses paid and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. The budget is legally adopted through passage of a resolution.
4. The Board of Trustees is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenses paid of any fund must be approved by the Board of Trustees after a public hearing.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Trustees may amend the budget (in other ways) by the same procedures required of its original adoption.