



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2019

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**Lemont Township
Annual Financial Report
For the Year Ended March 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

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Selden Fox

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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, 2019, 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, 2019, 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.

October 10, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Lemont Township
Management's Discussion and Analysis
March 31, 2019**

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, 2019. 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 \$18,359,901 (\$17,900,307 at March 31, 2018). Of the Township's net position at the end of the current and prior year, \$3,516,029 and \$3,622,020, respectively, were available to fund future operations. Of this amount, \$954,115 (\$1,243,692 at March 31, 2018) is restricted for special revenue fund purposes, and \$2,561,914 (\$2,378,328 at March 31, 2018) is unrestricted.
- The Township has adopted GASB Statement No. 68 which resulted in the recognition of a net pension liability of \$393,315 (\$189,353 at March 31, 2018) 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 \$14,843,872 (\$14,303,896 at March 31, 2018).
- The governmental funds reported combined ending fund balance of \$2,733,905, a decrease of \$127,631 or 4.5% from the prior year. Of this amount, \$1,324,074 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>2019</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 3,808,824	\$ 4,062,506
Capital assets, less accumulated depreciation	<u>14,843,872</u>	<u>14,303,896</u>
Total assets	<u>18,652,696</u>	<u>18,366,402</u>
Deferred outflows:		
Pension-related	<u>174,118</u>	<u>92,443</u>
Total assets and deferred outflows	<u>18,826,814</u>	<u>18,458,845</u>
Liabilities:		
Other liabilities	26,737	172,088
Noncurrent liabilities:		
Due within one year	-	25,609
Due in more than one year	<u>393,315</u>	<u>189,353</u>
Total liabilities	<u>420,052</u>	<u>387,050</u>
Deferred inflows:		
Pension-related	<u>46,861</u>	<u>171,488</u>
Total liabilities and deferred inflows	<u>466,913</u>	<u>558,538</u>
Net position:		
Net investment in capital assets	14,843,872	14,278,287
Restricted	954,115	1,243,692
Unrestricted	<u>2,561,914</u>	<u>2,378,328</u>
Total net position	<u>\$ 18,359,901</u>	<u>\$ 17,900,307</u>

Financial Analysis (cont'd)00

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 \$18,652,696 (\$18,366,402 at March 31, 2018). The largest portion of the Township's assets reflects its investment in capital assets of \$14,843,872 (\$14,303,896 at March 31, 2018). 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 (\$3,808,824 and \$4,062,506 at March 31, 2018 and 2018, respectively) is current.

The Township's receivables of \$1,079,841 and \$1,045,299 at March 31, 2019 and 2018, include the property tax receivables for the previous calendar year that will be collected in the upcoming fiscal year. The full 2018 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 2018 as compared to 2017. 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 \$2,728,983 (\$3,017,207 at March 31, 2018). The decrease in cash and investments is due largely to planned usage of cash balances for major road reconstruction in the year ended March 31, 2019.

The largest component of the Township's liabilities is noncurrent liabilities that consists of a net pension liability recognized in accordance with GASB Statement No. 68 of \$393,315 (\$189,353 at March 31, 2018). The Township made the final payment in the current year on a capital lease obligation entered in a prior year with an outstanding balance of \$25,609 at March 31, 2018.

Net position totals \$18,359,901, of which \$14,843,872 represents the net amount of the capital assets less outstanding debt used to acquire them (\$17,900,307 and \$14,278,287, respectively, at March 31, 2018). 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, 2019 and 2018.

Financial Analysis (cont'd)

Condensed Statement of Activities

	For the Year Ended March 31,	
	2019	2018
Program revenues:		
Charges for services	\$ 130,942	\$ 136,238
Grants and contributions	13,879	17,130
General revenues:		
Taxes	1,927,736	1,794,710
Unrestricted investment earnings	11,378	8,392
Miscellaneous/other	99,011	32,556
Total revenues	2,182,946	1,989,026
Expenses:		
General government	906,969	930,112
Highways and streets	799,365	792,162
Health and welfare	16,190	13,773
Interest on long-term debt	828	1,629
Total expenses	1,723,352	1,737,676
Change in net position	459,594	251,350
Net position, beginning of the year	17,900,307	17,648,957
Net position, end of the year	\$ 18,359,901	\$ 17,900,307

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 \$2,038,125 (\$1,835,658), which consist primarily of property tax revenue of \$1,895,294 (\$1,755,834). With the additional charges for services of \$130,942 (\$136,238) and grants and contributions of \$13,879 (\$17,130), the total government-wide revenues were \$2,182,946 (\$1,989,026).

Governmental activities (prior year amounts in parentheses) of the Township had \$1,723,352 (\$1,737,676) in expenses, as detailed above. The interest expense is on the capital lease obligation which was paid off in the current year. Within highways and street services expense is depreciation expense of \$372,158 (\$313,613).

The Township's total revenues exceeded expenses by \$459,594 (\$251,350 for the year ended March 31, 2018). 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 95.5% 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 \$1,024,254, and the Fund’s actual revenues exceeded budgeted expectations by \$64,296. Actual 2019 revenues of \$1,088,550 were an increase of \$187,403 from 2018 revenues. The General Town Fund’s expenditures were \$240,574 less than the budget of \$1,078,500, as management strived to reduce expenses where possible. The biggest savings versus budget were in human services and capital outlay.

Capital Assets – The Township’s investment in capital assets, net of accumulated depreciation, as of March 31, 2018, amounts to \$14,843,872 (\$14,303,896 at March 31, 2018). This investment in capital assets includes land, infrastructure, buildings and equipment. The Township’s net capital assets increased by \$539,976, as additions exceeded depreciation. 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, of \$25,609 was paid in full in the current year. 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 (1,959 stickers sold)
- Dog Park memberships (35 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 4,830 riders; 29 adults, 3,195 seniors, 1,594 disabled, 8 students and 4 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, many residents and school children have enjoyed educational programs on the walking path, highlighting the various plants in our Sanctuary. 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 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.

Located on the same cell tower, Verizon Wireless provided \$20,369.38 in revenue, and AT&T provided \$16,586.02. The resulting \$36,955.40 in annual revenue was used to offset the ongoing maintenance of the 50+ acre Heritage Woodland Sanctuary, thus decreasing the dependence on taxpayers to maintain this wonderful treasure.

Lemont Township Community Center is available seven days a week, 365 days per year. Again, we are thankful for the partnership with Citgo Lemont Refinery in building this facility; allowing us to deliver more services to our residents through their generous support.

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 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, 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 500 tons of our salt allocation. Working with a mix of employees and contractors allows us to save taxpayers money and get a great deal of work accomplished. We thank Highway Commissioner Mark Labno and his 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.

The Assessor's office assists residents with analyzing and appealing valuations. The office also processes building permits, and maintains a database containing assessed values, sales and transfers information.

During this fiscal year, we launched a new Township website which enables us to connect our services with our residents and visitors. We have also entered into an agreement with the Village of Lemont, and LTAP Acquisition, LLC, to allow the construction of an adventure park "The Forge" on Township Quarry property.

Lemont Township board has decided to take the first step in combining Township facilities. Our Warner Ave. offices will be moved into the Alba Street Community Center, this will provide cost savings and more efficient use of Township staff. The building plans are being finalized with our architect and the goal is to break ground in the spring of 2020. The result will be to have one Township Facility with all staff located at one site. The future of the Warner Avenue aka. "Witkowski Center" is being evaluated.

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

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**Lemont Township
Statement of Net Position
March 31, 2019**

Assets	
Cash and investments:	
General checking	\$ 167,425
Money market	2,217,449
Illinois Funds	243,720
Illinois Institutional Trust	100,389
Total cash and investments	2,728,983
Property taxes receivable	1,079,841
Capital assets, not being depreciated	8,288,525
Capital assets, less accumulated depreciation	6,555,347
Total assets	18,652,696
Deferred Outflows of Resources	
Pension-related	174,118
Total assets and deferred outflows of resources	18,826,814
Liabilities	
Accounts payable	22,087
Security deposits held	4,650
Net pension liability	393,315
Total liabilities	420,052
Deferred Inflows of Resources	
Pension-related	46,861
Total liabilities and deferred inflows of resources	466,913
Net Position	
Net investment in capital assets	14,843,872
Restricted for:	
General assistance	149,777
Tort liability	104,293
Road and bridge services	700,045
Unrestricted	2,561,914
Total net position	\$ 18,359,901

See accompanying notes.

**Lemont Township
Statement of Activities
For the Year Ended March 31, 2019**

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>
Governmental activities:		
General government	\$ 906,969	\$ 130,942
Highways and streets	799,365	-
Health and welfare	16,190	-
Interest on long-term debt	828	-
Total governmental activities	<u>\$ 1,723,352</u>	<u>\$ 130,942</u>

See accompanying notes.

<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
\$ 13,879	\$ -	\$ (762,148)
-	-	(799,365)
-	-	(16,190)
-	-	(828)
<u>\$ 13,879</u>	<u>\$ -</u>	<u>(1,578,531)</u>

General revenues:

Taxes:

Property	1,895,294
Replacement	32,442
Unrestricted investment earnings	11,378
Miscellaneous	<u>99,011</u>

Total general revenues 2,038,125

Changes in net position 459,594

Net position, beginning of the year 17,900,307

Net position, end of the year \$ 18,359,901

**Lemont Township
Balance Sheet - Governmental Funds
March 31, 2019**

	<u>General Town</u>	<u>Road and Bridge</u>	<u>Debt Service</u>
Assets			
Cash and investments:			
Checking	\$ 141,348	\$ 26,077	\$ -
Money market	1,592,153	483,642	-
Illinois Funds	243,720	-	-
Illinois Institutional Trust	100,389	-	-
	<u>2,077,610</u>	<u>509,719</u>	<u>-</u>
Total cash and investments			
Property taxes receivable	455,219	593,781	-
Due from other funds	-	142,468	363,146
	<u>-</u>	<u>142,468</u>	<u>363,146</u>
Total assets	<u>\$ 2,532,829</u>	<u>\$ 1,245,968</u>	<u>\$ 363,146</u>
Liabilities			
Accounts payable	\$ 16,295	\$ 5,792	\$ -
Due to other funds	746,084	-	-
Security deposits held	4,650	-	-
	<u>767,029</u>	<u>5,792</u>	<u>-</u>
Total liabilities			
Deferred Inflows of Resources			
Property taxes	441,726	576,673	-
	<u>441,726</u>	<u>576,673</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,208,755</u>	<u>582,465</u>	<u>-</u>
Fund Balances			
Restricted for debt service	-	-	363,146
Restricted for general assistance	-	-	-
Restricted for tort liability	-	-	-
Restricted for road and bridge	-	663,503	-
Assigned for capital outlay	-	-	-
Unassigned	1,324,074	-	-
	<u>1,324,074</u>	<u>663,503</u>	<u>363,146</u>
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,532,829</u>	<u>\$ 1,245,968</u>	<u>\$ 363,146</u>

See accompanying notes.

Nonmajor Funds	Totals Governmental Funds
\$ -	\$ 167,425
141,654	2,217,449
-	243,720
-	100,389
141,654	2,728,983
30,841	1,079,841
240,470	746,084
\$ 412,965	\$ 4,554,908
\$ -	\$ 22,087
-	746,084
-	4,650
-	772,821
29,783	1,048,182
29,783	1,821,003
-	363,146
147,231	147,231
104,200	104,200
-	663,503
131,751	131,751
-	1,324,074
383,182	2,733,905
\$ 412,965	\$ 4,554,908

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**Lemont Township
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
March 31, 2019**

Total fund balance - governmental funds (page 15)	\$ 2,733,905
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.	14,843,872
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	1,048,182
Deferred outflows of resources related to the net pension liability are not deferred in the governmental funds.	174,118
Deferred inflows of resources related to the net pension liability are not deferred in the governmental funds.	(46,861)
Pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(393,315)</u>
Net position of governmental activities (page 11)	<u>\$ 18,359,901</u>

See accompanying notes.

Lemont Township
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
For the Year Ended March 31, 2019

	General Town	Special Revenue Road and Bridge	Debt Service
Revenues:			
Property taxes	\$ 866,785	\$ 950,735	\$ -
Replacement taxes	15,665	16,777	-
Interest income	9,892	1,239	-
RTA fees and grants	17,568	-	-
Medvan income	1,595	-	-
Vehicle stickers	23,985	-	-
Senior citizen fees	950	-	-
Youth family income	17,581	-	-
Rental income	44,712	-	-
Other income	89,817	9,403	-
	<u>1,088,550</u>	<u>978,154</u>	<u>-</u>
Total revenues			
Expenditures:			
General government:			
Administration	322,141	110,212	-
Services	180,684	-	-
Supplies and materials	2,800	-	-
Assessor division	74,316	-	-
Human services	126,547	-	-
Other expenditures	116,302	-	-
Road division	-	31,235	-
Building division	-	19,731	-
Equipment division	-	313,601	-
Permanent road improvements	-	890,997	-
Home relief	-	-	-
Liability insurance	-	-	-
Capital outlay	15,136	-	-
	<u>837,926</u>	<u>1,365,776</u>	<u>-</u>
Total expenditures			
Revenues over (under) expenditures			
	250,624	(387,622)	-
Fund balance, beginning of the year	<u>1,073,450</u>	<u>1,051,125</u>	<u>363,146</u>
Fund balance, end of the year	<u>\$ 1,324,074</u>	<u>\$ 663,503</u>	<u>\$ 363,146</u>

See accompanying notes.

Nonmajor Funds	Totals Governmental Funds
\$ 58,475	\$ 1,875,995
-	32,442
247	11,378
-	17,568
-	1,595
-	23,985
-	950
-	17,581
36,955	81,667
1,265	100,485
<u>96,942</u>	<u>2,163,646</u>
9,138	441,491
-	180,684
-	2,800
-	74,316
-	126,547
-	116,302
-	31,235
-	19,731
-	313,601
-	890,997
7,097	7,097
38,795	38,795
32,545	47,681
<u>87,575</u>	<u>2,291,277</u>
9,367	(127,631)
<u>373,815</u>	<u>2,861,536</u>
<u>\$ 383,182</u>	<u>\$ 2,733,905</u>

**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, 2019**

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)	\$ (127,631)
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 capital outlays exceed depreciation in the current period.	539,976
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	19,299
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.	25,609
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.	2,341
Changes in net position of governmental activities (page 13)	\$ 459,594

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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 912,854	\$ 912,854	\$ 866,785	\$ (46,069)
Replacement tax	18,000	18,000	15,665	(2,335)
Interest income	-	-	9,892	9,892
RTA bus fees	18,800	18,800	3,689	(15,111)
RTA bus grant	-	-	13,879	13,879
Medvan income	-	-	1,595	1,595
Vehicle stickers	12,000	12,000	23,985	11,985
Senior citizen fees	-	-	950	950
Youth and family income	20,000	20,000	17,581	(2,419)
Rental income	37,600	37,600	44,712	7,112
Other income	5,000	5,000	89,817	84,817
Total revenues	1,024,254	1,024,254	1,088,550	64,296
Expenditures:				
Administration:				
Supervisor salary	20,000	20,000	20,119	(119)
Clerk salary	12,000	12,000	12,071	(71)
Highway commissioner salary	15,500	15,500	15,592	(92)
Trustees' salary	6,400	6,400	6,386	14
Township administrator	44,000	44,000	47,005	(3,005)
Secretaries/facility managers	50,400	50,400	53,858	(3,458)
FICA/Medicare	29,100	29,100	31,238	(2,138)
Major medical insurance	82,500	82,500	87,873	(5,373)
Group life insurance	1,400	1,400	1,512	(112)
IMRF expense	40,400	40,400	43,150	(2,750)
Payroll service	3,100	3,100	3,337	(237)
Total administration	304,800	304,800	322,141	(17,341)
Services:				
Audit	7,800	7,800	5,598	2,202
Bank service charge	6,200	6,200	3,427	2,773
Building operations	59,500	59,500	43,922	15,578
Computer support	5,700	5,700	5,311	389

(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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Services (cont'd):				
Dues	\$ 12,800	\$ 12,800	\$ 7,061	\$ 5,739
Equipment maintenance	2,700	2,700	2,782	(82)
Legal services	29,700	29,700	21,396	8,304
Miscellaneous	5,000	5,000	18,998	(13,998)
Postage	1,900	1,900	1,069	831
Printing	400	400	235	165
Telephone	5,950	5,950	3,246	2,704
Travel and training	3,400	3,400	1,901	1,499
Utilities	56,700	56,700	41,693	15,007
Vehicle stickers	20,000	20,000	24,045	(4,045)
Total services	217,750	217,750	180,684	37,066
Supplies and materials:				
Office supplies	2,900	2,900	2,800	100
Total supplies and materials	2,900	2,900	2,800	100
Assessor division:				
Assessor/secretary salary	67,900	67,900	71,391	(3,491)
Office supplies	4,600	4,600	2,533	2,067
Travel and training	700	700	392	308
Total assessor division	73,200	73,200	74,316	(1,116)
Human services:				
Salaries	86,800	86,800	92,820	(6,020)
Travel and training	100	100	28	72
DARE/youth program	7,700	7,700	6,609	1,091
Handicap vehicle program	98,000	98,000	4,085	93,915
Senior program	4,400	4,400	3,790	610
Counseling services	1,100	1,100	975	125

(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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Human services (cont'd):				
Family assistance	\$ 19,400	\$ 19,400	\$ 16,662	\$ 2,738
Operating supplies	2,700	2,700	1,578	1,122
Total human services	220,200	220,200	126,547	93,653
Other expenditures:				
LEMA contribution	35,000	35,000	23,781	11,219
Marketing	8,300	8,300	4,560	3,740
Transportation – RTA dial-a-ride	14,150	14,150	10,865	3,285
Transportation – PACE salaries	65,500	65,500	71,343	(5,843)
Transportation – PACE bus	6,700	6,700	5,753	947
Total other expenditures	129,650	129,650	116,302	13,348
Capital outlay:				
Building equipment	55,000	55,000	-	55,000
Office equipment	75,000	75,000	15,136	59,864
Total capital outlay	130,000	130,000	15,136	114,864
Total expenditures	1,078,500	1,078,500	837,926	240,574
Revenues over (under) expenditures	\$ (54,246)	\$ (54,246)	250,624	\$ 304,870
Fund balance, beginning of the year			1,073,450	
Fund balance, end of the year			\$ 1,324,074	

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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 268,975	\$ 268,975	\$ 161,625	\$ (107,350)
Permanent road property tax	830,629	830,629	789,110	(41,519)
Replacement tax	19,000	19,000	16,777	(2,223)
Interest	400	400	1,239	839
Other income	4,100	4,100	9,303	5,203
Culvert fees	200	200	100	(100)
Total revenues	1,123,304	1,123,304	978,154	(145,150)
Expenditures:				
Administration:				
Administrative salary	37,400	37,400	39,560	(2,160)
Travel	1,300	1,300	575	725
Printing	200	200	100	100
Audit	-	-	5,598	(5,598)
Legal services	-	-	2,986	(2,986)
FICA/Medicare	12,951	12,951	13,619	(668)
Dues	3,500	3,500	1,523	1,977
IMRF	15,000	15,000	15,915	(915)
Major medical insurance	23,644	23,644	21,339	2,305
Office supplies	3,200	3,200	1,427	1,773
Insurance	300	300	294	6
Payroll service	6,000	6,000	2,635	3,365
Miscellaneous	2,200	2,200	4,641	(2,441)
Total administration	105,695	105,695	110,212	(4,517)
Road division:				
Street lighting	26,000	26,000	22,641	3,359
Gas and oil	12,500	12,500	8,594	3,906
Total road division	38,500	38,500	31,235	7,265

(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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):				
Building division:				
Supplies	\$ 40,500	\$ 40,500	\$ 12,507	\$ 27,993
Utilities	16,500	16,500	7,224	9,276
Total building division	57,000	57,000	19,731	37,269
Equipment division:				
Equipment repairs	14,300	14,300	7,281	7,019
Supplies	40,700	40,700	18,939	21,761
Capital outlay	150,000	150,000	287,381	(137,381)
Total equipment division	205,000	205,000	313,601	(108,601)
Permanent road improvements:				
Maintenance service	644,840	644,840	687,365	(42,525)
Labor	125,465	125,465	138,426	(12,961)
Maintenance supplies	58,882	58,882	65,206	(6,324)
Total permanent road improvements	829,187	829,187	890,997	(61,810)
Total expenditures	1,235,382	1,235,382	1,365,776	(130,394)
Revenues under expenditures	\$ (112,078)	\$ (112,078)	(387,622)	\$ (275,544)
Fund balance, beginning of the year			1,051,125	
Fund balance, end of the year			\$ 663,503	

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 \$891,868,373 for the calendar year 2018. An allowance for uncollected taxes of 3 - 5% of the uncollected 2018 levy was recorded at March 31, 2019.

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.A. 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, 2019.

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. A. 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 Town Fund:			
Administration	\$ 304,800	\$ 322,141	\$ 17,341
Assessor Division	73,200	74,316	1,116
Road and Bridge Fund:			
Administration	105,695	110,212	4,517
Equipment Division	205,000	313,601	108,601
Permanent Road			
Improvements	829,187	890,997	61,810
Tort Liability Fund:			
Tort liability insurance	18,500	38,795	20,295

The excess was funded out of existing fund balances.

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 \$539,976 are as follows:

Capital outlay	\$	912,134
Depreciation expense		<u>(372,158)</u>
Net adjustment to decrease net change in fund balance – total governmental funds to arrive at changes in net position of governmental activities	\$	<u>539,976</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 \$24,609 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 \$2,384,874, and the bank balance was \$2,387,379 of which \$2,137,379 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 \$100,389, consisting of a money market account. The Township's carrying amount of the Illinois Funds investment was \$243,720. 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, 2019, was as follows:

	Balance April 1, 2018	Additions	Retirements/ Adjustments	Balance March 31, 2019
Governmental Activities				
Capital assets, not being depreciated – land	\$ 8,288,525	\$ -	\$ -	\$ 8,288,525
Capital assets, being depreciated:				
Infrastructure	16,036,064	644,080	-	16,680,144
Land improvements	1,448,791	-	-	1,448,791
Buildings	4,311,849	-	-	4,311,849
Equipment/vehicles	1,094,522	268,054	-	1,362,576
Total capital assets being depreciated	22,891,226	912,134	-	23,803,360
Less accumulated depreciation for:				
Infrastructure	14,180,535	116,620	-	14,297,155
Land improvements	723,358	72,440	-	795,798
Buildings	995,949	107,797	-	1,103,746
Equipment/vehicles	976,013	75,301	-	1,051,314
Total accumulated depreciation	16,875,855	372,158	-	17,248,013
Total capital assets, being depreciated, net	6,015,371	539,976	-	6,555,347
Governmental activities' capital assets, net	\$ 14,303,896	\$ 539,976	\$ -	\$ 14,843,872

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, 2019, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road and Bridge	General Town	\$ 142,468
Debt Service	General Town	363,146
Nonmajor Governmental	General Town	240,470
		<u>\$ 746,084</u>

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 was paid off in five annual installments of \$26,436, which include interest at an imputed rate of 3.23%, with the initial payment due upon delivery of the truck and the final payment of \$25,609 and \$827 of principal and interest, respectively, made in the current year.

The leased vehicle is included in capital assets with a carrying value of \$42,001 at March 31, 2019. The current year amortization of the vehicle (\$21,000) is included with depreciation expense.

A summary of the noncurrent liabilities at March 31, 2019, follows:

	<u>Balances April 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances March 31, 2019</u>	<u>Current Liability</u>
Governmental activities:					
Capital lease obligation	\$ 25,609	\$ -	\$ 25,609	\$ -	\$ -
Net pension liability	189,353	203,962	-	<u>393,315</u>	-
	<u>\$ 214,962</u>	<u>\$ 203,962</u>	<u>\$ 25,609</u>	<u>\$ 393,915</u>	<u>\$ -</u>

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

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, 2018, the IMRF Plan membership consisted of:

Retirees and beneficiaries	6
Inactive, non-retired members	1
Active members	<u>11</u>
Total	<u>18</u>

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 \$114,952 and \$113,645 at January 1, 2019 and 2018, 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.

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)

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 2019 and 2018 were 11.30 percent and 12.65 percent, respectively. The Township's contribution to the Plan totaled \$59,604 in the current fiscal year which was equal to its annual required contribution.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2018, 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, 2018, 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, 2018, 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	7.25%
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, 2019, was 25 years.

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

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

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

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.

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%	7.15%
International equities	18%	7.25%
Fixed income	28%	3.75%
Real estate	9%	6.25%
Alternatives:	7%	
Private equity		8.50%
Hedge funds		5.50%
Commodities		3.20%
Cash equivalents	1%	2.50%

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)

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. 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 (7.25%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 3.71% (based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date was utilized, resulting in a single discount rate of 7.25% being used to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances 12/31/17	\$ 1,862,643	\$ 1,673,290	\$ 189,353
Changes for the year:			
Service cost	48,322	-	48,322
Interest	138,731	-	138,731
Differences between expected and actual experience	(15,523)	-	(15,523)
Changes in assumptions	47,975	-	47,975
Contributions - employer	-	59,401	(59,401)
Contributions - employee	-	21,131	(21,131)
Net investment income	-	(86,675)	86,675
Benefit payments, including refunds of employee contributions	(74,119)	(74,119)	-
Other changes	-	21,686	(21,686)
Balances 12/31/18	<u>\$ 2,008,029</u>	<u>\$ 1,614,714</u>	<u>\$ 393,315</u>

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 (cont'd)

Discount Rate Sensitivity – The following presents the net pension liability of the Township, calculated using the discount rate of 7.25%, 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension (asset) liability	\$ 606,401	\$ 393,315	\$ 212,056

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

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

For the year ended March 31, 2019, the Township recognized pension expense of \$57,265 in the government-wide financial statements. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 15,118	\$ 10,795	\$ 4,323
Changes in assumptions	35,546	36,066	(520)
Net difference between projected and actual earnings on pension plan investments	<u>107,932</u>	<u>-</u>	<u>107,932</u>
Subtotal	158,596	46,861	111,735
Contributions subsequent to the measurement date	<u>15,522</u>	<u>-</u>	<u>15,522</u>
Total	<u>\$ 174,118</u>	<u>\$ 46,861</u>	<u>\$ 127,257</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,

2020	\$ 35,093
2021	16,622
2022	17,375
2023	<u>42,645</u>
Total	<u>\$ 111,735</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, 2019. The Township received a dividend from TOIRMA of \$8,750 in the current year allocated between the General Town Fund (\$5,401) and the Road and Bridge Fund (\$3,349).

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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***

	2018
Total pension liability:	
Service cost	\$ 48,322
Interest on the total pension liability	138,731
Benefit changes	-
Difference between expected and actual changes	(15,523)
Assumption changes	47,975
Benefit payments and refunds	(74,119)
	145,386
Net change in total pension liability	145,386
Total pension liability - beginning	1,862,643
Total pension liability - ending	\$ 2,008,029
Plan fiduciary net position:	
Employer contributions	\$ 59,401
Employee contributions	21,131
Pension plan net investment income	(86,675)
Benefit payments and refunds	(74,119)
Other	21,686
	(58,576)
Net change in plan fiduciary net position	(58,576)
Plan fiduciary net position - beginning	1,673,290
Plan fiduciary net position - ending	\$ 1,614,714
Net pension liability	\$ 393,315
Plan fiduciary net position as a percentage of total pension liability	80.41%
Covered valuation payroll	\$ 469,572
Net pension liability as a percentage of covered valuation payroll	83.76%

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

See independent auditor's report.

2017	2016	2015
\$ 50,923	\$ 53,892	\$ 50,848
133,563	122,884	111,899
-	-	-
10,690	17,634	35,371
(57,076)	(32,651)	16,676
(61,674)	(50,087)	(45,787)
76,426	111,672	169,007
1,786,217	1,674,545	1,505,538
<u>\$ 1,862,643</u>	<u>\$ 1,786,217</u>	<u>\$ 1,674,545</u>
\$ 52,206	\$ 51,544	\$ 53,183
19,100	19,410	19,085
248,117	93,091	6,676
(61,674)	(50,087)	(45,787)
(33,362)	5,008	(25,102)
224,387	118,966	8,055
1,448,903	1,329,937	1,321,882
<u>\$ 1,673,290</u>	<u>\$ 1,448,903</u>	<u>\$ 1,329,937</u>
<u>\$ 189,353</u>	<u>\$ 337,314</u>	<u>\$ 344,608</u>
<u>89.83%</u>	<u>81.12%</u>	<u>79.42%</u>
<u>\$ 424,441</u>	<u>\$ 431,338</u>	<u>\$ 424,103</u>
<u>44.61%</u>	<u>78.20%</u>	<u>81.26%</u>

**Lemont Township
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions - Last 10 Fiscal Years*
March 31, 2019**

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
2019	\$ 59,604	\$ 59,604	\$ -	\$ 469,572	12.69 %
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	25 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 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

See independent auditor's report.

SUPPLEMENTARY INFORMATION

**Lemont Township
Combining Balance Sheet -
Nonmajor Governmental Funds
March 31, 2019**

Assets	<u>Total</u>	<u>General Assistance</u>	<u>Tort Liability</u>	<u>Capital Projects</u>
Current assets:				
Cash and investments:				
Money market	<u>\$ 141,654</u>	<u>\$ 141,654</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investments	141,654	141,654	-	-
Property tax receivable	30,841	23,328	7,513	-
Due from other funds	<u>240,470</u>	<u>4,742</u>	<u>103,977</u>	<u>131,751</u>
Total assets	<u>\$ 412,965</u>	<u>\$ 169,724</u>	<u>\$ 111,490</u>	<u>\$ 131,751</u>
Deferred Inflows of Resources				
Property taxes	<u>\$ 29,783</u>	<u>\$ 22,493</u>	<u>\$ 7,290</u>	<u>\$ -</u>
Fund Balances				
Restricted for general assistance	147,231	147,231	-	-
Restricted for tort liability	104,200	-	104,200	-
Assigned for capital outlay	<u>131,751</u>	<u>-</u>	<u>-</u>	<u>131,751</u>
Total fund balances	<u>383,182</u>	<u>147,231</u>	<u>104,200</u>	<u>131,751</u>
Total deferred inflows of resources and fund balances	<u>\$ 412,965</u>	<u>\$ 169,724</u>	<u>\$ 111,490</u>	<u>\$ 131,751</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, 2019

	<u>Total</u>	<u>General Assistance</u>	<u>Tort Liability</u>	<u>Capital Projects</u>
Revenues:				
Property tax revenue	\$ 58,475	\$ 44,538	\$ 13,937	\$ -
Interest income	247	247	-	-
Rental income	36,955	-	-	36,955
Other income	1,265	15	-	1,250
Total revenues	96,942	44,800	13,937	38,205
Expenditures:				
Administration	9,138	9,092	-	46
Home relief	7,097	7,097	-	-
Liability insurance	38,795	-	38,795	-
Capital outlay	32,545	-	-	32,545
Total expenditures	87,575	16,189	38,795	32,591
Revenues over (under) expenditures	9,367	28,611	(24,858)	5,614
Fund balance, beginning of the year	373,815	118,620	129,058	126,137
Fund balance, end of the year	\$ 383,182	\$ 147,231	\$ 104,200	\$ 131,751

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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 46,469	\$ 46,469	\$ 44,538	\$ (1,931)
Interest	-	-	247	247
Other income	-	-	15	15
Total revenues	46,469	46,469	44,800	(1,669)
Expenditures:				
Administration:				
Administrative services	10,000	10,000	-	10,000
Audit	8,200	8,200	5,598	2,602
Light and water	5,400	5,400	2,297	3,103
Professional supplies	1,800	1,800	1,197	603
Total administration	25,400	25,400	9,092	16,308
Home relief:				
Shelter	11,900	11,900	5,100	6,800
Food	100	100	25	75
Personal allowance	1,100	1,100	474	626
Miscellaneous	3,500	3,500	1,498	2,002
Total home relief	16,600	16,600	7,097	9,503
Total expenditures	42,000	42,000	16,189	25,811
Revenues over expenditures	\$ 4,469	\$ 4,469	28,611	\$ 24,142
Fund balance, beginning of the year			118,620	
Fund balance, end of the year			\$ 147,231	

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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues – property taxes	\$ 15,054	\$ 15,054	\$ 13,937	\$ (1,117)
Expenditures:				
Salaries	2,000	2,000	-	2,000
Tort liability insurance	18,500	18,500	38,795	(20,295)
Total expenditures	20,500	20,500	38,795	(18,295)
Revenues under expenditures	\$ (5,446)	\$ (5,446)	(24,858)	\$ (19,412)
Fund balance, beginning of the year			129,058	
Fund balance, end of the year			\$ 104,200	

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, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Rentals	\$ 35,000	\$ 35,000	\$ 36,955	\$ 1,955
Other income	5,000	5,000	1,250	(3,750)
Total revenues	40,000	40,000	38,205	(1,795)
Expenditures:				
Administrative:				
Legal fees	-	-	46	(46)
Capital outlay:				
Dog park maintenance	5,000	5,000	4,514	486
Equipment maintenance	10,000	10,000	515	9,485
Land maintenance	30,000	30,000	25,603	4,397
Path maintenance	15,000	15,000	-	15,000
Miscellaneous	-	-	1,913	(1,913)
Total expenditures	60,000	60,000	32,591	27,409
Revenues over (under) expenditures	\$ (20,000)	\$ (20,000)	5,614	\$ 25,614
Fund balance, beginning of the year			126,137	
Fund balance, end of the year			\$ 131,751	

See independent auditor's report.