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**TROY TOWNSHIP  
WILL COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
MARCH 31, 2020**



# TROY TOWNSHIP

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***INDEPENDENT AUDITORS' REPORT***



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Troy Township  
Will County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Troy Township, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Troy Township, as of March 31, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## Basis of Accounting

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

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Troy Township's basic financial statements. The Other Information, including Notes to Other Information, on pages 20-29, and the Supplementary Information on pages 30-33 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

### *Comparative Data*

We previously audited, in accordance with the modified cash basis of accounting, the basic financial statements of Troy Township, for the year ended March 31, 2019, which are presented for comparison purposes with the accompanying financial statements. In our report dated July 15, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund.

*Mack & Associates, P. C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
July 20, 2020

## ***BASIC FINANCIAL STATEMENTS***

**Government-wide Financial Statement-  
Statement of Net Position - Modified Cash Basis  
March 31, 2020**

	Primary Government Total Governmental Activities	
	2020	2019
<u>Assets</u>		
Cash	\$ 93,108	55,926
Short-term certificates of deposit and savings	1,663,656	1,422,654
Restricted cash	246,212	185,031
Capital assets:		
Land	25,000	25,000
Buildings	2,597,166	2,565,171
Transportation equipment	499,668	499,668
Machinery & equipment	809,970	431,515
Accumulated Depreciation	(1,841,236)	(1,669,295)
Total assets	<u>4,093,544</u>	<u>3,515,670</u>
<u>Liabilities</u>		
Current liabilities:		
Accrued liabilities	<u>9,411</u>	<u>9,249</u>
Long term liabilities:		
Due within one year	206,062	140,292
Due in more than one year	<u>271,563</u>	<u>217,174</u>
Total long term liabilities	<u>477,625</u>	<u>357,466</u>
Total liabilities	<u>487,036</u>	<u>366,715</u>
<u>Net Position</u>		
Net investment in capital assets	1,612,943	1,494,593
Restricted	284,339	221,131
Unrestricted	<u>1,709,226</u>	<u>1,433,231</u>
Total net position	<u>\$ 3,606,508</u>	<u>3,148,955</u>

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

**Government-wide Financial Statement- Statement of Activities-  
Modified Cash Basis  
For the Year Ended March 31, 2020**

Program Activities	Expenditures	Program Revenues		Net (Expenditure) Revenue And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2020	2019
Governmental activities:					
General government	\$ 883,628	1,955	3,447	(878,226)	(958,441)
Road and bridges	624,190	26,031	-	(598,159)	(830,257)
Health and welfare	14,627	-	-	(14,627)	(17,681)
Unallocated depreciation expense	194,986	-	-	(194,986)	(167,791)
Unallocated interest expense	9,177	-	-	(9,177)	(13,296)
Total governmental activities	1,726,608	27,986	3,447	(1,695,175)	(1,987,466)
General revenues:					
Taxes:					
Property taxes				\$ 1,859,180	1,798,358
Replacement taxes				186,433	138,041
Motor Fuel Tax Allotment				61,181	43,943
Interest income				9,499	7,787
Miscellaneous				22,435	9,181
Total general revenues				2,138,728	1,997,310
Special items					
Sale of assets - equipment				14,000	98,177
Change in net position				457,553	108,021
Net position at beginning of year				3,148,955	3,040,934
Net position at end of year				\$ 3,606,508	3,148,955

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



**Statement of Assets, Liabilities, and Fund Balance- Modified Cash Basis-  
Governmental Funds  
March 31, 2020**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2020	2019
<u>Assets</u>					
Cash	\$ 50,747	33,699	8,662	93,108	55,926
Cash - restricted for Motor Fuel Tax	-	246,212	-	246,212	185,031
Short-term certificates of deposit and savings	764,100	869,847	29,709	1,663,656	1,422,654
Total Assets	<u>\$ 814,847</u>	<u>1,149,758</u>	<u>38,371</u>	<u>2,002,976</u>	<u>1,663,611</u>
<u>Liabilities</u>					
Accrued Liabilities	\$ 6,567	2,600	244	9,411	9,249
Total Liabilities	<u>6,567</u>	<u>2,600</u>	<u>244</u>	<u>9,411</u>	<u>9,249</u>
<u>Fund Balances</u>					
Fund Balances:					
Unassigned	808,280	-	-	808,280	645,983
Assigned	-	900,946	-	900,946	787,248
Restricted	-	246,212	38,127	284,339	221,131
Total Fund Balances	<u>808,280</u>	<u>1,147,158</u>	<u>38,127</u>	<u>1,993,565</u>	<u>1,654,362</u>
Total Liabilities and Fund Balances	<u>\$ 814,847</u>	<u>1,149,758</u>	<u>38,371</u>	<u>2,002,976</u>	<u>1,663,611</u>
<b>Reconciliation to Statement of Net Position:</b>					
Total fund balance - governmental funds				\$ 1,993,565	1,654,362
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities of \$3,931,804 (net of accumulated depreciation of \$1,841,236) are not financial resources and, therefore, are not reported in the funds.				2,090,568	1,852,059
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore, are not reported in the funds				(477,625)	(357,466)
Net position of governmental activities				<u>\$ 3,606,508</u>	<u>3,148,955</u>

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balances- Governmental Funds  
For the Year Ended March 31, 2020**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2020	2019
<b>Revenues Received:</b>					
Property taxes	\$ 1,118,890	719,781	20,509	1,859,180	1,798,358
Replacement taxes	40,850	145,583	-	186,433	138,041
State reimbursements & grants	3,447	20,743	-	24,190	6,758
Fines & permits	-	5,288	-	5,288	13,827
Interest income	4,664	4,775	60	9,499	7,787
Rental Income	1,955	-	-	1,955	1,523
Motor fuel tax	-	61,181	-	61,181	43,943
Miscellaneous	21,898	449	88	22,435	9,181
Total revenues received	1,191,704	957,800	20,657	2,170,161	2,019,418
<b>Expenditures Disbursed:</b>					
Current:					
Administration	558,165	32,166	42,980	633,311	641,784
Assessor	228,433	-	-	228,433	229,961
Road and bridge maintenance	-	484,593	-	484,593	569,203
Public assistance	13,977	-	650	14,627	17,681
Capital outlay	53,879	541,097	-	594,976	408,734
Debt service:					
Principal	140,776	-	-	140,776	136,657
Interest	9,177	-	-	9,177	13,296
Total Expenditures disbursed	1,004,407	1,057,856	43,630	2,105,893	2,017,316
Excess (deficiency) of revenues received over (under) expenditures disbursed	187,297	(100,056)	(22,973)	64,268	2,102
Other financing sources (uses)					
Loan proceeds	-	260,935	-	260,935	-
Sale of fixed assets - equipment	-	14,000	-	14,000	98,177
Transfer (out)	(25,000)	-	25,000	-	-
Total other financing sources (uses)	(25,000)	274,935	25,000	274,935	98,177
Net change in fund balance	162,297	174,879	2,027	339,203	100,279
Fund balances - beginning	645,983	972,279	36,100	1,654,362	1,554,083
Fund balances - ending	\$ 808,280	1,147,158	38,127	1,993,565	1,654,362

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances- Governmental Funds  
For the Year Ended March 31, 2020**

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**Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - total governmental funds	\$	339,203		100,279
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Amount reported for governmental activities in the State of Activities are different because:

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Loan proceeds		(260,935)		-
Principal payments		140,776		136,657

Governmental funds report capital outlays as expenditures. However, in the State of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense:

Capital purchases		433,495		79,113
Capital disposals, net		-		(40,237)
Depreciation		(194,986)		(167,791)

Change in net position of governmental activities (Statement B)	\$	457,553		108,021
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***NOTES TO BASIC FINANCIAL STATEMENTS***

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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

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

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

*A. The Reporting Entity*

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

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

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

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

*B. Government-wide and Fund Financial Statements*

Government-wide Financial Statements

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

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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

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

Government-wide Financial Statements – (continued)

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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

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

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

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

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

*C. Measurement Focus and Basis of Accounting*

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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

*D. Assets, Liabilities and Net Position*

Cash & Cash Equivalents and Investments

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

Investments – Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agency, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer’s Investment Pool. At March 31, 2020, the Township has no investments other than the short-term investments reported as cash equivalents above.

Capital Assets

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

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

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

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

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

Equipment and vehicles	\$ 5,000
Buildings	10,000
Infrastructure	50,000

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

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

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



**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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

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

Equity Classification

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

1. Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2020, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 3,931,804
Less: Accumulated depreciation	1,841,236
Less: Outstanding obligations	<u>477,625</u>
Net investment in capital assets	<u><u>\$ 1,612,943</u></u>

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

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

Reclassifications

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

**NOTE 2: PROPERTY TAXES**

The Township’s property tax is levied each year on all taxable real property located within the Township during the month of December. The 2018 levy in the amount of \$2,521,490, adjusted to \$2,486,475, was received by the Township during the current fiscal year (\$1,859,180 was received by the Township, and the remainder was disbursed to the municipalities within which the Township is located). The 2019 levy was passed by the Board on December 16, 2019 in the amount of \$2,609,556, adjusted to \$2,592,723, and will be received by the Township in the subsequent fiscal year. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in June and September.

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

	Limit	Actual		
		2019	2018	2017
Corporate	0.2500	0.0738	0.0763	0.0777
General Assistance	0.1000	0.0013	0.0014	0.0015
Road and Bridge	0.6600	0.0885	0.0916	0.0934
		<u>0.1636</u>	<u>0.1693</u>	<u>0.1726</u>

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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**NOTE 3: PERSONAL PROPERTY REPLACEMENT TAXES**

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

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

**NOTE 4: DEPOSITS**

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

Custodial Credit Risk

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

The Township's deposits and short-term investments may be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Township's deposits at each financial institution, for each account type. Deposit balances over \$250,000 may be collateralized with securities held by the pledging financial institution at the discretion of the Supervisor. At March 31, 2020, the carrying amount of the Township's deposits (excluding MFT restricted cash) was \$1,756,764 and the bank balance was \$1,760,792. At March 31, 2020, \$1,257,784 of the Township's uninsured deposits were collateralized with securities held by the pledging financial institution. The remaining balance of uninsured deposits, \$3,008, was uncollateralized and exposed to custodial credit risk as of March 31, 2020.

**NOTE 5: MOTOR FUEL TAX**

The Township received an allotment of Motor Fuel Tax Funds from the State of Illinois. The allotment is paid directly to the Will County Treasurer. The Treasurer holds the funds and makes payments on approved road projects. The Township reports these funds in its Road & Bridge Fund. The following is a summary of the activity of the Township's motor fuel tax allotment for the period ended March 31, 2020:

Balance, April 1, 2019	\$ 185,031
Allotments received	61,181
Less: disbursements	-
Balance, March 31, 2020	<u>\$ 246,212</u>

TROY TOWNSHIP

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

**NOTE 6: CAPITAL ASSETS**

A summary of changes in capital assets follows:

	April 1, 2019	Additions	Deletions	March 31, 2020
Capital assets not being depreciated				
Land	\$ 25,000	-	-	25,000
Capital assets being depreciated				
Buildings	2,565,171	31,995	-	2,597,166
Transportation equipment	499,668	-	-	499,668
Machinery & equipment	431,515	401,500	(23,045)	809,970
Total capital assets being depreciated	3,496,354	433,495	(23,045)	3,906,804
Total capital assets, at cost	3,521,354	433,495	(23,045)	3,931,804
Accumulated depreciation				
Buildings	(949,924)	(71,680)	-	(1,021,604)
Transportation equipment	(421,047)	(32,155)	-	(453,202)
Machinery & equipment	(298,324)	(91,151)	23,045	(366,430)
Total accumulated depreciation	(1,669,295)	(194,986)	23,045	(1,841,236)
Total capital assets, net	<u>\$1,852,059</u>	<u>238,509</u>	<u>-</u>	<u>2,090,568</u>

Significant purchases for the year included the following:

John Deere 524L Loader	\$ 138,512
International Plow Truck	187,656

Depreciation in the amount of \$194,986 was unallocated during the year ended March 31, 2020.

**NOTE 7: CHANGE IN LONG-TERM OBLIGATIONS**

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

	Principal Outstanding 4/1/2019	Additions	Reductions	Principal Outstanding 3/31/2020	Amount Due in One Year
Note Payable-Community Center Addition	\$ 357,466	-	140,776	216,690	144,547
John Deere 525L Loader	-	110,810	-	110,810	25,986
International Plow Truck	-	150,125	-	150,125	35,529
Total Notes Payable	<u>\$ 357,466</u>	<u>260,935</u>	<u>140,776</u>	<u>477,625</u>	<u>206,062</u>

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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

The Township acquired financing to fund the addition to the Community Center through Chase Bank during the fiscal year ended March 31, 2006. The loan proceeds were \$1,700,000. The loan bears an interest rate of 2.99%. The debt is being retired by semi-annual principal and interest payments of \$74,997 every August 1 and February 1. The maturity date of the loan is August 1, 2021. The annual requirements to amortize the debts, including interest, is as follows

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payable</u>
3/31/2021	\$ 144,547	5,407	149,954
3/31/2022	72,143	1,079	73,222
	<u>\$ 216,690</u>	<u>6,486</u>	<u>223,176</u>

Principal and interest payments are made from the General Fund.

The Township acquired financing to purchase a new John Deere Loader through First Secure Community Bank during the fiscal year ended March 31, 2020. The loan proceeds were \$110,810. The loan bears an interest rate of 4.40%. The debt is being retired by annual principal and interest payments of \$30,862 every April 17. The maturity date of the loan is April 17, 2023. The annual requirements to amortize the debts, including interest, is as follows

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payable</u>
3/31/2021	\$ 25,986	4,876	30,862
3/31/2022	27,130	3,732	30,862
3/31/2023	28,323	2,539	30,862
3/31/2024	29,371	1,492	30,863
	<u>\$ 110,810</u>	<u>12,639</u>	<u>123,449</u>

The Township acquired financing to purchase a new International Plow Truck through First Secure Community Bank during the fiscal year ended March 31, 2020. The loan proceeds were \$150,125. The loan bears an interest rate of 3.70%. The debt is being retired by annual principal and interest payments of \$41,083 every March 24. The maturity date of the loan is March 24, 2024. The annual requirements to amortize the debts, including interest, is as follows

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payable</u>
3/31/2021	\$ 35,529	5,554	41,083
3/31/2022	36,842	4,241	41,083
3/31/2023	38,206	2,877	41,083
3/31/2024	39,548	1,535	41,083
	<u>\$ 150,125</u>	<u>14,207</u>	<u>164,332</u>

Principal and interest payments on the John Deere Loader and the International Plow Truck will be made from the Road and Bridge Fund.

The aggregate debt service requires for all outstanding long-term obligations are summarized below:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payable</u>
3/31/2021	\$ 206,062	15,837	221,899
3/31/2022	136,115	9,051	145,166
3/31/2023	66,529	5,415	71,944
3/31/2024	68,919	3,027	71,946
	<u>\$ 477,625</u>	<u>33,330</u>	<u>510,955</u>

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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**NOTE 8: RISK MANAGEMENT**

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

**NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND**

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

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

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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

Employees Covered by Benefit Terms – As of December 31, 2019, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries	19
Inactive, Non-Retired Members	21
Active Members	<u>13</u>
Total	<u><u>53</u></u>

Contributions – As set by statute, the Township’s Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township’s annual contribution rate and actual Township contributions for calendar year 2019 and the fiscal year ended March 31, 2020 are summarized below. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Township required contribution rate for 2019	9.55%
Township required contribution rate for 2020	8.87%
Township actual contributions for 2019	\$ 60,314
Township actual contributions for fiscal year 2020	\$ 59,640

**NOTE 10: LEGAL DEBT MARGIN**

Legal debt margin is the percent of the Township’s assessed valuation which is subject to debt limitation. The statutory debt limitation for the Township is 2.875%. The Township’s legal debt margin limitation is as follows for the period ended March 31, 2020:

Assessed valuation (2019)	<u>\$ 1,584,794,058</u>
Statutory debt limitation (2.875%)	\$ 45,562,829
Amount of debt applicable to debt limitation	<u>477,625</u>
Legal Debt Margin	<u><u>\$ 45,085,204</u></u>

**NOTE 11: SUBSEQUENT EVENTS**

Management evaluated subsequent events through July 20, 2020, the date the financial statements were available to be issued. There were no other events that require or adjustments or disclosure in the Township’s financial statements as of March 31, 2020.

**NOTE 12: INTERFUND ACTIVITY**

The Board approved a \$25,000 transfer from the General Fund to the General Assistance Fund to cover operating expenditures during the year ended March 31, 2020.

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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**NOTE 13: FUND BALANCE – GASB 54 PRESENTATION**

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

*A. Non-spendable Fund Balance*

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

*B. Restricted Fund Balance*

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

1. Motor Fuel Tax. Receipts and related disbursements of these restricted funds are accounted for in the Road & Bridge Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in an increase in the restricted fund balance to \$246,212, accounted for in the Road and Bridge Fund.
2. General Assistance Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the General Assistance Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in a restricted fund balance of \$38,127.

*C. Committed Fund Balance*

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (the Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. There were no committed fund balances as of March 31, 2020.

*D. Assigned Fund Balance*

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

At the direction of the Board of Trustees, unexpended funds in the Road & Bridge Fund are designated for use by the Troy Township Road District, a blended component unit of the Township. At March 31, 2020, \$900,946 of the Road & Bridge Fund Balance is considered assigned for this purpose.

*E. Unassigned Fund Balance*

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance was \$808,280.

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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

*F. Expenditures of Fund Balance*

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



***OTHER INFORMATION***

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions**  
**March 31, 2020**

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Assets

Cash in bank	\$	50,747
Short-term certificates of deposit and savings accounts		<u>764,100</u>
Total assets	\$	<u>814,847</u>

Liabilities and fund balance

Liabilities:		
Accrued liabilities	\$	<u>6,567</u>
Fund balance:		
Unassigned fund balance		<u>808,280</u>
Total liabilities and fund balance	\$	<u>814,847</u>

**TROY TOWNSHIP  
TOWN FUND**

Schedule A-2

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues received:				
Property taxes	\$ 1,116,823	1,116,823	1,118,890	1,080,893
Replacement taxes	27,000	27,000	40,850	30,246
State grants and reimbursements	1,500	1,500	3,447	-
Rental income	1,500	1,500	1,955	1,523
Interest income	3,000	3,000	4,664	3,846
Miscellaneous income	1,500	1,500	21,898	5,155
Total revenues received	1,151,323	1,151,323	1,191,704	1,121,663
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	316,500	316,500	312,791	311,936
Illinois municipal retirement fund	29,500	29,500	27,628	33,878
Social security	25,600	25,600	24,737	24,644
Health insurance	85,400	85,400	65,831	64,112
State unemployment tax	650	650	619	495
Printed material	325	325	299	325
Insurance	15,400	15,690	15,690	14,863
Office supplies	1,900	1,900	1,587	1,363
Telephone services	3,500	3,500	2,827	2,779
Postage	500	500	387	490
Postage - newsletter	2,320	2,320	1,847	2,248
Printing & publishing	3,000	3,000	2,544	2,576
Mileage & travel	5,500	5,500	2,538	3,102
Dues	3,560	3,560	1,869	3,439
Training	2,500	2,500	1,398	1,513
Utilities	22,300	22,300	20,338	22,040
Maintenance - building	25,000	25,000	22,566	23,601
Maintenance - equipment	24,500	24,500	16,895	13,632
Legal assistance	2,000	2,000	1,901	2,340
Senior services - in house	1,500	1,500	588	730
Senior services - out of house	17,000	17,000	13,389	16,401
Other professional services	4,050	4,050	3,530	3,330
Accounting services	4,800	4,800	4,257	4,220
Capital outlay	51,200	51,200	52,779	87,201

**TROY TOWNSHIP  
TOWN FUND**

Schedule A-2  
(Continued)

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Expenditures disbursed (continued):				
Administration (continued):				
Community events	\$ 2,200	2,200	1,232	1,351
Mosquito management	25,600	25,600	22,356	18,692
Debt service - principal	140,600	140,776	140,776	136,657
Debt service - interest	10,000	9,824	9,177	13,296
Contingencies	4,000	3,710	2,498	3,753
Assessor:				
Personnel:				
Salaries	180,000	180,000	158,137	151,972
Illinois municipal retirement fund	17,200	17,200	14,233	17,178
Social security	13,800	13,800	11,923	11,456
Health insurance	30,000	30,000	21,414	24,770
Insurance- workmen's comp	2,500	2,500	2,162	2,035
Printed materials	1,500	1,500	1,380	1,380
Insurance	125	125	66	74
Office supplies	600	600	531	358
Telephone	2,020	2,020	1,865	1,928
Postage	50	50	-	20
Postage - newsletter	2,200	2,200	-	2,058
Printing & publishing	2,420	2,420	2,091	2,086
Mileage & travel	4,000	4,000	3,644	3,754
Dues	200	200	-	100
Training	6,000	6,000	1,835	4,072
Maintenance - vehicles	500	500	58	61
Maintenance - equipment	500	500	344	230
Other professional services	8,000	8,000	7,453	5,184
Accounting services	825	825	825	825
Capital outlay	5,000	5,000	1,100	1,018
Contingencies	500	500	472	420
Total expenditures disbursed	1,108,845	1,108,845	1,004,407	1,045,986
Excess (deficiency) of revenues received over (under) expenditures disbursed	42,478	42,478	187,297	75,677
Other Financing sources (uses):				
Transfer out	(25,000)	(25,000)	(25,000)	(25,000)
Net change in fund balance	\$ 17,478	17,478	162,297	50,677
Fund balance, beginning of year			645,983	595,306
Fund balance, end of year			808,280	645,983

TROY TOWNSHIP  
ROAD AND BRIDGE FUND

Schedule B-1

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions**  
**March 31, 2020**

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Assets

Cash in Bank	\$	33,699
Short-term certificates of deposit and savings accounts		869,847
Cash restricted for Motor Fuel Tax		<u>246,212</u>
Total assets	\$	<u><u>1,149,758</u></u>

Liabilities and fund balance

Liabilities:		
Accrued Liabilities	\$	<u>2,600</u>
Fund balance:		
Restricted fund balance		246,212
Assigned fund balance		<u>900,946</u>
Total fund balance		<u>1,147,158</u>
Total liabilities and fund balance	\$	<u><u>1,149,758</u></u>

**TROY TOWNSHIP  
ROAD AND BRIDGE FUND**

Schedule B-2

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues received:				
Property taxes	\$ 719,620	719,620	719,781	696,643
Replacement taxes	102,634	102,634	145,583	107,795
Motor fuel tax	-	-	61,181	43,943
State reimbursements	13,200	13,200	20,743	6,758
Fines & permits	1,560	1,560	5,288	13,827
Interest income	3,680	3,680	4,775	3,882
Rental Income	100	100	-	-
Miscellaneous and reimbursements	100	100	449	4,026
Total revenues received	840,894	840,894	957,800	876,874
Expenditures disbursed:				
Administration:				
Insurance	18,500	18,500	16,882	17,855
Office supply	750	750	422	462
Telephone service	5,400	5,600	5,532	5,150
Postage	500	500	275	255
Postage-newsletter	2,100	2,100	-	2,058
Printing & publishing	3,200	3,200	2,417	2,386
Mileage & travel	1,500	1,500	666	190
Dues	475	475	410	350
Training	750	750	50	45
Janitorial services	3,634	3,634	1,537	2,357
Legal servies	4,220	4,220	-	1,170
Accounting services	4,600	4,600	3,775	3,865
Capital outlay	4,550	4,550	313	150
Other Professional Services	19,000	19,000	200	3,200
Replacement tax reimbursement	50,000	50,000	-	-

**TROY TOWNSHIP  
ROAD AND BRIDGE FUND**

Schedule B-2  
(Continued)

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Expenditures disbursed - (continued):				
Maintenance:				
Personnel:				
Salaries	\$ 270,000	270,000	227,879	258,652
Illinois municipal retirement fund	23,000	23,000	15,585	24,369
Social security	20,000	20,000	15,903	17,795
Health insurance	36,000	36,000	19,846	19,234
State unemployment tax	1,000	1,000	562	480
Utilities	5,000	5,000	4,576	4,764
Utilities R&B street lights	22,000	22,000	21,346	19,385
Maintenance - roads	160,000	160,000	108,584	103,760
Maintenance - bridges	4,000	4,000	-	-
Maintenance - building	10,000	10,000	4,298	3,778
Maintenance - vehicles	50,000	50,000	14,723	38,882
Maintenance - equipment	36,500	36,500	18,818	31,623
Gas & Oil	62,000	62,000	32,234	41,353
Capital Outlay:				
R&B equipment	432,000	432,000	410,512	85,394
R&B roads	310,000	310,000	116,792	226,046
Building	27,000	27,000	13,480	8,925
Debt Service Principal	75,000	75,000	-	-
Contingencies	5,000	4,800	239	200
MFT Expenditures	-	-	-	4,928
Total expenditures disbursed	<u>1,667,679</u>	<u>1,667,679</u>	<u>1,057,856</u>	<u>929,061</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(826,785)</u>	<u>(826,785)</u>	<u>(100,056)</u>	<u>(52,187)</u>
Other financing sources (uses):				
Loan proceeds	327,000	327,000	260,935	-
Sale of assets - equipment	-	-	14,000	98,177
Total other financing sources (uses)	<u>327,000</u>	<u>327,000</u>	<u>274,935</u>	<u>98,177</u>
Net Change in Fund Balance	<u>\$ (499,785)</u>	<u>(499,785)</u>	<u>174,879</u>	<u>45,990</u>
Fund balance, beginning of year			<u>972,279</u>	<u>926,289</u>
Fund balance, end of year			<u><u>1,147,158</u></u>	<u><u>972,279</u></u>

TROY TOWNSHIP  
GENERAL ASSISTANCE FUND

Schedule B-3

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions**  
**March 31, 2020**

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Assets

Cash in Bank	\$	8,662
Short-term certificates of deposit and savings accounts		<u>29,709</u>
Total Assets	\$	<u><u>38,371</u></u>

Liabilities and fund balance

Liabilities:		
Accrued liabilities	\$	<u>244</u>
Fund balance:		
Restricted fund balance		<u>38,127</u>
Total liabilities and fund balance	\$	<u><u>38,371</u></u>



**TROY TOWNSHIP  
GENERAL ASSISTANCE FUND**

Schedule B-4

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues received:				
Property taxes	\$ 19,940	19,940	20,509	20,822
Interest income	45	45	60	59
Miscellaneous income	-	-	88	-
Total revenues received:	<u>19,985</u>	<u>19,985</u>	<u>20,657</u>	<u>20,881</u>
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	24,000	24,000	23,360	22,392
Illinois municipal retirement fund	2,400	2,400	2,194	2,593
Social security	1,850	1,850	1,670	1,620
Health insurance	5,000	5,000	4,597	3,663
State unemployment tax	50	50	46	40
Insurance	2,400	2,400	2,360	2,360
Postage-newsletter	2,200	2,200	1,607	2,012
Printing & publishing	2,420	2,420	2,168	2,090
Mileage & travel	1,000	1,000	91	72
Dues	50	50	50	50
Training	500	500	340	200
Maintenance- equipment	280	280	276	245
Other professional services	1,000	1,000	1,000	1,000
Accounting services	3,350	3,350	3,186	3,347
Other Expenditures:				
Contingencies	500	500	35	35
Home Relief:				
Contractual services:				
Utilities	2,000	2,000	-	-
Shelter/rent	5,000	5,000	-	-
Medical care	500	500	-	-
Commodities:				
Drugs	500	500	-	-
Fuel-Gasoline	500	500	-	-
Food	1,500	1,500	-	550
Clothing	500	500	-	-
Emergency assistance	<u>2,500</u>	<u>2,500</u>	<u>650</u>	<u>-</u>
Total expenditures disbursed:	<u>60,000</u>	<u>60,000</u>	<u>43,630</u>	<u>42,269</u>

**TROY TOWNSHIP  
GENERAL ASSISTANCE FUND**

Schedule B-4  
(Continued)

**Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (40,015)	(40,015)	(22,973)	(21,388)
Other financing sources (uses):				
Transfer in	25,000	25,000	25,000	25,000
Net change in fund balance	\$ (15,015)	(15,015)	2,027	3,612
Fund balance, beginning of year			36,100	32,488
Fund balance, end of year			38,127	36,100

***NOTES TO OTHER INFORMATION***

TROY TOWNSHIP

Notes to Other Information  
For the Year Ended March 31, 2020

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**NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budgets and Budgetary Accounting*

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

1. Within the first three months of its fiscal year, the Township Board prepares the proposed combined annual budget and appropriation ordinance for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the annual budget and appropriations ordinance is legally adopted through passage of an ordinance.
4. The Township Board may transfer up to 10% of the total appropriation between various items within any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.
6. The 2019-2020 budget and appropriation ordinances, formulated on the cash basis of accounting, were adopted by the Board on April 15, 2019 and were not amended; however, line transfers of appropriations were approved by the Board on March 16, 2020. Such transfers are reflected in the final budgeted amounts.

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

Description	Budget	Actual	Variance	Percent Variance
General Town Fund	\$ 1,108,845	1,004,407	104,438	9%
Road Fund*	1,667,679	1,057,856	609,823	37%
General Assistance	60,000	43,630	16,370	27%

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

All funds operated within the confines of the approved budget for the year ended March 31, 2020.

***SUPPLEMENTARY INFORMATION***

**Consolidating Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual - Road and Bridge Fund  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2020	2019
Revenues received:				
Property taxes	\$ 719,781	-	719,781	696,643
Replacement taxes	145,583	-	145,583	107,795
Motor fuel tax allotments	-	61,181	61,181	43,943
State reimbursements	20,743	-	20,743	6,758
Fines & permits	5,288	-	5,288	13,827
Interest income	4,775	-	4,775	3,882
Miscellaneous and reimbursements	449	-	449	4,026
Total revenues received	896,619	61,181	957,800	876,874
Expenditures disbursed:				
Administration:				
Insurance	16,882	-	16,882	17,855
Office supply	422	-	422	462
Telephone service	5,532	-	5,532	5,150
Postage	275	-	275	255
Postage-newsletter	-	-	-	2,058
Printing & publishing	2,417	-	2,417	2,386
Mileage & travel	666	-	666	190
Dues	410	-	410	350
Training	50	-	50	45
Janitorial services	1,537	-	1,537	2,357
Legal servies	-	-	-	1,170
Accounting services	3,775	-	3,775	3,865
Capital outlay	313	-	313	150
Other Professional Services	200	-	200	3,200

**TROY TOWNSHIP  
ROAD AND BRIDGE FUND**

Schedule C-1  
(Continued)

**Consolidating Statement of Revenues Received, Expenditures Disbursed, and Changes in  
Fund Balance-Budget and Actual - Road and Bridge Fund  
For the Year Ended March 31, 2020  
(with comparative figures for March 31, 2019)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2020	2019
Expenditures disbursed - (continued):				
Maintenance:				
Personnel:				
Salaries	\$ 227,879	-	227,879	258,652
Illinois municipal retirement fund	15,585	-	15,585	24,369
Social security	15,903	-	15,903	17,795
Health insurance	19,846	-	19,846	19,234
State unemployment tax	562	-	562	480
Utilities	4,576	-	4,576	4,764
Utilities R&B street lights	21,346	-	21,346	19,385
Maintenance - roads	108,584	-	108,584	103,760
Maintenance - building	4,298	-	4,298	3,778
Maintenance - vehicles	14,723	-	14,723	38,882
Maintenance - equipment	18,818	-	18,818	31,623
Gas & Oil	32,234	-	32,234	41,353
Capital Outlay:			-	
R&B equipment	410,512	-	410,512	85,394
R&B roads	116,792	-	116,792	226,046
Building	13,480	-	13,480	8,925
Debt Service Principal	-	-	-	-
Contingencies	239	-	239	200
MFT Expenditures	-	-	-	4,928
Total expenditures disbursed	<u>1,057,856</u>	<u>-</u>	<u>1,057,856</u>	<u>929,061</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(161,237)</u>	<u>61,181</u>	<u>(100,056)</u>	<u>(52,187)</u>
Other financing sources (uses):				
Loan proceeds	260,935	-	260,935	-
Sale of assets - equipment	14,000	-	14,000	98,177
Total other financing sources (uses)	<u>274,935</u>	<u>-</u>	<u>274,935</u>	<u>98,177</u>
Net Change in Fund Balance	<u>113,698</u>	<u>61,181</u>	<u>174,879</u>	<u>45,990</u>
Fund balance, beginning of year	<u>787,248</u>	<u>185,031</u>	<u>972,279</u>	<u>926,289</u>
Fund balance, end of year	<u>\$ 900,946</u>	<u>246,212</u>	<u>1,147,158</u>	<u>972,279</u>

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

Calendar Year Ending December 31,	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 65,081	56,120	64,841	63,251	58,949
Interest on Total Pension Liability	236,669	241,404	246,297	238,110	227,584
Benefit Changes	-	-	-	-	-
Differences Between Expected and Actual Experience	4,416	(126,650)	(38,174)	18,686	49,450
Assumption Changes	-	86,651	(123,769)	(11,652)	-
Benefit Changes, Assumption Changes, and Refunds	<u>(223,834)</u>	<u>(208,808)</u>	<u>(211,352)</u>	<u>(214,200)</u>	<u>(180,260)</u>
Net Change in Total Pension Liability	82,332	48,717	(62,157)	94,195	155,723
Total Pension Liability - Beginning	<u>3,343,777</u>	<u>3,295,060</u>	<u>3,357,217</u>	<u>3,263,022</u>	<u>3,107,299</u>
Total Pension Liability - Ending	<u><u>\$ 3,426,109</u></u>	<u><u>3,343,777</u></u>	<u><u>3,295,060</u></u>	<u><u>3,357,217</u></u>	<u><u>3,263,022</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 60,314	82,005	80,636	87,106	73,274
Contributions - Member	28,421	30,273	28,594	28,759	26,463
Pension Plan Net Investment Income	565,948	(189,821)	504,882	176,595	12,625
Benefit Payments and Refunds	(223,834)	(208,808)	(211,352)	(214,200)	(180,260)
Other	42,144	89,898	(41,213)	47,852	106,151
Net Change in Plan Fiduciary Net Position	472,993	(196,453)	361,547	126,112	38,253
Plan Net Position - Beginning	<u>2,894,654</u>	<u>3,091,107</u>	<u>2,729,560</u>	<u>2,603,448</u>	<u>2,565,195</u>
Plan Net Position - Ending	<u><u>\$ 3,367,647</u></u>	<u><u>2,894,654</u></u>	<u><u>3,091,107</u></u>	<u><u>2,729,560</u></u>	<u><u>2,603,448</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u><u>\$ 58,462</u></u>	<u><u>449,123</u></u>	<u><u>203,953</u></u>	<u><u>627,657</u></u>	<u><u>659,574</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.29%	86.57%	93.81%	81.30%	79.79%
Covered Valuation Payroll	\$ 631,568	672,719	635,424	639,076	588,067
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	9.26%	66.76%	32.10%	98.21%	112.16%

**Notes to Schedule:**

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



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

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage of Covered Valuation Payroll
2019	\$ 60,315	60,314	1	631,568	9.55%
2018	82,004	82,005	(1)	672,719	12.19%
2017	80,635	80,636	(1)	635,424	12.69%
2016	87,106	87,106	-	639,076	13.63%
2015	73,273	73,274	(1)	588,067	12.46%

**Note to Schedule**

Valuation Date:

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

**Methods and assumptions used to determine 2019 contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Price inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes

There were no benefit changes during the year.

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