

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



CERTIFIED PUBLIC ACCOUNTANTS

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DUPAGE TOWNSHIP

Table of Contents

PAGE

FINANCIAL SECTION:

INDEPENDENT AUDITORS' REPORT 1-2

MANAGEMENT'S DISCUSSION AND ANALYSIS 3-7

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position (Statement A) 8

Statement of Activities (Statement B) 9

Fund Financial Statements:

Balance Sheet - Governmental Funds (Statement C) 10-11

Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds (Statement D) 12-13

Statement of Net Position – Proprietary Funds (Statement E) 14

Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds (Statement F) 15

Statement of Cash Flows – Proprietary Funds (Statement G) 16

Notes to Basic Financial Statements 17-34

REQUIRED SUPPLEMENTARY INFORMATION:

Major Governmental Funds:

General (Town) Fund:

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget & Actual (Schedule A-1) 35-42

General Assistance Fund:

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget & Actual (Schedule A-2) 43-45

Capital Improvements Fund:

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget & Actual (Schedule A-3) 46

DUPAGE TOWNSHIP

Table of Contents

PAGE

REQUIRED SUPPLEMENTARY INFORMATION – (continued):

Retirement Fund Information:

Illinois Municipal Retirement Fund:

Multi-year Schedule of Changes in Net Pension Liability and Related Ratios (Schedule B-1).....	47
Multi-year Schedule of Contributions (Schedule B-2)	48
Notes to Required Supplementary Information	49-50

OTHER INFORMATION:

Nonmajor Governmental Funds:

Special Revenue Funds:

Cemetery Fund:

Balance Sheet (Schedule C-1).....	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual (Schedule C-2)	51

Business-Type Funds:

Banquet Rentals Fund:

Schedule of Revenues, Expenses, and Changes in Net Position – Budget & Actual (Schedule D-1)	52-53
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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

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.

Mack & Associates, P.C.

Morris, Illinois
February 19, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DUPAGE TOWNSHIP

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

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 \$2,293,072 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 Townships net position at fiscal year-end, \$683,908 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 \$113,966 as unrestricted, which includes \$92,529 within the business-type activities (Banquet Rentals).

The Township's total net position decreased by \$186,878. Governmental activities net position decreased by \$198,849 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 \$1,358,489, a decrease of \$216,303 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

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	\$ 3,745,323	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	5,581,768	5,753,572	137,741	115,883
Current liabilities	131,332	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	3,381,225	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	113,966	529,330	92,529	80,558
Total net position	\$ 2,200,543	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

	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Revenues and transfers:				
Program revenues:				
Charges for services	\$ 20,750	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	1,202	318	-	-
Transfers	-	26,997	-	(26,997)
Total revenues and transfers	<u>2,422,344</u>	<u>2,438,026</u>	<u>199,207</u>	<u>138,594</u>
Expenses:				
General government	2,402,442	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>2,621,193</u>	<u>2,469,827</u>	<u>187,236</u>	<u>162,446</u>
Change in net position	(198,849)	(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>\$ 2,200,543</u>	<u>2,399,392</u>	<u>92,529</u>	<u>80,558</u>

Within general government expense is depreciation of \$178,609 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

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 \$66,156. Actual 2018 revenues of \$2,127,440 represent a decrease of \$7,361 from 2017 revenues. The General Town Fund's actual expenditures, budgeted as \$2,197,018, were over budget by \$50,404, 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 \$293,148, and the Fund's actual revenue was over that amount by \$1,238. Actual 2018 expenditures of \$219,566 were under budget by \$171,209.

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 operating revenues were budgeted at \$183,500, and the Fund's operations came in over that number by \$14,466. Actual 2018 revenues of \$197,966, represents an increase of \$32,872 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 (\$178,609) exceeded current year additions (\$181,704). 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

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

	Governmental	Business-type	Total	
	Activities	Activities	2018	2017
	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	137,741	5,554,880	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	6,380	-	6,380	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	644,405	45,212	689,617	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	113,966	92,529	206,495	609,888
Total net position	\$ 2,200,543	92,529	2,293,072	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**

Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental	Business-type	Total	
				Activities	Activity	2018	2017
			2018	2018	2018	2017	
Governmental activities:							
General government	\$ 2,402,442	20,750	-	(2,381,692)	-	(2,381,692)	(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	\$ 2,621,193	20,750	-	(2,600,443)	-	(2,600,443)	(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	-	(2,600,443)	10,730	10,730	(2,449,074)
General revenues:							
Taxes:							
				2,284,567	-	2,284,567	2,272,320
				98,607	-	98,607	112,554
				17,218	1,241	18,459	8,229
				1,202	-	1,202	318
				2,401,594	1,241	2,402,835	2,393,421
				(198,849)	11,971	(186,878)	(55,653)
				2,399,392	80,558	2,479,950	2,535,603
				\$ 2,200,543	92,529	2,293,072	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	
	General (Town)	General	Capital	Non-major	Governmental	
	Fund	Assistance	Improvements	Governmental	Funds	
		Fund	Fund	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	6,380	-	-	-	6,380	10,095
Total liabilities	98,359	1,404	51,202	-	150,965	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	871,616	-	-	-	871,616	1,308,739
Total fund balances	881,076	316,326	156,060	5,027	1,358,489	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	
	<u>2018</u>	<u>2017</u>
Reconciliation to Statement of Net Position:		
Total fund balances - governmental funds	\$ 1,358,489	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	<u>(15,567)</u>	<u>(17,013)</u>
Net position of governmental activities	<u>\$ 2,200,543</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	15,766	-	-	-	15,766	14,747
Recreation trips	-	-	-	-	-	-
Youth events	-	-	-	-	-	-
Grants	-	-	-	-	-	1,003
Interest income	13,458	3,242	452	66	17,218	7,732
Miscellaneous	618	-	-	-	618	318
Total revenues	2,127,440	294,386	452	66	2,422,344	2,411,029
Expenditures:						
Current						
Administration	920,073	123,139	-	2,075	1,045,287	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	2,247,422	219,566	169,584	2,075	2,638,647	2,326,691
Excess (deficiency) of revenues over (under) expenditures	(119,982)	74,820	(169,132)	(2,009)	(216,303)	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	(445,174)	74,820	156,060	(2,009)	(216,303)	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	\$ 881,076	316,326	156,060	5,027	1,358,489	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
Reconciliation to the Statement of Activities:		
Net change in fund balances - governmental funds	\$ (216,303)	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>\$ (198,849)</u>	<u>(31,801)</u>

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

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		92,529	80,558
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

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.

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

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.

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

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.

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.

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

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.

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

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.

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

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:

<u>March 31,</u>	
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	<u>\$ 1,668,721</u>	<u>3,095</u>	<u>-</u>	<u>1,671,816</u>

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	<u>\$ 178,609</u>
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.

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	<u>23</u>
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>

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
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%	

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 of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>5,198</u>	<u>112,846</u>
Total deferred amounts to be recognized in future periods	130,268	448,215
Employer contributions subsequent to the measurement date	<u>34,361</u>	<u>-</u>
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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflow of Resources</u>
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:

Year Ended March 31,	Amount
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**

NOTE 13: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following is a summary of how these balances are reported and definitions of the differences.

Fund	General Fund	General Assistance	Capital Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds	Total Business-Type Funds
Restricted for:						
General assistance	\$ -	316,326	-	-	316,326	-
Cemetery	-	-	-	5,027	5,027	-
Total Restricted	-	316,326	-	5,027	321,353	-
Total Committed	-	-	156,060	-	156,060	-
Unassigned	881,076	-	-	-	881,076	92,529
Total Fund Balances	\$ 881,076	316,326	156,060	5,027	1,358,489	92,529

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service and Special Revenue Funds are by definition restricted for these specified purposes. The Township has several revenue sources received within different funds that also fall into these categories.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

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

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	15,766	14,747
Recreation trips	5,000	-	-
Youth events	5,500	-	-
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	<u>2,193,596</u>	<u>2,127,440</u>	<u>2,120,079</u>
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	<u>712,854</u>	<u>741,340</u>	<u>679,348</u>
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	<u>164,800</u>	<u>218,385</u>	<u>168,447</u>
Commodities			
Office supplies	3,800	3,400	3,126
Operating supplies	9,000	9,900	8,059
Total commodities	<u>12,800</u>	<u>13,300</u>	<u>11,185</u>
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	<u>10,000</u>	<u>5,030</u>	<u>11,221</u>
Miscellaneous/contingency	1,000	4,342	913
Total administration	<u>901,454</u>	<u>982,397</u>	<u>871,114</u>
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	<u>341,700</u>	<u>329,012</u>	<u>321,863</u>
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	<u>2,500</u>	<u>1,553</u>	<u>2,049</u>
Other expenditures			
Programs	10,000	9,929	2,538
Promotions/advertising	11,000	6,431	8,604
Miscellaneous	150	353	10
Total other expenditures	<u>21,150</u>	<u>16,713</u>	<u>11,152</u>
Capital outlay			
Equipment	1,000	-	-
Total senior programming	<u>285,800</u>	<u>287,826</u>	<u>263,097</u>
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	<u>92,000</u>	<u>90,531</u>	<u>91,875</u>
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	<u>26,000</u>	<u>32,655</u>	<u>20,541</u>
Commodities			
Operating supplies	18,049	18,345	18,006
Decorations	1,500	-	558
Total commodities	<u>19,549</u>	<u>18,345</u>	<u>18,564</u>

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	<u>38,000</u>	<u>16,920</u>	<u>19,490</u>
Total levy senior center	<u>83,549</u>	<u>67,920</u>	<u>58,595</u>
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	<u>113,830</u>	<u>117,119</u>	<u>97,520</u>
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	<u>72,700</u>	<u>92,994</u>	<u>84,072</u>
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	<u>17,350</u>	<u>14,766</u>	<u>13,697</u>
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	<u>6,250</u>	<u>599</u>	<u>3,185</u>

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	2,247,422	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)	(119,982)	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	<u>\$ (228,422)</u>	(445,174)	73,338
Fund Balance, Beginning of Year		<u>1,326,250</u>	<u>1,252,912</u>
Fund Balance, End of Year		<u>\$ 881,076</u>	<u>1,326,250</u>

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	<u>293,148</u>	<u>294,386</u>	<u>290,929</u>
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	<u>117,025</u>	<u>117,308</u>	<u>108,817</u>
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	<u>19,700</u>	<u>3,262</u>	<u>9,463</u>

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	<u>1,500</u>	<u>849</u>	<u>1,271</u>
Capital outlay			
Equipment	1,200	1,200	-
Total capital outlay	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Miscellaneous			
Total administration	<u>50</u>	<u>520</u>	<u>-</u>
	<u>139,475</u>	<u>123,139</u>	<u>119,551</u>
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	<u>200,500</u>	<u>54,020</u>	<u>100,767</u>
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	<u>50,800</u>	<u>42,407</u>	<u>44,953</u>
Total home relief	<u>251,300</u>	<u>96,427</u>	<u>145,720</u>
Total expenditures	<u>390,775</u>	<u>219,566</u>	<u>265,271</u>

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		<u>241,506</u>	<u>202,448</u>
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	<u>-</u>	<u>452</u>	<u>-</u>
Expenditures:			
Capital projects	-	169,584	-
Total Expenditures	<u>-</u>	<u>169,584</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(169,132)</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in	225,000	325,192	-
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>325,192</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 225,000</u>	156,060	-
Fund Balance, Beginning of Year		<u>-</u>	<u>-</u>
Fund Balance, End of Year		<u>\$ 156,060</u>	<u>-</u>

**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
Total Pension Liability										
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	<u>\$ 4,036,639</u>	<u>3,957,293</u>	<u>3,742,995</u>	<u>-</u>						
Plan Fiduciary Net Position										
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	<u>\$ 3,568,682</u>	<u>3,065,889</u>	<u>2,873,338</u>	<u>-</u>						
Net Pension Liability (Asset)	<u>\$ 467,957</u>	<u>891,404</u>	<u>869,657</u>	<u>-</u>						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.41%	77.47%	76.77%	N/A						
Covered Valuation Payroll	\$ 1,097,608	1,064,937	1,013,263	N/A						
Net Pension Liability as a Percentage of the Covered Valuation Payroll	42.63%	83.70%	85.83%	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

DUPAGE TOWNSHIP

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

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 laps 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:

<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
General Town Fund	\$ 2,197,018	2,247,422	(50,404)	-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:

<u>Fund</u>	<u>Amount</u>
General Town Fund	\$ 50,404
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

**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	<u>\$ 5,027</u>
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)**

	<u>Original and Final Budget</u>	<u>Year Ended March 31, 2018</u>	<u>2017</u>
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		<u>7,036</u>	<u>8,097</u>
Fund Balance, End of Year		<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
Operating Revenues:			
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
Operating Expenses			
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	<u>30,500</u>	<u>28,772</u>	<u>25,723</u>
Total operating expenses	<u>183,750</u>	<u>187,236</u>	<u>162,446</u>
Excess (deficiency) of revenue over expenditures	<u>(250)</u>	<u>10,730</u>	<u>2,648</u>
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)	<u>250</u>	<u>1,241</u>	<u>(26,500)</u>
Change in Net Position	<u>\$ -</u>	11,971	(23,852)
Net Position, Beginning of Year		<u>80,558</u>	<u>104,410</u>
Net Position, End of Year		<u>\$ 92,529</u>	<u>80,558</u>