

**MORaine TOWNSHIP
HIGHLAND PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
MARCH 31, 2015**

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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, 2015, 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 Moraine Township, Highland Park, Illinois as of March 31, 2015, 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, schedule of funding progress – Illinois Municipal Retirement Fund, budgetary comparison information, and notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Evans, Marshall & Pease, P.C.

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

September 14, 2015
Rolling Meadows, IL
(10)

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**

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, 2015. The management of the Township encourages readers to consider the information presented herein to enhance their understanding of the Township's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (MD&A).

Financial Highlights

As of the close of the current fiscal year, the Township's government funds reported a combined ending fund balance of \$2,294,242 (Exhibit C), an increase of \$276,354 in comparison with the prior fiscal year.

- The increase in fund balance is attributed to both increased revenue and decreased expenses.
 - Revenue increase over the prior fiscal year included grant revenue, contributions, and property tax. The Board of Trustees voted to freeze the Township Levy for 2014-2015; the reason property tax revenue appears higher in the current fiscal year in comparison with the prior year is due to a litigation settlement in the prior fiscal year.
 - Property Tax Revenue Levy Allocation: The Board of Trustees voted in December of 2014 to reduce the Township Levy by 5% after freezing it in the prior year; this decrease will be reflected in the March 2016 audit.

Total Township Levy combines all funds. In addition to freezing, then reducing, the total Levy over a two-year period, the Board of Trustees has also changed the allocation of resources, decreasing the Town Fund Levy by 15% and almost doubling the General Assistance Levy. This change is aimed at directing more resources into direct services and programs.

- Expense reductions were attributed to a decrease in Township grants to local agencies. The grants had been increased during the recession to assist local agencies in maintaining services during the economic downturn.
- Combined ending fund balances were comprised of individual fund balances of Town Fund (\$2,200,597), and the General Assistance Fund (\$93,645). Ending balances reflected fiscal year increases of \$263,538 for the General Fund and \$12,816 for the General Assistance Fund (Exhibit D).

During the fiscal year, the Board of Trustees adopted a Fund Reserve Policy, intended to insulate tax levy operating funds from temporary cash flow shortages, emergencies, economic downturns, one-time expenditures and capital improvements. Reserves for one-time capital expenditures include provision for acquiring/improving a new facility should our lease not be renewed when it terminates in 2017.

- Combined Town Fund and General Assistance Fund expenditures of \$1,376,150 (Exhibit D) reflected a \$173,279 reduction from the prior fiscal year, primarily attributed to a decrease in capital spending with the completion of the cemetery project in the prior fiscal year.
 - Community Chest expenditures more than doubled as Food Pantry usage increased and school vacation food programs were added; donations to the Community Chest more than tripled during the fiscal year.
 - Township expenditures funding programs for general assistance, emergency assistance, senior and youth services totaled \$200,695, an increase of \$34,052 over the prior fiscal year.
 - Expenditures for paratransit van service and taxi coupons for seniors and disabled residents totaled \$214,326, an increase of \$1,400 over the prior fiscal year. This expense was offset by user fees of \$16,000 and a generous grant of \$65,000 from the Healthcare Foundation of Highland Park. The Foundation grant enables the Township to keep user fees affordable for all residents.

- Expenditures for the Assessor's office totaled \$485,743 during the fiscal year, an increase of \$60,105 over the prior fiscal year.
 - Grants to local agencies serving our clients in need totaled \$250,000, a decrease of \$56,000 over the prior year; these grants were further reduced in the 2015-2016 Township budget to reflect the increasing ability of agencies to fundraise as the economic recovery continues.
 - Other Township programs include maintenance of two cemeteries, election / voter service assistance, ACA enrollment; expenditures totaled \$32,107 during the fiscal year.
 - The Township continued to assist residents to enroll for access to medical care through the expanded Medicaid program and health insurance through the federal marketplace. This effort was primarily funded by a grant from the Lake County Health Department and made possible by a corps of 10 volunteer Certified Health Insurance Navigators, plus elected officials and staff members who also completed certification training.
- Moraine Township Community Chest Fund ended the year with a balance of \$32,413 (Exhibit A), reflecting an increase of \$23,063 over the prior fiscal year.
 - Thanks to a generous community and the efforts of 30+ weekly volunteers and hundreds of occasional volunteers, residents in need visiting the Township Food Pantry are offered fresh produce, eggs, cheese, frozen meat, shelf-stable food and toiletries.
 - Five area stores (Sunset Foods Highland Park, Target Highland Park, Whole Foods Market Deerfield, Fresh Thyme Deerfield) make weekly "in kind" contributions of fresh produce, frozen meat, shelf-stable food and toiletries. The donations are picked-up and sorted by volunteers.

In addition, area schools and other units of government, community groups and individuals donate thousands of dollars of food to our Pantry during the year.

"In-kind" donations from area stores and the community to our Pantry represent tens of thousands of dollars of food.
 - Moraine Township served 5,535 resident-visits to our Food Pantry from April 1, 2014 through March 31, 2015.
 - During the Fiscal Year the Township launched a pilot program to provide bags of breakfast/lunch food during school vacations to income-qualified Highland Park and Highwood students.
 - Grocery gift cards are given to residents who have been identified by area schools for the Phyllis Santullano Holiday Gift Drive. The Township partners with our generous community to sponsor students for holiday gifts.
 - During the fiscal year, the Township provided 14,352 responses to resident service requests or inquiries, including transportation, Food Pantry visits, general, emergency, utility and other assistance, cemetery services, and resource and other benefit access referrals or assistance (visits or inquiries to the Assessor's office are not included in the total).

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 23)
- Required Supplementary Information (pages 24 to 33)

MORAINÉ TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

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

- *The Statement of Net Position and Statement of Activities* (Exhibits A and B) are government-wide financial statements that provide both short-term and long-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township. 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 a section of the required supplementary information that further explains and supports the financial statements.

The major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain, are shown in the following table.

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.

Government-Wide Financial Statements

The government-wide financial statements (pages 10 to 11) 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 improvements and deterioration. Net Position (Exhibit A) includes \$348,255 of net capital assets that are not readily converted into 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 and Illinois Replacement taxes, along with some grant funding, finance most Township activities.

Township expenses, net of capital expenses, user fees, and grant revenue, represented the following percentages:

Resident Assistance Programs and Administration	17%
Assessor's Office	35%
Cemeteries	2%
Senior/Disabled Transportation Programs	16%
Agency Grants	18%
Elections, Township Administration, Board and Overhead	12%

Fund Financial Statements

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

Moraine Township uses only governmental funds, and all basic services are included in either the Town Fund or the General Assistance Fund. The general 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.

Financial Analysis of the Township as a Whole

Statement of Net Position (Exhibit A): The following summary data is compared with data from the preceding year. The following provides a summary of the Township's Statement of Net Position as of March 31, 2015 and March 31, 2014:

MORAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

	Governmental Activities	
	2015	2014
Assets:		
Current assets	\$ 3,726,532	\$ 3,551,197
Capital assets (net of depreciation)	348,255	362,426
Total Assets	4,074,787	3,913,623
Liabilities:		
Current liabilities	72,274	80,616
Total Liabilities	72,274	80,616
Deferred inflows of resources:		
Unavailable property tax revenue	1,360,016	1,452,693
Total deferred inflows of resources	1,360,016	1,452,693
Net Position:		
Net investment in capital assets	348,255	357,383
Restricted	93,645	80,829
Unrestricted	2,200,597	1,942,102
Total Net Position	\$ 2,642,497	\$ 2,380,314

Statement of Activities (Exhibit B): The following is a summary of the Township's change in net position for the year ending March 31, 2015 and March 31, 2014:

	Governmental Activities	
	2015	2014
Revenues:		
Program Revenues:		
Charges for Services - Transportation User Fees	\$ 16,732	\$ 14,987
Operating Grants and Contributions	120,296	99,993
General Revenues:		
Property Taxes	1,472,752	1,328,544
Personal Property Replacement Tax	33,157	33,984
Earnings on Investments	9,560	8,201
Other	7	906
Total Revenue	1,652,504	1,486,615
Expenditures:		
Administration:		
Town	160,435	221,562
General Assistance	165,792	133,483
Assesor	485,743	425,638
Transportation Services	214,326	212,926
Agency Grants	250,000	306,000
Cemeteries	25,392	12,277
General/Emergency/Other Resident Assistance	62,854	44,148
Voter Service/Elections/Enrollment Assistance	6,715	1,949
Depreciation - Unallocated	19,064	15,610
Other	-	1,492
Total Expenditures	1,390,321	1,375,085
Change in Net Position	262,183	111,530
Net Position - Beginning	2,380,314	2,268,784
Net Position - Ending	\$ 2,642,497	\$ 2,380,314

MORAIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

Total Net Position: Please note that the amounts reported for governmental funds in the audit statements are different from the summary tables above because capital assets used in governmental funds are not financial resources, as they are in business, and are not reported as assets in governmental funds.

The Township's overall financial position and results of operations has increased during the fiscal year ended March 31, 2015 in the amount of \$262,183. The result is that the *total net position for governmental funds is \$2,642,497.*

Township revenues increased \$165,889 for the fiscal year ended March 31, 2015, as compared with the prior fiscal year. The increase was primarily attributed to more collections from the 2014 levy actually collected in the fiscal year ended March 31, 2015. Respectively, the receivable for property taxes to be collected is \$92,677 less compared with the prior fiscal year.

- Fiscal year revenue included local property taxes in the amount of \$1,472,752 and Personal Property Replacement Tax in the amount of \$33,157.
- Township grant revenue for door-to-door services increased during the fiscal year due to an increase in the senior/disabled transportation grant from The Healthcare Foundation of Highland Park.
- Community Chest contributions continued to increase during the year, enabling the Township Food Pantry to expand help to residents. Donations increased from \$15,913 in the prior year to \$50,996 for the fiscal year ended March 31, 2015.

Restricted Net Position: A portion of the Township's total net position is considered restricted. The Township's restricted net position results from portions of governmental funds that are restricted, committed, or assigned, or in any other way, limit the availability of fund resources for future use. The General Assistance Fund is a special revenue fund; by law, funds held in a special revenue fund are restricted to the purpose of the fund. The General Assistance Fund was established to help those in need.

At March 31, 2015, the Town Fund held \$-0- of assigned funds. The General Assistance Fund held \$93,645 of restricted net position. Of the restricted monies in the General Assistance Fund, \$32,413 is for Community Chest (food pantry). There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

Capital Assets and Debt Administration

Capital Assets (See Note 4): As of March 31, 2015, the Township has \$348,255 invested in capital assets (net of depreciation), including land improvements, furniture and equipment. This represents a decrease of \$14,171 from March 31, 2014 net balances. Current-year additions included office equipment; current year dispositions included obsolete/irreparable office equipment.

Long-Term Obligations (See Note 5): The Township has operating leases for facilities and a bus lease agreement with Pace as of March 31, 2015.

Budgetary Highlights

Total Township revenues for all funds for the fiscal year ended March 31, 2015 were \$1,652,504, exceeding budgeted amounts by \$39,837. The increase over the budget is primarily attributed to increased donations and successful fund-raising drives.

- The Township had successful fund-raising events at Sunset Foods (\$8,000) and Whole Foods (\$8,800). In addition, TJMaxx awarded the Township a one-time donation of \$5,000 when they opened their new store. Generous financial contributions were also received by Highland Park Hospital, First Bank of Highland Park, and Congregation Solel.

The additional funding was partially used to fund a pilot program to provide bags of breakfast / lunch food to Highland Park and Highwood students who are not fed at school during school vacations.

MORAINÉ TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015

Total Township expenditures for all government programs totaled \$1,350,411 for operations and \$25,739 in capital outlays. Expenditures were broken down as follows:

- | | |
|---|-----------|
| ➤ General Assistance Programs and Administration | \$199,877 |
| ➤ Community Chest | \$ 27,951 |
| ➤ Assessor's Office | \$467,490 |
| ➤ Cemeteries | \$ 25,392 |
| ➤ Senior/Disabled Transportation Programs | \$213,651 |
| ➤ Agency Grants | \$250,000 |
| ➤ Voter Service, Enrollment Assistance and Other Services | \$ 6,715 |
| ➤ Township Administration | \$159,335 |
| ➤ Capital Outlay | \$ 25,739 |
- The Township spent \$200,262 less in the Town Fund than budgeted and \$36,255 less in the General Assistance Fund than budgeted for the fiscal year. Some of the budget variances include:
 - Budgeted contingencies were not needed during the year, and some budgeted positions remained vacant.
 - A grant of \$75,000 pledged to the Community Family Center project under a prior administration was not spent during the fiscal year because the project has not yet come to fruition.
 - Budgeted amounts for a possible transportation program expansion were not expended; the program is still under consideration.

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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BASIC FINANCIAL STATEMENTS

MORAINÉ TOWNSHIP
STATEMENT OF NET POSITION
MARCH 31, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,276,479
Property taxes receivable	1,360,016
Corporate replacement tax receivable	8,459
Grant receivables	65,000
Prepaid items	16,578
Capital assets, net of accumulated depreciation	
Land improvements	201,843
Leasehold improvements	135,266
Furniture and equipment	11,146
Total Assets	4,074,787
LIABILITIES	
Accounts payable	5,387
Payroll liabilities	1,887
Unearned grant revenue	65,000
Total Liabilities	72,274
DEFERRED INFLOWS OF RESOURCES	
Unavailable property tax revenue	1,360,016
Total Deferred Inflows of Resources	1,360,016
NET POSITION	
Net investment in capital assets	348,255
Restricted:	
General Assistance	61,232
Community Chest	32,413
Unrestricted	2,200,597
Total Net Position	\$ 2,642,497

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

MORAIN TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Administration:					
Town	\$ 160,435	\$ -	\$ -	\$ -	\$ (160,435)
General assistance	165,792	-	-	-	(165,792)
Assessor	485,743	-	-	-	(485,743)
Cemeteries	25,392	750	-	-	(24,642)
Agency grants	250,000	-	-	-	(250,000)
General/Emergency assistance	14,073	-	-	-	(14,073)
Senior/Youth services	20,830	-	-	-	(20,830)
Door to door services	190,566	15,982	65,000	-	(109,584)
Taxi services	23,760	-	-	-	(23,760)
Community Chest	27,951	-	50,996	-	23,045
Voter service/Election/Enrollment	6,715	-	4,300	-	(2,415)
Depreciation - unallocated	19,064	-	-	-	(19,064)
Total Governmental Activities	\$ 1,390,321	\$ 16,732	\$ 120,296	\$ -	(1,253,293)
General Revenues:					
Taxes:					
Personal property replacement taxes					33,157
Property taxes, levied for general purposes					1,472,752
Unrestricted investment earnings					9,560
Other					7
Total General Revenues					1,515,476
Change in Net Position					262,183
Net Position - April 1, 2014					2,380,314
Net Position - March 31, 2015					\$ 2,642,497

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

MORAINÉ TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2015

	Town Fund	General Assistance Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,168,550	\$ 107,929	\$ 2,276,479
Property tax receivable	1,115,404	244,612	1,360,016
Corporate replacement tax receivable	7,127	1,332	8,459
Grant receivables	65,000	-	65,000
Prepaid items	12,638	3,940	16,578
Interfund receivable	19,079	-	19,079
Total Assets	\$ 3,387,798	\$ 357,813	\$ 3,745,611
LIABILITIES			
Accounts payable	\$ 5,237	\$ 150	\$ 5,387
Payroll liabilities payable	1,560	327	1,887
Interfund payable	-	19,079	19,079
Unearned grant revenue	65,000	-	65,000
Total Liabilities	71,797	19,556	91,353
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	1,115,404	244,612	1,360,016
Total Deferred Inflows of Resources	1,115,404	244,612	1,360,016
FUND BALANCES			
Nonspendable:			
Prepaid items	12,638	3,940	16,578
Restricted	-	89,705	89,705
Unassigned	2,187,959	-	2,187,959
Total Fund Balances	2,200,597	93,645	2,294,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,387,798	\$ 357,813	\$ 3,745,611

(CONTINUED)

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

MORAINÉ TOWNSHIP
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2015

Total fund balances-governmental funds (Exhibit C) \$ 2,294,242

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>73,297</u>
Total cost of capital assets		471,048
Accumulated depreciation		<u>(122,793)</u>
Net investment in capital assets		<u>348,255</u>

Total net position - governmental activities (Exhibit A) \$ 2,642,497

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
FOR THE YEAR ENDED MARCH 31, 2015

	Town Fund	General Assistance Fund	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 1,283,399	\$ 189,353	\$ 1,472,752
Personal property replacement taxes	28,894	4,263	33,157
Earnings on investments	9,511	49	9,560
Charges for services	15,982	-	15,982
Donations	-	50,996	50,996
Grants	69,300	-	69,300
Cemetery	750	-	750
Other	7	-	7
<u>Total Revenues</u>	<u>1,407,843</u>	<u>244,661</u>	<u>1,652,504</u>
<u>Expenditures</u>			
Administration			
Personnel services	128,971	103,218	232,189
Contractual services	24,568	54,391	78,959
Commodities	5,796	7,365	13,161
Assessor			
Personnel services	416,498	-	416,498
Contractual services	45,883	-	45,883
Commodities	5,109	-	5,109
Transportation			
Personnel services	152,293	-	152,293
Contractual services	33,732	-	33,732
Commodities	3,866	-	3,866
Taxi services	23,760	-	23,760
Cemeteries			
Personnel services	11,207	-	11,207
Contractual services	14,185	-	14,185
Elections			
Personnel services	933	-	933
Contractual services	23	-	23
Affordable Care Act Enrollment			
Personnel services	3,159	-	3,159
Contractual services	2,600	-	2,600
Agency grants	250,000	-	250,000
General Assistance	-	1,600	1,600
Emergency Assistance	-	12,473	12,473
Senior/Youth services	-	20,830	20,830
Community chest	-	27,951	27,951
Capital outlay	21,722	4,017	25,739
<u>Total Expenditures</u>	<u>1,144,305</u>	<u>231,845</u>	<u>1,376,150</u>
<u>Net Change in Fund Balances</u>	<u>263,538</u>	<u>12,816</u>	<u>276,354</u>
<u>Fund Balance - April 1, 2014</u>	<u>1,937,059</u>	<u>80,829</u>	<u>2,017,888</u>
<u>Fund Balance - March 31, 2015</u>	<u>\$ 2,200,597</u>	<u>\$ 93,645</u>	<u>\$ 2,294,242</u>

(CONTINUED)

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

MORAINÉ TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2015

Total net change in fund balances-governmental funds (Exhibit D) \$ 276,354

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	\$ (19,064)	
Capital outlay	<u>4,893</u>	
Capital outlay in excess of depreciation expense		<u>(14,171)</u>

Change in net position of governmental activities (Exhibit B) \$ 262,183

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

MORAINE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Moraine Township, Highland Park, Illinois (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 seven 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 to provide welfare assistance, build and maintain roads, assess property and maintain cemeteries, among other things. Moraine Township does not maintain a road and bridge fund because the Township area is wholly contained within boundaries of several incorporated municipalities responsible for road maintenance.

The financial statements of the Township have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles; the more significant accounting policies are described below.

A. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statement to be misleading or incomplete. The criteria provided by the governmental accounting standards have been considered and there are no agencies or entities which should be presented with the Township. 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 and cemetery 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.

MORAIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

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 (not included in government-wide statements)

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:

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

MORAIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

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 and Cash Equivalents

Cash and cash equivalents of the Township are considered cash on hand, demand deposits, and short-term liquid investments having a remaining maturity of one year or less at the time of purchase. The Township funds are deposited only in federally insured financial institutions within the State of Illinois.

E. Investments

Investments are stated at fair value. The fair value is based upon quoted market prices. Gains and losses are recognized upon realization.

F. 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

MORaine TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

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

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.

G. 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.

H. Fund Balance Classification Policies

Equity is classified as net position and displayed in three components:

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 improvement of those assets less any unspent debt proceeds.

Restricted net position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The restricted net position consists of: the General Assistance Fund (\$93,645).

Unrestricted net position – Consists of all other net positions that do not meet the definition 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, and then unrestricted resources as they are needed.

Governmental Fund Balance Reporting

The Township classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Township includes prepaid amounts as non-spendable fund balance (\$16,578).

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The restricted fund balance consists of the General Assistance Fund (\$89,705). Please note that the following is within the General Assistance Fund:

- *Community Chest* (\$32,413) – revenues and the related expenditures of these donor restricted grants are accounted for in the General Assistance Fund.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Board of Trustees, the highest level of decision making authority, and does not lapse at year-end.

MORAIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

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

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Supervisor if approved by the Board of Trustees, the highest level of decision making authority.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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.

I. Program Revenues

Amounts reported as program revenues include 1) paratransit user fees, 2) cemetery fees and 3) miscellaneous. All taxes, including those for specific purpose, are reported as general revenues rather than as program revenues.

NOTE 2 – CASH AND INVESTMENTS

As of March 31, 2015, the carrying amount of the Township's deposits totaled \$2,276,479, and the bank balances totaled \$2,315,778. 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, 2015, the Township invested its cash in bank savings accounts and certificates of deposit.

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 2013 tax levy, payable in 2014, was passed December 19, 2013, and the 2014 tax levy, payable in 2015, was passed on December 11, 2015.

	<u>2014 Levy</u>		<u>2013 Levy</u>	
Assessed Valuation:	\$	2,103,025,036	\$	2,118,131,898
<u>Fund</u>	<u>Rate</u>	<u>Extension</u>	<u>Rate</u>	<u>Extension</u>
Corporate	0.054	\$ 1,140,008	0.061	\$ 1,292,060
General Assistance	0.012	250,008	0.009	190,632
Total	<u>0.066</u>	<u>\$ 1,390,016</u>	<u>0.07</u>	<u>\$ 1,482,692</u>

MORAIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance April 1, 2014	Additions	Deletions	Balance March 31, 2015
Governmental Activities:				
Depreciated Capital Assets:				
Land Improvements	\$ 239,229	\$ -	\$ -	\$ 239,229
Leasehold Improvements	158,522	-	-	158,522
Furniture and Equipment	68,404	4,893	-	73,297
Subtotal	466,155	4,893	-	471,048
Accumulated Depreciation				
Land Improvements	25,308	12,078	-	37,386
Leasehold Improvements	19,177	4,079	-	23,256
Furniture and Equipment	59,244	2,907	-	62,151
Subtotal	103,729	19,064	-	122,793
Net Capital Assets	<u>\$ 362,426</u>	<u>\$ (14,171)</u>	<u>\$ -</u>	<u>\$ 348,255</u>

Depreciation was charged to functions as follows:

Governmental Activities:	
Unallocated	<u>\$ 19,064</u>
Total Governmental Activities Depreciation Expense	<u>\$ 19,064</u>

NOTE 5 – LEASES

In January 2009, the Township entered into an operating lease agreement with Green Bay Central Joint Venture for the office at 777 Central Avenue. The terms of the lease were for payments of \$6,360 per month for the first 12 months, increasing to \$6,750 for the final 12 months. There is an option to renew the lease for another 5 years with monthly rent starting at \$6,850 and increasing to \$7,250 for the final 12 months. Total cost of the lease was \$79,350 for the year ended March 31, 2015. 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, 2015, 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.

MORaine TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont’d)

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 2014 was 9.99 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 2014 was \$52,834.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 52,834	100%	\$ -
12/31/2013	51,604	100%	-
12/31/2012	56,460	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 97.68 percent funded. The actuarial accrued liability for benefits was \$1,428,841 and the actuarial value of assets was \$1,395,640, resulting in an underfunded actuarial accrued liability (UAAL) of \$33,201. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$528,865 and the ratio of the UAAL to the covered payroll was 6 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, 2015, 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.

MORAINÉ TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 MARCH 31, 2015

NOTE 8 – INTER-FUND BALANCES

As of March 31, 2015, the following inter-fund loans are outstanding:

Fund	Interfund Receivable	Interfund Payable
Town Fund	\$ 19,079	\$ -
General Assistance Fund	-	19,079
Total	\$ 19,079	\$ 19,079

The inter-fund amount between the Town Fund and the General Assistance Fund is due to miscellaneous expenses charged to the Town Fund that should have been charged to the General Assistance Fund. These inter-fund loans are expected to be repaid in the short term.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

The Township only provides OPEB’s to retirees who meet certain criteria as required under the Illinois Public Act 86-1444. As a result of offering such benefits, the Township is required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Illinois Public Act 86-1444 requires IMRF employers who offer health insurance to their active employees to offer access to the same health insurance to disabled members, retirees, and surviving spouses at the same total premium rate for active employees. The same coverage, provisions, deductibles, etc. which apply to active employees apply to individuals receiving continued insurance coverage. This includes coverage for dependents of members who are insured under the policy on the day immediately before the day the member retires or becomes disabled.

If a retiree elects coverage under this Act, the Township requires the retiree to pay 100% of the total premium rate. Although it is possible that a retiree will not elect coverage under the Act because they have worked until normal retirement age or found more affordable coverage, we assume that 100% of all future eligible retirees will elect the benefit for this demonstration.

The calculations generated were immaterial to the Township’s financial position as a whole as of March 31, 2015.

NOTE 10 – BLENDED COMPONENT UNIT

The Community Chest Fund (Moraine Township Charitable Fund) is a 501(C)3 legally separate entity embodied within the General Assistance Fund as a blended component unit. This has been considered a blended component unit due to the relationship that it has with the Township.

NOTE 11 – 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, 2015, and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MORAINÉ TOWNSHIP
 REQUIRED SUPPLEMENTARY INFORMATION
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL Percentage of Covered Payroll [(b-a)/c]
12/31/2014	\$ 1,395,640	\$ 1,428,841	\$ 33,201	97.68%	\$ 528,865	6.28%
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%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$1,680,498. On a market basis, the funded ratio would be 117.61%.

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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MORAINÉ TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
<u>Revenues:</u>		
Property taxes	\$ 1,284,546	\$ 1,283,399
Personal property replacement taxes	35,000	28,894
Earnings on investments	4,000	9,511
Charges for services	15,000	15,982
Grants	69,000	69,300
Cemetery	500	750
Other	350	7
	<u>1,408,396</u>	<u>1,407,843</u>
<u>Expenditures:</u>		
Administration:		
Personnel Services:		
Salaries - Officers & Office Staff	105,000	104,888
Health insurance	8,000	7,907
Social Security & Medicare	7,500	8,068
Municipal retirement	6,650	8,108
	<u>127,150</u>	<u>128,971</u>
Contractual Services:		
Accounting	4,000	3,593
Automotive	250	357
Events	400	277
Insurance	625	1,263
Legal	750	1,284
Maintenance/pest control	50	193
Newsletter	-	620
Outside services	500	300
Printing/publishing	100	100
Rent	12,000	13,156
Telephone	500	447
Utilities	500	651
Website	-	637
Workshops/dues/subscriptions	500	1,631
Miscellaneous	50	59
Contingencies	2,500	-
	<u>22,725</u>	<u>24,568</u>

(CONTINUED)

MORaine TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Administration:		
Commodities:		
Janitorial services	\$ 2,000	\$ 1,685
Operating supplies	500	278
Office supplies & Postage	1,250	3,833
<u>Total Commodities</u>	<u>3,750</u>	<u>5,796</u>
Capital Outlay:		
Equipment	-	1,100
<u>Total Capital Outlay</u>	<u>-</u>	<u>1,100</u>
<u>Total Administration</u>	<u>153,625</u>	<u>160,435</u>
Assessor:		
Personnel Services:		
Salaries	347,000	302,424
Social Security & Medicare	30,300	24,274
Health insurance	75,300	60,900
Municipal retirement	36,000	28,900
<u>Total Personnel Services</u>	<u>488,600</u>	<u>416,498</u>
Contractual Services:		
Accounting	4,000	3,593
Automotive	3,500	2,019
Events	500	108
Insurance	3,200	3,191
Legal	2,000	427
Maintenance/pest control	1,000	144
Newsletter	-	1,223
Outside services	500	660
Printing/publishing	2,000	554
Rent	26,000	26,253
Telephone	2,000	2,252
Utilities	2,500	2,982
Website	2,000	114
Workshops & Continuing Education	5,000	2,363
Miscellaneous	1,000	-
Contingencies	20,000	-
<u>Total Contractual Services</u>	<u>75,200</u>	<u>45,883</u>

(CONTINUED)

MORAIN TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Assessor:		
Commodities:		
Janitorial services	\$ 3,500	\$ 3,250
Operating supplies	900	839
Office supplies & Postage	2,500	1,020
<u>Total Commodities</u>	<u>6,900</u>	<u>5,109</u>
Capital Outlay:		
Equipment	20,000	19,947
<u>Total Capital Outlay</u>	<u>20,000</u>	<u>19,947</u>
<u>Total Assessor</u>	<u>590,700</u>	<u>487,437</u>
Transportation:		
Personnel Services:		
Salaries	117,500	122,770
Health insurance	16,000	12,398
Social Security & Medicare	10,000	11,379
Municipal retirement	5,500	5,746
<u>Total Personnel Services</u>	<u>149,000</u>	<u>152,293</u>
Contractual Services:		
Events	-	258
Insurance	4,225	3,374
Legal	500	87
Maintenance/pest control	67	99
Outside services	-	240
Printing/publishing	2,000	1,959
Rent	11,000	8,751
Telephone	2,000	1,575
Utilities	1,250	1,349
Van Operation & Maintenance	17,500	15,754
Website	3,000	72
Workshops	500	199
Miscellaneous	100	15
Contingencies	13,500	-
<u>Total Contractual Services</u>	<u>55,642</u>	<u>33,732</u>

(CONTINUED)

MORAIN TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Transportation:		
Commodities:		
Janitorial services	\$ 2,000	\$ 1,365
Operating supplies	750	334
Office supplies & Postage	1,750	2,167
<u>Total Commodities</u>	<u>4,500</u>	<u>3,866</u>
Capital Outlay:		
Equipment	5,000	675
<u>Total Capital Outlay</u>	<u>5,000</u>	<u>675</u>
Other Programs:		
Taxi program	20,000	23,760
<u>Total Other Programs</u>	<u>20,000</u>	<u>23,760</u>
<u>Total Transportation</u>	<u>234,142</u>	<u>214,326</u>
Cemeteries:		
Personnel Services:		
Salaries	8,650	8,475
Health insurance	1,500	1,225
Social Security & Medicare	1,000	686
Municipal retirement	850	821
<u>Total Personnel Services</u>	<u>12,000</u>	<u>11,207</u>
Contractual Services:		
Automotive	200	-
Insurance	1,250	964
Legal	500	385
Maintenance & operations	15,000	11,539
Printing/publishing	500	620
Special events	250	381
Supplies	100	8
Utilities	1,000	281
Website	500	7
Workshops	500	-
Contingencies	2,500	-
<u>Total Contractual Services</u>	<u>22,300</u>	<u>14,185</u>
<u>Total Cemeteries</u>	<u>34,300</u>	<u>25,392</u>

(CONTINUED)

MORAIN TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Elections:		
Personnel Services:		
Salaries	\$ 750	\$ 706
Health insurance	125	102
Social Security & Medicare	75	57
Municipal retirement	50	68
<u>Total Personnel Services</u>	<u>1,000</u>	<u>933</u>
Contractual Services:		
Automotive	50	-
Legal	500	-
Printing/publishing	500	-
Website	500	23
Office supplies	500	-
<u>Total Contractual Services</u>	<u>2,050</u>	<u>23</u>
<u>Total Elections</u>	<u>3,050</u>	<u>956</u>
Affordable Care Act Enrollment:		
Personnel Services:		
Salaries	2,500	2,733
Social Security & Medicare	300	224
Municipal retirement	200	202
<u>Total Personnel Services</u>	<u>3,000</u>	<u>3,159</u>
Contractual Services:		
Automotive	-	19
Events	100	-
Legal	250	70
Printing/publishing	400	620
Supplies	-	1,891
<u>Total Contractual Services</u>	<u>750</u>	<u>2,600</u>
<u>Total Affordable Care Act Enrollment</u>	<u>3,750</u>	<u>5,759</u>

MORAINÉ TOWNSHIP
TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Agency Grants:		
Contractual Services:		
Grants	\$ 325,000	\$ 250,000
<u>Total Agency Grants</u>	<u>325,000</u>	<u>250,000</u>
<u>Total Expenditures</u>	<u>1,344,567</u>	<u>1,144,305</u>
<u>Net Change in Fund Balance</u>	<u>\$ 63,829</u>	263,538
<u>Fund Balance - April 1, 2014</u>		<u>1,937,059</u>
<u>Fund Balance - March 31, 2015</u>		<u>\$ 2,200,597</u>

MORAIN TOWNSHIP
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
<u>Revenues:</u>		
Property taxes	\$ 179,271	\$ 189,353
Personal property replacement taxes	-	4,263
Earnings on investments	-	49
Contributions - Community chest	25,000	50,996
<u>Total Revenues</u>	<u>204,271</u>	<u>244,661</u>
<u>Expenditures:</u>		
Administration:		
Personnel Services:		
Salaries	82,000	74,435
Health insurance	16,950	15,563
Social Security & Medicare	5,000	6,036
Municipal retirement	5,850	7,184
<u>Total Personnel Services</u>	<u>109,800</u>	<u>103,218</u>
Contractual Services:		
Accounting	4,000	3,593
Automotive	1,000	-
Events	500	482
Insurance	5,450	6,030
Legal services	500	117
Maintenance/pest control	750	961
Outside services	-	990
Printing/publishing	4,500	4,444
Rent	30,000	31,419
Telephone	2,000	1,966
Utilities	3,250	3,608
Website	3,000	287
Workshops/dues	1,500	494
Miscellaneous	100	-
Contingencies	20,000	-
<u>Total Contractual Services</u>	<u>76,550</u>	<u>54,391</u>
Commodities:		
Janitorial services	4,500	6,109
Operating supplies	750	252
Office supplies & Postage	1,500	1,004
<u>Total Commodities</u>	<u>6,750</u>	<u>7,365</u>

(CONTINUED)

MORAIN TOWNSHIP
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2015

	2015	
	Original and Final Budget	Actual
Administration:		
Capital Outlay:		
Equipment	\$ -	\$ 4,017
<u>Total Capital Outlay</u>	-	4,017
<u>Total Administration</u>	193,100	168,991
Other Programs:		
General assistance	10,000	1,600
Emergency assistance	25,000	12,473
Senior/youth services	15,000	20,830
Community chest	25,000	27,951
<u>Total Other Programs</u>	75,000	62,854
<u>Total Expenditures</u>	268,100	231,845
<u>Net Change in Fund Balance</u>	<u>\$ (63,829)</u>	12,816
<u>Fund Balance - April 1, 2014</u>		80,829
<u>Fund Balance - March 31, 2015</u>		<u>\$ 93,645</u>

MORAIN TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2015

Budgets and Budgetary Accounting

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 April 24, 2014.

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 revenues and expenses to be received/paid and the means of financing them.
2. The budget is presented at public meetings and posted at least 30 days prior to adoption.
3. The budget is legally adopted through passage of an ordinance.
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.

Expenditures in Excess of Budget

The Township operated within the confines of their budget during the fiscal year ended March 31, 2015.