

February 19, 2019

Board of Trustees  
DuPage Township  
Bolingbrook, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage Township as of and for the year ended March 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered DuPage Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DuPage Township's internal control. Accordingly, we do not express an opinion on the effectiveness of DuPage Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control described in the attachment to this letter (2018-01 through 2018-04) to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We have identified significant deficiencies in internal control in the attachment to this letter (Findings 2018-05 through 2018-07).

During our audit, we also became aware of the following other matters that are opportunities for strengthening internal controls and operating efficiency: Comments 2018-08 through 2018-10.

This communication is intended solely for the information and use of management the Board of Trustees, and others within the Township, and is not intended to be, and should not be used by anyone other than these specified parties.

Mack & Associates, P.C.  
Certified Public Accountants  
Morris, Illinois

## DUPAGE TOWNSHIP

### Schedule of Material Weaknesses March 31, 2018

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*We consider the deficiencies in internal control described below to be material weaknesses:*

#### **Material Weaknesses**

##### **2018-01: Financial Oversight**

###### *Description:*

Oversight of the Township's processes, procedures, and controls related to financial reporting are not effective to ensure the financial statements and related disclosures are fairly presented in accordance with generally accepted accounting principles.

The Board of Trustees has the ultimate responsibility for oversight of the Township's system of internal control over financial reporting. While it is acceptable to outsource various functions, responsibility for financial oversight cannot be outsourced to external auditors. As independent auditors, the external auditors cannot be considered a part of the Township's system of internal controls.

In an ideal setting, the Board of Trustees would possess a thorough understanding of financial and regulatory matters, and receive and review detailed financial information, sufficient to oversee the Township's system of internal control over financial reporting.

Some trustees and management may not possess comprehensive financial and regulatory knowledge to effectively oversee the Township's system of internal controls over financial reporting. Additionally, management does not provide the Board with necessary information required for adequate oversight.

Without proper oversight, material misstatements to the financial statements may not be prevented or detected during the normal course of operations.

As a result of insufficient financial oversight during the year, we identified a number of internal control deficiencies and other matters, which are included on the following pages, and relate to oversight and management of purchasing, disbursements, and payroll recording and reporting. Employees involved in the financial processing and reporting areas of the Township were unable to answer many inquiries and questions that arose throughout the audit process.

###### *Recommendation:*

It is imperative that management involved in the financial reporting process and those charged with governance obtain a thorough understanding of financial and regulatory matters, and receive and review detailed financial information sufficient to take responsibility for oversight of the Township's financial operations and internal controls. The Township should work with the contracted accounting firm to develop a system of internal controls and reporting that will allow the Trustees to perform their fiduciary oversight responsibilities.

## DUPAGE TOWNSHIP

### Schedule of Material Weaknesses March 31, 2018

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#### **Material Weaknesses** – (continued)

##### **2018-02: Accounting Software/Financial Reporting (Prior Year Comment)**

###### *Description:*

The Township's accounting software, American Municipal Software (AMS), is outdated and functionality is limited. The Township has experienced significant changes in accounting requirements, as well as changes in staffing, since the software was purchased. The current system is difficult for staff to use and is unable meet the reporting needs of the Township. Limitations of the software include:

- Limited support services from a vendor managed and run by one individual
- Manual journal entries are frequently required to properly record standard transactions
- Inability to record interfund transactions without manual intervention
- Ability to edit beginning fund balances
- Receipts are posted to the software as journal entries
- Difficulty in navigating accounting modules

As a result, Township financial staff experience the following:

- Inability to complete bank reconciliations
- Incomplete financial information
- **Appropriate financial reporting is not provided to the Board**

###### *Recommendation:*

The Township, along with the contracted accounting firm, should review the effectiveness of the existing accounting system and analyze the financial reporting needs of the Township. The contracted accounting firm has begun to explore other software options to ensure complete and accurate reporting of the Township's finances.

DUPAGE TOWNSHIP

Schedule of Material Weaknesses  
March 31, 2018

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**Material Weaknesses** – (continued)

**2018-03: Bank Reconciliations (Prior Year Comment)**

*Description:*

Bank reconciliations were not completed timely. During the initial stages of the audit, we identified that the cash balances per the general ledger had not been reconciled to the bank statement since November 2017, and all revenues had not been recorded in the software. Due to incomplete records, the Board could not receive financial information that was complete and accurate.

*Recommendation:*

The bank reconciliation process is integral to a strong system of internal controls over financial reporting. Cash reconciliations that reconcile bank balances to the general ledger should be prepared, reviewed and approved on a monthly basis to verify that all cash transactions are recorded properly, and any variances can be researched and resolved on a timely basis.

The Township has since engaged Klein Hall CPAs to complete all bank reconciliations.

## DUPAGE TOWNSHIP

### Schedule of Material Weaknesses March 31, 2018

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#### **Material Weaknesses** – (continued)

##### 2018-04: Internal Controls Over Payroll

###### *Description:*

There are insufficient policies and procedures relating to payroll processing, review, authorization and approval. As a result, the following issues were identified during our audit:

- Payroll amounts and transactions were not reported to the Board.
- The Board does not approve employee pay rates and increases, and authorization for payroll changes is not documented.
- Unauthorized and undocumented payroll advances were made.
- Payroll transaction documentation was not sufficient. There were not time cards for all payroll transactions tested and there was not documentation supporting certain payroll withholdings.
- Staff was unable to answer inquiries regarding payroll expenditures and withholding.

###### *Recommendation:*

The Board should be involved in the review of payroll transactions, paid time off, and authorization of pay rates and increases. The Township should implement formal policies related to payroll processing and assign responsibility for human resources related activities such as employee record retention, paid time off policies, and other payroll documentation.

The Township has since contracted with ADP to process payroll transactions; however, the Township still has the primary responsibility for developing the policies and authorizing payroll activity to ensure reporting to ADP is complete and accurate.

## DUPAGE TOWNSHIP

### Schedule of Significant Deficiencies March 31, 2018

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*We consider the deficiencies in internal control below to be significant deficiencies.*

#### **Significant Deficiencies**

##### **2018-05: Financial Statement Preparation**

###### *Description:*

The Township's personnel do not prepare the Township's financial statements and related disclosures. The Township lacks the resources to prepare complete and accurate financial statements and engages the external auditors to assist in preparing these reports using the financial reports provided by the Township.

The Board of Trustees has the ultimate responsibility for the Township's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Township's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the Township's system of internal controls.

###### *Recommendation:*

The Township should work closely with the contracted accounting firm to implement internal controls related to financial statement preparation in accordance with GASB standards.



## DUPAGE TOWNSHIP

### Schedule of Significant Deficiencies March 31, 2018

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#### **Significant Deficiencies** – (continued)

##### 2018-06: Written Policies, Cross Training (Prior Year Comment)

###### *Description:*

The Township does not have formally documented policies and procedures and there is minimal cross training among financial personnel to ensure that financial reporting is timely and accurate. When a key finance employee was absent, while day to day tasks such as disbursements and payroll were completed, there were difficulties performing these tasks and bank reconciliations and reporting processes were left unaddressed.

Lacking formally documented policies and procedures and cross training in key areas during times of staff turnover could lead to significant issues in processing financial activity and could result in material financial misstatements.

###### *Recommendation:*

We recommend the Township consider developing formally written policies and procedures for the areas above. We also recommend the Township ensure there is appropriate cross training specifically in the account payable and payroll areas. Cross training and detailed written procedures help reduce the risk of errors in cases of staff turnover or unplanned absences.

The Township hired a contracted accounting firm to perform portions of the fiscal duties and should work with them to implement a strong system of internal controls and develop written policies and procedures relating to financial processing and reporting.

## DUPAGE TOWNSHIP

### Schedule of Significant Deficiencies March 31, 2018

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#### **Significant Deficiencies** – (continued)

##### **2018-07: Controls Over General and Emergency Assistance Program**

###### *Description:*

The Township does not have formally documented and enforced policies related to application, approval, documentation/record retention and disbursement of General Assistance funds. During our audit procedures, we identified payments made to employees and non-profit agencies that did not meet the criteria for general assistance or emergency payments. In addition, the Township could not provide documentation for some expenditures selected for testing during our audit procedures.

###### *Recommendation:*

The Township should implement a formal policy and set guidelines for application, approval, documentation/record retention, and disbursement of General Assistance funds that is in compliance with applicable state statutes.



## DUPAGE TOWNSHIP

### Schedule of Management Comments and Recommendations March 31, 2018

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*In addition to the material weaknesses and significant deficiencies reported on the preceding pages, we became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency:*

#### 2018-08: Disbursements/ Purchase Order System

*Description:*

The Township has no formal written policy on the disbursement process. All purchases typically are accompanied by a Supervisor Voucher form which is not pre-numbered and not generated from the accounting system. All vouchers do not have authorized signatures and some disbursements tested during our audit were approved verbally or via text message, leaving no evidence of proper approval.

*Recommendation:*

The Township should implement and enforce a formal written policy for purchasing and disbursements to be followed by all departments and offices within the Township.

#### 2018-09: Expenditures in Excess of Appropriations

*Description:*

Expenditures exceeded appropriations for the following individual funds:

Fund	Excess
General (Town) Fund	\$ 53,615
Capital Improvements Fund*	169,584
Cemetery Fund	275
Banquet Rentals Fund	3,486

\*No appropriations

The General Fund expenditures exceeded appropriations primarily due to expenses that were reclassified from the General Assistance Fund that did not meet the criteria of general assistance or emergency assistance payments. Additionally, transfers exceeding the budgeted amount by \$100,192 were made from the General Fund to the Capital Improvements Fund.

*Recommendation:*

Township management should carefully monitor each fund to ensure that expenditures do not exceed appropriations.

## DUPAGE TOWNSHIP

### Schedule of Management Comments and Recommendations March 31, 2018

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#### 2018-10: Accounting for Capital Assets / Long-Term Debt/Capital Leases

##### *Description:*

The external auditors maintain the Township's listing of capital assets and schedule of long-term debt for reporting in the annual financial statements. The Township relies on the auditors to determine capital additions and disposals annually and to properly report principal and interest payments and outstanding debt balances.

The Board of Trustees has the ultimate responsibility for the Township's system of internal control over financial reporting. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors. As independent auditors, the external auditors cannot be considered a part of the Township's system of internal controls.

The Township also had a capital lease that was not included in the prior year financial statements.

##### *Recommendation:*

We recommend the Township provide a complete listing of capital additions and disposals annually, to ensure completeness and accuracy of the capital asset listing. The Township should also track principal and interest payments, and outstanding balances of all long-term debt.

The Township has engaged an outside accounting contract to assist with fiscal duties and reporting should work closely with the firm to implement a strong system of internal controls related to the tracking and reporting of capital assets, capital leases and debt.

February 19, 2019

Mack & Associates, P.C.  
116 E. Washington Street, Suite One  
Morris, Illinois 60450

This representation letter is provided in connection with your audit of the financial statements of DuPage Township, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of March 31, 2018, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 19, 2019, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 25, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Township and involves
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Township's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the identity of the Township's related parties and all the related party relationships and transactions of which we are aware.

#### **Government-specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 21) The Township has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in GASB Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.

- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the Township's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the Other Information (OI):
- a) We acknowledge our responsibility for presenting the OI in accordance with accounting principles generally accepted in the United States of America, and we believe the OI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the OI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the OI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: 

Title: SUPERVISOR

Date: February 19, 2019

February 19, 2019

Board of Trustees  
DuPage Township  
Bolingbrook, Illinois

As part of our audit of the financial statements of DuPage Township (Township) as of and for the year ended March 31, 2018, we wish to communicate the following to you.

#### Audit Scope and Results

##### *Auditors' Responsibility Under Auditing Standards Generally Accepted in the United States of America*

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by DuPage Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by DuPage Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Township's financial statements were:



Management's estimate of the net pension liability related to IMRF is based on an actuarial report obtained directly from IMRF. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the compensated absence liability related to unused time off balances is based on compensated absence reports provided by management. We evaluated the key factors and assumptions used to develop the compensated absence liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

An integral component of our audit process is interview and discussions with key personnel. We encountered difficulties in obtaining answers to questions during the audit period, as the individual responsible for financial reporting was unavailable. In addition, we have issued communication regarding material weaknesses and significant deficiencies in procedures.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule of misstatements detected as a result of our audit procedures were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 19, 2019.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to DuPage Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as DuPage Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the Budgetary Comparison and Pension Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other supplementary schedules and statistical data, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of DuPage Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mack & Associates, P.C.  
Certified Public Accountants

**DUPAGE TOWNSHIP  
WILL COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
MARCH 31, 2018**



**CERTIFIED PUBLIC ACCOUNTANTS**

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

***116 E. Washington Street, Suite One  
Morris, IL 60450***

***Telephone: (815) 942-3306***

# DUPAGE TOWNSHIP

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*INDEPENDENT AUDITORS' REPORT*

DRAFT

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
DuPage Township  
Bolingbrook, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage Township as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage Township, as of March 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, IMRF pension data schedules and related notes on pages 3-7 and 35-50 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DuPage Township's basic financial statements. The introductory section, other information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor fund financial statements on pages 51 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Mack & Associates, P.C.

Morris, Illinois  
February 19, 2019

*MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)*

DRAFT

## DUPAGE TOWNSHIP

### **Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018**

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DuPage Township (Township) provides the following overview and analysis of the Township's financial operations and attached financial statements for the fiscal year ended March 31, 2018. The following discussion is presented to enable the readers to more fully understand the accompanying audited financial statements. The Township is responsible for the fair and accurate presentation of all financial information, as well as the internal controls and reporting procedures used in creating the financial statements. In management's opinion, the financial statements herewith reflect all material aspects of the Township's operations in an accurate, fair and complete manner.

The following statements are prepared in accordance with generally accepted accounting principles (GAAP) and follow the guidelines of the Governmental Accounting Standards Board (GASB).

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Township's financial statements.

#### **Financial Highlights**

The assets and deferred outflows of resources of DuPage Township exceeded its liabilities and deferred inflows of resources by \$2,293,418 and \$2,479,950 as of March 31, 2018 and 2017, respectively. The Township has total capital or infrastructure assets net of depreciation of \$1,671,816. Of the Township's net position at fiscal year-end, \$684,254 was available to fund future operations. Of this amount, \$316,326 is restricted for general assistance and \$5,027 is restricted for cemetery operations and \$156,060 committed for capital improvements. This leaves \$114,312 as unrestricted, which includes \$92,529 within the business-type activities (Banquet Rentals).

The Township's total net position decreased by \$186,532. Governmental activities net position decreased by \$198,503 and the business-type activities net position increased by \$11,971 which is primarily due to increases in charges for services in the Banquet Rentals Fund.

At the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$1,358,835, a decrease of \$215,957 from the prior year.

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

This discussion and analysis is intended to serve as an introduction to DuPage Township's basic financial statements. The Township's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and other supplemental information.

Required supplementary information includes the Schedule of Funding Progress for the Illinois Municipal Retirement Fund, the Township's State retirement pension, and Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Township's General Fund and major Special Revenue Funds.

Supplementary information includes a Non-Major Governmental Fund Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget-Actual and a Schedule of Operating Revenues and Expenses – Budget and Actual for the Proprietary Fund.

## **DUPAGE TOWNSHIP**

### **Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018**

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#### **Government-wide Financial Analysis**

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of DuPage Township's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents financial information on all of DuPage Township's assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of DuPage Township is improving or deteriorating.

Both of the government-wide financial statements distinguish functions of DuPage Township that are principally supported by property taxes, and business-type activities, which are those operations intended to be self-supportive, which have no direct attachment to providing Township services other than their own business. All of the Township's operations, except for the Banquet Rentals, are considered to be governmental activities.

The Statement of Activities shows the overall expenses and operating revenues for services the Township provides. Added to this are the nonoperating revenues for taxes, unrestricted investment earnings and miscellaneous items to arrive at the total increase or decrease in net position. This amount is added to the total net position does not necessarily mean poor performance, as planned usage of cash or fund reserves will also be reflected here.

#### **Fund Financial Statements**

The fund financial statements provide reporting for the Township's operations at a fund level. A fund is a group of related accounts established for a specific purpose to maintain the control of resources for that purpose. The Township utilizes fund accounting that reports operations categorized by each of their purposes. There are three types of funds: governmental, proprietary and fiduciary. The Township currently has three governmental funds, one proprietary fund (Banquet Rentals Fund) and no fiduciary funds.

The focus of governmental fund financial statements is narrower than that of the Township-wide financial statements. The fund financial statements provide a more detailed look at the different operating components that comprise the government-wide financial statements. The focus at the fund level is on current operations and short-term results, whereas the government-wide reporting allows for a greater understanding of the long-term sustainability of the Township. It is useful to compare information presented for the governmental funds with similar information presented for governmental activities in the Township-wide financial statements to see how current operations reflect upon the long-range value of the Township. Reconciliations between the two types of statements are provided. The basic governmental fund financial statements can be found on pages 10-13 of this report.

The Township's proprietary fund is an enterprise fund, which is used to report the same functions as business-type activities in the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 14-16 of this report.

#### **Notes to Financial Statements**

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## DUPAGE TOWNSHIP

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

#### Required Supplementary Information

The Required Supplementary Information provides greater detail on the Township's financial operations for its major governmental funds, as well as the Schedule of Changes in the Township's Net Pension Liability and Related Ratios and Schedule of Township Contributions for the Illinois Municipal Retirement Fund. Required Supplementary Information can be found on pages 37-50 of this report. The additional financial schedules provide information valuable in understanding nonmajor funds.

#### Financial Analysis

	Statement of Net Position			
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Current assets	\$ 3,798,059	3,862,374	137,741	115,883
Capital assets	1,671,816	1,668,721	-	-
Deferred outflows of resources	164,629	222,477	-	-
Total assets and deferred outflows	5,634,504	5,753,572	137,741	115,883
Current liabilities	183,722	46,291	45,212	35,325
Noncurrent liabilities	513,073	929,377	-	-
Deferred inflows of resources	2,736,820	2,378,512	-	-
Total liabilities and deferred inflows	3,433,615	3,354,180	45,212	35,325
Net investment in capital assets	1,609,164	1,616,252	-	-
Restricted	321,353	253,810	-	-
Committed	156,060	-	-	-
Unrestricted	114,312	529,330	92,529	80,558
Total net position	\$ 2,200,889	2,399,392	92,529	80,558

The largest components of the current assets are cash and receivables. Receivables at March 31, 2018, consist of 2017 property taxes levied as January 1, 2018, but not collected as of March 31, 2018. All receivables on the Statement of Net Position are included in governmental activities. Capital assets are included within governmental activities, and consist of total value of land, buildings, improvements, equipment, and vehicles reported net of accumulated depreciation. The largest component of the total liabilities and deferred inflows of governmental is the unavailable property tax revenue, which equals the receivable balance. The taxes are levied with the intention of funding next year's activities; therefore, all revenue is deferred on the Statement of Net Position as of March 31. All unavailable property tax revenue on the Statement of Net Position is included as governmental activities.

The largest portion of the Township's net position reflects its investment in capital assets. The remaining amount represents the amount of funds the Township would have if all revenues were collected and all other obligations of the Township were satisfied. As mentioned earlier, this amount is partially restricted for general assistance and committed for capital improvements with the remainder unrestricted.

**DUPAGE TOWNSHIP**

**Management's Discussion and Analysis - Unaudited  
For the Year Ended March 31, 2018**

**Condensed Statement of Activities**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenues and transfers:				
Program revenues:				
Charges for services	\$ 17,587	17,102	197,966	165,094
Operating grants and contributions	-	1,003	-	-
General revenues:				
Taxes	2,383,174	2,384,874	1,241	497
Unrestricted investment earnings	17,218	7,732	-	-
Miscellaneous	7,922	318	-	-
Transfers	-	26,997	-	(26,997)
Total revenues and transfers	<u>2,425,901</u>	<u>2,438,026</u>	<u>199,207</u>	<u>138,594</u>
Expenses:				
General government	2,405,653	2,202,706	-	-
Health and welfare	217,083	265,271	-	-
Interest on long-term debt	1,668	1,850	-	-
Banquet rentals	-	-	187,236	162,446
Total expenses	<u>2,624,404</u>	<u>2,469,827</u>	<u>187,236</u>	<u>162,446</u>
Change in net position	(198,503)	(31,801)	11,971	(23,852)
Net position, beginning of year	<u>2,399,392</u>	<u>2,431,193</u>	<u>80,558</u>	<u>104,410</u>
Net position, end of year	<u>\$ 2,200,889</u>	<u>2,399,392</u>	<u>92,529</u>	<u>80,558</u>

Within general government expense is depreciation of \$178,608 and \$181,039 for the years ended March 31, 2018 and 2017, respectively.

## DUPAGE TOWNSHIP

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2018

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#### Financial Analysis of the Township's Funds

General Town Fund – The General Town Fund's revenues were budgeted at \$2,193,596 and the Fund's actual revenue was under that by \$62,599. Actual 2018 revenues of \$2,130,997 represent a decrease of \$10,918 from 2017 revenues. The General Town Fund's actual expenditures, budgeted as \$2,197,018, were over budget by \$53,615, primarily due to expenses being reclassified after year end and moved from the General Assistance Fund to the General (Town) Fund.

General Assistance Fund – The General Assistance Fund's revenues were budgeted at \$390,775, and the Fund's actual revenue was over that amount by \$1,238. Actual 2018 revenues of \$219,566 were an increase of \$3,457, primarily due to interest income in the fiscal year.

Capital Improvement Fund – The Capital Improvement Fund was a new fund created in the current fiscal year. The Township did not budget for this fund. The Capital Improvement Fund had expenditures of \$169,584 during the year. The General Town Fund transferred \$325,192 into this fund during the fiscal year.

The Township has one enterprise fund:

Banquet Rentals Fund – The Banquet Rentals Fund's revenues were budgeted at \$183,500, and the Fund's operations came in over that number by \$15,707. Actual 2018 revenues of \$199,207, represents an increase of \$33,616 from 2017 revenues. This increase was mainly due to increased demand for banquet rentals and related fee revenue. The Banquet Rentals Fund's expenses, budgeted at \$183,750, were over budget by \$3,486 mainly due to and increase in salaries within the Fund.

Capital Assets – The Township's investment in capital assets as of March 31, 2018, amounts to \$1,671,816 (net of accumulated depreciation). This investment in capital assets included land, buildings, improvements, equipment, furniture and fixtures, vehicles and office equipment. The total increase in the Township's investment in capital assets for the current fiscal year was less than 1% as current year depreciation expense (\$178,608) exceeded current year additions (\$181,702). Additional information on capital assets can be found in Note 8.

Long-term Debt – The Township borrowed \$100,000 during fiscal year 2014 for renovations at the Levy Center. This loan is secured by a cash account and all payments are to be made from the Banquet Rentals Fund. This loan was paid in full during the fiscal year. The Township has a capital lease agreement for \$71,403. Additional information on long-term debt can be found in Note 7.

#### Requests for Information

This financial report is designed to provide a general overview of the Township's financial operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Township Supervisor, 241 Canterbury Lane, Bolingbrook, Illinois 60440-2834.



*BASIC FINANCIAL STATEMENTS*

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Government-wide Financial Statement  
Statement of Net Position  
March 31, 2018

	Governmental Activities	Business-type Activities	Total	
	2018	2018	2018	2017
<u>Assets</u>				
Cash	\$ 1,447,258	123,861	1,571,119	1,579,325
Cash - restricted for loan collateral	-	-	-	100,091
Property tax receivable, net	2,288,605	-	2,288,605	2,272,800
Inventory	2,060	13,880	15,940	18,866
Prepaid items	7,400	-	7,400	7,175
Total current assets	3,745,323	137,741	3,883,064	3,978,257
Capital assets being depreciated, net of accumulated depreciation:	1,671,816	-	1,671,816	1,668,721
Total assets	5,417,139	-	1,671,816	5,646,978
<u>Deferred Outflows of Resources</u>				
Outflows related to pensions	164,629	-	164,629	222,477
Total deferred outflows of resources	164,629	-	164,629	222,477
<u>Liabilities</u>				
Current Liabilities				
Accounts Payable	91,849	1,192	93,041	4,687
Senior trip deposits	6,034	-	6,034	10,095
Accrued compensated absences	15,567	-	15,567	17,013
Unearned revenue	-	44,020	44,020	35,325
Note and loan payable	17,536	-	17,536	14,496
Non-current liabilities:				
Net pension liability	467,957	-	467,957	891,404
Note and loan payable	45,116	-	45,116	37,973
Total liabilities	644,059	45,212	689,271	1,010,993
<u>Deferred Inflows of Resources</u>				
Inflows related to property taxes	2,288,605	-	2,288,605	2,272,800
Inflows related to pensions	448,215	-	448,215	105,712
Total deferred inflows of resources	2,736,820	-	2,736,820	2,378,512
<u>Net Position</u>				
Net investment in capital assets	1,609,164	-	1,609,164	1,616,252
Restricted for:				
General assistance	316,326	-	316,326	241,506
Cemetery operations	5,027	-	5,027	7,036
Employee benefits	-	-	-	5,268
Committed	156,060	-	156,060	-
Unrestricted	114,312	92,529	206,841	609,888
Total net position	\$ 2,200,889	92,529	2,293,418	2,479,950

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

Government-wide Financial Statement  
Statement of Activities  
For the Year Ended March 31, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities 2018	Business-type Activity 2018	Total 2018 2017
Programs:						
Governmental activities:						
General government	\$ 2,405,653	17,587	-	(2,388,066)	-	(2,388,066) (2,184,601)
Health and welfare	217,083	-	-	(217,083)	-	(217,083) (265,271)
Interest on long-term debt	1,668	-	-	(1,668)	-	(1,668) (1,850)
Total governmental activities	\$ 2,624,404	17,587	-	(2,606,817)	-	(2,606,817) (2,451,722)
Business-type activity						
Banquet rentals	187,236	197,966	-	-	10,730	10,730 2,648
Total primary government	\$ 187,236	197,966	-	(2,606,817)	10,730	10,730 (2,449,074)
General revenues:						
Taxes:						
Property taxes				2,284,567	-	2,284,567 2,272,320
Replacement taxes				98,607	-	98,607 112,554
Unrestricted investment earnings				17,218	1,241	18,459 8,229
Miscellaneous				7,922	-	7,922 318
Total general revenues				2,408,314	1,241	2,409,555 2,393,421
Change in net position				(198,503)	11,971	(186,532) (55,653)
Net position, beginning of year				2,399,392	80,558	2,479,950 2,535,603
Net position, end of year				\$ 2,200,889	92,529	2,293,418 2,479,950

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

## Balance Sheet

## Governmental Funds

March 31, 2018

(With Comparative Figures for March 31, 2017)

	Major Funds				Total Governmental Funds	
	General (Town) Fund	General Assistance Fund	Capital Improvements Fund	Non-major Governmental Funds	2018	2017
<u>Assets</u>						
Cash	\$ 969,975	264,994	207,262	5,027	1,447,258	1,477,240
Cash - restricted for loan collateral	-	-	-	-	-	100,091
Due from general(town) fund	-	52,736	-	-	52,736	-
Property taxes receivable (net)	1,994,572	294,033	-	-	2,288,605	2,272,800
Gift card inventory	2,060	-	-	-	2,060	5,068
Prepaid items	7,400	-	-	-	7,400	7,175
Total assets	\$ 2,974,007	611,763	207,262	5,027	3,798,059	3,862,374
<u>Liabilities</u>						
Accounts payable	\$ 39,243	1,404	51,202	-	91,849	4,687
Due to general assistance fund	52,736	-	-	-	52,736	-
Senior trip deposits	6,034	-	-	-	6,034	10,095
Total liabilities	98,013	1,404	51,202	-	150,619	14,782
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	1,994,572	294,033	-	-	2,288,605	2,272,800
<u>Fund Balances</u>						
Nonspendable	9,460	-	-	-	9,460	12,243
Restricted	-	316,326	-	5,027	321,353	253,810
Committed	-	-	156,060	-	156,060	-
Unassigned	871,962	-	-	-	871,962	1,308,739
Total fund balances	881,422	316,326	156,060	5,027	1,358,835	1,574,792
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,974,007	611,763	207,262	5,027	3,798,059	3,862,374

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

Balance Sheet  
 Governmental Funds  
 March 31, 2018  
 (With Comparative Figures for March 31, 2017)

	Total Governmental Funds	
	2018	2017
<b>Reconciliation to Statement of Net Position:</b>		
Total fund balances - governmental funds	\$ 1,358,835	1,574,792
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of governmental activities are not financial resources and, therefore, are not reported in the funds.	1,671,816	1,668,721
Long-term liabilities, including compensated absences, and deferred outflows/inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	164,629	222,477
Deferred inflows of resources related to pensions	(448,215)	(105,712)
Note and loan payable	(62,652)	(52,469)
Net pension liability	(467,957)	(891,404)
Compensated absences	(15,567)	(17,013)
Net position of governmental activities	<u>\$ 2,200,889</u>	<u>2,399,392</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended March 31, 2018  
 (With Comparative Figures for the Year Ended March 31, 2017)

	Major Funds			Non-major Governmental Funds	Total Governmental Funds	
	General (Town) Fund	General Assistance Fund	Capital Improvements Fund		2018	2017
Revenues:						
Property taxes	\$ 1,993,423	291,144	-	-	2,284,567	2,272,320
Replacement taxes	98,607	-	-	-	98,607	112,554
Election	75	-	-	-	75	-
Traffic fines	509	-	-	-	509	-
Food pantry	4,984	-	-	-	4,984	2,355
Levy memberships and senior programs	12,603	-	-	-	12,603	14,747
Recreation trips	3,163	-	-	-	3,163	-
Youth events	3,557	-	-	-	3,557	-
Grants	-	-	-	-	-	1,003
Interest income	13,458	3,242	452	66	17,218	7,732
Miscellaneous	618	-	-	-	618	318
Total revenues	2,130,997	294,386	452	66	2,425,901	2,411,029
Expenditures:						
Current						
Administration	923,284	123,139	-	2,075	1,048,498	990,934
Assessor division	365,884	-	-	-	365,884	360,037
Youth services	98,020	-	-	-	98,020	84,670
Senior programming	287,826	-	-	-	287,826	263,097
Social services	90,531	-	-	-	90,531	91,875
Levy senior center	67,920	-	-	-	67,920	58,595
Road maintenance	225,506	-	-	-	225,506	198,497
Food pantry	129,338	-	-	-	129,338	117,338
Home relief	52,736	96,427	-	-	149,163	145,720
Capital outlay	-	-	116,284	-	116,284	-
Debt service						
Principal	8,751	-	52,469	-	61,220	14,078
Interest	837	-	831	-	1,668	1,850
Total expenditures	2,250,633	219,566	169,584	2,075	2,641,858	2,326,691
Excess (deficiency) of revenues over (under) expenditures	(119,636)	74,820	(169,132)	(2,009)	(215,957)	84,338
Other financing sources (uses):						
Transfers in	-	-	325,192	-	325,192	31,578
Transfers out	(325,192)	-	-	-	(325,192)	(4,581)
Total other financing sources (uses)	(325,192)	-	325,192	-	-	26,997
Net change in fund balances	(444,828)	74,820	156,060	(2,009)	(215,957)	111,335
Fund balances, beginning of year	1,326,250	241,506	-	7,036	1,574,792	1,463,457
Fund balances, end of year	\$ 881,422	316,326	156,060	5,027	1,358,835	1,574,792

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended March 31, 2018  
 (With Comparative Figures for the Year Ended March 31, 2017)

	Total Governmental Funds	
	2018	2017
<b>Reconciliation to the Statement of Activities:</b>		
Net change in fund balances - governmental funds	\$ (215,957)	111,335
Amounts reported for governmental activities in the Statement of Activities are different because:		
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.		
Depreciation	(178,608)	(181,039)
Capitalized expenditures	181,703	14,204
Repayment of principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	61,220	14,078
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	(71,403)	-
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Increase (Decrease) in deferred outflows related to pension	(57,848)	13,633
Increase (Decrease) in deferred inflows related to pensions	(342,503)	17,159
Decrease in compensated absences	1,446	576
Decrease (Increase) in net pension liability	423,447	(21,747)
Change in net position of governmental activities (Statement B)	<u>\$ (198,503)</u>	<u>(31,801)</u>



**Statement of Net Position****Proprietary Funds****March 31, 2018****(With Comparative Figures for March 31, 2017)**

		Total Business-Type Funds	
		2018	2017
<u>Assets</u>			
Cash		\$ 123,861	102,085
Liquor inventory		13,880	13,798
Total assets		<u>\$ 137,741</u>	<u>115,883</u>
<u>Liabilities</u>			
Accounts payable		\$ 1,192	-
Rental deposits		44,020	35,325
Total liabilities		<u>45,212</u>	<u>35,325</u>
<u>Net Position</u>			
Unrestricted		<u>92,529</u>	<u>80,558</u>
Total net position		<u>92,529</u>	<u>80,558</u>
Total liabilities and net position		<u>\$ 137,741</u>	<u>115,883</u>

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

## DUPAGE TOWNSHIP

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended March 31, 2018

	Year Ended March 31,	
	2018	2017
Revenues		
Banquet receipts and caterer fees	\$ 80,295	63,532
Bar fees	112,491	97,836
Other	5,180	3,726
Total revenues	197,966	165,094
Expenses		
Personnel services	62,845	53,514
Contractual services	95,619	83,209
Commodities	28,772	25,723
Total expenses	187,236	162,446
Operating income	10,730	2,648
Non-operating income (expenses):		
Interest	1,241	497
Transfers out	-	(26,997)
Total non-operating income (expenses)	1,241	(26,500)
Change in net position	11,971	(23,852)
Net position, beginning of year	80,558	104,410
Net position, end of year	\$ 92,529	80,558

## DUPAGE TOWNSHIP

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended March 31, 2018

	Year Ended March 31,	
	2018	2017
Operating Activities		
Receipts from customers and users	\$ 197,966	166,294
Payments to suppliers	(123,281)	(106,531)
Payments to employees	(62,845)	(53,514)
Net cash provided by operating activities	11,840	6,249
Noncapital and Related Financing Activities		
Transfers out	-	(26,500)
Change in interfund receivable	8,695	11,069
Net cash used in noncapital and related financing activities	8,695	(15,431)
Investing Activities		
Interest income	1,241	497
Net Change in Cash	21,776	(8,685)
Cash, Beginning	102,085	111,267
Cash, Ending	123,861	102,582
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	10,730	2,648
Items not requiring cash		
Decrease in inventory	(82)	2,401
Increase in accounts payable	1,192	-
Increase in unearned revenue - rental deposits	-	1,200
Net Cash Provided by Operating Activities	\$ 11,840	6,249

*NOTES TO BASIC FINANCIAL STATEMENTS*

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## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

DuPage Township (Township) was incorporated on April 4, 1850 and is duly organized and existing under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Township Code of the State of Illinois. The Township is governed by an elected Board of a Township Supervisor and four Township Trustees. The Township includes all funds of its governmental operations and its component units based on financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. Based on these criteria, no other governmental organizations are included in this report.

The accounting policies and financial statements of the Township conform to accounting principles generally accepted in the United States of America as applicable to governments. Following is a summary of the more significant policies.

#### A. *Financial Statement Presentation*

##### 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, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the financial condition of the governmental activities of the Township at year end. 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 benefit 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. Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

A. *Financial Statement Presentation – (continued)*

Fund Financial Statements

Governmental activities 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. All of the Township's funds are governmental. An emphasis is placed on major funds within the governmental category.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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.

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 major 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.

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:

General Assistance Fund - The General Assistance Fund is used to account for the proceeds of specific revenue sources related to local public aid for the Township's residents who meet certain need-based requirements.

Capital Improvements Fund - The Capital Improvements Fund is used for the Township's capital improvements and projects.

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

##### A. *Financial Statement Presentation – (continued)*

Proprietary Fund Types – The following is a description of the proprietary funds of the Township.

Banquet Rentals Fund – This fund accounts for the banquet facility rental operations that take place in the Levy building. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration and operations.

##### B. *Measurement Focus and Basis of Accounting*

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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.

Government fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Property taxes and interest earned are susceptible to accrual. Replacement income tax collected and held by the State of Illinois at year end on behalf of the Township is also recognized as revenue. Other receipts become measurable and available when cash is received and are recognized at that time.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

##### *C. Deposits and Investments*

Statutes authorize the Township to invest in the following:

- Bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Savings accounts, certificates of deposit, time accounts or other investments constituting direct obligations of a bank as defined by the Illinois Banking Act.
- Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States of America. Share accounts and share certificates of a credit union chartered under the laws of the State of Illinois or United States of America, provided the principal office of the credit union is located within the State of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA). Investments may be made only in financial institutions which are insured by either the Federal Deposit Insurance Corporation (FDIC) or other applicable law for credit unions.
- Short-term obligations (maturing within 180 days of date of purchase) of corporations with assets exceeding five hundred million dollars (\$500,000,000). Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the Township's funds available for investment and cannot exceed 10% of the corporation's outstanding obligations.
- Money market mutual funds, registered under the *Investment Company Act of 1940*, which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations.
- Repurchase agreements of government securities subject to the *Government Securities Act of 1986*.

Investments with maturities of one year or more from the date of purchase are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase and nonnegotiable certificates of deposit are stated at amortized cost. Investment income has been allocated to each fund based on investments held by the fund.

##### *D. Inventory and Prepaid Expenses*

Inventories in the proprietary fund consist of liquor, beer and wine, and are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when consumed rather than when purchased.



## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

##### *E. Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are reported at historical cost, or estimated historical cost if actual is unavailable. 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 are recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings and building improvements	40 years
Land improvements	25 years
Road equipment	10 years
Furniture and fixtures	7 years
Office equipment	5 years
Vehicles	7 years

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

##### *F. Pensions*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/ deductions from the IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF.

##### *G. Compensated Absences*

The Township accrues accumulated unpaid vacation when earned by the employee. Township employees are entitled to paid vacation based on length of service. Such vacation must be used by March 31 of each fiscal year unless an extension has been approved by management.

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

*H. Interfund Receivable and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans).

*I. Deferred Outflows/Inflows of Resources*

The Township reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditures/reduction of liability) until then. The Township has one item that qualified for reporting in this category, the outflows related to pensions, which represents pension items that will be recognized in future periods.

The Township also reports deferred inflows of resources on its statement of net position and fund statements. Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has two items that qualify for reporting in this category in the government-wide statements, deferred inflows related to property taxes levied in 2017 but are levied for 2018 and deferred inflows related to pensions, which represents pension items that will be recognized in future periods. In the funds statements, deferred inflows of resources are reported for unavailable property taxes.

*J. Net Position Flow Assumption*

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*K. Fund Balance Flow Assumption*

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

##### *L. Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). See Note 13 for further details regarding fund balances.

##### *M. Estimates*

The preparation of financial statements in conformity with the generally accepted accounting principles of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### *N. Comparative Data*

Comparative data for the prior year has been presented in the individual fund financial statements and schedules in order to provide an understanding of the changes in the financial position and operations of these funds.

Certain reclassifications may have been made to prior year data to conform to the current-year presentation.

#### NOTE 2: PROPERTY TAXES

Property taxes are based on the assessed valuation of the Township's real property as equalized by the State of Illinois. The equalized assessed valuation of real property totaled \$3,031,264,585 for the levy year 2017.

Property taxes for 2017 attach as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about June 1, 2018 and September 1, 2018. The County collects such taxes and remits them periodically. The 2017 taxes are intended to finance the 2018-2019 fiscal year and are not considered available for current operations and are, therefore, presented as a receivable and deferred inflows of resources in both the funds statements, because of lack of availability and the government-wide statements to match the period for which they were levied. The 2018 tax levy had not been recorded as receivable at March 31, 2018, even though the tax attached as a lien on property as of January 1, 2018. The tax will not be levied until December 2018 and, accordingly, is not considered to be an enforceable legal claim at March 31, 2018.

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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#### NOTE 3: PERSONAL PROPERTY REPLACEMENT TAXES

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

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

#### NOTE 4: DEPOSITS AND INVESTMENTS

##### Deposits

At year end, the Township had all of its cash in interest-bearing checking accounts. The carrying amount of deposits was \$1,571,119, and the bank balance was \$1,637,759. As of March 31, 2018, all balances are fully insured or collateralized with securities held by a third party bank in the Township's name.

##### Inherent Rate Risk

This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Township does not have a formal investment policy regarding interest rate risk. However, the Township does not have any deposits subject to interest rate risk.

##### Credit Risk

Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Township's deposits are not subject to credit risk.

##### Custodial Credit Risk

For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. In accordance with its investment policy, all Township deposits with financial institutions are to be fully insured or collateralized.

**DUPAGE TOWNSHIP****Notes to Basic Financial Statements  
For the Year Ended March 31, 2018****NOTE 5: COMPENSATED ABSENCES**

The compensated absences currently outstanding are as follows:

	Balance April 1, 2017	Additions	Reductions	Balance March 31, 2018	Current Portion
Compensated absences	\$ 17,013	15,567	17,013	15,567	15,567

**NOTE 6: 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 purchases commercial insurance to cover all risks. There have been no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage for the current year or the three prior years.

**NOTE 7: LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES**

Term loan, dated September 13, 2013, in the amount of \$100,000. Payable in semi-annual installments of \$7,964 including interest at 2.93% with a final payment due September 13, 2020. This loan is secured by one of the Township's cash accounts that is held at the lending institution. The Township paid the loan off in full during the fiscal year ending March 31, 2018.

During the year the Township entered into a capital lease agreement with Santander Leasing for \$1,598 per month with a final buyout of \$17,581 on 10/10/2020. The capital lease is for two 2015 Star craft buses.

The following changes occurred in the long-term obligations:

	Balance April 1, 2017	Additions	Deletions	Balance March 31, 2018	Current Portion
Term loan payable	\$ 52,469	-	52,469	-	-
Capital lease	-	71,403	8,751	62,652	17,536
	<u>\$ 52,469</u>	<u>71,403</u>	<u>61,220</u>	<u>62,652</u>	<u>17,536</u>

Future obligations are as follows:

March 31,	
2019	\$ 17,536
2020	18,070
2021	<u>27,046</u>
	<u>\$ 62,652</u>

# DUPAGE TOWNSHIP

## Notes to Basic Financial Statements For the Year Ended March 31, 2018

### NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets follows:

	April 1, 2017	Additions	Deletions	March 31, 2018
Capital Assets Not Being Depreciated:				
Land	\$ 210,000	-	-	210,000
Total Capital Assets Not Being Depreciated	210,000	-	-	210,000
Capital Assets Being Depreciated:				
Buildings and building improvements	3,284,489	31,850	-	3,316,339
Land improvements	548,258	-	-	548,258
Road equipment	266,498	-	-	266,498
Furniture and equipment	384,483	28,449	-	412,932
Vehicles	280,160	121,405	-	401,565
Total Capital Assets Being Depreciated	4,763,888	181,704	-	4,945,592
Accumulated Depreciation:				
Buildings and building improvements	2,184,843	114,087	-	2,298,930
Land improvements	288,998	21,930	-	310,928
Road equipment	229,807	6,898	-	236,705
Furniture and equipment	372,966	13,403	-	386,369
Vehicles	228,553	22,291	-	250,844
Total Accumulated Depreciation	3,305,167	178,609	-	3,483,776
Total Capital Assets Being Depreciated, Net	1,458,721	3,095	-	1,461,816
Total Capital Assets, Net	\$ 1,668,721	3,095	-	1,671,816

Significant purchases for the year included the following:

2014 Truck Hino 238	\$ 50,000
Levy Center Concrete Pad	16,000
New Bathroom Project	15,850

Depreciation was charged to the following functions:

General Government	\$ 178,609
Total Depreciation	<u>\$ 178,609</u>

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

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

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

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

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

Employees Covered by Benefit Terms – As of December 31, 2017, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries	15
Inactive, Non-retired Members	10
Active Members	23
Total	<u>48</u>

Contributions – As set by statute, the Township's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate and actual Township contributions for calendar year 2017 and the fiscal year ended March 31, 2018 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 2017	12.17%
Township required contribution rate for 2018	11.67%
Township actual contributions for 2017	\$ 133,579
Township actual contributions for fiscal year 2018	\$ 135,564

Net Pension Liability – The Township's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2017, the Township had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 4,036,639
Plan Fiduciary Net Position	<u>3,568,682</u>
Net Pension Liability	<u>\$ 467,957</u>



## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

Single Discount Rate – A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period which the fiduciary net position is projected to be sufficient to pay benefits), and
- The 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 the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability – A schedule of changes in the net pension liability and related ratios can be found on Schedule B-1 of the Required Supplementary Information section of this report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 4,570,068	4,036,639	3,598,537
Plan Fiduciary Net Position	3,568,682	3,568,682	3,568,682
Net Pension Liability (Asset)	\$ 1,001,386	467,957	29,855

DUPAGE TOWNSHIP

Notes to Basic Financial Statements  
For the Year Ended March 31, 2018

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

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2018, the Township recognized pension expense of \$112,035. At March 31, 2018, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,454	78,224
Net difference between projected and actual earnings on pension plan investments	98,616	257,145
Changes of assumptions	5,198	112,846
Total deferred amounts to be recognized in future periods	130,268	448,215
Employer contributions subsequent to the measurement date	34,361	-
Total	<u>\$ 164,629</u>	<u>448,215</u>

The amount reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31,	Net Deferred Outflow of Resources
2018	\$ (73,155)
2019	(64,942)
2020	(86,436)
2021	(93,414)

## DUPAGE TOWNSHIP

### Notes to Basic Financial Statements For the Year Ended March 31, 2018

#### NOTE 10: LEASES AND AGREEMENTS

In April 2017, the Township entered into a 48 month lease agreement for copiers with Marlin Leasing Corporation. The lease requires a monthly lease payment of \$210. The expense for the year ended March 31, 2018 was \$2,520. The following is a schedule of future minimum lease payments required in the related party lease as of March 31, 2018:

<u>Year Ended March 31,</u>	<u>Amount</u>
2019	\$ 2,520
2020	2,520
2021	2,520

#### NOTE 11: 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, 2018:

Assessed valuation (2017)	<u>\$ 3,031,264,585</u>
Statutory debt limitation (2.875%)	\$ 87,148,857
Amount of debt applicable to debt limitation	<u>-</u>
Legal Debt Margin	<u>\$ 87,148,857</u>

#### NOTE 12: SUBSEQUENT EVENTS

Management evaluated subsequent events through February 19, 2019, the date the financial statements were available to be issued. There were no other events that require adjustments or disclosure in the Township's financial statements as of March 31, 2018.



DUPAGE TOWNSHIP

Notes to Basic Financial Statements  
For the Year Ended March 31, 2018

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

*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.

*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.

*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.

*REQUIRED SUPPLEMENTARY INFORMATION*

DRAFT

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Property taxes	\$ 1,989,556	1,993,423	1,982,599
Replacement taxes	122,340	98,607	112,554
Rent	500	-	-
Election	300	75	-
Traffic fines	500	509	-
Performance deposits	500	-	-
Work permits	200	-	-
Food pantry	10,000	4,984	2,355
Levy memberships and senior programs	16,300	12,603	14,747
Recreation trips	5,000	3,163	-
Youth events	5,500	3,557	-
Expense reimbursement	500	-	-
Grants	35,000	-	1,003
Interest income	7,000	13,458	6,503
Miscellaneous revenue	200	618	318
Assessor's miscellaneous revenue	200	-	-
Total revenues	2,193,596	2,130,997	2,120,079
Expenditures:			
Administration:			
Personnel Services			
Salaries	315,000	328,003	295,000
Elected officials salaries	145,200	148,212	141,960
Health insurance	23,000	22,683	18,460
Social Security /IMRF	222,554	237,457	217,771
Unemployment insurance	2,500	2,105	2,497
Workers' compensation	4,600	2,880	3,660
Total personnel services	712,854	741,340	679,348
Contractual services			
Computer technology	4,000	5,739	3,506
Dues	5,600	2,860	5,558
Legal	25,000	26,267	42,177
Liability insurance	49,000	49,980	40,226
Maintenance			
Buildings	2,500	1,595	2,400
Equipment	6,500	7,616	6,190
Cemetery	1,100	541	1,750
Lawn	1,300	-	1,197
Postage	1,000	1,098	762
Printing	1,500	1,147	783
Professional services	25,000	26,775	25,650
Publications/publishing	1,500	1,529	1,960
Reoccurring services	4,000	5,216	3,250



DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures - (continued):			
Administration - (continued):			
Contractual services - (continued):			
Telephone	\$ 10,000	9,924	9,613
Training	6,500	5,722	6,394
Travel	1,000	633	906
Utilities	14,800	14,749	12,860
Volunteer	4,500	4,258	3,265
General Assistance	-	52,736	-
Total contractual services	164,800	218,385	168,447
Commodities			
Office supplies	3,800	3,400	3,126
Operating supplies	9,000	9,900	8,059
Total commodities	12,800	13,300	11,185
Capital outlay			
Building	2,000	203	-
Capital improvements	-	-	8,835
Phone system	500	-	-
Sealcoating	500	-	-
Office furniture	500	-	-
Parking lot	500	-	-
Equipment	1,000	1,066	751
Landscaping	5,000	3,761	1,635
Total capital outlay	10,000	5,030	11,221
Miscellaneous/contingency	1,000	7,553	913
Total administration	901,454	985,608	871,114
Assessor's division			
Personnel Services			
Salaries	305,000	292,601	288,851
Health insurance	30,000	31,568	26,560
Unemployment insurance	3,500	2,420	3,322
Workers' compensation	3,200	2,423	3,130
Total personnel services	341,700	329,012	321,863
Contractual Services			
Dues	2,250	730	1,267
Legal	300	193	168
Maintenance - equipment	3,600	3,284	3,434
Postage	300	300	500

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures - (continued):			
Assessor's division - (continued):			
Printing	\$ 600	387	624
Publications/licenses	200	-	-
Telephone	3,500	3,285	3,128
Training	6,000	4,673	5,380
Travel	2,700	3,075	2,089
Total contractual services	19,450	15,927	16,590
Commodities			
Office supplies	2,700	2,124	2,295
Total commodities	2,700	2,124	2,295
Capital Outlay			
Equipment	2,000	535	1,821
Computers	2,800	1,850	7,484
Licenses	12,500	3,378	9,907
Total capital outlay	17,300	5,763	19,212
Miscellaneous	300	13,058	77
Total assessor's division	381,450	365,884	360,037
Youth services			
Personnel services			
Salaries	21,000	18,324	14,737
Workers' compensation	385	398	330
Total personnel services	21,385	18,722	15,067
Contractual services			
Dues	100	75	75
Golf program	1,000	1,877	579
Junior miss scholarship	-	327	4,886
N.O.A.D.F.	12,000	7,088	11,779
New programs	17,000	14,039	16,848
Resource materials	3,000	-	2,168
Rotary top ten scholarship	1,000	1,000	984
S.T.A.R.S. convention	5,000	4,351	3,455
Sports sponsorship	7,500	7,746	4,645

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures - (continued):			
Youth services- (continued):			
Contractual services- (continued):			
Sports grants	\$ 6,500	6,200	-
Printing	3,500	2,278	-
Summer internship program	16,000	19,554	13,727
Training	125	500	-
Village picnics/celebrations	12,000	13,787	9,610
Total contractual services	84,725	78,822	68,756
Commodities			
Operating supplies	500	331	847
Miscellaneous	200	145	-
Total youth services	106,810	98,020	84,670
Senior programming			
Personnel services			
Salaries	171,000	169,954	163,982
Health insurance	10,500	16,166	12,647
Unemployment insurance	1,600	1,347	1,566
Workers' compensation	1,500	1,980	1,200
Total personnel services	184,600	189,447	179,395
Contractual services			
Computer technology	2,000	1,350	1,845
Dues	1,000	350	1,000
Education/recreation	1,350	1,237	1,259
Extended travel	-	6,779	194
Maintenance - van	250	-	60
Postage	3,300	2,956	3,282
Printing	20,000	17,540	19,581
Program teachers	12,000	14,779	10,999
Senior Olympics	3,800	2,863	3,675
Social entertainment	26,000	25,659	22,195
Telephone	5,000	5,145	4,806
Training	1,600	1,280	1,447
Travel	250	175	158
Total contractual services	76,550	80,113	70,501

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Expenditures - (continued):			
Senior programming - (continued):			
Commodities			
Operating supplies	\$ 1,000	858	805
Fuel/oil - van	1,500	695	1,244
Total commodities	2,500	1,553	2,049
Other expenditures			
Programs	10,000	9,929	2,538
Promotions/advertising	11,000	6,431	8,604
Miscellaneous	150	353	10
Total other expenditures	21,150	16,713	11,152
Capital outlay			
Equipment	1,000	-	-
Total senior programming	285,800	287,826	263,097
Social Services			
Contractual services			
Social service providers	20,000	18,374	19,050
PACE transportation	36,500	29,657	31,825
Social service grants	35,000	42,500	41,000
Counseling services	500	-	-
Total social services	92,000	90,531	91,875
Levy senior center			
Contractual services			
Maintenance			
Buildings	6,000	10,414	5,538
Equipment	5,000	6,020	4,983
Recurring services	15,000	16,221	10,020
Total contractual services	26,000	32,655	20,541
Commodities			
Operating supplies	18,049	18,345	18,006
Decorations	1,500	-	558
Total commodities	19,549	18,345	18,564

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Expenditures - (continued):			
Levy senior center - (continued)			
Capital outlay			
Building and grounds	\$ 20,000	7,784	8,713
Parking lot	1,000	-	-
Bathroom repairs	10,000	-	-
Equipment	-	2,444	4,123
Landscaping	7,000	6,692	6,654
Total capital outlay	38,000	16,920	19,490
Total levy senior center	83,549	67,920	58,595
Road maintenance			
Personnel services			
Salaries	106,500	111,186	91,282
Health insurance	2,200	1,569	1,857
Unemployment insurance	1,500	1,850	1,500
Workers' compensation	3,630	2,514	2,881
Total personnel services	113,830	117,119	97,520
Maintenance			
Buildings	22,500	36,790	28,818
Equipment	20,750	30,436	20,459
Road	2,000	2,010	2,001
Resurfacing projects	5,000	-	-
Printing	500	768	-
Professional services	-	-	11,640
Telephone	4,500	4,470	4,397
Travel	1,200	1,105	1,200
Training	-	30	-
Uniforms	1,500	1,812	1,035
Utilities	14,750	15,573	14,522
Total contractual services	72,700	92,994	84,072
Commodities			
Automotive fuel/oil	9,500	9,363	9,596
Maintenance supplies			
Equipment	250	266	209
Road	5,000	725	1,951
Office supplies	500	23	187
Operating supplies	2,100	4,389	1,754
Total commodities	17,350	14,766	13,697
Capital outlay			
Parking lot	2,000	-	-
Office equipment	750	-	-
Road equipment	2,500	299	2,398
Building grounds	1,000	300	787
Total capital outlay	6,250	599	3,185

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Expenditures - (continued):			
Road Maintenance - (continued):			
Miscellaneous	\$ 100	28	23
Total road maintenance	210,230	225,506	198,497
Food pantry			
Personnel services			
Salaries	99,000	95,185	97,367
Health insurance	6,000	1,024	6,178
Unemployment insurance	2,500	1,839	2,479
Workers' compensation	2,925	2,762	2,340
Total personnel services	110,425	100,810	108,364
Contractual services			
Maintenance - equipment	4,300	7,123	4,222
Printing	700	875	-
Operating supplies	2,800	3,118	-
Travel	500	160	80
Total contractual services	8,300	11,276	4,302
Commodities			
Holiday meals	1,000	1,000	-
Operating supplies	1,000	4,948	4,540
Total commodities	2,000	5,948	4,540
Capital Outlay			
Equipment	15,000	11,304	132
Total food pantry	135,725	129,338	117,338
Debt service			
Principal	-	-	14,078
Interest	-	-	1,850
Total debt service	-	-	15,928
Total expenditures	2,197,018	2,250,633	2,061,151

DUPAGE TOWNSHIP  
GENERAL (TOWN) FUND

**SCHEDULE A-1**  
**(continued)**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Excess (deficiency) of revenue over expenditures	\$ (3,422)	(119,636)	58,928
Other Financing Sources (Uses)			
Transfers in	-	-	18,178
Transfers out	(225,000)	(325,192)	(3,768)
Total Other Financing Sources (Uses)	(225,000)	(325,192)	14,410
Net Change in Fund Balance	\$ (228,422)	(444,828)	73,338
Fund Balance, Beginning of Year		1,326,250	1,252,912
Fund Balance, End of Year		\$ 881,422	1,326,250

DUPAGE TOWNSHIP  
GENERAL ASSISTANCE FUND

**SCHEDULE A-2**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual**  
**For the Year Ended March 31, 2018**  
**(With Comparative Figures for the Year Ended March 31, 2017)**

	Original and Final Budget	Year Ended March 31, 2018	2017
Revenues:			
Property taxes	\$ 291,648	291,144	289,721
Interest income	1,500	3,242	1,208
Total revenues	293,148	294,386	290,929
Expenditures:			
Administration:			
Personnel services			
Salaries	101,000	101,200	93,625
Health insurance	12,225	12,842	12,196
Unemployment insurance	1,000	755	869
Workers' compensation	2,800	2,511	2,127
Total personnel services	117,025	117,308	108,817
Contractual services			
Legal	200	-	-
Postage	2,500	20	503
Telephone	1,400	1,396	1,378
Dues	100	10	-
Travel	1,300	1,068	1,234
Training	1,700	768	958
Social services	12,500	-	5,390
Total contractual services	19,700	3,262	9,463



DUPAGE TOWNSHIP  
GENERAL ASSISTANCE FUND

**SCHEDULE A-2**  
(continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures - (continued):			
Administration - (continued):			
Commodities			
Office supplies	\$ 1,500	849	1,271
Total commodities	1,500	849	1,271
Capital outlay			
Equipment	1,200	1,200	-
Total capital outlay	1,200	1,200	-
Miscellaneous	50	520	-
Total administration	139,475	123,139	119,551
Home relief			
Contractual services			
Physician service	10,000	-	-
Hospital service			
Inpatient	10,000	-	-
Outpatient	10,000	-	408
Drugs	2,500	447	311
Other medical services	12,000	3,480	7,081
Funeral and burial service	9,000	1,100	2,900
Utilities	45,000	19,960	12,017
Social services	65,000	4,264	64,631
Shelter	37,000	24,769	13,419
Total contractual services	200,500	54,020	100,767
Commodities			
Food	40,000	38,080	39,860
Job search	2,000	1,299	1,029
Personal incidentals	500	93	940
Transportation	1,500	1,076	1,466
Home relief communication	5,000	1,409	-
Community work program training	1,800	450	1,658
Total commodities	50,800	42,407	44,953
Total home relief	251,300	96,427	145,720
Total expenditures	390,775	219,566	265,271

DUPAGE TOWNSHIP  
GENERAL ASSISTANCE FUND

**SCHEDULE A-2**  
**(continued)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual**  
**For the Year Ended March 31, 2018**  
**(With Comparative Figures for the Year Ended March 31, 2017)**

	Original and Final Budget	Year Ended March 31, 2018	2017
Other Financing Sources (Uses)			
Transfers in			
General Town Fund	\$ -	-	3,768
Banquet Fund	-	-	8,819
Cemetery Fund	-	-	813
Total Other Financing Sources (Uses)	-	-	13,400
Net Change in Fund Balance	<u>\$ (97,627)</u>	74,820	39,058
Fund Balance, Beginning of Year		241,506	202,448
Fund Balance, End of Year		<u>\$ 316,326</u>	<u>241,506</u>

DUPAGE TOWNSHIP  
CAPITAL IMPROVEMENTS FUND

SCHEDULE A-3

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Revenues:			
Interest	\$ -	452	-
Total revenues	-	452	-
Expenditures:			
Capital projects	-	169,584	-
Total Expenditures	-	169,584	-
Excess (deficiency) of revenue over expenditures	-	(169,132)	-
Other Financing Sources (Uses)			
Transfers in	225,000	325,192	-
Total Other Financing Sources (Uses)	225,000	325,192	-
Net Change in Fund Balance	\$ 225,000	156,060	-
Fund Balance, Beginning of Year		-	-
Fund Balance, End of Year		\$ 156,060	-

**Illinois Municipal Retirement Fund**  
**Multi-year Schedule of Changes in Net Pension Liability and Related Ratios**

Calendar Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service Cost	\$ 109,038	106,179	109,865	-	-	-	-	-	-	-
Interest on the Total Pension Liability	294,490	275,980	272,002	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(26,721)	45,374	(155,848)	-	-	-	-	-	-	-
Assumption Changes	(126,906)	(19,985)	14,231	-	-	-	-	-	-	-
Benefit Payments and Refunds	(170,555)	(193,250)	(147,714)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	79,346	214,298	92,536	-	-	-	-	-	-	-
Total Pension Liability - Beginning	3,957,293	3,742,995	3,650,459	-	-	-	-	-	-	-
Total Pension Liability - Ending	\$ 4,036,639	3,957,293	3,742,995	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 133,579	129,016	116,222	-	-	-	-	-	-	-
Employee Contributions	49,393	47,922	45,597	-	-	-	-	-	-	-
Pension Plan Net Investment Income	549,617	191,737	15,994	-	-	-	-	-	-	-
Benefit Payments and Refunds	(170,555)	(193,250)	(147,714)	-	-	-	-	-	-	-
Other	(59,241)	17,126	(348,577)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	502,793	192,551	(318,478)	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,065,889	2,873,338	3,191,816	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ 3,568,682	3,065,889	2,873,338	-	-	-	-	-	-	-
<b>Net Pension Liability (Asset)</b>	\$ 467,957	891,404	869,657	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	88.41%	77.47%	76.77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Covered Valuation Payroll</b>	\$ 1,097,608	1,064,937	1,013,263	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of the Covered Valuation Payroll</b>	42.63%	83.70%	85.83%	N/A	N/A	N/A	N/A	N/A	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.

**Illinois Municipal Retirement Fund**  
**Multi-year Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2017	\$ 133,579	133,579	-	1,097,608	12.17%
12/31/2016	119,379	129,016	(9,637)	1,064,937	12.11%
12/31/2015	116,221	116,222	(1)	1,013,263	11.47%

**Notes to Schedule:**Valuation Date:Notes

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 2017 Contribution Rate: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): 26-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 21 years for most employers (two employers were financed over 30 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage Growth

3.50%

Price Inflation

2.75% - approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases

3.75% to 14.50% including inflation

Investment Rate of Return

7.50%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study for 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:Notes

There were no benefit changes during the year.

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

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION*

DRAFT

## DUPAGE TOWNSHIP

### Notes to Required Supplementary Information For the Year Ended March 31, 2018

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#### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, and capital projects funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

#### **NOTE 2: BUDGETARY PROCEDURES**

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

- 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.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to June 30, the budget is legally adopted through passage of a resolution. Prior to the last Tuesday in December, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- The Township Board may transfer up to 10% of the total appropriation between various items within any fund.
- Formal Budgetary integration is employed as a management control device during the year.
- The 2017-2018 budget and appropriation ordinance was adopted by the Board on June 27, 2017 and was not amended.

## DUPAGE TOWNSHIP

### Notes to Required Supplementary Information For the Year Ended March 31, 2018

#### NOTE 2: BUDGETARY PROCEDURES – (continued)

Budgetary comparisons are provided below for each of the Township's major funds:

Description	Budget	Actual	Variance	Percent Variance
General Town Fund	\$ 2,197,018	2,250,633	(53,615)	-2%
General Assistance	390,775	219,566	171,209	44%
Capital Projects Fund *	-	169,584	(169,584)	N/A

\*The Township did not budget for this Fund

#### NOTE 3: EXPENDITURES EXCEED APPROPRIATIONS

During the current fiscal year, the following major fund's expenditures exceeded appropriations:

Fund	Amount
General Town Fund	\$ 53,615
Capital Projects Fund	169,584

The excess in the General Town Fund was mainly for expenses reclassified after year end and moved from the General Assistance Fund to the General (Town) Fund.



OTHER INFORMATION

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DUPAGE TOWNSHIP  
CEMETERY FUND

**SCHEDULE C-1**

**Balance Sheet**  
**March 31, 2018**

<u>Assets</u>	
Cash	\$ 5,027
Total assets	<u>\$ 5,027</u>
<u>Fund Balance</u>	
Unrestricted	\$ 5,027
Total fund balance	<u>\$ 5,027</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget & Actual** **SCHEDULE C-2**  
**For the Year Ended March 31, 2018**  
**(With Comparative Figures for the Year Ended March 31, 2017)**

	Original and Final Budget	Year Ended March 31, 2018	2017
Revenues:			
Interest income	\$ 20	66	21
Total revenues	<u>20</u>	<u>66</u>	<u>21</u>
Expenditures:			
Professional services	1,800	1,740	269
Improvements	-	335	-
Total Expenditures	<u>1,800</u>	<u>2,075</u>	<u>269</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,780)</u>	<u>(2,009)</u>	<u>(248)</u>
Other financing sources (Uses)			
Transfers in (out)	-	-	(813)
Net Change in Fund Balance	<u>\$ (1,780)</u>	<u>(2,009)</u>	<u>(1,061)</u>
Fund Balance, Beginning of Year		7,036	8,097
Fund Balance, End of Year	<u>\$</u>	<u>5,027</u>	<u>7,036</u>

DUPAGE TOWNSHIP  
BANQUET RENTALS FUND

**SCHEDULE D-1**

Schedule of Revenues, Expenses and Changes in Net Position - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
<b>Operating Revenues:</b>			
Caterer	\$ 13,000	11,375	10,889
Open bar fees	51,000	74,674	49,547
Cash bar fees	38,000	25,292	36,129
Bar set-up fees	13,000	12,525	12,160
Gazebo	2,000	2,100	-
Garden chairs	2,000	1,929	-
Rental fees	63,000	68,920	52,643
Miscellaneous	1,500	1,151	3,726
Total operating revenues	183,500	197,966	165,094
<b>Operating Expenses</b>			
Administration			
Personnel services			
Salaries	50,000	59,454	50,510
Social security	-	-	661
Unemployment insurance	1,000	1,003	1,009
Workers' compensation	1,500	2,388	1,334
Total personnel services	52,500	62,845	53,514
Contractual services			
Maintenance - building	200	-	1,215
Liquor license/insurance	3,600	4,150	3,600
State sales tax	5,100	8,152	5,087
Profit distribution	36,000	14,935	24,762
Bolingbrook liquor tax	3,900	5,764	3,821
Services	5,000	5,261	-
Promotions	13,950	21,385	11,805
Utilities	33,000	35,972	32,919
Total contractual services	100,750	95,619	83,209

DUPAGE TOWNSHIP  
BANQUET RENTALS FUND

**SCHEDULE D-1**  
**(continued)**

Schedule of Revenues, Expenses and Changes in Net Position - Budget & Actual  
For the Year Ended March 31, 2018  
(With Comparative Figures for the Year Ended March 31, 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Operating Expenses - (continued):			
Administration - (continued):			
Commodities			
Operating supplies	\$ 1,000	1,065	669
Liquor	29,000	27,528	24,774
Equipment	500	179	280
Total commodities	30,500	28,772	25,723
Total operating expenses	183,750	187,236	162,446
Excess (deficiency) of revenue over expenditures	(250)	10,730	2,648
Non operating revenue (expenses)			
Transfers out			
Interest	250	1,241	497
General town fund	-	-	(18,178)
General assistance fund	-	-	(8,819)
Total non-operating revenue (expenses)	250	1,241	(26,500)
Change in Net Position	\$ -	11,971	(23,852)
Net Position, Beginning of Year		80,558	104,410
Net Position, End of Year		\$ 92,529	80,558