

PLAINFIELD TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2019

PLAINFIELD TOWNSHIP, ILLINOIS

FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION

YEAR ENDED MARCH 31, 2019
with
REPORT OF INDEPENDENT AUDITORS

PLAINFIELD TOWNSHIP, ILLINOIS

MARCH 31, 2019

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SENESAC & LENNON, LTD.

CERTIFIED PUBLIC ACCOUNTANTS • PERSONAL FINANCIAL SPECIALISTS

Stephen A. Senesac, CPA/PFS

David D. Lennon, CPA/PFS

Independent Auditor's Report

To the Township Officials
Plainfield, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plainfield Township, Illinois ("Township") as of and for the year then ended March 31, 2019 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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.

Opinion

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 Plainfield Township, Illinois as of March 31, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

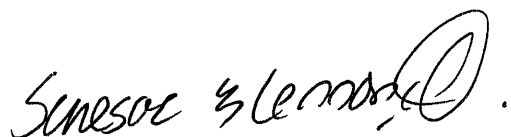
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8; and budgetary comparison information along with employee retirement and postemployment benefit plan information on pages 30 through 38 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 Plainfield Township's basic financial statements. The statistical section on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

A handwritten signature in cursive script, reading "Senesac & Lennon". The signature is written in dark ink and includes a large, stylized loop at the end.

Senesac & Lennon, Ltd.
Joliet, Illinois
October 17, 2019

October 17, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis provides an overview of the Township's financial activities for the fiscal year ending March 31, 2019. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Township's financial statements which immediately follow this analysis.

Using this annual report:

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. For governmental activities, fund financial statements report how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the most significant funds. Additional details for each of the major funds is located within the required supplementary information portion of this report.

As seen in the first chart below, the Township's Net Position remained relatively steady from the previous fiscal year. Cash remains very strong with over \$1,360,000 on hand; which would fund over five months of operations. Fixed Assets which include the Township's land, buildings, and equipment, remained relatively constant as the amount of depreciation expense was offset by approximately \$300,000 of new asset purchases. See footnote #1J for more detailed information on these capitalized assets.

The second chart that follows summarizes the key components of the change in Net Position for both 2019 and 2018. Significant highlights of the FY2019 operations include total general revenues such as real estate taxes increasing by close to \$80,000. Most major categories of expenses remained steady from the previous fiscal year with the exception of personnel-related expenses that were up by about \$115,000, and major maintenance and service costs that increased by about \$50,000. Details and discussions regarding the increases in these expense categories are found within this Management Discussion and Analysis.

Chart #1 – Net Assets:

| | March 31, 2019 | March 31, 2018 |
|---|---------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,360,494 | \$ 1,379,103 |
| Investments | - | - |
| Receivables, net | 2,919,336 | 2,841,915 |
| Other assets | 386,450 | 121,105 |
| Capital assets | 4,422,269 | 4,461,656 |
| Total Assets | <u>\$ 9,088,549</u> | <u>\$ 8,803,779</u> |
| LIABILITIES | | |
| Current liabilities | \$ 641,798 | \$ 383,294 |
| Long-term debt: | | |
| Due within one year | 1,101,227 | 100,000 |
| Due in more than one year | 86,600 | 1,075,000 |
| Total Liabilities | <u>\$ 1,829,625</u> | <u>\$ 1,558,294</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources - pensions | \$ 289,965 | \$ 247,671 |
| Unavailable revenue - property taxes | 2,791,318 | 2,713,005 |
| Total Deferred Inflows of Resources | <u>\$ 3,081,283</u> | <u>\$ 2,960,676</u> |
| NET POSITION | | |
| Invested in capital assets, net of long-term debt | \$ 3,234,442 | 3,286,656 |
| Restricted | 13,643 | 16,749 |
| Unrestricted | 929,556 | 980,404 |
| Total Net Position | <u>\$ 4,177,641</u> | <u>\$ 4,283,809</u> |

Chart #2 – Changes in Net Position:

| | Year-ended March 31, 2019 | Year-ended March 31, 2018 |
|------------------------------------|--|--|
| EXPENSES | | |
| Personnel costs | \$ 1,506,967 | \$ 1,390,254 |
| Outside services | 126,638 | 153,891 |
| Materials and supplies | 248,393 | 274,921 |
| Occupancy costs | 147,391 | 120,093 |
| Interest expense | 44,700 | 43,459 |
| Depreciation expense | 339,697 | 301,450 |
| Major maintenance/service | 483,050 | 436,636 |
| Other expenses | 190,392 | 147,832 |
| Total expenses | <u>\$ 3,087,228</u> | <u>\$ 2,868,536</u> |
| PROGRAM REVENUES | | |
| Charges, grants, and contributions | <u>-</u> | <u>-</u> |

| | | |
|----------------------------------|--------------|--------------|
| Net program expense | \$ 3,087,228 | \$ 2,868,536 |
| GENERAL REVENUES | | |
| Real estate taxes | 2,717,328 | \$ 2,633,991 |
| Other taxes, fines & fees | 92,340 | 113,025 |
| Investment income | 24,278 | 1,171 |
| Miscellaneous | 147,114 | 155,892 |
| Total general revenues | \$ 2,981,060 | \$ 2,904,079 |
| Change in net position | (106,168) | 35,543 |
| Net position - beginning of year | 4,283,809 | 4,248,266 |
| Net position - end of year | \$ 4,177,641 | \$ 4,283,809 |

Plainfield Township - FY 2018-2019

The Township had a management change at the end of November 2018 with included the appointment of a new, Township Administrator. The new administrator was tasked with examining all aspects of the township financial accountability and planning.

Administration

The new administrator restructured the Township administration into two divisions – Finance and Operations. An internal audit of all General Assistance disbursements for the calendar year 2018 was conducted and all accounts verified. A review of all accounting practices was conducted and new policies were created for financial accountability and internal controls. Further, a five-year capital budget and project plan was created and is being used as a blueprint in financial planning.

Township meeting board packets were revised so as to provide all financial transactions including detailed credit card receipts. These packets were included in the web page updates as part of a global improvement to the Township's transparency.

A new receptionist position was created to help manage the increased visitor and service traffic in the Administration building. This position is the first contact for visitors for the Supervisor's Office as well as the Assessor's Office.

An analysis of Township properties and capital assets was conducted with a goal of sustainability and financial planning. The Township Administration Building had a new digital messaging sign installed, and renovation to the current infrastructure is in progress. This renovation will improve the longevity of the building and improve Township services.

A new shuttle bus has been ordered to replace an old bus that has reached the end of its useful life. Since service continues to grow, a planned, replacement program has been established.

The Township Community Center has had several repairs completed this year, and the use of the entire facility continues to grow with new outside community service programs. The Township Board has also

signed a new, five-year Intergovernmental Agreement with the Plainfield Park District ensuring a stable platform for the use of this building.

The Township Cemetery improved its capital equipment with the purchase of a new combination backhoe replacing the 1990 model. They continue to manage new and existing sites and have new financial procedures in place for income revenue.

Assessor's office

The Township Assessor's Office coordinated with the new Administrator on the five-year Capital Budget to anticipate upcoming financial needs of the Assessor's Office. The Assessor's Office continued to be busy with growth in the Township and the 2019 quadrennial reassessment. Staffing was anticipated and adjusted to meet the demands of the extra workload. All properties were reviewed.

Technology continues to be a financial focus in budget planning for the Assessor's Office. The intergovernmental cooperation with Will County and the Township Supervisors' office ensures improved efficiency and updated technology. A new VOIP phone system with direct dial options was installed this year to improve service to the residents.

Continuing education was budgeted for the Assessor's Office for compliance with state certification rules as 2019 marked the start of a new education cycle.

Highway department

The Highway Department continues to meet their vigorous scheduling objectives. The department was restructured after the retirement of a crew member; with the addition of a Street Supervisor and Shop Supervisor to help evenly distribute and manage the workflow. These positions were generated internally and appropriately budgeted.

Several forecasted projects were budgeted for, and completed this year. These projects include:

- Pavement overlay of 143rd Street and County Line Road, Fond Du Lac Subdivision and Crystal Lawns Subdivision,
- The addition of 100' of drainpipe on Renwick Road near County Line Road through the Illinois EPA MS4 Stormwater Project,
- Crossroad culverts added to 135th Street and 143rd Street,
- Miscellaneous driveway culverts were added where needed,
- Installation of 800 feet of drainpipe in Sunnyland Subdivision on Kellogg Street,
- Ditch work completed on various streets in Franklin Heights, Fiday View, and Fond Du Lac Subdivisions to provide better drainage,
- Storm sewer and curb repairs were completed in the Christine Subdivision.

The Highway Department also updated its equipment with the additon of a New 2019, International 7400 SFA truck, with front plow, dump, and wing spreader. This new truck, which had been appropriately accounted for within the Highway's budget, replaced an older 2000 model that was used as a trade-in.

A handwritten signature in black ink, appearing to read 'Tony Fremarek'.

Tony Fremarek
Supervisor
Plainfield Township

PLAINFIELD TOWNSHIP, ILLINOIS
STATEMENT OF NET POSITION
March 31, 2019

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|---|--|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,360,494 | | 1,360,494 |
| Investments | - | | - |
| Receivables, net | 2,919,336 | | 2,919,336 |
| Other assets | 14,010 | | 14,010 |
| Capital assets: | - | | - |
| Land | 629,690 | | 629,690 |
| Construction-in-progress | - | | - |
| Buildings and improvements | 5,060,069 | | 5,060,069 |
| Vehicles and equipment | 2,399,475 | | 2,399,475 |
| Less: accumulated depreciation | (3,666,965) | | (3,666,965) |
| Total Assets | <u>\$ 8,716,109</u> | <u>-</u> | <u>8,716,109</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources related to pensions | <u>\$ 372,440</u> | <u>-</u> | <u>372,440</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 54,123 | | 54,123 |
| Accrued expenses | 86,948 | | 86,948 |
| Pension liability | 500,727 | | 500,727 |
| Long-term debt: | | | |
| Due within one year | 1,101,227 | | 1,101,227 |
| Due in more than one year | 86,600 | | 86,600 |
| Total Liabilities | <u>\$ 1,829,625</u> | <u>-</u> | <u>1,829,625</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of resources related to pensions | \$ 289,965 | | 289,965 |
| Unavailable revenue - property taxes | 2,791,318 | | 2,791,318 |
| Total Deferred Inflows of Resources | <u>\$ 3,081,283</u> | <u>-</u> | <u>3,081,283</u> |
| NET POSITION | | | |
| Invested in capital assets, net of long-term debt | \$ 3,234,442 | | 3,234,442 |
| Restricted for: | | | |
| Capital projects | - | | - |
| Debt service | - | | - |
| Other purposes | 13,643 | | 13,643 |
| Unrestricted | 929,556 | | 929,556 |
| Total Net Position | <u>\$ 4,177,641</u> | <u>\$ -</u> | <u>\$ 4,177,641</u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended March 31, 2019

| | Governmental Activities | | |
|----------------------------------|--------------------------------|-----------------------|----------------------|
| | Total | Administration | Road District |
| EXPENSES | | | |
| Personnel costs | \$ 1,506,967 | 958,048 | 548,919 |
| Outside services | 126,638 | 55,035 | 71,603 |
| Materials and supplies | 248,393 | 74,349 | 174,044 |
| Occupancy costs | 147,391 | 119,191 | 28,200 |
| Interest expense | 44,700 | 40,071 | 4,629 |
| Depreciation expense | 339,697 | 174,730 | 164,967 |
| Major maintenance/service | 483,050 | 90,565 | 392,485 |
| Other expenses | 190,392 | 183,224 | 7,168 |
| Total expenses | \$ 3,087,228 | 1,695,213 | 1,392,015 |
| PROGRAM REVENUES | | | |
| Charges for services | - | - | - |
| Grants and contributions | - | - | - |
| Net program expense | \$ 3,087,228 | 1,695,213 | 1,392,015 |
| GENERAL REVENUES | | | |
| Real estate taxes | 2,717,328 | | |
| Other taxes, fines & fees | 92,340 | | |
| Investment income | 24,278 | | |
| Intergovernment reimbursements | - | | |
| Miscellaneous | 147,114 | | |
| Total general revenues | \$ 2,981,060 | | |
| Change in net position | (106,168) | | |
| Net position - beginning of year | 4,283,809 | | |
| Net position - end of year | \$ 4,177,641 | | |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2019

| | General Town | Road & Bridge | Other Governmental Funds | Total |
|--|-------------------------|------------------------------|---|------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 830,607 | 529,887 | | 1,360,494 |
| Investments | - | - | | - |
| Receivables, net | 1,588,965 | 1,209,640 | | 2,798,605 |
| Other assets | 8,507 | 5,136 | | 13,643 |
| Total Assets | <u>\$ 2,428,079</u> | <u>1,744,663</u> | <u>-</u> | <u>4,172,742</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 36,855 | 17,268 | | 54,123 |
| Accrued expenses | 60,184 | 14,291 | | 74,475 |
| Total Liabilities | <u>\$ 97,039</u> | <u>31,559</u> | <u>-</u> | <u>128,598</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | <u>\$ 1,489,899</u> | <u>1,137,419</u> | | <u>2,627,318</u> |
| Total Deferred Inflows of Resources | <u>\$ 1,489,899</u> | <u>1,137,419</u> | <u>-</u> | <u>2,627,318</u> |
| FUND BALANCES | | | | |
| Nonspendable | \$ - | - | | - |
| Restricted | 8,507 | 5,136 | | 13,643 |
| Committed | - | - | | - |
| Assigned | - | - | | - |
| Unassigned | 832,634 | 570,549 | | 1,403,183 |
| Total Fund Balances | <u>\$ 841,141</u> | <u>575,685</u> | <u>-</u> | <u>1,416,826</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,428,079</u> | <u>1,744,663</u> | <u>-</u> | <u>4,172,742</u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
RECONCILIATION OF THE TOTAL FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
March 31, 2019

| | <u>Total</u> |
|---|---------------------|
| Total Fund Balance - Governmental Funds | \$ 1,416,826 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (net of accumulated depreciation). | 4,422,269 |
| Reimbursements due from the State of Illinois and Will County, Illinois on capital asset disbursements that are not reported within the governmental funds. | 120,731 |
| Long-term debt, including the recently-issued debt certificates, are not due and payable in the current period and, therefore, are not reported in the funds. | (1,187,827) |
| Accrued or Prepaid interest expense on the long-term debt are not included within the funds. | (12,106) |
| Governmental funds report Township pension contributions as expenditures. In the Statement of Activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which the pension benefits earned exceeded Township pension contributions in the current year. | (418,252) |
| Tax revenue recognized under the modified-accrual basis of accounting in the funds, is not recognized in the current period by the government-wide statements which utilize the accrual-basis of accounting. | <u>(164,000)</u> |
| Net Position of governmental activities | <u>\$ 4,177,641</u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended March 31, 2019

| | General Town | Road & Bridge | Other Governmental Funds | Total |
|--|-------------------------|------------------------------|---|------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,473,352 | 1,121,273 | | 2,594,625 |
| Replacement taxes | 31,655 | 60,685 | | 92,340 |
| Investment income | 14,776 | 9,073 | | 23,849 |
| Fines and fees | 42,521 | 7,669 | | 50,190 |
| Intergovernment reimbursements | - | - | | - |
| Other revenue | 89,863 | 7,061 | | 96,924 |
| Total revenues | <u>1,652,167</u> | <u>1,205,761</u> | <u>-</u> | <u>2,857,928</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration/Supervisor | 965,707 | 165,236 | | 1,130,943 |
| Assessor | 281,652 | - | | 281,652 |
| Cemetery | 124,277 | - | | 124,277 |
| Maintenance division | - | 1,052,781 | | 1,052,781 |
| Debt service: | | | | |
| Principal | 100,000 | 24,907 | | 124,907 |
| Interest expense | 40,071 | 4,629 | | 44,700 |
| Capital outlay | 229,981 | 52,705 | | 282,686 |
| Total expenditures | <u>1,741,688</u> | <u>1,300,258</u> | <u>-</u> | <u>3,041,946</u> |
| Excess (deficiency) of revenues over expenditures | <u>(89,521)</u> | <u>(94,497)</u> | <u>-</u> | <u>(184,018)</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers in | - | - | | - |
| Transfers out | - | - | | - |
| Total other sources/(uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (89,521) | (94,497) | - | (184,018) |
| Fund balance - beginning of year | <u>970,911</u> | <u>629,933</u> | <u>-</u> | <u>1,600,844</u> |
| Fund balance - end of year | <u>\$ 881,390</u> | <u>535,436</u> | <u>-</u> | <u>1,416,826</u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
RECONCILIATION OF CHANGE IN FUND BALANCE
WITH CHANGE IN NET ASSETS
YEAR-ENDED MARCH 31, 2019

| | <u>Total</u> |
|--|---------------------|
| Net change in fund balances - total governmental funds | \$ (184,018) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays during the year. | (39,921) |
| Repayment of bond principal is an expenditure in the governmental funds; but is a reduction of long-term liabilities in the Statement of Net Assets. This is the amount of bond repayments during the year. | 124,907 |
| Governmental funds report the issuance of debt as income. Such issuances are not considered revenue within the Statement of Activities. This is the amount of new issued debt during the fiscal year. | (137,734) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. In this case, the decrease in Accrued Interest results in an increase to the change in Net Assets. | 1,160 |
| Governmental funds report Township pension contributions as expenditures. In the Statement of Activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded Township pension contributions in the current year. | 6,735 |
| Tax revenue recognized under the modified-accrual basis of accounting in the funds, is not recognized in the current period by the government- wide statements which utilize the accrual-basis of accounting. | <u>122,703</u> |
| Change in Net Postion of Governmental Activities | <u>\$ (106,168)</u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
March 31, 2019

| | <u>Trust fund</u> |
|------------------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ - |
| Investments | 41,266 |
| Receivables, net | <u>-</u> |
| Total Assets | <u><u>\$ 41,266</u></u> |
| LIABILITIES | |
| Accounts payable | \$ - |
| Refunds payable & other | <u>-</u> |
| Total Liabilities | <u><u>\$ -</u></u> |
| NET ASSETS | |
| Held in trust for pension benefits | <u><u>\$ 41,266</u></u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended March 31, 2019

| | <u>Trust fund</u> |
|--------------------------------|-------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ - |
| Employee | 3,300 |
| Total contributions | <u>3,300</u> |
| Investment earnings | <u>2,845</u> |
| Total additions | <u>\$ 6,145</u> |
| DEDUCTIONS | |
| Benefits/withdrawals | <u>2,528</u> |
| Change in net assets | \$ 3,617 |
| Net assets - beginning of year | <u>37,649</u> |
| Net assets - end of year | <u><u>\$ 41,266</u></u> |

The accompanying notes are an integral part of these financial statements.

PLAINFIELD TOWNSHIP, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Plainfield Township, Illinois (Township) was incorporated in 1850 under the provisions of the State of Illinois. The Township operates under the authority of a supervisor, highway commissioner, assessor, clerk, and board of trustees. In addition to the general management of the Township, administrative and operations support is provided with respect to road and bridge construction and maintenance.

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's individual funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. If applicable, any remaining funds are aggregated and reported as non-major funds.

The Township reports the following major governmental funds:

The *Town Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Road & Bridge Fund* is used to account for the Township's resources and costs of providing street, sidewalk, curb and bridge repairs, snow removal, and winter road salting.

D. Governmental Accounting Standards Board (GASB) Statement No. 54

In a prior fiscal year, the Township adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by clarifying existing governmental fund type definitions. It establishes five new fund balance classifications for governmental funds that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of its resources.

These five categories are as follows:

1. *Nonspendable Fund Balance* – represents assets that will never convert to cash and/or which must be maintained intact pursuant to legal or contractual requirements.
2. *Restricted Fund Balance* – represents resources that are subject to externally enforceable legal restrictions. Such restrictions are typically imposed by such parties as creditors, grantors, contributors or other governments. In a previous year, the Township opened a Health Insurance Account at First Midwest Bank. The March 31, 2019 balance of \$13,643 in that account is restricted for the future health benefits of the employees.
3. *Committed Fund Balance* – describes the portion of fund balance constrained by limitations that the Township imposes upon itself at its highest level of decision making; and which is binding unless removed in the same manner.
4. *Assigned Fund Balance* – represents the portion of fund balance that reflects the Township's intended use of resources. In practical terms, all funds other than the Town Fund would typically be required to report their fund balance in this category.
5. *Unassigned Fund Balance* – any and all residual net resources not categorized above are categorized as unassigned. As per GASB definitions, a Town or General Fund would typically report its surplus as unassigned.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The

basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 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.

The governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

F. Cash, Cash Equivalents and Investments

The Township categorizes all certificates of deposit with a maturity greater than 90 days as an investment. Checking accounts and money market accounts are categorized as cash and cash equivalents.

G. Cash Deposits and Investments

The Township is allowed to make deposits in interest bearing depository accounts in federally insured and/or state-chartered banks, or those financial institutions as designated by ordinances.

Deposits and investments are categorized into the following categories of credit risk:

1. Insured or collateralized with securities held by the Township; such as insurance funds maintained by the FDIC.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.
3. Uncollateralized.

At March 31, 2019, the Township's carrying amount of cash and cash equivalents was \$1,360,494. These bank balances are categorized as follows:

| | |
|------------|--------------------|
| Category 1 | \$ 250,000 |
| Category 2 | 1,110,494 |
| Category 3 | <u>0</u> |
| | <u>\$1,360,494</u> |

At March 31, 2019, the Township's carrying amount of investments was \$41,266; which are stated at fair market value. All this balance is within the Township's Internal Revenue Code Section 457 plan; where the assets are invested in publically-traded mutual funds. These balances are categorized as follows:

| | |
|------------|------------------|
| Category 1 | \$ -0- |
| Category 2 | -0- |
| Category 3 | <u>41,266</u> |
| | <u>\$ 41,266</u> |

H. Management's Use of Estimates

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

I. Deferred Compensation Plan

In accordance with Government Accounting Standards Board (GASB) Statement #32, Plainfield Township is reporting information regarding their I.R.C. Section 457 deferred compensation plan. Because the Township is acting in a fiduciary capacity, the assets of the plan along with a corresponding liability to the plan participants, is reported within the March 31, 2019 balance sheet. Additionally, the net activity of the plan during the year is shown as a separate statement within this audit.

J. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of \$5,000 or more and an estimated useful life more than one year. Such assets are recorded at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Township are depreciated using a straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 15 to 40 |
| Improvements other than buildings | 5 to 40 |
| Infrastructure | 15 to 50 |
| Transportation equipment | 5 to 10 |
| Machinery and equipment | 5 to 15 |

The following is a summary of changes in capital assets for the year ended March 31, 2019:

| | <u>Beginning Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------|-----------------|---------------------------|
| <u>Governmental Activities:</u> | | | | |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings | \$ 4,453,973 | 9,095 | -0- | 4,463,068 |
| Transportation equipment | 848,597 | 182,734 | -0- | 1,031,331 |
| Furniture & fixtures | 62,648 | 9,679 | -0- | 72,327 |
| Improvements | 575,230 | 21,771 | -0- | 597,001 |
| Machinery & equipment | 1,218,786 | 77,031 | -0- | 1,295,817 |
| Total capital assets being depreciated | \$ 7,159,234 | 300,310 | -0- | 7,459,544 |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings | \$ 1,417,058 | 148,466 | -0- | 1,565,524 |
| Transportation equipment | 627,245 | 95,379 | -0- | 722,624 |
| Furniture & fixtures | 59,077 | 1,989 | -0- | 61,066 |
| Improvements | 147,477 | 39,212 | -0- | 186,689 |
| Machinery & equipment | 1,076,411 | 54,651 | -0- | 1,131,062 |
| Total accumulated depreciation | \$3,327,268 | 339,697 | -0- | 3,666,965 |
| Add: Land | 629,690 | -0- | -0- | 629,690 |
| Governmental activities Capital assets, net | \$4,461,656 | (39,387) | -0- | 4,422,269 |

Of the total depreciation expense of \$339,697, \$174,730 is charged to the Town Fund and \$164,967 is charged to the Road District fund.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a

future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. For example, the Township has a situation which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is derived from property taxes and is reported only in the Statement of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amounts becomes available.

L. Change in Accounting Principle regarding pensions

During a prior fiscal year, the Township implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

Under GASB 68, the liability of employers to employees for defined benefit pensions (net pension liability) is required to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. Prior to the issuance of GASB 68, employers reported a pension liability equal to the cumulative difference between the actuarial required contribution, as adjusted, and the actual employer contributions made.

2. ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

| | |
|---|------------------|
| Retirees and Beneficiaries currently receiving benefits | 8 |
| Inactive, Non-Retired Members | 10 |
| Active Plan Members | <u>16</u> |
| Total | <u>34</u> |

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2018 was 10.38 %. For the fiscal year ended March 31, 2019, the Township contributed \$88,011 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|------------------------------------|---|
| Domestic Equity | 37% | 7.15% |
| International Equity | 18% | 7.25% |
| Fixed Income | 28% | 3.75% |
| Real Estate | 9% | 6.25% |
| Alternative Investments | 7% | 3.20 – 8.50% |
| Cash Equivalents | 1% | 2.50% |
| TOTAL | 100% | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) – (B) |
|--|--|--|--|
| Balances at December 31, 2017 | <u>\$2,402,550</u> | <u>\$2,100,449</u> | <u>\$302,101</u> |
| Changes for the year: | | | |
| Service Cost | 76,005 | - | 76,005 |
| Interest on the Total Pension Liability | 179,759 | - | 179,759 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (70,343) | - | (70,343) |
| Changes of Assumptions | 87,330 | - | 87,330 |
| Contributions – Township | - | 88,126 | (88,126) |
| Contributions – Employees | - | 38,281 | (38,281) |
| Net Investment Income | - | (105,368) | 105,368 |
| Benefit Payments, including Refunds of Employee Contributions | (87,536) | (87,536) | - |
| Other (Net transfer) | - | 32,776 | 32,776 |
| Net Changes | <u>185,215</u> | <u>(33,721)</u> | <u>218,936</u> |
| Balances at December 31, 2018 | <u>\$2,587,765</u> | <u>\$2,066,728</u> | <u>\$521,037</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

| | 1% Lower (6.25%) | Current Discount (7.25%) | 1% Higher (8.25%) |
|------------------------------|-----------------------------|-------------------------------------|------------------------------|
| Net Pension Liability | <u>\$924,840</u> | <u>\$521,037</u> | <u>\$198,846</u> |

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

For the year ended March 31, 2019, the Township recognized net pension benefits of \$6,727. At March 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---------------------------------------|--------------------------------------|
| <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i> | | |
| Differences between expected and actual experience | \$37,378 | \$128,517 |
| Changes in assumptions | 91,223 | 56,633 |
| Net difference between projected and actual earnings on pension plan investments | <u>243,839</u> | <u>104,815</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | <u>372,440</u> | <u>289,965</u> |
| <i>Pension Contributions made subsequent to the Measurement Date</i> | <u>20,310</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u><u>\$392,750</u></u> | <u><u>\$289,965</u></u> |

The Township's contributions subsequent to the measurement date of \$20,310 will be recognized as a reduction of the net pension liability in the year ending March 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Year Ending December 31 | Net Deferred Outflows of Resources |
|--------------------------------|---|
| 2019 | \$ 21,344 |
| 2020 | (319) |
| 2021 | 8,239 |
| 2022 | 51,756 |
| 2023 | 1,455 |
| Thereafter | <u>-0-</u> |
| Total | <u>\$ 82,475</u> |

3. BUDGETS

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

- a) Formal budget integration is employed as a management control device during the year for the Town, Road District, and other funds. These budgets are adopted on a cash-basis of accounting. See Note 1 for more information on the Township's other significant accounting policies.
- b) The Township Board of Trustees approves, by ordinance, the budget appropriations for all of the funds. Any revisions that alter the appropriations must be approved by the Board.
- c) Unused appropriations for all of the budgeted funds lapse at the end of the year.
- d) The budget amounts shown in the required supplementary information represent both the original and final authorized amounts for the year. The actual amounts reported in this information are shown under the cash-basis method of accounting.

4. REVENUE RECOGNITION-PROPERTY TAXES

All aspects of the assessment and collection of property taxes are handled by Will County, Illinois. See the separate schedule within the Other Information for the extended tax rates, levies, and assessed valuations.

Property taxes from Will County, Illinois attach as an enforceable lien on property as of January 1 of the levy year. For the 2017 levy, the taxes became due and payable in two, equal installments – on June 1, 2018 and September 1, 2018. All unpaid taxes became delinquent on June 2, 2018 and September 2, 2018.

5. LONG TERM DEBT

In 2005 the Township issued \$2,000,000 of 4% debt certificates that were owned exclusively by First Midwest Bank. The certificates were issued as "qualified tax-exempt obligations" pursuant to Internal Revenue Code Section 265. These bonds were issued utilizing a 20-year amortization with a 10-year balloon payment of \$975,000 that was due January 2015.

On May 1, 2014, the Township obtained a \$500,000 line-of-credit from First Midwest Bank. The six-month loan assessed interest at a 3.25% rate on the full outstanding balance; with all principal due on November 1, 2014. On that date, the \$500,000 principal balance was extended in anticipation of consolidating both the line-of-credit and the balloon payment due January 2015 on the 2005 bonds.

On January 26, 2015, the Township successfully executed and issued \$1,475,000 of Series 2015 bonds as a means for paying off the two previously mentioned debts. Similar to the 2005 bond issue, First Midwest Bank is the registered owner of all the debt. The bonds bear interest at a rate of 3.5% and pay interest semi-annually on July 1st and October 1st of each year commencing July 1, 2015. Principal payments of \$100,000 will begin on December 1, 2015; with all remaining principal due January 26, 2020. The bonds are secured by all assets of the Township.

In May 2018, the Township purchased a 2019 International Model 7400 SFA 4x2 truck at a cost of \$137,734. The purchase was financed via a five-year, 4.28% loan with Kansas Statebank. Terms require annual principal-and-interest payments of \$29,903 due each May 15th.

The aggregate future maturities of both loans are as follows:

| | |
|----------------|---------------------|
| March 31, 2020 | \$ 1,101,227 |
| March 31, 2021 | 27,616 |
| March 31, 2022 | 29,081 |
| March 31, 2023 | 29,903 |
| Thereafter | <u>-0-</u> |
| | <u>\$ 1,187,827</u> |

At March 31, 2018, the total long-term debt was \$1,175,000. During fiscal-year 2019, \$137,734 was borrowed (as per above) for the purchase of a 2019 International 7400 truck. \$124,907 was paid on the two loans during the year; resulting in a March 31, 2019 outstanding debt balance of \$1,187,827.

6. SUBSEQUENT EVENTS

No events have occurred subsequent to March 31, 2019 that are required to be disclosed in these financial statements. This evaluation was made as of October 17, 2019, the date these financial statements were available to be issued.

7. UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require the Township's management to evaluate tax positions taken by the Township and recognize a tax liability if the Township has taken an uncertain position that more than likely would not be sustained upon examination by applicable taxing authorities. Management has analyzed the tax positions taken by the Township and has concluded that as of March 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Township is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

REQUIRED
SUPPLEMENTARY INFORMATION

PLAINFIELD TOWNSHIP, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2019

1. Significant accounting policies

The budgetary comparison schedules on the following pages use the same format and classifications as the Township's budget document. These comparison schedules are prepared on the GAAP basis and agree to the basic financial statements presented in the earlier portion of this audit report.

PLAINFIELD TOWNSHIP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
TOWN FUND
YEAR ENDED MARCH 31, 2019

| | Final Budget | Actual Amounts | Variance |
|-----------------------------------|--------------|-------------------|----------|
| <u>Resources:</u> | | | |
| Property tax | \$ 1,544,267 | 1,473,352 | (70,915) |
| Replacement tax | 34,000 | 31,655 | (2,345) |
| Interest income | 250 | 14,776 | 14,526 |
| Cemetery Trust (Perpetual Care) | 48,800 | 585 | (48,215) |
| Miscellaneous Cemetery Income | 61,950 | 70,284 | 8,334 |
| Miscellaneous income | 54,350 | 61,515 | 7,165 |
| Total resources available | \$ 1,743,617 | 1,652,167 | (91,450) |
| <u>Charges to appropriations:</u> | | | |
| <u>Supervisor Division</u> | | | |
| Personnel services: | | | |
| Salaries | \$ 455,000 | 458,493 | (3,493) |
| Social Security tax | 40,000 | 37,236 | 2,764 |
| State unemployment tax | 5,000 | 3,327 | 1,673 |
| IMRF | 40,000 | 35,206 | 4,794 |
| | 540,000 | 534,262 | 5,738 |
| Contractual services: | | | |
| Health insurance | 45,000 | 36,381 | 8,619 |
| Maintenance | 75,000 | 38,414 | 36,586 |
| Security Personnel | 1,000 | 650 | 350 |
| Accounting | 10,000 | 15,622 | (5,622) |
| Legal | 8,000 | 3,339 | 4,661 |
| Postage | 4,000 | 3,928 | 72 |
| Telephone/Internet | 9,000 | 7,077 | 1,923 |
| Engineering | 500 | - | 500 |
| Publishing/Advertising | 1,000 | 756 | 244 |
| Printing | 1,500 | 620 | 880 |
| Rental fees | 1,000 | - | 1,000 |
| Dues/Subscriptions | 2,500 | 2,757 | (257) |
| Travel/Mileage | 2,000 | 360 | 1,640 |
| Training/Meeting | 3,000 | 4,531 | (1,531) |
| IT Services/Website | 35,000 | 28,453 | 6,547 |
| Utilities | 25,000 | 26,831 | (1,831) |
| Toirma Insurance | 33,000 | 24,201 | 8,799 |
| Weed enforcement | 4,000 | 2,065 | 1,935 |
| Emergency/Stormwater | 40,000 | 17,400 | 22,600 |
| 1/2 Fare Taxi Program | 1,000 | - | 1,000 |
| Shuttle bus maintenance | 8,000 | 8,339 | (339) |
| Senior services | 5,000 | 2,076 | 2,924 |
| Senior coordinator share | 60,000 | 37,717 | 22,283 |
| Administrative Services | 1,000 | - | 1,000 |
| Community services | 10,000 | 6,414 | 3,586 |

PLAINFIELD TOWNSHIP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
TOWN FUND
YEAR ENDED MARCH 31, 2019

| | Final Budget | Actual Amounts | Variance |
|--|---------------------|-------------------|----------------|
| Mosquito abatement | 46,000 | 69,015 | (23,015) |
| Youth services | 15,000 | 15,249 | (249) |
| Abilities Team | 7,500 | 3,030 | 4,470 |
| Handicap transit | 14,000 | 12,669 | 1,331 |
| | <u>468,000</u> | <u>367,894</u> | <u>100,106</u> |
| Commodities: | | | |
| Office supplies | 8,000 | 6,280 | 1,720 |
| Operating supplies | 5,000 | 7,625 | (2,625) |
| Fuel | 12,000 | 9,263 | 2,737 |
| | <u>25,000</u> | <u>23,168</u> | <u>1,832</u> |
| Other expenditures: | | | |
| Miscellaneous expense | 2,000 | 747 | 1,253 |
| General Assistance Administration | 28,000 | 27,660 | 340 |
| Library replacement tax | 12,000 | 10,476 | 1,524 |
| General/Emergency Assistance | 20,000 | - | 20,000 |
| General Assistance - Medical insurance | 30,000 | - | 30,000 |
| | <u>92,000</u> | <u>38,883</u> | <u>53,117</u> |
| Total Supervisor Division | <u>\$ 1,125,000</u> | <u>964,207</u> | <u>160,793</u> |
| <u>Assessor Division</u> | | | |
| Personnel services: | | | |
| Salaries | \$ 205,000 | 189,252 | 15,748 |
| IMRF | 28,000 | 13,417 | 14,583 |
| Social Security tax | 16,000 | 14,311 | 1,689 |
| | <u>249,000</u> | <u>216,980</u> | <u>32,020</u> |
| Contractual services: | | | |
| Health insurance | 27,000 | 26,465 | 535 |
| Maintenance - Equipment | 5,200 | 350 | 4,850 |
| Legal | 800 | - | 800 |
| Postage | 7,000 | 846 | 6,154 |
| Software & licenses | 10,000 | 10,085 | (85) |
| Printing and Publishing | 3,100 | 548 | 2,552 |
| Dues/Subscriptions | 100 | 110 | (10) |
| Travel/Mileage | 3,000 | 933 | 2,067 |
| Training/Meeting | 3,000 | 4,367 | (1,367) |
| IT Services/Website | 25,000 | 20,375 | 4,625 |
| Appraisal fees | 5,000 | - | 5,000 |
| | <u>89,200</u> | <u>64,079</u> | <u>25,121</u> |
| Commodities: | | | |
| Office supplies | 2,000 | 593 | 1,407 |
| Other expenditures | | | |
| Miscellaneous expenses | 500 | - | 500 |
| Total Assessor Division | <u>\$ 340,700</u> | <u>281,652</u> | <u>59,048</u> |

PLAINFIELD TOWNSHIP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
TOWN FUND
YEAR ENDED MARCH 31, 2019

| | Final Budget | Actual Amounts | Variance |
|---|---------------------|---------------------|--------------------|
| <u>Cemetery Division</u> | | | |
| Personnel services: | | | |
| Salaries | \$ 59,000 | 61,041 | (2,041) |
| Extra Labor | - | - | - |
| Trustees | - | - | - |
| IMRF | 3,800 | 3,847 | (47) |
| Social Security tax | 5,000 | 4,618 | 382 |
| | <u>67,800</u> | <u>69,506</u> | <u>(1,706)</u> |
| Contractual services: | | | |
| Health insurance | 12,000 | 15,400 | (3,400) |
| Maintenance | 20,000 | 27,536 | (7,536) |
| Legal | 1,000 | 1,414 | (414) |
| Telephone/Internet | 1,200 | 1,215 | (15) |
| Travel/Mileage | 500 | - | 500 |
| Training/Meeting | 500 | - | 500 |
| Utilities | 1,500 | 2,107 | (607) |
| TOIRMA Insurance | 4,000 | 3,727 | 273 |
| | <u>40,700</u> | <u>51,399</u> | <u>(10,699)</u> |
| Commodities: | | | |
| Office supplies | 500 | 519 | (19) |
| Operating supplies | 500 | 131 | 369 |
| Fuel | 3,000 | 2,722 | 278 |
| | <u>4,000</u> | <u>3,372</u> | <u>628</u> |
| Total Cemetery Division | <u>\$ 112,500</u> | <u>\$ 124,277</u> | <u>\$ (11,777)</u> |
| Debt service: | | | |
| Principal and interest | <u>\$ 148,000</u> | <u>140,071</u> | <u>7,929</u> |
| Capital outlay: | | | |
| Concrete/Foundations - Cemetery | 9,000 | 1,619 | 7,381 |
| Equipment - Cemetery | 45,000 | 90,209 | (45,209) |
| Miscellaneous - Cemetery | 2,000 | 8,027 | (6,027) |
| Software & licenses - Supervisor | 8,000 | - | 8,000 |
| Computer Equipment - Supervisor | 5,000 | 12,707 | (7,707) |
| Building Renovation | 450,000 | 86,482 | 363,518 |
| PTCC | 15,000 | 30,937 | (15,937) |
| | <u>\$ 534,000</u> | <u>229,981</u> | <u>304,019</u> |
| Contingencies | <u>\$ 125,000</u> | <u>1,500</u> | <u>123,500</u> |
| Total charges to appropriations | <u>\$ 2,385,200</u> | <u>\$ 1,741,688</u> | <u>\$ 643,512</u> |
| Excess of resources over appropriations | <u>\$ (641,583)</u> | <u>(89,521)</u> | <u>552,062</u> |

PLAINFIELD TOWNSHIP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
ROAD & BRIDGE FUND
Year ended March 31, 2019

| | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance</u> |
|-----------------------------------|---------------------|---------------------------|-----------------|
| <u>Resources:</u> | | | |
| Property tax | \$ 1,176,025 | 1,121,273 | (54,752) |
| Replacement tax | 71,000 | 60,685 | (10,315) |
| Interest income | 500 | 9,073 | 8,573 |
| Fines and fees | 15,000 | 7,669 | (7,331) |
| Miscellaneous income | 9,500 | 7,061 | (2,439) |
| | <hr/> | <hr/> | <hr/> |
| Total resources available | \$ 1,272,025 | 1,205,761 | (66,264) |
| | <hr/> | <hr/> | <hr/> |
| <u>Charges to appropriations:</u> | | | |
| <u>Administrative Division</u> | | | |
| Personnel services: | | | |
| Salaries | \$ 55,000 | 53,639 | 1,361 |
| | <hr/> | <hr/> | <hr/> |
| Contractual services: | | | |
| Accounting services | 12,000 | 12,371 | (371) |
| Legal service | 3,000 | 1,487 | 1,513 |
| TOIRMA Insurance | 37,000 | 33,884 | 3,116 |
| Postage | 2,000 | 1,433 | 567 |
| Telephone/Internet | 10,000 | 8,658 | 1,342 |
| Publishing/Advertising | 1,500 | 130 | 1,370 |
| Travel/Mileage | 1,000 | 342 | 658 |
| Training/Meeting | 1,000 | 1,124 | (124) |
| Dues/Subscriptions | 1,500 | 2,340 | (840) |
| Printing | 1,000 | 665 | 335 |
| Administrative Services | 7,000 | 7,660 | (660) |
| IT/Website | 25,000 | 18,139 | 6,861 |
| Utilities | 18,000 | 16,598 | 1,402 |
| | <hr/> | <hr/> | <hr/> |
| | 120,000 | 104,831 | 15,169 |
| | <hr/> | <hr/> | <hr/> |
| Commodities: | | | |
| Office supplies | 2,000 | 903 | 1,097 |
| | <hr/> | <hr/> | <hr/> |
| Capital outlay: | | | |
| Equipment | 2,500 | 1,038 | 1,462 |
| | <hr/> | <hr/> | <hr/> |
| Other expenditures: | | | |
| Municipal replacement tax | 6,500 | 4,825 | 1,675 |
| | <hr/> | <hr/> | <hr/> |
| Total Administrative Division | \$ 186,000 | 165,236 | 20,764 |
| | <hr/> | <hr/> | <hr/> |

PLAINFIELD TOWNSHIP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
ROAD & BRIDGE FUND
Year ended March 31, 2019

| | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance</u> |
|---|---------------------|---------------------------|-------------------|
| <u>Maintenance Division</u> | | | |
| Personnel services: | | | |
| Salaries | 360,000 | 329,016 | 30,984 |
| Social security | 30,000 | 28,387 | 1,613 |
| State unemployment taxes | 11,000 | 1,877 | 9,123 |
| IMRF Contribution | 33,000 | 35,179 | (2,179) |
| | <u>434,000</u> | <u>394,459</u> | <u>39,541</u> |
| Contractual services: | | | |
| Health insurance | 75,000 | 65,471 | 9,529 |
| Service Equipment | 45,000 | 34,018 | 10,982 |
| Service Road | 400,000 | 360,709 | 39,291 |
| Service Snow | 4,000 | 1,800 | 2,200 |
| Engineering | 30,000 | 23,296 | 6,704 |
| Utilities | 6,000 | 2,944 | 3,056 |
| Rentals | 10,000 | 8,650 | 1,350 |
| Street lights | 42,000 | 31,776 | 10,224 |
| | <u>612,000</u> | <u>528,664</u> | <u>73,807</u> |
| Commodities: | | | |
| Supplies Equipment | 20,000 | 13,690 | 6,310 |
| Supplies Road | 20,000 | 15,490 | 4,510 |
| Supplies Snow | 60,000 | 54,521 | 5,479 |
| Operating supplies | 12,000 | 10,147 | 1,853 |
| Small tools | 3,000 | 2,548 | 452 |
| Fuel | 33,000 | 27,199 | 5,801 |
| Sign replacement | 12,000 | 6,063 | 5,937 |
| | <u>160,000</u> | <u>129,658</u> | <u>30,342</u> |
| Total Maintenance Division | <u>\$ 1,206,000</u> | <u>\$ 1,052,781</u> | <u>\$ 143,690</u> |
| Contingencies | <u>50,000</u> | <u>-</u> | <u>50,000</u> |
| Debt service: | | | |
| Principal and interest | <u>\$ -</u> | <u>29,536</u> | <u>(29,536)</u> |
| Capital outlay: | | | |
| Vehicles | 65,000 | 45,000 | 20,000 |
| Equipment | 30,000 | 7,705 | 22,295 |
| | <u>95,000</u> | <u>52,705</u> | <u>42,295</u> |
| Total charges to appropriations | <u>\$ 1,537,000</u> | <u>1,300,258</u> | <u>256,749</u> |
| Excess of resources over appropriations | <u>\$ (264,975)</u> | <u>(94,497)</u> | <u>190,485</u> |

Plainfield Township, Illinois
Schedule of Changes in the Net Pension Liability and Related Ratios
Calendar year-ended December 31, 2018

Total Pension Liability

| | |
|---|---------------------------|
| Service Cost | \$ 76,005 |
| Interest on the Total Pension Liability | 179,759 |
| Changes of Benefit Terms | -0- |
| Differences between Expected and Actual Experience of the Total Pension Liability | (70,343) |
| Changes of Assumptions | 87,330 |
| Benefit Payments, including Refunds of Employee Contributions | (87,536) |
| Net Change in Total Pension Liability | <u>185,215</u> |
| Total Pension Liability – Beginning | <u>2,402,550</u> |
| Total Pension Liability – Ending (A) | <u><u>\$2,587,765</u></u> |

Plan Fiduciary Net Position

| | |
|---|---------------------------|
| Contributions – Township | \$ 88,126 |
| Contributions – Employees | 38,281 |
| Net Investment Income | (105,368) |
| Benefit Payments, including Refunds of Employee Contributions | (87,536) |
| Other (Net Transfer) | 32,776 |
| Net Change in Plan Fiduciary Net Position | <u>(33,721)</u> |
| Plan Fiduciary Net Position – Beginning | <u>2,100,449</u> |
| Plan Fiduciary Net Position – Ending (B) | <u><u>\$2,066,728</u></u> |

| | |
|---|--------------------------|
| Net Pension Liability – Ending (A) – (B) | <u><u>\$ 521,037</u></u> |
|---|--------------------------|

| | |
|---|--------|
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.87% |
|---|--------|

| | |
|----------------------------------|--------------------------|
| Covered Valuation Payroll | <u><u>\$ 849,002</u></u> |
|----------------------------------|--------------------------|

| | |
|---|--------|
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 61.37% |
|---|--------|

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Employer Contributions Most Recent Calendar Years

| Calendar Year Ended December 31, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a Percentage of Covered Payroll |
|--|---|------------------------|--|---------------------------------|---|
| 2014 | \$75,273 | \$81,538 | \$(6,265) | \$649,469 | 12.55% |
| 2015 | 85,500 | 85,655 | (155) | 686,194 | 12.48% |
| 2016 | 94,267 | 94,266 | 1 | 780,356 | 12.08% |
| 2017 | 80,964 | 80,965 | (1) | 753,152 | 10.75% |
| 2018 | 88,126 | 88,126 | -0- | 849,002 | 10.38% |

Notes to Schedule of Contributions

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date:

| | |
|-------|--|
| Notes | Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. |
|-------|--|

Methods and Assumptions Used to Determine 2018 Contribution Rates:

| | |
|---------------------------------------|---|
| <i>Actuarial Cost Method:</i> | Aggregate entry age normal |
| <i>Amortization Method:</i> | Level percentage of payroll, closed |
| <i>Remaining Amortization Period:</i> | 25-year closed period until remaining period reaches 10 years |
| <i>Asset Valuation Method:</i> | 5-year smoothed market; 20% corridor |
| <i>Wage Growth:</i> | 3.5% |
| <i>Price Inflation:</i> | 2.75%, approximate; No explicit price inflation assumption is used in this valuation. |
| <i>Salary Increases:</i> | 3.75% to 14.5%, including inflation |
| <i>Investment Rate of Return:</i> | 7.50% |
| <i>Retirement Age:</i> | 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 |

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 (based 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.

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

OTHER INFORMATION

PLAINFIELD TOWNSHIP, ILLINOIS
EXTENDED TAX RATES, LEVIES AND ASSESSED VALUATIONS

| | <u>2018 Levy</u> | | <u>2017 Levy</u> | | <u>2016 Levy</u> | |
|---------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| | <u>Rate</u> | <u>Extension</u> | <u>Rate</u> | <u>Extension</u> | <u>Rate</u> | <u>Extension</u> |
| Town Fund: | | | | | | |
| Corporate | 0.0820 | \$ 1,588,965 | 0.0839 | \$ 1,544,267 | 0.0856 | \$ 1,499,848 |
| Cemetery | 0.0000 | - | 0.0000 | - | 0.0000 | - |
| Road Funds: | | | | | | |
| Road and Bridge | 0.1088 | 2,108,285 | 0.1113 | 2,048,593 | 0.1135 | 1,988,700 |
| | | <u>2018</u> | | <u>2017</u> | | <u>2016</u> |
| Total assessed valuations | | <u>\$ 1,937,761,857</u> | | <u>\$ 1,840,604,279</u> | | <u>\$ 1,752,159,001</u> |