

Lemont Township

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2018

**Lemont Township
Annual Financial Report
For the Year Ended March 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

Selden Fox

Accounting for your future

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lemont Township
Lemont, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lemont Township** as of and for the year ended March 31, 2018, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General Town Fund and the Road and Bridge (Major Special Revenue) Fund and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 Lemont Township, as of March 31, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Town Fund and the Road and Bridge (Major Special Revenue) Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3-10), the multiyear schedule of changes in net pension liability and related ratios (pages 45-46), and the multiyear schedule of contributions (page 47) 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 Lemont Township's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Selden Fox, Ltd.

August 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Lemont Township
Management's Discussion and Analysis
March 31, 2018**

The Lemont Township provides the following narrative overview and analysis of the Township's financial operations and 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. Information in this Management's Discussion and Analysis is shown with comparative totals from the prior year.

Financial Highlights

- The Township's total assets exceeded total liabilities by \$17,900,307 (\$17,648,957 at March 31, 2017). Of the Township's net position at the end of the current and prior year, \$3,622,020 and \$3,284,568, respectively, were available to fund future operations. Of this amount, \$1,243,692 (\$1,118,416 at March 31, 2017) is restricted for special revenue fund purposes, and \$2,378,328 (\$2,166,152 at March 31, 2017) is unrestricted.
- The Township has adopted GASB Statement No. 68 which resulted in the recognition of a net pension liability of \$189,353 (\$337,314 at March 31, 2017) in the statement of net position.
- At the close of the current fiscal year, the Township had total capital or infrastructure assets net of depreciation of \$14,303,896 (\$14,414,805 at March 31, 2017).
- The governmental funds reported combined ending fund balance of \$2,861,536, an increase of \$320,344 or 12.6% from the prior year. Of this amount, \$1,073,450 is unassigned and available for spending at the Township's discretion.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Lemont Township's basic financial statements. The financial statements have three major components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The major components of the financial statements are the overall statement of net position and the overall statement of activities. The statement of net position shows the amount that total Township assets exceed total liabilities, which may be considered the current value of net worth for the Township. The statement of activities reflects the overall operations of the Township for the past year excluding revenues from taxes, interest and miscellaneous items. This demonstrates how effectively the Township operates on a business-level model. In simple terms, it shows how the Township would fare as a business, without the support of auxiliary revenues.

Additional required supplementary information includes the schedule of changes in the net pension liability and related ratios, and contributions for the Illinois Municipal Retirement Fund, the Township's state retirement pension fund. Supplementary information includes a combining balance sheet and combining statements for revenues, expenditures and changes in fund balance for nonmajor funds, schedule of revenues, expenditures and changes in fund balance – budget and actual for all of the Township's nonmajor Special Revenue Funds and other financial schedules. These other financial schedules provide additional information on the Township's Debt Service and Capital Projects Funds and long-term debt requirements.

Overview of the Financial Statements (cont'd)

The two main components to the government-wide financial statements are: (1) the statement of net position, and (2) the statement of activities. As discussed before, these are the two major statements that are analyzed in terms of obtaining a broad overview of the finances, value and annual operations of the Township.

The statement of net position is a snapshot as of the end of the fiscal year, illustrating the overall value of the Township. The total net position should be a positive number and can be equated to the Township's total net worth. Over time, increases or decreases in the net position of the Township may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes earned and earned but unused vacation leave).

Both of the government-wide financial statements may be divided into two components: governmental activities, which are operations of the Township primarily supported by tax revenues, 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 are considered to be governmental activities.

The government-wide financial statements can be found on pages 11-13.

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. All of the Township's funds are considered to be governmental.

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 more 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 the two types of statements for the balance sheet and the statement of revenues, expenditures and changes in fund balance to see how current operations reflect upon the long-range value of the Township. Reconciliations between the two types of statements are provided.

The Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Town Fund, the Road and Bridge Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other three funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual funds statements and schedules section of this report. Budgetary comparison statements for the General Town and Road and Bridge Funds are included in the basic financial statements. The basic governmental fund financial statements can be found on pages 14-24.

Overview of the Financial Statements (cont'd)

Notes to the financial statements provide additional information that is needed to gain a full understanding of the Township's financial operations and its reporting. The required supplementary information provides greater detail on the Township's financial operations for all of its major governmental funds, as well as the schedule of funding progress for IMRF. The additional financial schedules provide information valuable in understanding nonmajor funds.

Financial Analysis

Condensed Statement of Net Position

	<u>March 31,</u>	
	<u>2018</u>	<u>2017</u>
Assets:		
Current and other assets	\$ 4,062,506	\$ 4,419,280
Capital assets, less accumulated depreciation	<u>14,303,896</u>	<u>14,414,805</u>
Total assets	<u>18,366,402</u>	<u>18,834,085</u>
Deferred outflows:		
Pension-related	<u>92,443</u>	<u>118,771</u>
Total assets and deferred outflows	<u>18,458,845</u>	<u>18,952,856</u>
Liabilities:		
Other liabilities	172,088	890,877
Noncurrent liabilities:		
Due within one year	25,609	24,807
Due in more than one year	<u>189,353</u>	<u>362,923</u>
Total liabilities	<u>387,050</u>	<u>1,278,607</u>
Deferred inflows:		
Pension-related	<u>171,488</u>	<u>25,292</u>
Total liabilities and deferred inflows	<u>558,538</u>	<u>1,303,899</u>
Net position:		
Net investment in capital assets	14,278,287	14,364,389
Restricted	1,243,692	1,118,416
Unrestricted	<u>2,378,328</u>	<u>2,166,152</u>
Total net position	<u>\$ 17,900,307</u>	<u>\$ 17,648,957</u>

Financial Analysis (cont'd)

The largest component of the assets is capital assets, which are all of the infrastructure or fixed assets for the Township. These include land, infrastructure, buildings, and equipment. These items are now depreciated over their useful lives.

The government-wide assets of the Township total \$18,366,402 (\$18,834,085 at March 31, 2017). The largest portion of the Township's assets reflects its investment in capital assets of \$14,303,896 (\$14,414,805 at March 31, 2016). The total value of land, buildings, infrastructure improvements, equipment and vehicles is reported net of the total accumulated depreciation on these items. The remaining portion of assets (\$4,062,506 and \$4,419,280 at March 31, 2018 and 2017, respectively) is current.

The Township's receivables of \$1,045,299 and \$1,036,937 at March 31, 2018 and 2017, include the property tax receivables for the previous calendar year that will be collected in the upcoming fiscal year. The full 2017 levy has been recognized as revenue in the statement of activities, as it becomes revenue when levied under the full accrual basis of accounting in the government-wide financial statements. The increase is attributable to small increases in both the General Town and Road and Bridge tax levies in 2017 as compared to 2016. This treatment results in a reconciling item between the government-wide financial statements and the fund financial statements, which continues to recognize property tax revenue only if it is received within sixty days of year end. The Township had total cash and investments on hand at the end of the year of \$3,017,207 (\$3,382,343 at March 31, 2017). The decrease in cash and investments is due to Cook County overpaying the Township in the first quarter of calendar year 2017 on the first installment of the 2016 General Town property tax levy by \$796,258. A liability was recognized for this overpayment, and the County applied tax receipts from the second installment of the 2016 tax levy and the first installment of the 2017 tax levy against the overpayment in the current fiscal year. The remaining balance on the overpayment of the General Town levy was \$47,173 at March 31, 2018.

The largest component of the Township's liabilities is noncurrent liabilities that include a capital lease obligation entered in the prior year with an outstanding balance at year-end of \$25,609 (\$50,416 at March 31, 2017), and a net pension liability recognized in accordance with GASB Statement No. 68 of \$189,353 (\$337,314 at March 31, 2017). The remaining portion of liabilities (\$124,915 and \$94,619 at March 31, 2018 and 2017, respectively) is current.

Net position totals \$17,900,307, of which \$14,278,287 represents the net amount of the capital assets less outstanding debt used to acquire them (\$17,648,957 and \$14,364,389, respectively, at March 31, 2017). 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 special revenue items, with the remainder unrestricted. The Township is able to report positive balances in all net position categories at March 31, 2018 and 2017.

Financial Analysis (cont'd)

Condensed Statement of Activities

	For the Year Ended March 31,	
	2018	2017
Program revenues:		
Charges for services	\$ 136,238	\$ 149,722
Grants and contributions	17,130	16,520
General revenues:		
Taxes	1,794,710	2,014,237
Unrestricted investment earnings	8,392	5,568
Miscellaneous/other	32,556	22,210
Total revenues	1,989,026	2,208,257
Expenses:		
General government	930,112	847,732
Highways and streets	792,162	765,652
Health and welfare	13,773	12,581
Interest on long-term debt	1,629	50,421
Total expenses	1,737,676	1,676,386
Change in net position	251,350	531,871
Net position, beginning of the year	17,648,957	17,117,086
Net position, end of the year	\$ 17,900,307	\$ 17,648,957

The government-wide operations are reflected in the statement of activities that reports the overall expenses and revenues for the Township. The major components of the Township's revenues (prior year amounts in parentheses) are the general revenues of \$1,835,658 (\$2,042,015), which consist primarily of property tax revenue of \$1,755,834 (\$1,975,040). With the additional charges for services of \$136,238 (\$149,722) and grants and contributions of \$17,130 (\$16,520), the total government-wide revenues were \$1,989,026 (\$2,208,257).

Governmental activities (prior year amounts in parentheses) of the Township had \$1,737,676 (\$1,676,386) in expenses, as detailed above. The interest expense reported in the prior year includes \$48,015 of interest as part of the Township's final bond payment, as well as its capital lease obligation interest payment. The current year interest is on the capital lease obligation only. Within highways and street services expense is depreciation expense of \$313,613 (\$321,464).

The Township's total revenues exceeded expenses by \$251,350 (\$531,871 for the year ended March 31, 2017). The expenses include depreciation but not capital asset additions.

The financial analysis of the operations by fund, including a comparison of actual to budget operations, allows for a greater understanding of the overall Township operations. The Township adheres to fund accounting to ensure and comply with all finance related legal requirements for townships. The three major operational funds of the Township, which represent 94.7% of the total revenues, are the General Town, Road and Bridge and Debt Service Funds. The fund financial statements exclude depreciation expense, which is also not a budgeted item.

Financial Analysis (cont'd)

General Town Fund – The General Town Fund’s revenues were budgeted at \$992,378, and the Fund’s actual revenues fell short of budgeted expectations by \$91,231. Actual 2018 revenues of \$901,147 were a decrease of \$166,794 from 2017 revenues. The General Town Fund’s expenditures were \$82,679 less than the budget of \$959,000, as management strived to reduce expenses where possible. The biggest savings versus budget were in administration and human services.

Capital Assets – The Township’s investment in capital assets, net of accumulated depreciation, as of March 31, 2018, amounts to \$14,303,896 (\$14,414,805 at March 31, 2017). This investment in capital assets includes land, infrastructure, buildings and equipment. The Township’s net capital assets decreased by \$110,909, as depreciation exceeded additions. Additional information on capital assets can be found at Note IV.B. on page 36.

Long-term Debt – The legal debt limitation (total outstanding general obligation debt) that the Township may have is \$10,000,000. The Township currently has 100% of this amount available. The current debt service levy is limited to \$1,557,022 per year. This amount is available for capital projects on an annual basis or could be used to pay for current or future debt service.

The Township also has a capital lease obligation to finance the purchase of a Highway Department vehicle. The principal balance outstanding at March 31, 2018, was \$25,609. Additional information on long-term debt can be found at Note IV.D. beginning on page 37.

Summary and Future Considerations

The Elected Officials and Staff of Lemont Township remain committed to serving the residents of Lemont Township. This has been another busy year for the Township.

Our front office provides important services to our residents including:

- Cook County vehicle stickers (887 stickers sold)
- Dog Park memberships (53 memberships sold)
- Senior RTA passes
- Housing an early voting site and a voting precinct without disruption of regular services
- Handicap parking placards
- Yard waste stickers
- Voter registration
- Building rentals
- Culvert permit applications

In addition to the above, our staff responds to hundreds of calls each month regarding issues outside the jurisdiction of the Township and refers people to the appropriate agency.

Summary and Future Considerations (cont'd)

The Township's Dial-A-Ride program continues to provide local transportation for seniors and others dependent upon it for transportation within the Township limits. We provided services for a total of 5,654 riders; 176 adults, 3,926 seniors, 1,467 disabled, 73 students and 11 children under 7. The PACE Vanpool 13-passenger bus has allowed us to offer transportation for senior trips and medical transportation.

Building rentals at the Community Center are doing well. Many community organizations and nonprofit organizations utilize our facilities at Warner and Alba. This is the third year the Township Office was used as an early voting site in addition to being a precinct. At the Community Center, along with a donation from the Lemont Junior Women's club, we added signage and improvements to the Sanctuary. Through this partnership, the walking path, highlighting the various plants in our Sanctuary, is enjoyed by many. In October, the Lemont Township Senior Association had an Oktoberfest at the Center. "Central Bark" Dog Park continues to grow in popularity. Photographs taken at the park can be viewed at "central bark pack" on Facebook. Earth Day cleanups and educational programs have continued.

Our Open Space Committee and residents from the community are volunteering to share their time and talents to better the Heritage Woodland Sanctuary and our open space program. Pizzo & Associates continued to manage prairies. We have completed 15 years of the Open Space Plan referendum allowing funding of \$10 million with the General Bond Obligation ended in 2016.

Located on the same cell tower, Verizon Wireless provided \$19,776 in revenue, and AT&T provided \$16,586.12. The resulting \$36,362.12 in annual revenue was used to offset the ongoing maintenance of the 50+ acre Heritage Woodland Sanctuary, thus decreasing the dependence on tax payers to maintain this wonderful treasure.

Lemont Township Community Center is available seven days a week, 365 days per year. The facility would not have been built without the partnership of Citgo, and as the numbers attest, our Township is able to deliver more services to our residents through the generous support of Citgo Lemont Refinery.

The Human Service Department assists residents with General Assistance, Emergency Assistance, and referrals for Counseling, PLOWS, CEDA and the Lion's Club. We address senior and resident concerns with health care and housing, and Benefits Access program enrollment. The department sponsors AARP income tax preparation for seniors and low-income members of our community, AARP Safe Drivers courses, Secretary of State's Rules of the Road courses, various educational events, and Medvan transportation service.

Youth and Family services include: certification of food pantry clients, Thanksgiving food vouchers, Christmas gift program (with the support of entire Lemont community), partner with Lemont Classic Car Club for their Christmas Party for children in need, the Salvation Army Donut Days and Kettle program raising money for Emergency Assistance, networking with Lemont Police, schools and churches, sponsoring the DARE Programs and Kops and Kids with the Lemont Police Department.

Community Services continues to offer assistance and work alongside community organizations, clubs, associations, businesses, schools and residents to reach out to residents in need (either financially, physically, or via the Lemont Open Food Pantries). The department sponsors the Kid's Cook Off, For the Love of Dogs, "Howl-a-ween at Central Bark", Neighbor to Neighbor Vendor Market, Youth Summer Lunch Program, and works with the Lemont Township Medical Reserve Corps in emergency preparations.

Summary and Future Considerations (cont'd)

With the current economy, the Township Human Service Department continues to offer financial aid to our residents in need. The private donations of the Lemont Township Family Assistance Fund help to serve this increasing demand.

The Highway Department worked diligently maintaining our streets and will continue evaluating our roadways and drainage infrastructure. Utilizing Motor Fuel Tax revenue, we were able to complete numerous drainage projects. During the winter months, we utilized 761 tons of our salt allocation. Working with a mix of employees and contractors allows us to save tax payers money and get a great deal of work accomplished. We thank Highway Commissioner Mark Labano and Superintendent John Heeg, along with their crew, for their commitment and passion to make Lemont Township Highway Department a proud department to serve Lemont.

The Lemont Township Assessor's Office continues to serve the community with property assessments and tax issues that residents may have. This is our local source for assistance to appeal assessed values, and to apply for Homeowner, Disabled, and Senior Assessment Freeze exemptions. Disabled veterans with 70% or greater disability will not have to pay property tax. Those with disability greater than 30% will be eligible for a reduction in the tax based on the percentage of disability.

Lemont Township received their re-assessment notices in May 2017. These new valuations were based upon sales that have occurred within the past three years. Our office will assist residents with analyzing and appealing these new valuations. The office also processes building permits, and maintains a database containing assessed values, sales and transfers information.

None of this great work is done alone. Our staff, elected officials and community volunteers have been instrumental in providing the services highlighted here. We are truly a caring community that works together to make Lemont Township the best place to live in Illinois.

Requests for Information – This financial report is designed to provide a general overview of the financial operations of the Lemont Township. Questions concerning any of the information in this report or requests for additional information should be sent to the Township Supervisor, 16020 127th Street, Lemont, Illinois 60439.

BASIC FINANCIAL STATEMENTS

**Lemont Township
Statement of Net Position
March 31, 2018**

Assets	
Cash and investments:	
General checking	\$ 531,925
Money market	2,148,410
Illinois Funds	238,654
Illinois Institutional Trust	98,218
Total cash and investments	3,017,207
Property taxes receivable	1,045,299
Capital assets, not being depreciated	8,288,525
Capital assets, less accumulated depreciation	6,015,371
Total assets	18,366,402
Deferred Outflows of Resources	
Pension-related	92,443
Total assets and deferred outflows of resources	18,458,845
Liabilities	
Accounts payable	66,165
Due to Cook County	47,173
Unearned revenue	58,750
Noncurrent liabilities:	
Due within one year	25,609
Due in more than one year	189,353
Total liabilities	387,050
Deferred Inflows of Resources	
Pension-related	171,488
Total liabilities and deferred inflows of resources	558,538
Net Position	
Net investment in capital assets	14,278,287
Restricted for:	
General assistance	138,567
Tort liability	136,255
Road and bridge services	968,870
Unrestricted	2,378,328
Total net position	\$ 17,900,307

See accompanying notes.

**Lemont Township
Statement of Activities
For the Year Ended March 31, 2018**

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:					
General government	\$ 930,111	\$ 136,238	\$ 17,130	\$ -	\$ (776,743)
Highways and streets	792,162	-	-	-	(792,162)
Health and welfare	13,773	-	-	-	(13,773)
Interest on long-term debt	1,629	-	-	-	(1,629)
Total governmental activities	<u>\$ 1,737,675</u>	<u>\$ 136,238</u>	<u>\$ 17,130</u>	<u>\$ -</u>	<u>(1,584,307)</u>
			General revenues:		
			Taxes:		
			Property	1,755,834	
			Replacement	38,876	
			Unrestricted investment		
			earnings	8,391	
			Miscellaneous	32,556	
			Total general revenues	<u>1,835,657</u>	
			Changes in net position	<u>251,350</u>	
			Net position, beginning of the year	<u>17,648,957</u>	
			Net position, end of the year	<u>\$ 17,900,307</u>	

See accompanying notes.

Lemont Township
Balance Sheet - Governmental Funds
March 31, 2018

	General Town	Road and Bridge	Debt Service	Nonmajor Funds	Totals Governmental Funds
Assets					
Cash and investments:					
Checking	\$ 531,925	\$ -	\$ -	\$ -	\$ 531,925
Money market	1,078,991	957,272	-	112,147	2,148,410
Illinois Funds	238,654	-	-	-	238,654
Illinois Institutional Trust	98,218	-	-	-	98,218
Total cash and investments	1,947,788	957,272	-	112,147	3,017,207
Property taxes receivable	461,608	555,803	-	27,888	1,045,299
Due from other funds	-	119,665	363,146	261,671	744,482
Total assets	\$ 2,409,396	\$ 1,632,740	\$ 363,146	\$ 401,706	\$ 4,806,988
Liabilities					
Accounts payable	\$ 24,680	\$ 41,485	\$ -	\$ -	\$ 66,165
Due to other funds	744,482	-	-	-	744,482
Due to Cook County	46,426	-	-	747	47,173
Unearned revenue	58,750	-	-	-	58,750
Total liabilities	874,338	41,485	-	747	916,570
Deferred Inflows of Resources					
Property taxes	461,608	540,130	-	27,144	1,028,882
Total liabilities and deferred inflows of resources	1,335,946	581,615	-	27,891	1,945,452
Fund Balances					
Restricted for debt service	-	-	363,146	-	363,146
Restricted for general assistance	-	-	-	118,620	118,620
Restricted for tort liability	-	-	-	129,058	129,058
Restricted for road and bridge	-	1,051,125	-	-	1,051,125
Assigned for capital outlay	-	-	-	126,137	126,137
Unassigned	1,073,450	-	-	-	1,073,450
Total fund balances	1,073,450	1,051,125	363,146	373,815	2,861,536
Total liabilities, deferred inflows of resources and fund balances	\$ 2,409,396	\$ 1,632,740	\$ 363,146	\$ 401,706	\$ 4,806,988

See accompanying notes.

**Lemont Township
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
March 31, 2018**

Total fund balance - governmental funds (page 15)	\$ 2,861,536
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,303,896
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	1,028,882
Deferred outflows of resources related to the net pension liability are not deferred in the governmental funds.	92,443
Deferred inflows of resources related to the net pension liability are not deferred in the governmental funds.	(171,488)
Pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(189,353)
Long-term liabilities, including capital lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(25,609)</u>
Net position of governmental activities (page 11)	<u>\$ 17,900,307</u>

See accompanying notes.

Lemont Township
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
For the Year Ended March 31, 2018

	General Town	Special Revenue Road and Bridge	Debt Service	Nonmajor Funds	Totals Governmental Funds
Revenues:					
Property taxes	\$ 737,418	\$ 918,810	\$ -	\$ 57,935	\$ 1,714,163
Replacement taxes	17,580	21,296	-	-	38,876
Interest income	6,718	1,489	-	184	8,391
RTA fees and grants	20,682	-	-	-	20,682
Medvan income	2,285	-	-	-	2,285
Vehicle stickers	16,000	-	-	-	16,000
Senior citizen fees	2,510	-	-	-	2,510
Youth family income	17,168	-	-	-	17,168
Rental income	50,417	-	-	36,362	86,779
Other income	30,369	2,537	-	7,595	40,501
Total revenues	901,147	944,132	-	102,076	1,947,355
Expenditures:					
General government:					
Administration	304,801	116,932	-	19,007	440,740
Services	221,804	-	-	-	221,804
Supplies and materials	8,712	-	-	-	8,712
Assessor division	73,972	-	-	-	73,972
Human services	126,688	-	-	-	126,688
Other expenditures	135,641	-	-	-	135,641
Road division	-	31,069	-	-	31,069
Building division	-	31,462	-	-	31,462
Equipment division	-	80,827	-	-	80,827
Permanent road improvements	-	411,719	-	-	411,719
Home relief	-	-	-	4,818	4,818
Liability insurance	-	-	-	15,990	15,990
Capital outlay	4,703	-	-	38,866	43,569
Total expenditures	876,321	672,009	-	78,681	1,627,011
Revenues over expenditures	24,826	272,123	-	23,395	320,344
Fund balance, beginning of the year	1,048,624	779,002	363,146	350,420	2,541,192
Fund balance, end of the year	\$ 1,073,450	\$ 1,051,125	\$ 363,146	\$ 373,815	\$ 2,861,536

See accompanying notes.

**Lemont Township
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2018**

Amounts reported for governmental activities in the statement of activities (pages 12 and 13) are different because:

Net changes in fund balance - total governmental funds (page 18)	\$ 320,344
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.	(110,909)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	41,671
The issuance of long-term debt (e.g., bonds and capital leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	24,807
Outflows related to the net pension liability, as well as the change in the net pension liability, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(24,563)</u>
Changes in net position of governmental activities (page 13)	<u>\$ 251,350</u>

See accompanying notes.

**Lemont Township
General Town Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 847,128	\$ 847,128	\$ 737,418	\$ (109,710)
Replacement tax	19,000	19,000	17,580	(1,420)
Interest income	-	-	6,718	6,718
RTA bus fees	-	-	3,552	3,552
RTA bus grant	24,000	24,000	17,130	(6,870)
Medvan income	-	-	2,285	2,285
Vehicle stickers	14,000	14,000	16,000	2,000
Senior citizen fees	-	-	2,510	2,510
Youth and family income	12,000	12,000	17,168	5,168
Rental income	46,000	46,000	50,417	4,417
Other income	30,250	30,250	30,369	119
Total revenues	992,378	992,378	901,147	(91,231)
Expenditures:				
Administration:				
Supervisor salary	23,445	23,445	21,402	2,043
Clerk salary	13,220	13,220	12,071	1,149
Highway commissioner salary	18,498	18,498	16,884	1,614
Trustees' salary	6,830	6,830	6,236	594
Township administrator	50,568	50,568	46,045	4,523
Secretaries/facility managers	57,258	57,258	52,139	5,119
FICA/Medicare	31,094	31,094	28,225	2,869
Major medical insurance	85,039	85,039	77,193	7,846
Group life insurance	1,666	1,666	1,512	154
IMRF expense	61,838	61,838	43,094	18,744
Total administration	349,456	349,456	304,801	44,655
Services:				
Audit	5,450	5,450	5,673	(223)
Bank service charge	5,658	5,658	3,020	2,638
Building operations	46,324	46,324	52,494	(6,170)
Computer support	2,547	2,547	2,652	(105)

(cont'd)

**Lemont Township
General Town Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget (cont'd)
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Services (cont'd):				
Dues	\$ 2,403	\$ 2,403	\$ 1,283	\$ 1,120
Equipment maintenance	5,064	5,064	4,677	387
Legal services	20,464	20,464	22,260	(1,796)
Miscellaneous	36,595	36,595	66,650	(30,055)
Postage	1,500	1,500	801	699
Printing	2,810	2,810	1,500	1,310
Telephone	6,302	6,302	3,364	2,938
Travel and training	7,277	7,277	3,884	3,393
Utilities	36,187	36,187	37,546	(1,359)
Vehicle stickers	14,000	14,000	16,000	(2,000)
Total services	192,581	192,581	221,804	(29,223)
Supplies and materials:				
Office supplies	6,706	6,706	4,028	2,678
Operating supplies	8,776	8,776	4,684	4,092
Total supplies and materials	15,482	15,482	8,712	6,770
Assessor division:				
Assessor/secretary salary	77,448	77,448	70,575	6,873
Dues	562	562	300	262
Office supplies	2,514	2,514	1,342	1,172
Travel and training	177	177	94	83
Computer support	1,539	1,539	1,602	(63)
Printing	111	111	59	52
Total assessor division	82,351	82,351	73,972	8,379
Human services:				
Salaries	98,096	98,096	89,331	8,765
Travel and training	195	195	104	91
DARE/youth program	10,553	10,553	6,589	3,964

(cont'd)

**Lemont Township
General Town Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget (cont'd)
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Human services (cont'd):				
Handicap vehicle program	\$ 6,815	\$ 6,815	\$ 8,014	\$ (1,199)
Senior program	7,863	7,863	4,910	2,953
Counseling services	480	480	300	180
Family assistance	25,088	25,088	15,664	9,424
Operating supplies	353,847	353,847	1,776	352,071
Total human services	502,937	502,937	126,688	376,249
Other expenditures:				
Building expense	45,345	45,345	38,720	6,625
Historical contributions	150	150	1,000	(850)
LEMA contribution	25,000	25,000	-	25,000
Marketing	17,798	17,798	9,497	8,301
Transportation – RTA dial-a-ride	69,306	69,306	81,862	(12,556)
Transportation – PACE bus	3,879	3,879	4,562	(683)
Total other expenditures	161,478	161,478	135,641	25,837
Capital outlay:				
Building equipment	123	123	105	18
Office equipment	5,384	5,384	4,598	786
Total capital outlay	5,507	5,507	4,703	804
Total expenditures	1,309,792	1,309,792	876,321	433,471
Revenues over expenditures	\$ (317,414)	\$ (317,414)	24,826	\$ 342,240
Fund balance, beginning of the year			1,048,624	
Fund balance, end of the year			\$ 1,073,450	

See accompanying notes.

**Lemont Township
Road and Bridge Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 252,311	\$ 252,311	\$ 156,198	\$ (96,113)
Permanent road property tax	779,165	779,165	762,612	(16,553)
Replacement tax	20,271	20,271	21,296	1,025
Interest	911	911	1,489	578
Other income	3,552	3,453	2,337	(1,116)
Culvert fees	300	300	200	(100)
Total revenues	1,056,510	1,056,411	944,132	(112,279)
Expenditures:				
Administration:				
Administrative salary	33,618	33,618	35,947	(2,329)
Travel	1,411	1,411	957	454
Telephone	2,341	2,341	1,588	753
Printing	312	312	212	100
Audit	5,371	5,371	5,673	(302)
Legal services	6,129	6,129	6,473	(344)
FICA/Medicare	16,814	16,814	17,933	(1,119)
Special services	41	41	28	13
Dues	1,665	1,665	1,130	535
IMRF	15,296	15,296	10,362	4,934
Major medical insurance	10,272	10,272	10,955	(683)
Office supplies	1,600	1,600	1,086	514
Insurance	24,000	24,000	22,804	1,196
Miscellaneous	2,630	2,630	1,784	846
Total administration	121,500	121,500	116,932	4,568
Road division:				
Street lighting	31,500	31,500	24,552	6,948
Gas and oil	20,000	20,000	6,517	13,483
Total road division	51,500	51,500	31,069	20,431

(cont'd)

Lemont Township
Road and Bridge Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget (cont'd)
For the Year Ended March 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Building division:				
Maintenance	\$ 10,394	\$ 10,394	\$ 6,868	\$ 3,526
Supplies	16,442	16,442	10,863	5,579
Utilities	10,700	10,700	7,070	3,630
Capital outlay	10,081	10,081	6,661	3,420
Total building division	47,617	47,617	31,462	16,155
Equipment division:				
Equipment repairs	35,693	35,693	23,584	12,109
Supplies	16,690	16,690	12,724	3,966
Capital outlay	82,460	82,460	44,519	37,941
Total equipment division	134,843	134,843	80,827	54,016
Permanent road improvements:				
Maintenance service	375,953	375,953	226,405	149,548
Labor	217,532	217,532	118,338	99,194
Maintenance supplies	124,055	124,055	66,976	57,079
Total permanent road improvements	717,540	717,540	411,719	305,821
Total expenditures	1,073,000	1,073,000	672,009	400,991
Revenues over (under) expenditures	\$ (16,490)	\$ (16,589)	272,123	\$ 288,712
Fund balance, beginning of the year			779,002	
Fund balance, end of the year			\$ 1,051,125	

See accompanying notes.

Lemont Township
Notes to the Financial Statements

I. Summary of Significant Accounting Policies

A. The Reporting Entity

The Lemont Township (“Township”) 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. The accompanying financial statements include only those funds of the Township, as there are no other organizations for which it has financial accountability.

The accounting policies and financial statements of Lemont 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. The effect of interfund 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 support. All the Township’s activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide 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.

Lemont Township
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

C. **Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

Governmental 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, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which 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. The Township reports the following major governmental funds:

General Town Fund – The General Town Fund is the general operating fund of the Township. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund accounts for the activities associated with the maintenance and repair of Township roads, including snow removal, weed control, culvert permits, road signs and light pole replacement.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Use of Estimates – The preparation of governmental-wide financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the accounting period. Accounting estimates made by the Township include: (1) determining the allowance for uncollectible property taxes, (2) establishing the useful lives for capital assets, and (3) actuarial assumptions used in the calculation of the net pension liability.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity

1. Deposits and Investments

The Township's cash and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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 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 obligation.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

1. Deposits and Investments (cont'd)

- 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.
- Illinois Funds and Illinois Institutional Investment Trust. The Illinois Treasurer's Office has regulatory oversight for the Illinois Funds.

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 are stated at amortized cost. All other investments, which do not consider market rates, are stated at cost. Investment income has been allocated to each fund based on investments held by the fund.

2. Receivables 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). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available resources.

The Township's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half on February 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

2. Receivables and Payables (cont'd)

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 \$913,529,423 for the calendar year 2017. An allowance for uncollected taxes of 3 - 5% of the uncollected 2017 levy was recorded at March 31, 2018.

3. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets, are reported in the government-wide financial statements. The Township defines capital assets as assets with an initial cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition 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. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method, over the following estimated useful lives:

Infrastructure	25 years
Buildings	40 years
Land improvements	20 years
Equipment and vehicles	7 years

4. Deferred Outflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period; they increase net position, similar to assets. Note V. provides further detail on the components of deferred outflow of resources.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

5. Compensated Absences

The Township has no vested or accumulated vacation or sick leave as of March 31, 2018.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as general government expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Deferred Inflow of Resources

Deferred inflows of resources are defined as the receipt of net assets by the government that is applicable to a future reporting period; they decrease net position, similar to liabilities. Note V. provides further detail on the components of deferred inflows of resources.

In the governmental fund financial statements, property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, property taxes are not "available" to finance the current year's expenditures. For those funds on the modified accrual basis of accounting, the current year's tax levy is recorded as property taxes receivable and a deferred inflow of resources.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

8. Fund Equity and Net Position

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

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted net position – consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other net position that does not meet the definition of restricted or invested in capital assets.

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

In the fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. The fund balances for the special revenue and debt service funds are considered restricted, as the source of these fund balances are dedicated property tax revenues.

Committed fund balance is constrained by formal actions, in the form of ordinances, of the Township's Board of Trustees, which is considered the Township's highest level of decision making authority. The modification to or rescinding of a fund balance must be done by passage of an ordinance by the Board of Trustees. The Township has no committed fund balance.

Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. Assignments are made at the Board level. The fund balance in the Capital Projects Fund is considered assigned for the purpose of the fund. The fund balance in the General Fund is considered unassigned.

Lemont Township
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

8. Fund Equity and Net Position (cont'd)

The Township has not adopted a fund balance policy that identifies a certain individual(s) with the authority to assign fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first in the General Fund and unrestricted funds to have been spent first in the other funds.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township follows these procedures in establishing budgetary data reflected in the financial statements:

- The Combined Budget and Appropriations Ordinance is prepared in tentative form by the Township Supervisor and is made available for public inspection thirty days prior to final Board action. A public hearing is held on the tentative Combined Budget and Appropriations Ordinance to obtain taxpayer comments.
- Prior to July 1, the Budget and Appropriations Ordinance is legally enacted.

Lemont Township
Notes to the Financial Statements (cont'd)

II. Stewardship, Compliance and Accountability (cont'd)

A. Budgetary Information (cont'd)

- The Board of Township Trustees may:
 - Amend the Budget and Appropriations Ordinance in the same manner as its original enactment.
 - Transfer between items of any fund not exceeding in the aggregate ten percent (10%) of the total amount appropriated in such fund.
 - After six months of the fiscal year, by two-thirds vote, transfer any appropriation item it anticipates being unexpended to any other appropriation item.

Management cannot amend the Budget and Appropriations Ordinance; however, expenditures may exceed appropriations at the subobject level. The Board of Trustees, as outlined above, must approve expenditures that exceed individual appropriations at the object level. The Board approved amendments to the current year budget.

The Township does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with various legal requirements, which govern the Township.

B. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations at the object level as follows:

	<u>Appropriation</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Services	\$ 192,581	\$ 221,804	\$ 29,223

Lemont Township
Notes to the Financial Statements (cont'd)

III. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund statement of revenues, expenditures and changes in fund balance includes reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains: “Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$110,909 are as follows:

Capital outlay	\$ 202,704
Depreciation expense	<u>(313,613)</u>
Net adjustment to decrease net change in fund balance – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (110,909)</u>

Another element of the reconciliation states: “The issuance of long-term debt (e.g., bonds and capital leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The amount shown of \$24,807 is the current year capital lease payment.

IV. Detailed Notes for All Fund Types and Account Groups

A. Deposits and Investments

Deposits – At year end, the carrying amount of the Township's deposits was \$2,680,335, and the bank balance was \$2,683,616 of which \$2,433,616 was uninsured and uncollateralized. In addition, the Township has funds on deposit with Illinois Institutional Investors Trust and Illinois Funds. The Township's carrying amount of the Illinois Institutional Investors Trust investment was \$98,218, consisting of a money market account. The Township's carrying amount of the Illinois Funds investment was \$238,654. Both investments meet the criteria contained in GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. This allows both Illinois Institutional Investors Trust and Illinois Funds and those local governments investing in these funds to measure its investment at amortized cost. The criteria contained in GASB Statement No. 79 address (1) how the pool interacts with participants, (2) requirements for portfolio maturity, quality, diversification and liquidity, and (3) calculation and requirements of a shadow price.

Lemont Township
Notes to the Financial Statements (cont'd)

IV. Detailed Notes for All Fund Types and Account Groups (cont'd)

A. Deposits and Investments (cont'd)

Interest 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 manage its interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by limiting the amount invested for more than a short term.

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 investments in both the Illinois Institutional Investors Trust and the Illinois Funds are rated "AAAm" by Standard & Poor's.

Custodial Credit Risk – The Township does not have a policy that directly addresses 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. Township deposits with financial institutions are subject to custodial credit risk to the extent balances on deposit with a financial institution exceed federally insured limits.

The Township invests in the Illinois Institutional Investors Trust, a money market fund that invests in high quality short-term U.S. debt securities. The Township also invests in the Illinois Funds, a money market fund in which the funds of individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and in Treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The individual participants in the Illinois Funds maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore, no collateral is identified with each individual participant's account.

Lemont Township
Notes to the Financial Statements (cont'd)

IV. Detailed Notes for All Fund Types and Account Groups (cont'd)

B. Capital Assets

Capital asset activity for the year ended March 31, 2018, was as follows:

	Balance April 1, 2017	Additions	Retirements/ Adjustments	Balance March 31, 2018
Governmental Activities				
Capital assets, not being depreciated – land	\$ 8,288,525	\$ -	\$ -	\$ 8,288,525
Capital assets, being depreciated:				
Infrastructure	15,869,040	167,024	-	16,036,064
Land improvements	1,448,791	-	-	1,448,791
Buildings	4,276,169	35,680	-	4,311,849
Equipment/vehicles	1,094,522	-	-	1,094,522
Total capital assets being depreciated	<u>22,688,522</u>	<u>202,704</u>	<u>-</u>	<u>22,891,226</u>
Less accumulated depreciation for:				
Infrastructure	14,091,317	89,218	-	14,180,535
Land improvements	650,918	72,440	-	723,358
Buildings	888,153	107,796	-	995,949
Equipment/vehicles	931,854	44,159	-	976,013
Total accumulated depreciation	<u>16,562,242</u>	<u>313,613</u>	<u>-</u>	<u>16,875,855</u>
Total capital assets, being depreciated, net	<u>6,126,280</u>	<u>(110,909)</u>	<u>-</u>	<u>6,015,371</u>
Governmental activities' capital assets, net	<u>\$ 14,414,805</u>	<u>\$ (110,909)</u>	<u>\$ -</u>	<u>\$ 14,303,896</u>

Depreciation expense was included with highways and streets expense in the statement of activities.

Lemont Township
Notes to the Financial Statements (cont'd)

IV. Detailed Notes for All Fund Types and Account Groups (cont'd)

C. Interfund Receivables and Payables

The composition of interfund balances as of March 31, 2018, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Road and Bridge	General Town	\$ 119,665
Debt Service	General Town	363,146
Nonmajor Governmental	General Town	261,671
		\$ 744,482

The Township anticipates refunding the interfund balances through future tax revenues or budgeted transfers.

D. Long-term Debt

Capital Lease Obligation

The Township entered into a capital lease obligation to finance the purchase of a Highway Department vehicle. The lease will be paid in five annual installments of \$26,436, which includes interest at an imputed rate of 3.23%, with the initial payment due upon delivery of the truck. Future principal and interest payments are as follows:

Payment Date	Principal	Interest	Total	Interest Rate
10/24/18	\$ 25,609	\$ 827	\$ 26,436	3.23 %

The leased vehicle is included in capital assets with a carrying value of \$63,001 at March 31, 2018. The current year amortization of the vehicle (\$21,000) is included with depreciation expense.

**Lemont Township
Notes to the Financial Statements (cont'd)**

IV. Detailed Notes for All Fund Types and Account Groups (cont'd)

D. Long-term Debt (cont'd)

A summary of the noncurrent liabilities at March 31, 2018, follows:

	<u>Balances April 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances March 31, 2018</u>	<u>Current Liability</u>
Governmental activities:					
Capital lease obligation	\$ 50,416	\$ -	\$ 24,807	\$ 25,609	\$ 25,609
Net pension liability	<u>337,314</u>	<u>-</u>	<u>147,961</u>	<u>189,353</u>	<u>-</u>
	<u>\$ 387,730</u>	<u>\$ -</u>	<u>\$ 172,768</u>	<u>\$ 214,962</u>	<u>\$ 25,609</u>

V. Other Information

A. Employee Retirement System

General Information About the Pension Plan

Plan Description – The Township’s defined benefit pension plan, the Illinois Municipal Retirement Fund (“IMRF”) provides pensions for all full-time employees of the Township. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The types of benefits and benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

At December 31, 2017, the IMRF Plan membership consisted of:

Retirees and beneficiaries	6
Inactive, non-retired members	1
Active members	<u>10</u>
Total	<u>17</u>

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

A. **Employee Retirement System** (cont'd)

General Information About the Pension Plan (cont'd)

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$113,645 and \$112,408 at January 1, 2018 and 2017, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Township is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2018 and 2017 were 12.65 percent and 12.30 percent, respectively. The Township's contribution to the Plan totaled \$53,456 in the current fiscal year which was equal to its annual required contribution.

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

A. **Employee Retirement System** (cont'd)

Net Pension Liability

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

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2017, valuation were based on an actuarial experience study for the period January 1, 2014 – December 31, 2016, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at March 31, 2018, was 26 years.

Mortality Rates – For non-disabled lives, 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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF projection experience. For disabled retirees, an IMRF specific mortality table was used with fully generational scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was 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.

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

A. **Employee Retirement System** (cont'd)

Net Pension Liability (cont'd)

Actuarial Valuation and Assumptions (cont'd)

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	37%	6.85%
International equities	18%	6.75%
Fixed income	29%	3.00%
Real estate	9%	5.75%
Alternatives:	7%	
Private equity		7.35%
Hedge funds		5.05%
Commodities		2.65%
Cash equivalents	1%	2.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 3.31% (based on an index of 20-year general obligation bonds with an average AA credit rating with is published by the Federal Reserve as of December 31, 2017) was utilized, resulting in a single discount rate of 7.50 being used to determine the total pension liability.

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

A. **Employee Retirement System** (cont'd)

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances 12/31/16	\$ 1,786,217	\$ 1,448,903	\$ 337,314
Changes for the year:			
Service cost	50,923	-	50,923
Interest	133,563	-	133,563
Differences between expected and actual experience	10,690	-	10,690
Changes in assumptions	(57,076)	-	(57,076)
Contributions - employer	-	52,206	(52,206)
Contributions - employee	-	19,100	(19,100)
Net investment income	-	248,117	(248,117)
Benefit payments, including refunds of employee contributions	(61,674)	(61,674)	-
Other changes	-	(33,362)	33,362
	\$ 1,862,643	\$ 1,673,290	\$ 189,353
Balances 12/31/17			

Discount Rate Sensitivity – The following presents the net pension liability of the Township, calculated using the discount rate of 7.50%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension (asset) liability	\$ 392,821	\$ 189,353	\$ 17,673

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

A. **Employee Retirement System** (cont'd)

Pension Expense and 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 \$78,019 in the government-wide financial statements. At December 31, 2017, 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>	<u>Net Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,735	\$ -	\$ 29,735
Changes in assumptions	5,807	59,217	(53,410)
Net difference between projected and actual earnings on pension plan investments	<u>41,583</u>	<u>112,271</u>	<u>(70,688)</u>
Subtotal	77,125	171,488	(94,363)
Contributions subsequent to the measurement date	<u>15,318</u>	<u>-</u>	<u>15,318</u>
Total	<u>\$ 92,443</u>	<u>\$ 171,488</u>	<u>\$ (79,045)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending March 31,

2019	\$ (12,951)
2020	(17,437)
2021	(35,908)
2022	<u>(28,067)</u>
Total	<u>\$ (94,363)</u>

Lemont Township
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

B. **Risk Management**

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; or acts of God.

The Township is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), which provides sufficient coverage to reduce the risk of any material loss. There have been no significant reductions in coverage in the current year, and there have been no settlements in excess of coverage in the past three years. The Township made an annual contribution of \$36,780 during the year ended March 31, 2018. The Township received a dividend from TOIRMA of \$5,401 in the current year.

REQUIRED SUPPLEMENTARY INFORMATION

**Lemont Township
Illinois Municipal Retirement Fund
Required Supplementary Information - Multiyear Schedule
of Changes in Net Pension Liability and Related Ratios
Last Ten Calendar Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:			
Service cost	\$ 50,923	\$ 53,892	\$ 50,848
Interest on the total pension liability	133,563	122,884	111,899
Benefit changes	-	-	-
Difference between expected and actual changes	10,690	17,634	35,371
Assumption changes	(57,076)	(32,651)	16,676
Benefit payments and refunds	(61,674)	(50,087)	(45,787)
Net change in total pension liability	76,426	111,672	169,007
Total pension liability - beginning	1,786,217	1,674,545	1,505,538
Total pension liability - ending	\$ 1,862,643	\$ 1,786,217	\$ 1,674,545
Plan fiduciary net position:			
Employer contributions	\$ 52,206	\$ 51,544	\$ 53,183
Employee contributions	19,100	19,410	19,085
Pension plan net investment income	248,117	93,091	6,676
Benefit payments and refunds	(61,674)	(50,087)	(45,787)
Other	(33,362)	5,008	(25,102)
Net change in plan fiduciary net position	224,387	118,966	8,055
Plan fiduciary net position - beginning	1,448,903	1,329,937	1,321,882
Plan fiduciary net position - ending	\$ 1,673,290	\$ 1,448,903	\$ 1,329,937
Net pension liability	\$ 189,353	\$ 337,314	\$ 344,608
Plan fiduciary net position as a percentage of total pension liability	89.83%	81.12%	79.42%
Covered valuation payroll	\$ 424,441	\$ 431,338	\$ 424,103
Net pension liability as a percentage of covered valuation payroll	44.61%	78.20%	81.26%

* The Township adopted GASB 68 in the fiscal year ended March 31, 2016, and will build ten-year history prospectively.

See independent auditor's report.

**Lemont Township
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions - Last 10 Fiscal Years*
March 31, 2017**

Fiscal Year Ended March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2018	\$ 53,456	\$ 53,456	\$ -	\$ 431,157	12.40 %
2017	52,989	52,989	-	440,072	12.04
2016	53,310	53,310	-	428,926	12.43

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	3.50%
Inflation	2.75%
Salary Increases	3.75% to 14.50% Including Inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2102). 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 adjustment 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.

* The Township adopted GASB 68 in the fiscal year ended March 31, 2016, and will build ten-year history prospectively.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

**Lemont Township
Combining Balance Sheet -
Nonmajor Governmental Funds
March 31, 2018**

Assets	<u>Total</u>	<u>General Assistance</u>	<u>Tort Liability</u>	<u>Capital Projects</u>
Current assets:				
Cash and investments:				
Money market	<u>\$ 112,147</u>	<u>\$ 112,147</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investments	112,147	112,147	-	-
Property tax receivable	27,888	20,691	7,197	-
Due from other funds	<u>261,671</u>	<u>5,729</u>	<u>129,805</u>	<u>126,137</u>
Total assets	<u>\$ 401,706</u>	<u>\$ 138,567</u>	<u>\$ 137,002</u>	<u>\$ 126,137</u>
Liabilities				
Due to Cook County	<u>\$ 747</u>	<u>\$ -</u>	<u>\$ 747</u>	<u>\$ -</u>
Deferred Inflows of Resources				
Property taxes	<u>27,144</u>	<u>19,947</u>	<u>7,197</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>27,891</u>	<u>19,947</u>	<u>7,944</u>	<u>-</u>
Fund Balances				
Restricted for general assistance	118,620	118,620	-	-
Restricted for tort liability	129,058	-	129,058	-
Assigned for capital outlay	<u>126,137</u>	<u>-</u>	<u>-</u>	<u>126,137</u>
Total fund balances	<u>373,815</u>	<u>118,620</u>	<u>129,058</u>	<u>126,137</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 401,706</u>	<u>\$ 138,567</u>	<u>\$ 137,002</u>	<u>\$ 126,137</u>

See independent auditor's report.

**Lemont Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended March 31, 2018**

	<u>Total</u>	<u>General Assistance</u>	<u>Tort Liability</u>	<u>Capital Projects</u>
Revenues:				
Property tax revenue	\$ 57,935	\$ 46,268	\$ 11,667	\$ -
Interest income	184	184	-	-
Rental income	36,362	-	-	36,362
Other income	7,595	-	-	7,595
Total revenues	102,076	46,452	11,667	43,957
Expenditures:				
Administration	19,007	8,955	-	10,052
Home relief	4,818	4,818	-	-
Liability insurance	15,990	-	15,990	-
Capital outlay	38,866	-	-	38,866
Total expenditures	78,681	13,773	15,990	48,918
Revenues over (under) expenditures	23,395	32,679	(4,323)	(4,961)
Fund balance, beginning of the year	350,420	85,941	133,381	131,098
Fund balance, end of the year	\$ 373,815	\$ 118,620	\$ 129,058	\$ 126,137

See independent auditor's report.

**Lemont Township
General Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 42,972	\$ 42,972	\$ 46,268	\$ 3,296
Interest	-	-	184	184
Total revenues	<u>42,972</u>	<u>42,972</u>	<u>46,452</u>	<u>3,480</u>
Expenditures:				
Administration:				
Audit	20,000	20,000	5,673	14,327
Light and water	-	-	3,120	(3,120)
Professional supplies	-	-	162	(162)
Total administration	<u>20,000</u>	<u>20,000</u>	<u>8,955</u>	<u>11,045</u>
Home relief:				
Shelter	22,000	22,000	4,245	17,755
Miscellaneous	-	-	463	(463)
Physicians	-	-	110	(110)
Total home relief	<u>22,000</u>	<u>22,000</u>	<u>4,818</u>	<u>17,182</u>
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>13,773</u>	<u>28,227</u>
Revenues over expenditures	<u>\$ 972</u>	<u>\$ 972</u>	<u>32,679</u>	<u>\$ 31,707</u>
Fund balance, beginning of the year			<u>85,941</u>	
Fund balance, end of the year			<u>\$ 118,620</u>	

See independent auditor's report.

**Lemont Township
Tort Liability Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues – property taxes	\$ 13,971	\$ 13,971	\$ 11,667	\$ (2,304)
Expenditures:				
Salaries	2,000	2,000	-	2,000
Tort liability insurance	18,500	18,500	15,990	2,510
Total expenditures	20,500	20,500	15,990	4,510
Revenues under expenditures	\$ (6,529)	\$ (6,529)	(4,323)	\$ 2,206
Fund balance, beginning of the year			133,381	
Fund balance, end of the year			\$ 129,058	

See independent auditor's report.

**Lemont Township
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Actual and Budget
For the Year Ended March 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Rentals	\$ 36,000	\$ 36,000	\$ 36,362	\$ 362
Other income	12,000	12,000	7,595	(4,405)
Total revenues	48,000	48,000	43,957	(4,043)
Expenditures:				
Administrative:				
Legal fees	2,000	2,000	10,052	(8,052)
Capital outlay:				
Dog park maintenance	8,000	8,000	4,452	3,548
Land maintenance	-	-	28,595	(28,595)
Land development	71,200	71,200	2,382	68,818
Path maintenance	-	-	657	(657)
Miscellaneous	-	-	2,780	(2,780)
Total expenditures	81,200	81,200	48,918	32,282
Revenues under expenditures	\$ (33,200)	\$ (33,200)	(4,961)	\$ 28,239
Fund balance, beginning of the year			131,098	
Fund balance, end of the year			\$ 126,137	

See independent auditor's report.