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WILL COUNTY, ILLINOIS

**TROY TOWNSHIP
WILL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2023**



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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

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TROY TOWNSHIP

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Troy Township, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Troy Township, Illinois, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, Illinois, as of March 31, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Troy Township, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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 opinions are not modified with respect to that matter.

Responsibility of Management 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 error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Troy Township, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Troy Township, Illinois' basic financial statements. The other information, including the individual fund financial statements and notes to other information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information comprises the Road Fund consolidating schedule and IMRF supplemental schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited Troy Township, Illinois' March 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 18, 2022. The summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 17, 2023

BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statement-
Statement of Net Position - Modified Cash Basis
March 31, 2023**

	Primary Government Total Governmental Activities	
	2023	2022
<u>Assets</u>		
Cash	\$ 68,402	114,521
Short-term certificates of deposit and savings	2,561,649	2,262,506
Restricted cash	402,518	308,591
Capital assets:		
Land	25,000	25,000
Construction in Progress	411,692	-
Buildings	2,597,166	2,597,166
Transportation equipment	591,435	551,744
Machinery & equipment	957,551	945,718
Accumulated Depreciation	(2,362,303)	(2,198,054)
Total assets	5,253,110	4,607,192
<u>Liabilities</u>		
Current liabilities:		
Accrued liabilities	11,414	8,711
Long term liabilities:		
Due within one year	69,198	66,529
Due in more than one year	-	69,153
Total long term liabilities	69,198	135,682
Total liabilities	80,612	144,393
<u>Net Position</u>		
Net investment in capital assets	2,151,343	1,785,892
Restricted	439,180	335,590
Unrestricted	2,581,975	2,341,317
Total net position	\$ 5,172,498	4,462,799

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, 2023

Program Activities	Expenditures	Program Revenues		Net (Expenditure) Revenue And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2023	2022
Governmental activities:					
General government	\$ 1,244,389	178	3,173	(1,241,038)	(1,046,066)
Road and bridges	591,505	17,851	-	(573,654)	(784,903)
Health and welfare	23,339	-	-	(23,339)	(20,409)
Unallocated depreciation expense	199,001	-	-	(199,001)	(189,661)
Unallocated interest expense	5,461	-	-	(5,461)	(8,717)
Total governmental activities	2,063,695	18,029	3,173	(2,042,493)	(2,049,756)
General revenues:					
Taxes:					
Property taxes				\$ 2,076,439	2,021,312
Replacement taxes				562,338	372,412
Motor Fuel Tax Allotment				93,928	105,542
Interest income				3,685	2,837
Miscellaneous				6,802	5,741
Total general revenues				2,743,192	2,507,844
Special items					
Sale of assets - equipment				9,000	44,051
Change in net position				709,699	502,139
Net position at beginning of year				4,462,799	3,960,660
Net position at end of year				\$ 5,172,498	4,462,799

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, 2023**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2023	2022
<u>Assets</u>					
Cash	\$ 36,712	23,873	7,817	68,402	114,521
Cash - restricted for Motor Fuel Tax	-	402,518	-	402,518	308,591
Short-term certificates of deposit and savings	954,199	1,578,605	28,845	2,561,649	2,262,506
Total Assets	<u>\$ 990,911</u>	<u>2,004,996</u>	<u>36,662</u>	<u>3,032,569</u>	<u>2,685,618</u>
<u>Liabilities</u>					
Accrued Liabilities	\$ 8,094	3,320	-	11,414	8,711
Total Liabilities	<u>8,094</u>	<u>3,320</u>	<u>-</u>	<u>11,414</u>	<u>8,711</u>
<u>Fund Balances</u>					
Fund Balances:					
Unassigned	982,817	-	-	982,817	1,229,283
Assigned	-	1,599,158	-	1,599,158	1,112,034
Restricted	-	402,518	36,662	439,180	335,590
Total Fund Balances	<u>982,817</u>	<u>2,001,676</u>	<u>36,662</u>	<u>3,021,155</u>	<u>2,676,907</u>
Total Liabilities and Fund Balances	<u>\$ 990,911</u>	<u>2,004,996</u>	<u>36,662</u>	<u>3,032,569</u>	<u>2,685,618</u>

Reconciliation to Statement of Net Position:

Total fund balance - governmental funds	\$ 3,021,155	2,676,907
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities of \$4,582,844 (net of accumulated depreciation of \$2,362,303) are not financial resources and, therefore, are not reported in the funds.	2,220,541	1,921,574
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore, are not reported in the funds	(69,198)	(135,682)
Net position of governmental activities	<u>\$ 5,172,498</u>	<u>4,462,799</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, 2023**

	General Fund	Road & Bridge Fund	General Assistance Fund	Total Governmental Funds	
				2023	2022
<u>Revenues Received:</u>					
Property taxes	\$ 1,252,609	803,204	20,626	2,076,439	2,021,312
Replacement taxes	123,216	439,122	-	562,338	372,412
State reimbursements & grants	3,173	11,640	-	14,813	10,081
Fines & permits	-	6,211	-	6,211	3,098
Interest income	1,827	1,845	13	3,685	2,837
Rental Income	178	-	-	178	1,550
Motor fuel tax	-	93,928	-	93,928	105,542
Miscellaneous	2,721	4,081	-	6,802	5,741
Total revenues received	1,383,724	1,360,031	20,639	2,764,394	2,522,573
<u>Expenditures Disbursed:</u>					
Current:					
Administration	749,284	38,254	10,976	798,514	696,140
Assessor	323,993	-	-	323,993	288,133
Road and bridge maintenance	-	555,348	-	555,348	608,338
Public assistance	23,339	-	-	23,339	20,409
Capital outlay	533,574	122,433	-	656,007	336,236
Debt service:					
Principal	-	66,484	-	66,484	135,610
Interest	-	5,461	-	5,461	8,717
Total Expenditures disbursed	1,630,190	787,980	10,976	2,429,146	2,093,583
Excess (deficiency) of revenues received over (under) expenditures disbursed	(246,466)	572,051	9,663	335,248	428,990
Other financing sources (uses)					
Sale of fixed assets - equipment	-	9,000	-	9,000	44,051
Total other financing sources (uses)	-	9,000	-	9,000	44,051
Net change in fund balance	(246,466)	581,051	9,663	344,248	473,041
Fund balances - beginning	1,229,283	1,420,625	26,999	2,676,907	2,203,866
Fund balances - ending	\$ 982,817	2,001,676	36,662	3,021,155	2,676,907

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

TROY TOWNSHIP

Statement D
(Continued)**Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balances- Governmental Funds
For the Year Ended March 31, 2023****Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - total governmental funds	\$ 344,248	473,041
Amount reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Principal payments	66,484	135,610
Governmental funds report capital outlays as expenditures. However, in the Statement 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 asset purchases	497,968	83,149
Depreciation	(199,001)	(189,661)
Change in net position of governmental activities (Statement B)	<u>\$ 709,699</u>	<u>502,139</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023

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.

While GASB 87 was in effect as of March 31, 2023, the financial statements have not been adjusted for this as the Township's financial statements are reported on the cash basis of accounting. Lease expenditures will be recorded in their applicable funds when incurred.

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, 2023

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.

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023, 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 April 1, 2004. Donated capital assets are reported at estimated fair market value at the date of donation.

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

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

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

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.

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

Equity Classification

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

- a. Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2023, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 4,582,844
Less: Accumulated depreciation	2,362,303
Less: Outstanding obligations	<u>69,198</u>
Net investment in capital assets	<u>\$ 2,151,343</u>

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

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

Reclassifications

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

NOTE 2: PROPERTY TAXES

The Township’s property tax is levied each year on all taxable real property located within the Township during the month of December. The 2021 levy in the amount of \$2,838,347, adjusted to \$2,076,439 was received by the Township during the current fiscal year. The 2022 levy was passed by the Board on December 19, 2022 in the amount of \$2,982,154, adjusted to \$2,967,394 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		
		2022	2021	2020
Corporate	0.2500	0.0740	0.0731	0.0731
General Assistance	0.1000	0.0002	0.0012	0.0012
Road and Bridge	0.6600	0.0879	0.0876	0.0876
		<u>0.1621</u>	<u>0.1619</u>	<u>0.1619</u>

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023, the carrying amount of the Township's deposits (excluding MFT restricted cash) was \$2,630,051 and the bank balance was \$2,659,500. At March 31, 2023, \$2,157,838 of the Township's uninsured deposits were collateralized with securities held by the pledging financial institution. The remaining balance of uninsured deposits, \$1,662, was uncollateralized and exposed to custodial credit risk as of March 31, 2023.

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, 2023:

Balance, April 1, 2022	\$ 308,591
Allotments received	93,927
Less: disbursements	-
Balance, March 31, 2023	<u>\$ 402,518</u>

TROY TOWNSHIP

**Notes to Basic Financial Statements
For the Year Ended March 31, 2023**

NOTE 6: CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Capital Assets Not Being Depreciated				
Land	\$ 25,000	-	-	25,000
CIP	-	411,692	-	411,692
Total Capital Assets Not Being Depreciated	<u>25,000</u>	<u>411,692</u>	<u>-</u>	<u>436,692</u>
Capital Assets Being Depreciated				
Buildings	2,597,166	-	-	2,597,166
Transportation Equipment	551,744	74,443	(34,752)	591,435
Machinery & Equipment	945,718	11,833	-	957,551
Total Capital Assets Being Depreciated	<u>4,094,628</u>	<u>86,276</u>	<u>(34,752)</u>	<u>4,146,152</u>
Total Capital Assets, at Cost	<u>4,119,628</u>	<u>497,968</u>	<u>(34,752)</u>	<u>4,582,844</u>
Accumulated Depreciation				
Buildings	(1,164,964)	(70,415)	-	(1,235,379)
Transportation Equipment	(492,659)	(26,845)	34,752	(484,752)
Machinery & Equipment	(540,431)	(101,741)	-	(642,172)
Total Accumulated Depreciation	<u>(2,198,054)</u>	<u>(199,001)</u>	<u>34,752</u>	<u>(2,362,303)</u>
Total Capital Assets, Net	<u>\$ 1,921,574</u>	<u>298,967</u>	<u>-</u>	<u>2,220,541</u>

Significant purchases for the year included the following:

Township Building Renovations	\$411,692
2022 Ford Police Utility Vehicle	\$39,443
Titan Leaf Vac	\$35,000
Flink Plow	\$11,833

Depreciation in the amount of \$199,001 was unallocated during the year ended March 31, 2023.

NOTE 7: CHANGE IN LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding 3/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding 3/31/2023</u>	<u>Amount Due in One Year</u>
John Deere 525L Loader	\$ 57,818	-	28,296	29,522	29,522
International Plow Truck	77,864	-	38,188	39,676	39,676
Total Notes Payable	<u>\$ 135,682</u>	<u>-</u>	<u>66,484</u>	<u>69,198</u>	<u>69,198</u>

TROY TOWNSHIP

**Notes to Basic Financial Statements
For the Year Ended March 31, 2023**

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

The Township acquitted 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, 2022. The loan was paid in full at the end of fiscal year March 31, 2023.

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 an annual principal and interest payments of \$30,862 every April 17. The maturity 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>
3/31/2024	\$ 29,522	1,371	30,893

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>
3/31/2024	\$ 39,676	1,568	41,244

Principal and interest payments on the John Deere Loader and 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>
3/31/2024	\$ 69,198	2,939	72,137

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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.

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

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

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

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

TROY TOWNSHIP

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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

Employees Covered by Benefit Terms – As of December 31, 2022, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	20
Inactive Plan Members entitled to but not yet receiving benefits	23
Active Plan Members	18
Total	61

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 2022 and the fiscal year ended March 31, 2023 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 2022	6.25%
Township required contribution rate for 2023	4.50%
Township actual contributions for 2022	\$ 54,367
Township actual contributions for fiscal year 2023	\$ 51,858

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, 2023:

Assessed valuation (2022)	\$ 1,830,594,611
Statutory debt limitation (2.875%)	\$ 45,562,829
Amount of debt applicable to debt limitation	69,198
Legal Debt Margin	\$ 45,493,631

NOTE 11: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 17, 2023, 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, 2023.

**Notes to Basic Financial Statements
For the Year Ended March 31, 2023**

NOTE 12: 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 \$402,518, accounted for in the Road and Bridge Fund.
2. General Assistance Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the General Assistance Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in a restricted fund balance of \$36,662.

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, 2023.

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, 2023, \$1,599,158 of the Road & Bridge Fund Balance is considered assigned for this purpose.

TROY TOWNSHIP

Notes to Basic Financial Statements
For the Year Ended March 31, 2023

NOTE 12: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

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 \$982,817.

F. Expenditures of Fund Balance

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

OTHER INFORMATION

**TROY TOWNSHIP
TOWN FUND**

Schedule A-1

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2023**

<u>Assets</u>	
Cash in bank	\$ 36,712
Short-term certificates of deposit and savings accounts	<u>954,199</u>
Total assets	<u>\$ 990,911</u>
<u>Liabilities and fund balance</u>	
Liabilities:	
Accrued liabilities	\$ 8,094
Fund balance:	
Unassigned fund balance	<u>982,817</u>
Total liabilities and fund balance	<u>\$ 990,911</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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Revenues received:				
Property taxes	\$ 1,251,534	1,251,534	1,252,609	1,219,957
Replacement taxes	48,000	48,000	123,216	81,600
State grants and reimbursements	1,500	1,500	3,173	2,785
Rental income	1,200	1,200	178	1,550
Interest income	1,280	1,280	1,827	1,449
Miscellaneous income	1,500	1,500	2,721	2,738
Total revenues received	1,305,014	1,305,014	1,383,724	1,310,079
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	433,000	433,000	431,648	354,278
Illinois municipal retirement fund	26,900	26,900	23,616	26,194
Social security	33,500	33,500	31,656	26,461
Health insurance	104,000	104,000	96,606	51,424
State unemployment tax	1,200	1,500	1,397	866
Printed material	400	400	366	356
Insurance	16,400	16,435	16,435	15,629
Office supplies	2,400	2,400	1,879	3,071
Telephone services	3,300	3,300	3,109	3,218
Postage	600	600	374	478
Postage - newsletter	2,320	2,320	1,909	1,865
Printing & publishing	3,200	4,400	4,218	2,704
Mileage & travel	5,500	5,500	1,550	1,643
Dues	5,000	5,000	4,944	4,624
Training	4,000	4,000	744	626
Utilities	23,000	26,200	26,175	23,395
Maintenance - building	35,000	36,500	35,876	25,778
Maintenance - equipment	24,000	28,200	27,030	18,232
Legal assistance	2,500	2,500	1,348	1,584
Senior services - in house	1,500	1,500	990	1,152
Senior services - out of house	28,700	24,500	22,349	19,257
Other professional services	7,300	7,300	6,835	6,002
Accounting services	5,500	6,200	6,181	4,536
Capital outlay	662,400	662,400	529,973	63,451

**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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Expenditures disbursed (continued):				
Administration (continued):				
Community events	\$ 2,600	2,600	2,194	2,315
Mosquito management	27,500	20,565	20,390	26,648
Debt service - principal	-	-	-	71,713
Debt service - interest	-	-	-	669
Contingencies	4,000	4,000	2,804	3,274
Assessor:				
Personnel:				
Salaries	229,500	229,500	224,248	187,390
Illinois municipal retirement fund	15,000	15,000	12,636	14,721
Social security	17,800	17,800	16,726	13,886
Health insurance	127,000	126,750	42,440	40,385
Insurance- workmen's comp	2,500	2,500	2,147	2,101
Printed materials	1,500	1,500	1,440	1,400
Insurance	125	125	47	56
Office supplies	500	650	588	473
Telephone	2,750	2,750	2,498	2,614
Postage - newsletter	2,200	2,200	1,722	1,528
Printing & publishing	2,420	2,420	2,365	2,198
Mileage & travel	4,000	4,100	4,091	3,852
Dues	200	200	145	90
Training	6,000	6,000	3,556	4,836
Maintenance - vehicles	2,125	2,125	163	62
Maintenance - equipment	550	550	441	405
Other professional services	11,000	11,000	7,523	10,792
Accounting services	825	825	826	825
Capital outlay	10,000	10,000	3,601	2,677
Contingencies	400	400	391	519
Total expenditures disbursed	1,902,115	1,902,115	1,630,190	1,052,253
Excess (deficiency) of revenues received over (under) expenditures disbursed	(597,101)	(597,101)	(246,466)	257,826
Other Financing sources (uses):				
Transfer out	-	-	-	(25,000)
Net change in fund balance	\$ (597,101)	(597,101)	(246,466)	232,826
Fund balance, beginning of year			1,229,283	996,457
Fund balance, end of year			982,817	1,229,283

**TROY TOWNSHIP
ROAD AND BRIDGE FUND**

Schedule B-1

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2023**

<u>Assets</u>	
Cash in Bank	\$ 23,873
Short-term certificates of deposit and savings accounts	1,578,605
Cash restricted for Motor Fuel Tax	<u>402,518</u>
Total assets	<u>\$ 2,004,996</u>
<u>Liabilities and fund balance</u>	
Liabilities:	
Accrued Liabilities	<u>\$ 3,320</u>
Fund balance:	
Restricted fund balance	402,518
Assigned fund balance	<u>1,599,158</u>
Total fund balance	<u>2,001,676</u>
Total liabilities and fund balance	<u>\$ 2,004,996</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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Revenues received:				
Property taxes	\$ 801,111	801,111	803,204	781,266
Replacement taxes	171,225	171,225	439,122	290,812
Motor fuel tax	-	-	93,928	105,542
State reimbursements	14,475	14,475	11,640	7,296
Fines & permits	1,700	1,700	6,211	3,098
Interest income	1,160	1,160	1,845	1,378
Loan Proceeds	150,000	150,000	-	-
Rental Income	100	100	-	-
Miscellaneous and reimbursements	100	100	4,081	3,003
Total revenues received	1,139,871	1,139,871	1,360,031	1,192,395
Expenditures disbursed:				
Administration:				
Insurance	19,300	19,300	18,649	18,406
Office supply	750	750	561	638
Telephone service	6,000	6,000	4,559	5,448
Postage	500	500	410	359
Postage-newsletter	2,100	2,100	1,722	1,528
Printing & publishing	3,200	3,900	3,695	2,649
Mileage & travel	1,500	1,500	-	-
Dues	600	600	475	550
Training	750	750	-	50
Janitorial services	2,500	2,500	1,827	2,155
Legal services	4,000	4,000	175	303
Accounting services	4,600	4,600	4,069	3,808
Capital outlay	4,550	4,550	-	1,794
Other Professional Services	19,000	19,000	2,112	1,146
Replacement tax reimbursement	50,000	50,000	-	-
Maintenance:				
Personnel:				
Salaries	357,000	357,000	278,368	262,722
Illinois municipal retirement fund	20,500	20,500	15,606	18,082
Social security	27,500	27,500	20,572	19,617
Health insurance	67,000	67,000	35,290	39,326
State unemployment tax	1,000	1,000	626	821
Utilities	6,500	6,500	5,680	5,587
Utilities R&B street lights	28,000	28,000	15,166	18,178
Maintenance - roads	175,000	175,000	60,914	145,933
Maintenance - bridges	4,000	4,000	-	-
Maintenance - building	10,000	10,000	7,943	5,913
Maintenance - vehicles	50,000	50,000	34,407	17,042
Maintenance - equipment	36,500	36,500	28,481	31,941
Gas & Oil	62,000	62,000	51,687	42,851

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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Expenditures disbursed - (Continued):				
Maintenance - (Continued):				
Capital Outlay:				
R&B equipment	\$ 350,000	350,000	82,276	91,775
R&B roads	235,000	235,000	26,089	146,441
Building	235,000	235,000	14,068	30,098
Debt Service Principal	68,000	68,000	66,484	63,897
Debt Service Interest	6,000	6,000	5,461	8,048
Contingencies	5,000	4,300	608	325
Total expenditures disbursed	1,863,350	1,863,350	787,980	987,431
Excess (deficiency) of revenues received over (under) expenditures disbursed	(723,479)	(723,479)	572,051	204,964
Other financing sources (uses):				
Sale of assets - equipment	-	-	9,000	44,051
Total other financing sources (uses)	-	-	9,000	44,051
Net Change in Fund Balance	\$ (723,479)	(723,479)	581,051	249,015
Fund balance, beginning of year			1,420,625	1,171,610
Fund balance, end of year			2,001,676	1,420,625

**TROY TOWNSHIP
GENERAL ASSISTANCE FUND**

Schedule B-3

**Statement of Assets, Liabilities, and Fund Balance arising from Cash Transactions
March 31, 2023**

Assets

Cash in Bank	\$	7,817
Short-term certificates of deposit and savings accounts		<u>28,845</u>
Total Assets	\$	<u>36,662</u>

Fund Balance

Fund balance:		
Restricted fund balance	\$	<u>36,662</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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Revenues received:				
Property taxes	\$ 20,000	20,000	20,626	20,089
Interest income	10	10	13	10
Total revenues received:	20,010	20,010	20,639	20,099
Expenditures disbursed:				
Administration:				
Personnel:				
Salaries	-	-	-	29,527
Illinois municipal retirement fund	-	-	-	2,363
Social security	-	-	-	2,104
Health insurance	-	-	-	7,679
State unemployment tax	-	-	-	59
Insurance	2,400	2,400	2,360	2,360
Postage-newsletter	2,200	2,200	1,619	1,600
Printing & publishing	2,420	2,428	2,427	2,311
Mileage & travel	1,365	1,365	245	60
Dues	50	50	50	25
Training	650	650	200	400
Maintenance - equipment	720	720	462	463
Other professional services	1,000	1,125	1,125	1,000
Accounting services	2,825	2,825	2,438	3,504
Other Expenditures:				
Contingencies	500	368	50	444
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	-	-
Clothing	500	500	-	-
Emergency assistance	2,500	2,500	-	-
Total expenditures disbursed:	27,130	27,131	10,976	53,899

**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, 2023
(with comparative figures for March 31, 2022)**

	Original Budget	Final Budget	Year Ended March 31,	
			2023	2022
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (7,120)</u>	<u>(7,121)</u>	<u>9,663</u>	<u>(33,800)</u>
Other financing sources (uses):				
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	<u><u>\$ (7,120)</u></u>	<u><u>(7,121)</u></u>	<u>9,663</u>	<u>(8,800)</u>
Fund balance, beginning of year			<u>26,999</u>	<u>35,799</u>
Fund balance, end of year			<u><u>36,662</u></u>	<u><u>26,999</u></u>

NOTES TO OTHER INFORMATION

TROY TOWNSHIP

Notes to Other Information For the Year Ended March 31, 2023

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 2022-2023 budget and appropriation ordinances, formulated on the cash basis of accounting, were adopted by the Board on April 18, 2022 and were not amended.

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

Description	Budget	Actual	Variance	Percent Variance
General Town Fund	\$ 1,902,115	1,630,190	271,925	14%
Road Fund*	1,863,350	787,995	1,075,355	58%
General Assistance	27,130	10,976	16,154	60%

** 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, 2023.

SUPPLEMENTAL INFORMATION

**Consolidating Statement of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance-Budget and Actual - Road and Bridge Fund
For the Year Ended March 31, 2023
(with comparative figures for March 31, 2022)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2023	2022
Revenues received:				
Property taxes	\$ 803,204	-	803,204	781,266
Replacement taxes	439,122	-	439,122	290,812
Motor fuel tax allotments	-	93,927	93,927	105,542
State reimbursements	11,640	-	11,640	7,296
Fines & permits	6,211	-	6,211	3,098
Interest income	1,845	-	1,845	1,378
Miscellaneous and reimbursements	4,082	-	4,082	3,003
Total revenues received	1,266,104	93,927	1,360,031	1,192,395
Expenditures disbursed:				
Administration:				
Insurance	18,649	-	18,649	18,406
Office supply	561	-	561	638
Telephone service	4,559	-	4,559	5,448
Postage	410	-	410	359
Postage-newsletter	1,722	-	1,722	1,528
Printing & publishing	3,695	-	3,695	2,649
Dues	475	-	475	550
Training	-	-	-	50
Janitorial services	1,827	-	1,827	2,155
Legal services	-	-	-	303
Accounting services	4,069	-	4,069	3,808
Capital outlay	-	-	-	1,794
Other Professional Services	2,287	-	2,287	1,146
Maintenance:				
Personnel:				
Salaries	278,368	-	278,368	262,722
Illinois municipal retirement fund	15,606	-	15,606	18,082
Social security	20,572	-	20,572	19,617
Health insurance	35,290	-	35,290	39,326
State unemployment tax	626	-	626	821
Utilities	5,680	-	5,680	5,587
Utilities R&B street lights	15,166	-	15,166	18,178
Maintenance - roads	60,914	-	60,914	145,933
Maintenance - building	7,943	-	7,943	5,913
Maintenance - vehicles	34,407	-	34,407	17,042
Maintenance - equipment	28,481	-	28,481	31,941
Gas & Oil	51,687	-	51,687	42,851

**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, 2023
(with comparative figures for March 31, 2022)**

	Road District	Motor Fuel Tax	Year Ended March 31,	
			2023	2022
Expenditures disbursed - (Continued):				
Maintenance - (Continued):				
Capital Outlay:				
R&B equipment	82,276	-	82,276	91,775
R&B roads	26,089	-	26,089	146,441
Building	14,068	-	14,068	30,098
Debt Service Principal	66,484	-	66,484	63,897
Debt Service Interest	5,461	-	5,461	8,048
Contingencies	608	-	608	325
Total expenditures disbursed	787,980	-	787,980	987,431
Excess (deficiency) of revenues received over (under) expenditures disbursed	478,124	93,927	572,051	204,964
Other financing sources (uses):				
Sale of assets - equipment	9,000	-	9,000	44,051
Total other financing sources (uses)	9,000	-	9,000	44,051
Net Change in Fund Balance	487,124	93,927	581,051	249,015
Fund balance, beginning of year	1,112,034	308,591	1,420,625	1,171,610
Fund balance, end of year	\$ 1,599,158	402,518	2,001,676	1,420,625

TROY TOWNSHIP

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

Calendar Year Ending December 31,	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY					
Service Cost	\$ 71,932	62,375	60,733	65,081	56,120
Interest on Total Pension Liability	257,742	247,545	242,241	236,669	241,404
Benefit Changes	-	-	-	-	-
Differences Between Expected and Actual Experience	57,077	71,512	49,089	4,416	(126,650)
Assumption Changes	-	-	(46,800)	-	86,651
Benefit Changes, Assumption Changes, and Refunds	(255,725)	(235,409)	(230,438)	(223,834)	(208,808)
Net Change in Total Pension Liability	131,026	146,023	74,825	82,332	48,717
Total Pension Liability - Beginning	3,646,957	3,500,934	3,426,109	3,343,777	3,295,060
Total Pension Liability - Ending	<u>\$ 3,777,983</u>	<u>3,646,957</u>	<u>3,500,934</u>	<u>3,426,109</u>	<u>3,343,777</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 54,367	62,781	59,613	60,314	82,005
Contributions - Member	39,144	33,121	30,243	28,421	30,273
Pension Plan Net Investment Income	(552,450)	634,590	492,084	565,948	(189,821)
Benefit Payments and Refunds	(255,725)	(235,409)	(230,438)	(223,834)	(208,808)
Other	(2,720)	38,048	18,521	42,144	89,898
Net Change in Plan Fiduciary Net Position	(717,384)	533,131	370,023	472,993	(196,453)
Plan Net Position - Beginning	4,270,801	3,737,670	3,367,647	2,894,654	3,091,107
Plan Net Position - Ending	<u>\$ 3,553,417</u>	<u>4,270,801</u>	<u>3,737,670</u>	<u>3,367,647</u>	<u>2,894,654</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 224,566</u>	<u>(623,844)</u>	<u>(236,736)</u>	<u>58,462</u>	<u>449,123</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.06%	117.11%	106.76%	98.29%	86.57%
Covered Valuation Payroll	\$ 869,870	736,013	672,067	631,568	672,719
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	25.82%	-84.76%	-35.23%	9.26%	66.76%

Notes to Schedule:

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

TROY TOWNSHIP

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

Calendar Year Ending December 31,	2017	2016	2015	2014	2013
TOTAL PENSION LIABILITY					
Service Cost	\$ 64,841	63,251	58,949	-	-
Interest on Total Pension Liability	246,297	238,110	227,584	-	-
Benefit Changes	-	-	-	-	-
Differences Between Expected and Actual Experience	(38,174)	18,686	49,450	-	-
Assumption Changes	(123,769)	(11,652)	-	-	-
Benefit Changes, Assumption Changes, and Refunds	(211,352)	(214,200)	(180,260)	-	-
Net Change in Total Pension Liability	(62,157)	94,195	155,723	-	-
Total Pension Liability - Beginning	3,357,217	3,263,022	3,107,299	-	-
Total Pension Liability - Ending	<u>\$ 3,295,060</u>	<u>3,357,217</u>	<u>3,263,022</u>	<u>-</u>	<u>-</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 80,636	87,106	73,274	-	-
Contributions - Member	28,594	28,759	26,463	-	-
Pension Plan Net Investment Income	504,882	176,595	12,625	-	-
Benefit Payments and Refunds	(211,352)	(214,200)	(180,260)	-	-
Other	(41,213)	47,852	106,151	-	-
Net Change in Plan Fiduciary Net Position	361,547	126,112	38,253	-	-
Plan Net Position - Beginning	2,729,560	2,603,448	2,565,195	-	-
Plan Net Position - Ending	<u>\$ 3,091,107</u>	<u>2,729,560</u>	<u>2,603,448</u>	<u>-</u>	<u>-</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 203,953</u>	<u>627,657</u>	<u>659,574</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.81%	81.30%	79.79%	N/A	N/A
Covered Valuation Payroll	\$ 635,424	639,076	588,067	-	-
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	32.10%	98.21%	112.16%	N/A	N/A

Notes to Schedule:

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

TROY TOWNSHIP

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

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage of Covered Valuation Payroll
2022	\$ 54,367	54,367	-	869,870	6.25%
2021	62,782	62,781	1	736,013	8.53%
2020	59,612	59,613	(1)	672,067	8.87%
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 2022 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): 21-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 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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.