

**TOWN OF MAINE  
(AN ILLINOIS TOWNSHIP)**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
FEBRUARY 29, 2016

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Town of Maine  
Park Ridge, Illinois

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Maine as of and for the year ended February 29, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Maine, Park Ridge, Illinois as of February 29, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of funding progress for the Illinois municipal retirement fund, and the schedules of revenues and expenditures compared with budget on pages 3 - 8 and 42 - 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Maine's basic financial statements as a whole.

The additional information schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***GIBBERT & ASSOCIATES, P. C.***

Hawthorn Woods, Illinois  
May 27, 2016

A Professional Corporation

**TOWN OF MAINE 2016**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FEBRUARY 29, 2016

Our discussion and analysis of the Town of Maine's financial performance provides an overview of the Township's financial activities for the fiscal year ended February 29, 2016. Please read it in conjunction with the Township's financial statements.

## **FINANCIAL HIGHLIGHTS**

The Township's net position increased by \$1,246,533 for 2016 as compared to an increase of \$1,469,382 for 2015. The Township reported an excess of revenues over expenditures of \$995,045 for 2016 compared to \$1,189,131 for 2015.

## **USING THIS REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. For governmental activities these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds.

### **Reporting the Township as a Whole**

#### **The Statement of Net Assets and the Statement of Activities**

One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's net position and changes in them. You can think of the Township's net position—the difference between assets and liabilities—as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating.

### **Reporting the Township's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

**TOWN OF MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FEBRUARY 29, 2016**

Governmental funds—Most of the Township’s basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting and a current financial resources measurement focus, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township’s programs. We illustrate the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds with reconciliation at the bottom of the fund financial statements.

**THE TOWNSHIP AS A WHOLE**

**Net Assets**

As table I shows, the Township’s combined net position showed a decrease from \$12.873 million to \$12.501 million. This decrease was caused by an increase in liabilities partially offset by an excess of revenues over expenditures and an increase in investment in capital assets.

Governmental Activities:

	Table 1 Net Assets (in thousands)		% Inc. (Dec.)
	<u>2015</u>	<u>2015</u>	
Current and other assets	\$16,794	\$16,144	4.0
Capital assets/bond	<u>5,869</u>	<u>5,618</u>	5.3
Total assets	<u>22,663</u>	<u>21,762</u>	
Other liabilities	<u>10,162</u>	<u>8,889</u>	14.3
Total liabilities	<u>10,162</u>	<u>8,889</u>	
Net position:			
Net investment in capital assets	5,869	5,618	5.3
Other	<u>6,632</u>	<u>7,255</u>	(8.6)
Total net position	<u>\$12,501</u>	<u>\$12,873</u>	

Overall, the Township’s total assets increased 4.1%, total liabilities increased by 14.3%, and total net position decreased by 2.9% over last year.

**TOWN OF MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FEBRUARY 29, 2016**

**Changes in Net Assets**

Overall the Township's "Net Position" increased by \$1,246,533.

Table 2  
 Changes in Net Assets  
 (in thousands)

	<u>2016</u>	<u>2015</u>	<u>% Inc.</u> <u>(Decr.)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 22	\$ 24	(8.3)
Grants and contributions	67	78	(14.1)
General revenues			
Property and replacement taxes	7,450	7,278	2.4
Interest	8	2	300.0
Other general revenue	<u>170</u>	<u>141</u>	20.6
Total revenues	<u>7,717</u>	<u>7,523</u>	
Program expenses:			
General government	3,940	3,655	7.8
General assistance	886	901	(1.7)
Road and bridge	<u>1,645</u>	<u>1,497</u>	9.9
Total expenses	<u>6,471</u>	<u>6,053</u>	
Increase (decrease)			
In net position	<u>\$ 1,246</u>	<u>\$1,470</u>	
Ending net position	<u>\$12,501</u>	<u>\$12,873</u>	

Overall, the Township's total revenues increased 2.6%, total expenses increased by 6.9 % and ending net position decreased by 2.9% over last year.

**FUND BUDGETARY HIGHLIGHTS**

	<u>Adopted</u> <u>Budget</u>	<u>Actual</u>
Town Fund:		
Revenues:		
Taxes	\$3,680	\$4,500
Other	<u>99</u>	<u>120</u>
Total	3,779	4,620
Expenditures	<u>4,699</u>	<u>3,910</u>
Change in fund balance	\$( <u>920</u> )	<u>\$ 710</u>

**TOWN OF MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FEBRUARY 29, 2016**

General Assistance Fund:

Revenues:

Taxes	\$1,000	\$1,076
Other	<u>110</u>	<u>95</u>
Total	1,110	1,171
Expenditures	<u>1,157</u>	<u>875</u>
Change in fund balance	\$ <u>( 47)</u>	\$ <u> 296</u>

Road and Bridge Fund:

Revenues:

Taxes	\$2,068	\$1,783
Other	<u>111</u>	<u>143</u>
Total	2,179	1,926
Expenditures	<u>2,455</u>	<u>1,937</u>
Change in fund balance	\$ <u>( 276)</u>	\$ <u>( 11)</u>

**THE TOWNSHIP'S FUNDS**

The Township's total governmental fund balance increased by \$995,045. The general fund increased by \$710,438, the general assistance fund increased by \$296,045 and the road and bridge fund decreased by \$11,438. The general fund actual revenues in excess of expenditures was \$1,630,660 over the budget amount for the year, the general assistance fund was \$343,099 over the budget amount for the year and the road and bridge fund was \$265,171 over the budget amount for the year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of February 29, 2016 the Township had \$10.583 million of cost, prior to depreciation, invested in capital assets. This represents a net increase of \$.6 million or 5.8% more than last year. Further information can be found in the notes to the financial statements.

Table 5  
 Capital Assets  
 (in thousands)

	<u>2016</u>	<u>2015</u>
Land	\$ 683	\$ 683
Buildings	2,881	2,875
Machinery and equipment	1,660	1,663
Roads and infrastructure	<u>5,359</u>	<u>4,828</u>
Totals	<u>\$10,583</u>	<u>\$10,049</u>

The majority of the increase is attributable to permanent road additions.

**TOWN OF MAINE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FEBRUARY 29, 2016

**Debt**

The Township had no outstanding debt at the end of fiscal year 2016.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Budgeted revenues for fiscal year 2016/2017 are consistent with the prior year.

The Township will be undertaking major building repairs, maintenance and improvements in next year's budget. These include but not limited to soundproofing of four counseling offices used for family therapy sessions, painting of several offices in the building including the clerk's department, General Assistance offices and hallways, supervisor's conference room and hallway leading to it, Community Room and Community Room Kitchen plus hallways, MaineStay offices and hallway, General Assistance Waiting room and offices and public restrooms. There will be major tile replacement work done in the entrance hallway. The entire building will receive a new, improved phone system to better serve the residents.

For the year ended February 29, 2016, the Township has adopted GASB 68 – Accounting and financial reporting for pensions. This new pronouncement requires the Township to report the net pension liability on the face of the financial statements as a liability and as a reduction of net assets. This liability amount has been provided directly to the Township from IMRF (Illinois Municipal Retirement Fund). The Township has fully complied with the requirements of GASB 68 which are reflected in the financial statements and the accompanying notes.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customer and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township's office at 1700 Ballard Road, Park Ridge, IL 60068 or telephone at 847-297-2510.

**TOWN OF MAINE**  
**STATEMENT OF NET POSITION**  
**FEBRUARY 29,2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 9,337,047
Receivable - property taxes	7,428,990
Other assets	<u>28,129</u>
<b>Total Current Assets</b>	<u>16,794,166</u>
<b>Non - Current Assets</b>	
Capital assets not subject to depreciation (land)	683,000
Other capital assets, net of depreciation	<u>5,186,148</u>
<b>Total Non - Current Assets</b>	<u>5,869,148</u>
<b>TOTAL ASSETS</b>	<u>\$ 22,663,314</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 111,177
Service agency grants payable	437,495
Accrued expenses	<u>252,741</u>
<b>Total Current Liabilities</b>	<u>801,413</u>
<b>Non-Current Liabilities</b>	
Net pension liability	<u>1,932,324</u>
<b>Deferred Inflow Resources</b>	
Deferred revenue - property taxes	<u>7,428,130</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,869,148
Non spendable	28,129
Restricted for general assistance	1,296,386
Restricted for road and bridge	1,063,984
Unassigned	<u>4,243,800</u>
<b>TOTAL NET POSITION</b>	<u>\$ 12,501,447</u>

See accompanying notes to the financial statements.

**TOWN OF MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Program revenues</u>			<b>Total</b>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating Grants</u> <u>and Contributions</u>	<u>Governmental</u> <u>Activities</u>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities</b>				
General Government	\$ 3,939,674	\$ 21,878	\$ 0	\$ (3,917,796)
General Assistance	886,234	0	66,932	(819,302)
Road and Bridge	<u>1,644,728</u>	<u>0</u>	<u>0</u>	<u>(1,644,728)</u>
<b>Total Governmental Activities</b>	<u>\$ 6,470,636</u>	<u>\$ 21,878</u>	<u>\$ 66,932</u>	(6,381,826)
 <b>GENERAL REVENUES</b>				
Taxes				
Property taxes levied for general purposes				7,276,928
Replacement taxes for general purposes				173,827
Social security reimbursement				27,144
Interest earned				7,851
Other				<u>142,609</u>
<b>TOTAL GENERAL REVENUES</b>				<u>7,628,359</u>
<b>CHANGE IN NET POSITION</b>				1,246,533
 <b>NET POSITION</b>				
<b>BEGINNING OF YEAR</b>				<u>11,254,914</u>
<b>END OF YEAR</b>				<u>\$ 12,501,447</u>

See accompanying notes to the financial statements.

**TOWN OF MAINE**  
**GOVERNMENTAL FUNDS BALANCE SHEETS**  
**YEAR ENDED FEBRUARY 29, 2016**

	<u>General Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 6,120,988	\$ 1,664,887	\$ 1,551,172	\$ 9,337,047
Receivables - property taxes	4,459,353	1,103,343	1,866,294	7,428,990
Prepaid expenses	<u>8,007</u>	<u>5,112</u>	<u>15,010</u>	<u>28,129</u>
<b>Total assets</b>	<u><u>10,588,348</u></u>	<u><u>2,773,342</u></u>	<u><u>3,432,476</u></u>	<u><u>16,794,166</u></u>
<b>Liabilities</b>				
Accounts payable	23,957	26,025	61,195	111,177
Service agency grants payable	437,495	0	0	437,495
Net pension liability	1,252,162	301,157	379,005	1,932,324
Accrued wages	40,749	8,320	9,129	58,198
Accrued vacation pay	<u>123,306</u>	<u>33,179</u>	<u>38,058</u>	<u>194,543</u>
<b>Total liabilities</b>	<u><u>1,877,669</u></u>	<u><u>368,681</u></u>	<u><u>487,387</u></u>	<u><u>2,733,737</u></u>
<b>Deferred inflow of resources</b>				
Deferred revenue - property taxes	<u>4,458,872</u>	<u>1,103,163</u>	<u>1,866,095</u>	<u>7,428,130</u>
<b>Fund balances</b>				
Nonspendable	8,007	5,112	15,010	28,129
Restricted for general assistance	0	1,296,386	0	1,296,386
Restricted for road and bridge	0	0	1,063,984	1,063,984
Unassigned	<u>4,243,800</u>	<u>0</u>	<u>0</u>	<u>4,243,800</u>
<b>Total fund balances</b>	<u><u>4,251,807</u></u>	<u><u>1,301,498</u></u>	<u><u>1,078,994</u></u>	<u><u>6,632,299</u></u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 10,588,348</u></u>	<u><u>\$ 2,773,342</u></u>	<u><u>\$ 3,432,476</u></u>	<u><u>\$ 16,794,166</u></u>

See accompanying notes to the financial statements.

**TOWN OF MAINE**

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED FEBRUARY 29, 2016

Total fund balances for governmental funds \$ 6,632,299

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and are not reported in the funds 5,869,148

Net position of governmental activities \$ 12,501,447

See accompanying notes to the financial statements.

**TOWN OF MAINE**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Governmental Fund Types</u>			<u>Total</u>
	<u>General Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	
<b>Revenues</b>				
Property tax	\$4,418,249	\$ 1,075,742	\$ 1,782,937	\$ 7,276,928
Replacement tax	82,580	0	91,247	173,827
Social security reimbursement	0	27,144	0	27,144
Interest income	4,959	911	1,981	7,851
Client fees	21,878	0	0	21,878
Other income	92,815	66,932	49,794	209,541
<b>Total revenues</b>	<u>4,620,481</u>	<u>1,170,729</u>	<u>1,925,959</u>	<u>7,717,169</u>
<b>Expenditures</b>				
<b>Administration</b>	1,865,819	678,583	207,194	2,751,596
Assessor	263,749	0	0	263,749
Clerk	224,410	0	0	224,410
Emergency management	40,522	0	0	40,522
MainStay/Youth/Family services	629,789	0	0	629,789
Senior and adult services	483,754	0	0	483,754
Mental health/community services	402,000	0	0	402,000
<b>Assistance</b>	0	196,101	0	196,101
General road maintenance	0	0	442,814	442,814
Permanent roads	0	0	1,063,541	1,063,541
Equipment and buildings	0	0	14,912	14,912
Other	0	0	208,936	208,936
<b>Total expenditures</b>	<u>3,910,043</u>	<u>874,684</u>	<u>1,937,397</u>	<u>6,722,124</u>
<b>Excess (deficiency) of revenues over expenditures</b>	710,438	296,045	(11,438)	995,045
<b>Fund balance</b>				
Beginning of year	3,941,369	1,005,453	690,432	5,637,254
Interfund transfers	(400,000)	0	400,000	0
<b>End of year</b>	<u>\$4,251,807</u>	<u>\$ 1,301,498</u>	<u>\$ 1,078,994</u>	<u>\$ 6,632,299</u>

See accompanying notes to the financial statements.

**TOWN OF MAINE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED FEBRUARY 29,2016**

Net change in fund balances - Total governmental funds (Statement of revenues, expenditures and changes in fund balances)	\$ 995,045
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not considered an expenditures in the fund financial statements	(314,361)
Purchase of capital assets are treated as an expenditures in the fund financial statements	565,849
Disposal of capital assets are treated as a reduction of expenditures in the fund financial statements	<u>0</u>
Change in net assets - Statement of Activities	<u>\$ 1,246,533</u>

See accompanying notes to the financial statements.

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Introduction

The accounting and reporting policies of the Township included in the accompanying general purpose financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The Township's combined financial statements include the accounts of all Township operations. The criteria for including organizations as component units within the Township's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's Codification of Government Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate
- The Board of Trustees holds the corporate powers of the organization
- The Board of Trustees appoints a voting majority of the organization's board
- The Board of Trustees is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Board of Trustees
- There is fiscal dependency by the organization on the Board of Trustees

Based on the aforementioned criteria, the Township has no component units.

Changes in Accounting Methods

In February 2009 the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Statement No. 54 is effective for financial statements beginning after June 15, 2010. The Township has implemented GASB No. 54 for the year ended February 29, 2012.

The objective of GASB No. 54 is to enhance the usefulness of fund balance information by clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The Fund balance is divided into five classifications as follows:

Nonspendable – includes amounts that cannot be spent because they are not in spendable form, or 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.

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Restricted – includes amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts.

Assigned – amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned – is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

Basis of Presentation – Government – Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Interfund receivables and payables are eliminated in the Statement of Net Assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Township does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and income items that are not specifically related to a function are reported as general revenues.

Basis of Presentation - Fund Accounting - The accounts of the Township are organized on the basis of Funds, each of which is considered a separate entity. The operations of each Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts and disbursements. Township resources are allocated to and accounted for in individual Funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various Funds are summarized by type in the financial statements. The Township uses the following fund types.

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Government Fund Types:

General Town Fund – The General Town Fund is the general operating fund of the Township and accounts for all revenues and expenditures of the Township not encompassed within other funds. All general tax revenues and other receipts that are allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Town Fund.

General Assistance Fund – The General Assistance Fund provides benefits to financially disadvantaged residents of the Township.

Road and Bridge – The Road and Bridge Fund maintains the roads and related infrastructure owned by the Township.

Basis of Presentation – Major Funds

The Township reports the following major governmental funds:

The General Town Fund, which accounts for the Township’s primary operation activities.

The General Assistance Fund, which accounts for the operations of the services to residents of the Township.

The Road and Bridge Fund which accounts for the maintenance of roads and related infrastructure.

Basis of Accounting – In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Township’s operations. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual method.

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Township reports deferred revenues on its Statement of Net Assets and its Governmental Funds Balance Sheet. For government-wide financial statements, deferred revenues arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred revenues occur when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Township before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and the revenue is recognized accordingly.

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. The commitments (purchase orders, contracts, and other commitments for the expenditure of funds) are not treated as expenditures until a liability for payment is incurred, but are merely used to facilitate effective budget control and cash planning and management. Encumbrance accounting where a portion of the applicable appropriation is reserved for open purchase orders is not employed by the Township.

Budget Basis of Accounting

Revenues are budgeted in the year the receipt is measurable and available; and expenditures are budgeted in the year that the liability is incurred. The budget and actual financial statements are reported on the modified accrual bases. Unexpended appropriations for annually budgeted funds lapse at fiscal year-end.

Compensated Absences

Full-time permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Six compensated personal days per calendar year are granted to all full time employees and any unused days at the end of a calendar year will lapse. Sick days accrued at the rate of one-half day per month. Upon termination of employment all accrued vacation benefits will be paid but any unused personal and/or sick days will not be paid. The estimated liability for vested compensated absences is recorded as an expenditure and liability in the respective funds.

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Risk Management

The Town of Maine is subject to risks from acts of God, errors and omissions, job related illnesses or injuries to employees, thefts, damage to or destruction of property, and torts. These risks are covered by commercial insurance policies which are reviewed annually by Township officials. The Township believes the insurance coverage is adequate to cover potential risks. The Township has not incurred any settlements exceeding insurance coverage in the past 3 years.

Cash and cash equivalents

The Township has funds in several checking accounts, certificates of deposit, repurchase agreements and the State of Illinois Public Treasurers' Investment Pool. All of these funds are considered as cash and cash equivalents.

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the Township's fiscal year end are recorded as prepaid expenses.

New accounting principles

The Township has adopted all current GASB pronouncements that are applicable to its operation and activities. No new statements required action for the year ended February 28, 2015. The accounting principles governing the reported amounts, financial presentations, and disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various standards-setting bodies. The GASB has issued the following new statements that are potentially applicable to the Township.

Statement No. 72, *Fair Value Measurement and Application*

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

New pronouncements not in effect as of February 29, 2016, are not expected to have any significant impact on the Township's financial position, results of operations, or cash flows. The Township is currently studying these new pronouncements and will adopt them, as applicable, for the year ending February 28, 2017.

Capital Assets

Capital assets include property, plant, equipment and infrastructure assets reported in the government – wide financial statements. Purchased or constructed capital assets are recorded at cost or estimated historical costs. The Township's capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not increase the value of the assets are not capitalized.

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Capital Assets (continued)

Depreciation is provided using the straight – line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Machinery and equipment	5-10 years
Roads and related infrastructure	25 years

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include – evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors; technological developments; or other evidence of obsolescence; changes in the manner or duration of use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal 2016.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Township officials to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. CASH AND EQUIVALENTS:

At February 28, 2016, the carrying value of the Township's cash and cash equivalents was as follows:

Bank deposits - Covered by Federal Deposit Insurance Corporation or collateralized with securities held by the Township or its agent in the Township's name	\$1,873,894
State of Illinois Public Treasurers' Investment Pool	<u>7,463,153</u>
	<u>\$9,337,047</u>

The market value of these items equals the carrying value at February 29, 2016.

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

3. CASH AND EQUIVALENTS (continued):

Under Illinois law, the Township is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks insured up to \$250,000 by the Federal Depository Insurance Corporation and savings and loan associations insured up to \$250,000 by the Federal Savings and Loan Insurance Corporation.
- Short-term obligations (less than 180 days) of U. S. corporations with assets over \$500 million rated in the three highest classifications by at least two valuing agencies.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase those same types of obligations.
- Illinois Public Treasurer's Investment Pool.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.

4. SERVICE AGENCY GRANTS PAYABLE:

During the year ended February 29, 2016 Service Agency allocation grants were approved by the Board of Trustees as follows:

Avenues to Independence	\$ 48,000
Center of Concern	35,000
Center for Enriched Living	1,500
Children's Advocacy Center	3,000
District 63 Education Foundation	44,000
Fish	3,000
Glenkirk	3,000
Harbour	5,000
Leyden Family Services	60,000
Lifespan	6,000
MCYAF	2,000
Miracle House	4,000
NAMI-CCNS	1,500
North Shore Senior Center	1,500
Northwest Compass	9,000
NW Center Against Sex Assault	2,000
NW Suburban Day Care	42,000
Older Adult Services/Home Meals	5,500
Peer Services	6,000
RCL-Resource Comm. Living	4,000
WINGS	<u>4,500</u>
	<u>\$402,000</u>

All of the above amounts are scheduled to be paid during the fiscal year ending February 28, 2017.

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

5. PREPAID EXPENSES:

Prepaid expenses consist of prepaid insurance of \$28,129 at February 29, 2016 and \$30,919 at February 28, 2015.

6. CAPITAL ASSETS:

Capital asset activity for the year ended February 29, 2016 was as follows:

	Balance February 28, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance February 29, <u>2016</u>
Capital assets not subject to depreciation				
Land	\$ <u>683,000</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>683,000</u>
Capital assets subject to depreciation				
Buildings	2,874,984	5,558	0	2,880,542
Machinery and equipment	1,662,686	28,520	31,071	1,660,135
Roads and related infrastructure	<u>4,827,712</u>	<u>531,771</u>	<u>0</u>	<u>5,359,483</u>
Total assets subject to depreciation	<u>9,365,382</u>	<u>565,849</u>	<u>31,071</u>	<u>9,900,160</u>
Less accumulated depreciation for				
Buildings	1,799,698	72,200	0	1,871,898
Machinery and equipment	1,446,721	34,870	31,071	1,450,250
Roads and related infrastructure	<u>1,184,303</u>	<u>207,291</u>	<u>0</u>	<u>1,391,594</u>
Total accumulated depreciation	<u>4,430,722</u>	<u>314,361</u>	<u>31,071</u>	<u>4,714,012</u>
Net capital assets subject to depreciation	<u>4,934,660</u>	<u>251,488</u>	<u>0</u>	<u>5,186,148</u>
Net capital assets	<u>\$5,617,660</u>	<u>\$251,488</u>	<u>\$ 0</u>	<u>\$5,869,148</u>

Depreciation was charged to primary government as follows:

General Town	\$ 58,709
General Assistance	11,550
Road and Bridge	<u>244,102</u>
Total depreciation	<u>\$314,361</u>

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

**7. RETIREMENT PLAN:**

Plan description: The Township adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457, for all qualified Township employees. The plan permits participants to defer a portion of their salary until future years. The Township administers all amounts of compensation deferred under the Plan, at the direction of the covered employee, through investments in Kemper Advantage III accounts.

The Township's defined benefit pension plan for qualified employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Benefits provided: As set by statute, the employer's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The total employer contribution rate for calendar year 2015 was 12.78 percent of annual covered payroll, including pension and disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Membership: As of December 31, 2015, there were 35 retirees and beneficiaries currently receiving benefits. There were 19 inactive, non-retired members and 45 active members.

Net Pension Liability: The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the Township at December 31, 2015, were as follows:

Total pension liability	\$11,001,647
Plan fiduciary net position	(9,069,323)
Township's net pension liability	\$ <u>1,932,324</u>
 Plan fiduciary net position as a percentage of the total pension liability	 82.44%

For 2016, the Township implemented GASB 68 which requires reporting the net pension liability on its financial statements. The Township's net pension liability of \$1,932,324 was recorded as a current pension expense of \$314,033 and a reduction of the beginning fund balances of \$1,618,291.

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

7. RETIREMENT PLAN (continued):

Methods and assumptions Used to Determine Total Pension Liability:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Price inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.47%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disable retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied to the non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate: The discount rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in the future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

7. RETIREMENT PLAN (continued):

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting single discount rate is 7.47%.

Changes in Net Pension Liability: Changes in the net pension liability for the year ended December 31, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2013	\$10,484,310	\$9,028,248	\$1,456,062
Changes for the year:			
Service cost	259,821	0	259,821
Interest	776,673	0	776,673
Benefit changes	0	0	0
Difference between expected and actual experience	(71,135)	0	(71,135)
Changes of assumptions	13,759	0	13,759
Benefit payments	(461,781)	0	(461,781)
Contributions – employer	0	298,539	(298,539)
Contributions – employee	0	106,991	(106,991)
Net investment income	0	45,001	(45,001)
Benefit payments	0	(461,781)	461,781
Other – net transfer	0	52,325	(52,325)
Net changes	<u>517,337</u>	<u>41,075</u>	<u>476,262</u>
Balance, December 31, 2014	<u>\$11,001,647</u>	<u>\$9,069,323</u>	<u>\$1,932,324</u>

**TOWN OF MAINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

7. RETIREMENT PLAN (continued):

Sensitivity of the net pension liability to changes in the Single Discount Rate: The following presents the net pension liability of the Township, calculated using the SDR rate of 7.43%, as well as what the Township's net pension liability would be if it were calculated using a SDR that is 1-percentage-point lower (6.43%) or 1-percentage-point higher (8.43%) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.47%	\$3,428,758
Current rate	7.47%	\$1,932,324
1% increase	8.47%	\$704,850

As a result of its requirement to contribute to IMRF, the Township recognized expense of \$314,033 for the year ended December 31, 2015. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to IMRF:

	Deferred Outflows Of Resources	Deferred Inflows of Resources
Differences between expected and Actual experience	\$ 0	\$55,553
Assumption changes	10,745	0
Net difference between projected and actual Earnings on pension plan investments	<u>505,576</u>	<u>0</u>
Total	<u>\$516,321</u>	<u>\$55,553</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources as a result of the Township's requirement to contribute to IMRF will be recognized in expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$113,826
2017	113,826
2018	113,826
2019	119,290
2020	0
Thereafter	<u>0</u>
Total	<u>\$460,768</u>

**TOWN OF MAINE**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2016

8. PROPERTY TAXES:

The Township's property tax is levied each calendar year on all taxable real property located in the Township. The Township must file its tax levy ordinance by the last Tuesday of December of each year. The levy was approved on November 24, 2015. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. Property taxes attach as an enforceable lien on property as of January 1. Taxes levied for 2014 collected from March 1, 2016 until April 30, 2016 are included in receivables-property taxes for the year ended February 29, 2016 and taxes levied for 2015 collected prior to February 29, 2016 are included in deferred revenue. The taxes are billed and collected by Cook County, who then remits to the Township its respective share of collections.

9. CONCENTRATION OF CREDIT RISK:

Financial instruments which potentially subject the Township to concentrations of credit risk include cash deposits with a commercial bank. The Township cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of the \$250,000 insured by the FDIC are fully collateralized by assets of the financial institutions.

10. RISK MANAGEMENT:

The Township is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees and natural disasters. The Township purchases insurance to cover the above as well as employee health, dental and life insurance. For 2016, there were no significant reductions or increases in insurance coverage from the previous year.

11. SUBSEQUENT EVENTS:

Management has evaluated subsequent events thru May 27, 2016, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that requires disclosure in the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MAINE**  
**GENERAL TOWN FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>With Budget</u>
Revenues				
Property tax	\$ 3,600,000	\$ 3,600,000	\$ 4,418,249	\$ 818,249
Replacement tax	80,000	80,000	82,580	2,580
Interest income	2,000	2,000	4,959	2,959
Client fees	22,000	22,000	21,878	(122)
Other income	<u>75,000</u>	<u>75,000</u>	<u>92,815</u>	<u>17,815</u>
Total revenues	<u>3,779,000</u>	<u>3,779,000</u>	<u>4,620,481</u>	<u>841,481</u>
Expenditures				
Administration	2,487,453	2,487,453	1,865,819	621,634
Assessor	329,542	329,542	263,749	65,793
Clerk	233,650	233,650	224,410	9,240
Emergency management	68,376	68,376	40,522	27,854
MaineStay/Youth/Family services	668,550	668,550	629,789	38,761
Senior and adult services	509,651	509,651	483,754	25,897
Mental health/community services	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>	<u>-</u>
Total expenditures	<u>4,699,222</u>	<u>4,699,222</u>	<u>3,910,043</u>	<u>789,179</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (920,222)</u>	<u>\$ (920,222)</u>	710,438	<u>\$ 1,630,660</u>
Fund balance				
Beginning of year			3,941,369	
Fund transfer to Road & Bridge			<u>(400,000)</u>	
End of year			<u>\$ 4,251,807</u>	

See independent auditor's report.

**TOWN OF MAINE**  
**GENERAL ASSISTANCE FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR YEAR ENDED FEBRUARY 29, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative) With Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property tax	\$ 1,000,000	\$ 1,000,000	\$ 1,075,742	\$ 75,742
Social security reimbursement	40,000	40,000	27,144	(12,856)
Interest income	200	200	911	711
Other income	<u>70,000</u>	<u>70,000</u>	<u>66,932</u>	<u>(3,068)</u>
Total revenues	<u>1,110,200</u>	<u>1,110,200</u>	<u>1,170,729</u>	<u>60,529</u>
Expenditures				
Administration	754,652	754,652	678,583	76,069
Assistance	<u>402,602</u>	<u>402,602</u>	<u>196,101</u>	<u>206,501</u>
Total expenditures	<u>1,157,254</u>	<u>1,157,254</u>	<u>874,684</u>	<u>282,570</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (47,054)</u>	<u>\$ (47,054)</u>	296,045	<u>\$ 343,099</u>
Fund balance				
Beginning of year			<u>1,005,453</u>	
End of year			<u>\$ 1,301,498</u>	

See independent auditor's report.

**TOWN OF MAINE**  
**ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative) <u>With Budget</u>
Revenues				
Property tax	\$ 2,068,049	\$ 2,068,049	\$ 1,782,937	\$ (285,112)
Replacement tax	76,307	76,307	91,247	14,940
Interest income	755	755	1,981	1,226
Other income	<u>33,650</u>	<u>33,650</u>	<u>49,794</u>	<u>16,144</u>
Total revenues	<u>2,178,761</u>	<u>2,178,761</u>	<u>1,925,959</u>	<u>(252,802)</u>
Expenditures				
Administration	283,200	283,200	207,194	76,006
General road maintenance	514,500	514,500	442,814	71,686
Permanent roads	1,309,500	1,309,500	1,063,541	245,959
Equipment and buildings	155,000	155,000	14,912	140,088
Other	<u>193,170</u>	<u>193,170</u>	<u>208,936</u>	<u>(15,766)</u>
Total expenditures	<u>2,455,370</u>	<u>2,455,370</u>	<u>1,937,397</u>	<u>517,973</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (276,609)</u>	<u>\$ (276,609)</u>	(11,438)	<u>\$ 265,171</u>
Fund balance				
Beginning of year			690,432	
Fund transfer from Town Fund			<u>400,000</u>	
End of year			<u>\$ 1,078,994</u>	

See independent auditor's report.

**MAINE TOWNSHIP  
SCHEDULE OF RETIREMENT PLAN  
FOR THE YEAR ENDED FEBRUARY 29, 2016**

**Schedule of Contributions**

Actuarially determined contribution	\$ 298,539
Contributions in relation to the actuarially determined contribution	<u>298,539</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered employee payroll	\$ 2,335,989
Actual contributions as a percentage of covered-employee payroll	12.78%

**Total pension liability**

Service cost	\$ 259,821
Interest	776,673
Changes of benefit terms	0
Difference between expected and actual experience	(71,135)
Changes of assumptions	13,759
Benefit payments, including refunds of employee contributions	<u>(461,781)</u>
Net change in total pension liability	517,337
Net change in total pension liability - beginning	<u>10,484,310</u>
Net change in total pension liability - ending	<u>\$ 11,001,647</u>

**Plan fiduciary net position**

Contributions - employer	\$ 298,539
Contributions - employee	106,991
Net investment income	45,001
Benefit payments, including refunds of employee contributions	(461,781)
Other	<u>52,325</u>
Net change in plan fiduciary net position	41,075
Plan fiduciary net position - beginning	<u>9,028,248</u>
Plan fiduciary net position - ending	\$ 9,069,323
Net pension liability	<u>\$ 1,932,324</u>

Plan fiduciary net position as a percentage of total pension liability 82.44%

Covered Valuation payroll \$ 2,335,989

Net pension liability as a percentage of covered valuation payroll 82.72%

Note: Only year 2015 was available. The Township will continue to present information until a full 10-year trend is compiled.

**TOWN OF MAINE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The Township’s Board of Elected Officials and Department Heads have participated in several thorough processes that resulted in a very comprehensive budget, maintaining financial stability and strength, while addressing many diverse issues. The process includes, but is not limited to the following:

- A) Review and approve Strategic Directions and Initiatives
- B) Direct Department Heads to draft a budget based on Initiatives and Financial Stability
- D) Study alternatives for objectives and funding grants
- E) Review and approve funding alternatives and restructuring of specific fund accounts, financial practices and personnel
- F) Draft a budget for presentation to the Board

The budget process follows the following calendar:

December	Department Heads begin developing budget projections
January	Preliminary Department Head meetings/discussions completed
February	First draft of detailed budgets completed and discussed with Supervisor
March	Supervisor and leadership team prepare final budget and appropriation ordinance Budget and appropriation ordinance is present to Board of Directors
April	Budget and appropriation ordinance is approved

2. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS:

Valuation Date:

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

Actuarial Cost Method Aggregate Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

**TOWN OF MAINE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

2. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS:

Remaining Amortization Period	Non-taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling 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 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% ~approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 – 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

## ADDITIONAL INFORMATION

**TOWN OF MAINE**  
**GENERAL TOWN FUND**  
**STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property tax	\$ 3,600,000	\$ 4,418,249	\$ 818,249
Replacement tax	80,000	82,580	2,580
Interest income	2,000	4,959	2,959
Client fees	22,000	21,878	(122)
Other income	<u>75,000</u>	<u>92,815</u>	<u>17,815</u>
Total revenues	<u>3,779,000</u>	<u>4,620,481</u>	<u>841,481</u>
Expenditures			
Administration	2,487,453	1,865,819	621,634
Assessor	329,542	263,749	65,793
Clerk	233,650	224,410	9,240
Emergency management	68,376	40,522	27,854
MaineStay/Youth/Family services	668,550	629,789	38,761
Senior and adult services	509,651	483,754	25,897
Mental health/community services	<u>402,000</u>	<u>402,000</u>	-
Total expenditures	<u>4,699,222</u>	<u>3,910,043</u>	<u>789,179</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (920,222)</u>	<u>\$ 710,438</u>	<u>\$ 1,630,660</u>

See independent auditor's report.

**TOWN OF MAINE**  
**GENERAL ASSISTANCE FUND**  
**STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL**  
**FOR YEAR ENDED FEBRUARY 29, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property tax	\$ 1,000,000	\$ 1,075,742	\$ 75,742
Social security reimbursement	40,000	27,144	(12,856)
Interest income	200	911	711
Other income	<u>70,000</u>	<u>66,932</u>	<u>(3,068)</u>
Total revenues	<u>1,110,200</u>	<u>1,170,729</u>	<u>60,529</u>
Expenditures			
Administration	754,652	678,583	76,069
Assistance	<u>402,602</u>	<u>196,101</u>	<u>206,501</u>
Total expenditures	<u>1,157,254</u>	<u>874,684</u>	<u>282,570</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (47,054)</u>	<u>\$ 296,045</u>	<u>\$ 343,099</u>

See independent auditor's report.

**TOWN OF MAINE**  
**ROAD AND BRIDGE FUND**  
**STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property tax	\$ 2,068,049	\$ 1,782,937	\$ (285,112)
Replacement tax	76,307	91,247	14,940
Interest income	755	1,981	1,226
Other income	<u>33,650</u>	<u>49,794</u>	<u>16,144</u>
Total revenues	<u>2,178,761</u>	<u>1,925,959</u>	<u>(252,802)</u>
Expenditures			
Administration	283,200	207,194	76,006
General road maintenance	514,500	442,814	71,686
Permanent roads	1,309,500	1,063,541	245,959
Equipment and buildings	155,000	14,912	140,088
Other	<u>193,170</u>	<u>208,936</u>	<u>(15,766)</u>
Total expenditures	<u>2,455,370</u>	<u>1,937,397</u>	<u>517,973</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (276,609)</u>	<u>\$ (11,438)</u>	<u>\$ 265,171</u>

See independent auditor's report.