
**DUPAGE TOWNSHIP
WILL COUNTY, ILLINOIS**

**ORDINANCE
NUMBER 19-10**

**AN ORDINANCE
ADOPTING A FUND BALANCE POLICY
FOR DUPAGE TOWNSHIP**

**FELIX GEORGE, Supervisor
KULSUM ALI, Clerk**

**ALYSSIA BENFORD
MARIPAT OLIVER
KEN BURGESS
DENNIS RAGA**

Trustees

DUPAGE TOWNSHIP
ORDINANCE NO. 19-

AN ORDINANCE ADOPTING A FUND BALANCE POLICY
FOR DUPAGE TOWNSHIP

WHEREAS, DuPage Township, Will County, Illinois (the "Township"), is a duly organized and existing township and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of Illinois' Township Code, 60 ILCS 1/1-1, *et seq.*, and all laws amendatory thereto; and

WHEREAS, Statement No. 54 of the Governmental Account Standards Board ("GASB") provides certain requirements and recommendations with respect to how units of government should establish fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds; and

WHEREAS, the Township Supervisor (the "Supervisor") and the Township Board of Trustees (the "Board") are committed to ensuring the effective administration of government and the responsible management of taxpayer money; and

WHEREAS, the Supervisor and Board seek to establish policies and procedures to provide for appropriate emergency or contingency spending, to preserve the credit worthiness of the Township, to avoid interest expenses for operating budget needs, to avoid legal challenges to the Township's taxing and budgeting decisions, and to stabilize against fluctuations from year to year property taxes collected and paid to the Township; and

WHEREAS, the Financial Advisory & Audit Committee for DuPage Township has recommended that the Supervisor and Board adopt a fund balance policy incorporating the requirements of GASB Statement No. 54 while incorporating fund balance targets and thresholds

that meet the specific needs to the Township; and

WHEREAS, the Supervisor and Board of Trustees of DuPage Township, find it to be in the best interest of the Township to adopt a Fund Balance Policy in accordance with the requirements of the Illinois Township Code and any other related legal requirements.

NOW, THEREFORE, BE IT ORDAINED by the Supervisor and Board of Trustees of DuPage Township, Will County, Illinois as follows:

Section 01. Recitals.

The above recitals and findings are found to be true and correct and are incorporated herein and made a part hereof, as if fully set forth in their entirety.

Section 02. Adoption of Policy.

The Supervisor and Board of Trustees for DuPage Township hereby approve and adopt the **Fund Balance Policy**, which is attached hereto and incorporated into this Ordinance as **Exhibit A**, and hereby directs the appropriate staff and Township officials to take all actions necessary and appropriate to implement said policy.

Section 03. Severability.

The provisions of this Resolution are hereby declared to be severable, and should any provision of this Resolution (or any portion of any Exhibit incorporated therein) be determined to be in conflict with any law, statute, or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable, and as though not provided for herein, but such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid application or provision, and all other provisions shall remain unaffected, unimpaired, valid, and in full force and effect.

Section 04. Repeal and Savings Clause.

All ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded and repealed, provided, however, that nothing herein contained shall affect any rights, actions, or causes of action which shall have accrued to the Township prior to the effective date of this Resolution.

Section 05. Effective Date.

This Resolution shall be in full force and effect immediately upon passage, approval, and publication by the Supervisor and Board of Trustees of DuPage Township, Will County, State of Illinois, as provided by law.

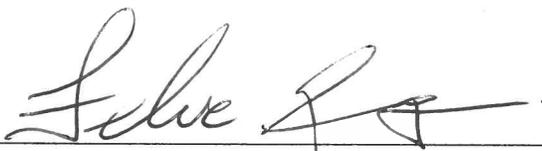
PASSED by the Supervisor and Board of Trustees of the DuPage Township, Will County,

Illinois this 20th day of August, 2019, pursuant to a roll call vote, as follows:

	YES	NO	ABSENT	PRESENT
Trustee Benford	✓			
Trustee Oliver			✓	
Trustee Burgess	✓			
Trustee Raga	✓			
Supervisor George	✓			
TOTAL	4		1	

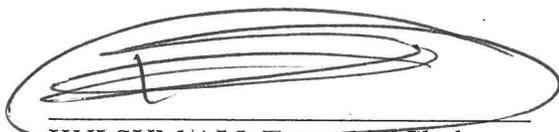
APPROVED at a Regular Meeting of the Board of Trustees of the DuPage Township, on

August 20, 2019.



FELIX GEORGE, Supervisor

ATTEST:



KULSUM ALI, Township Clerk

EXHIBIT A

DUPAGE TOWNSHIP FUND BALANCE POLICY

DUPAGE TOWNSHIP
FUND BALANCE POLICY

I. PURPOSE

The objectives of this Fund Balance Policy are: (i) to provide for contingency or emergency spending; (ii) to preserve the credit worthiness of the Township; (iii) to avoid interest expenses for operating budget needs; (iv) to avoid legal challenges to the Township's taxing and budgeting decisions; and (v) to stabilize fluctuations from year to year in property taxes collected and paid to the Township.

With these policy goals in mind, the Supervisor and Township Board of Trustees retains the discretion to determine in each budget year the appropriate fund balance to best meet the Township's needs.

II. DEFINITIONS

FUND BALANCE is defined as the difference between fund assets and fund liabilities of governmental funds, which comprise its net resources.

FUND BALANCE CLASSIFICATIONS: Fund balance is classified based on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the governmental fund can be spent. In audited Financial Statements, fund balance classifications are listed in order from most constrained to least constrained.

Non-spendable Fund Balance – the portion of a Governmental Fund's net resources that cannot be spent either because of their form or because they must be maintained intact.

Restricted Fund Balance – the portion of a Governmental Fund's net resources that are subject to external enforceable legal restrictions.

Committed Fund Balance – the portion of the General (Town) Fund's net resources with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making prior to the end of the fiscal period.

Assigned Fund Balance – the portion of the General (Town) Fund's net resources for which the intended use is self-imposed either at the highest level of decision making or by a body or official designated for that purpose

Unassigned Fund Balance – available expendable financial resources in the General (Town) Fund that are not the object of tentative management plans (i.e., commitments or assignments). Unassigned fund balance is only applicable to the Special Revenue (General Assistance) Fund in cases where the total of non-spendable and restricted fund balance exceeds the total net resources of the fund.

Note: DuPage Township currently maintains the following funds: General Town Fund, Banquet Rental Fund, Illinois Municipal Retirement Fund, Social Security Fund, General Assistance Fund, Cemetery Fund, and Capital Projects Fund. The annual financial statements for the Township categorizes the funds as governmental activity and business type activity. The Banquet Rental Fund is the only fund listed as business type activity. The fund balance classifications of committed, assigned, and unassigned apply to General Town Fund, Banquet Fund, Illinois Municipal Retirement Fund, Social Security Fund, Cemetery Fund, and the Capital Projects Fund. Fund balance in the Special Revenue (General Assistance) Fund has been levied locally for the purpose of providing financial assistance to DuPage Township residents who are unemployed or applying for the Supplemental Security Income (SSI) disability program. General Assistance expenditures are restricted to this purpose. Therefore, the only two applicable classifications for General Assistance fund balance are non-spendable and restricted.

III. PROCEDURES

In order to achieve the objectives of this Policy, the Township Board shall adhere to the following procedure:

1. As part of the annual budget process, staff will estimate the surplus or deficit for the current year and prepare a projection of the year-end General (Town) Fund, Special Revenue (General Assistance) Fund, Banquet Fund Illinois Municipal Retirement Fund, Social Security Fund, Cemetery Fund, and Capital Projects Fund balances. Estimates will include fund balance classifications (non-spendable, restricted, committed, assigned, and/or unassigned) as applicable to all of the funds except the Special Revenue (General Assistance) Fund. Estimates for the General Assistance Fund balance are classified as non-spendable and restricted.
2. Projections will include an analysis of trends in fund balance levels on an historical and future projection basis.
3. The Township Board shall review the Fund Balance Policy annually for changes or modification taking into consideration factors such as predictability of revenues and volatility of expenditures, availability of other resources, liquidity and existing or potential commitments and/or assignments of fund balances.

IV. POLICY

Unless otherwise provided by law or as amended by the DuPage Township Supervisor and Board of Trustees, the Township Board shall follow the following policy:

1. Annual appropriated budgets are adopted for all of the DuPage Township Funds. The Financial Statements and Independent Auditor's Report are prepared at the end of the fiscal year. The Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. All appropriations lapse at the end of the fiscal year. Excess

revenues over expenditures for the fiscal year accumulate in the fund balance for the associated fund.

2. Unassigned Town Fund, Banquet Fund and restricted Special Revenue (General Assistance) Fund balances shall be maintained as of March 31st of each year equal to a minimum of four months of the current year's budgeted fund expenditures, with a suggested maximum of six months of the current year's budgeted expenditures. The year's budgeted expenditures used for the purpose of calculating an appropriate fund balance shall not include capital expenditures.
3. Unassigned Illinois Municipal Retirement Fund and Social Security Fund will maintain fund of zero.
4. Unassigned Cemetery Fund will maintain a fund balance of \$5,000.
5. The Capital Improvement Fund shall maintain a minimum balance of 50,000. Excesses in fund balance from the General (Town) Fund and Banquet Fund are available to be transferred to the Capital Improvement Fund
6. The Township will exercise diligence in avoiding the appropriation of a fund balance for recurring operating expenditures.
7. Fund balances that exceed the maximum level established for each fund may be appropriated for non-recurring capital projects or programs.
8. From time to time, as the Township Board deems necessary, the Board may commit or assign a portion of spendable, unrestricted fund balance for the General (Town) Fund for an intended purpose such as capital improvements.

Adopted by the Supervisor and Board of Trustees for DuPage Township, Will County, State of Illinois on: *(insert date after adoption and ordinance #; leave room for any amendment dates)*