

TOWNSHIP OF ADDISON, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2020

TOWNSHIP OF ADDISON, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Township's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 8, 2020

Members of the Board of Trustees
Township of Addison, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Addison, Illinois, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Addison'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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 of 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 Addison'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 Addison'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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Addison, Illinois, as of May 31, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Township of Addison, Illinois' basic financial statements. The management's discussion and analysis, other supplementary information and supplemental schedules, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

Our discussion and analysis of the Township, Illinois' financial performance provides an overview of the Township's financial activities for the fiscal year ended May 31, 2020. Please read it in conjunction with the financial statements which begin on page 11.

FINANCIAL HIGHLIGHTS

- The Township's net position decreased by \$64,913, or less than one percent, as a result of this year's operations.
- During the year, government-wide revenues totaled \$4,859,320, while expenses totaled \$4,924,233, resulting in a decrease to net position of \$64,913.
- The Township's net position totaled \$12,707,871 on May 31, 2020, which includes \$10,072,380 net investment in capital assets, \$1,698,007 subject to external restrictions, and \$937,484 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease fund balance for the current year of \$225,322, resulting in ending fund balance of \$937,484, a decrease of 19.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11-12) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. The government-wide financial statements provide readers with a broad overview of the Township's finances, in a matter similar to a private-sector business. Fund financial statements begin on page 13. For governmental activities, these statements tell 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 Township's most significant funds.

The Statement of Net Position reports information on all of the Township's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's roads and infrastructure, is needed to assess the overall health of the Township.

The Statement of Activities presents information showing how the government'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Township only reports governmental activities, which include general government, highways and roads, and health and welfare.

Governmental Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are reported as governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Township maintains nine 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 balances for the General Fund, the Road and Bridge Fund, and the Motor Fuel Tax Fund, which are considered major funds and the General Assistance Fund, Road Building and Equipment Fund, Town IMRF Fund, Road IMRF Fund, Road Social Security Fund and Road Tort and Liability are nonmajor funds. The Township adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for all funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-38 of this report.

TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

USING THIS ANNUAL REPORT – Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's I.M.R.F. employee pension obligations total OPEB liability, and budgetary comparison schedules for the General Fund and special revenue funds. Required supplementary information can be found on pages 39 - 46 of this report. The individual fund schedules can be found immediately after the required supplementary information, on pages 47 - 61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Township, assets exceeded liabilities by \$12,707,871.

	Net Position	
	2020	2019
Current Assets	\$ 2,706,147	2,644,633
Capital Assets	10,159,712	10,349,881
Total Assets	12,865,859	12,994,514
Long-Term Debt	-	87,332
Other Liabilities	157,988	134,398
Total Liabilities	157,988	221,730
Net Position		
Investment in Capital Assets	10,072,380	10,179,251
Restricted	1,698,007	1,430,727
Unrestricted	937,484	1,162,806
Total Net Position	12,707,871	12,772,784

A large portion of the Township's net position, \$10,072,380 or 79.3 percent, reflects its investment in capital assets (for example, land, buildings, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion, \$1,698,007 or 13.4 percent, of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining 7.4 percent, or \$937,484, represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.

TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 20,687	27,186
Operating/Capital Grants/Contrib.	-	-
General Revenues		
Property Taxes	4,298,738	4,216,838
Replacement Taxes	311,305	284,394
Other	90,280	38,206
Interest Income	42,942	17,077
Miscellaneous	95,368	108,407
Total Revenues	4,859,320	4,692,108
Expenses		
General Government	2,253,833	2,178,446
Highways and Streets	2,347,691	2,994,411
Health and Welfare	314,444	279,159
Interest on Long-Term Debt	8,265	1,045
Total Expenses	4,924,233	5,453,061
Change in Net Position	(64,913)	(760,953)
Net Position - Beginning	12,772,784	13,533,737
Net Position - Ending	12,707,871	12,772,784

Net position of the Township's governmental activities decreased by less than one percent (\$12,707,871 in 2020 compared to \$12,772,784 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$937,484 at May 31, 2020.

TOWNSHIP OF ADDISON, ILLINOIS

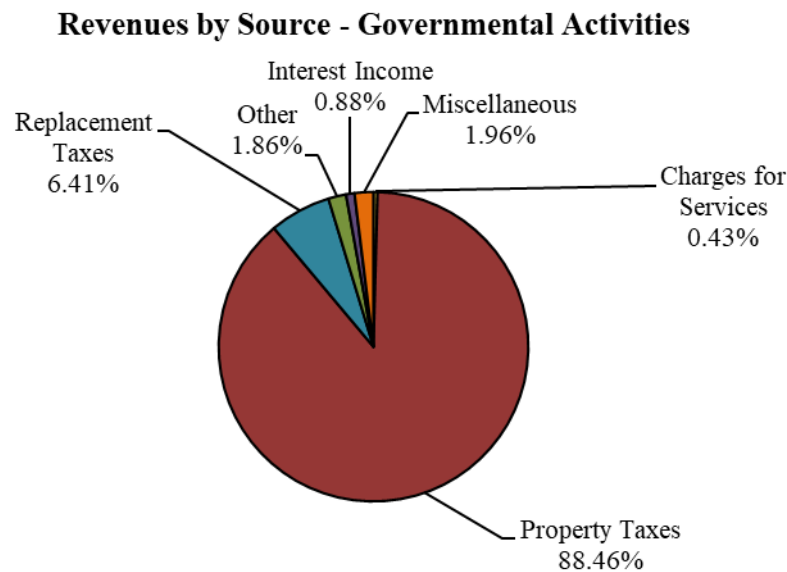
Management's Discussion and Analysis May 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Revenues for governmental activities totaled \$4,859,320, while the cost of all governmental functions totaled \$4,924,233. This results in a deficit of \$64,913. In 2019, revenues totaled \$4,692,108 while the cost of all functions totaled \$5,453,061 resulting in a deficit of \$760,953. The decrease for 2020 of \$64,913 was significantly lower than the decrease in 2019 of \$760,953. This was due to total expenses decreasing \$528,828.

The Township relies on a combination of user fees and taxes to fund its services and programs. While the primary source of fund is property taxes.

The following table graphically depicts the major revenue sources of the Township. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the Township receives from replacement and other taxes.

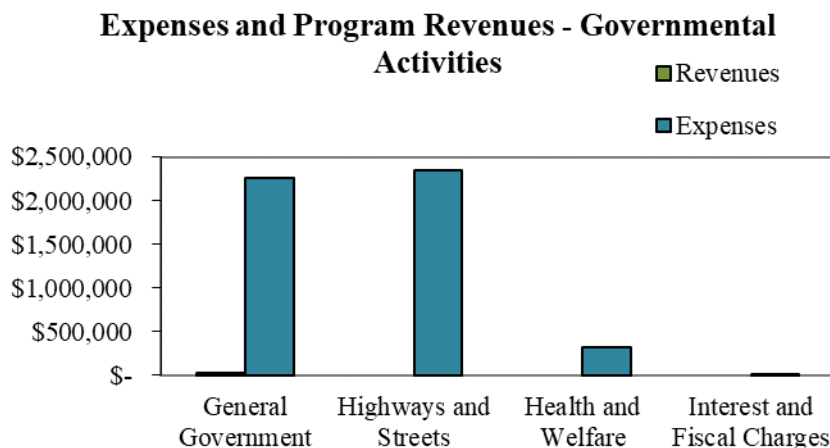


TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The 'Expenses and Program Revenues' Table identifies that governmental functions are not supported by program revenues. All functions of the Township are supplemented with receipts from property taxes, replacement taxes, interest income and miscellaneous income (general revenues).



FINANCIAL ANALYSIS OF THE TOWNSHIP'S GOVERNMENTAL FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Township's governmental funds reported combining ending fund balances of \$2,635,491, which is \$41,958, or 1.6 percent, more than last year's total of \$2,593,533. Of the \$2,635,491 total, \$937,484, or approximately 35.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a decrease in fund balance for the year of \$225,322, a decrease of 19.4 percent. Total revenues in the General Fund came in \$75,901 under budget. At the same time, expenditures of \$2,231,121 came in \$938,979 under budget, therefore resulting in an overall decrease to the fund of \$225,322. The General Fund is the chief operating fund of the Township. At May 31, 2020, unassigned fund balance in the General Fund was \$937,484, which represents 100 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 42.0 percent of total General Fund expenditures.

TOWNSHIP OF ADDISON, ILLINOIS

Management's Discussion and Analysis May 31, 2020

FINANCIAL ANALYSIS OF THE TOWNSHIP'S GOVERNMENTAL FUNDS – Continued

The Road and Bridge Fund reported an increase of \$276,574 to fund balance, which was originally budgeted at a decrease of \$30,000. Ending fund balance is reported at a surplus of \$793,763. This increase in the current year is due to higher received property taxes and replacement taxes than what was budgeted.

The Motor Fuel Tax Fund reported an increase of \$20,943 to fund balance, no budget was adopted for this fund. Ending fund balance is reported at a surplus of \$415,313. This was due to less spending of on highways and streets projects.

GENERAL TOWNSHIP FUND BUDGETARY HIGHLIGHTS

The Township's Board did not make any budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$2,005,799, compared to final budgeted revenues of \$2,081,700. This was due to all revenues being higher than budgeted, except for miscellaneous.

The General Fund actual expenditures for the year were \$938,979 lower than budgeted (\$2,231,121 actual compared to \$3,170,100 final budgeted). This was due all expenditures being lower than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Township's investment in capital assets for its governmental activities as of May 31, 2020 was \$10,159,712 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, vehicles and equipment, and infrastructure.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 156,400	156,400
Right Away	6,795,323	6,795,323
Building and Improvements	667,855	705,520
Equipment Infrastructure	243,255	281,824
Office	1,723,011	1,789,882
Vehicles	11,839	17,826
	562,029	603,106
Total	10,159,712	10,349,881

TOWNSHIP OF ADDISON, ILLINOIS

**Management’s Discussion and Analysis
May 31, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

This year’s major additions included:

Vehicles	<u><u>\$ 49,735</u></u>
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Additional information on the Township’s capital assets can be found in note 3 of this report.

Debt Administration

At year-end, the Township had total outstanding bonded debt of \$87,332, a decrease of \$83,298. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2020</u>	<u>2019</u>
Installment Contract	<u><u>\$ 87,332</u></u>	<u><u>170,630</u></u>

Additional information on the District’s long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Township’s elected and appointed officials considered many factors when setting the fiscal year 2021 budget and the associated property tax rates and charges for services.

In preparing the budget, the Township Board, Management and Treasurer take into consideration long-term goals of the Township, along with any unforeseen expenses that might occur, as well as the potential impact of current economic conditions.

As of the date of this report, the extent of the impact of COVID-19 on the Township’s operations and financial position cannot be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Township of Addison at 401 North Addison Road, Addison, IL 60101.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

TOWNSHIP OF ADDISON, ILLINOIS

Statement of Net Position - Modified Cash Basis May 31, 2020

ASSETS	
Current Assets	
Cash and Investments	\$ 2,290,834
Cash Held by Other Governments	415,313
Total Current Assets	<u>2,706,147</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	6,951,723
Depreciable Capital Assets	7,966,215
Accumulated Depreciation	<u>(4,758,226)</u>
Total Noncurrent Assets	<u>10,159,712</u>
Total Assets	<u>12,865,859</u>
LIABILITIES	
Current Liabilities	
Other Payables	70,656
Current Portion of Long-Term Debt	<u>87,332</u>
Total Liabilities	<u>157,988</u>
NET POSITION	
Investment in Capital Assets	10,072,380
Restricted	
Highway Construction and Maintenance	1,325,806
Residence Assistance	55,024
Employee Benefits	155,784
Liability Insurance	161,393
Unrestricted	<u>937,484</u>
Total Net Position	<u><u>12,707,871</u></u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS

**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

		Program Revenues		Net
		Charges	Operating	(Expenses)
	Expenses	for	Grants	Revenues and
		Services		Change in
				Net Position
Functions/Programs				
Governmental Activities				
General Government	\$ 2,253,833	20,687	-	(2,233,146)
Highways and Streets	2,347,691	-	-	(2,347,691)
Health and Welfare	314,444	-	-	(314,444)
Interest and Fiscal Charges	8,265	-	-	(8,265)
Total Governmental Activities	4,924,233	20,687	-	(4,903,546)
		General Revenues		
		Taxes		
		Property Taxes		4,298,738
		Intergovernmental - Unrestricted		
		Replacement Taxes		311,305
		Other		90,280
		Investment Income		42,942
		Miscellaneous		95,368
				4,838,633
		Change in Net Position		(64,913)
		Net Position - Beginning		12,772,784
		Net Position - Ending		12,707,871

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS**Balance Sheet - Governmental Funds - Modified Cash Basis
May 31, 2020**

	Town General	Special Revenue Road and Bridge	Motor Fuel Tax	Nonmajor	Totals
ASSETS					
Cash and Investments	\$ 937,484	864,419	-	488,931	2,290,834
Cash Held by Other Governments	-	-	415,313	-	415,313
	937,484	864,419	415,313	488,931	2,706,147
LIABILITIES					
Other Payables	-	70,656	-	-	70,656
FUND BALANCES					
Restricted	-	793,763	415,313	488,931	1,698,007
Unassigned	937,484	-	-	-	937,484
Total Fund Balances	937,484	793,763	415,313	488,931	2,635,491
Total Liabilities and Fund Balances	937,484	864,419	415,313	488,931	2,706,147

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS

**Reconciliation of Total Fund Balances to the Statement of Net Position - Modified Cash Basis
May 31, 2020**

Total Fund Balances \$ 2,635,491

Amounts reported in the Statement of Net Position
are different because:

Capital assets are not financial resources and therefore,
are not reported in the funds. 10,159,712

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Installment Contract (87,332)

Net Position 12,707,871

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis For the Fiscal Year Ended May 31, 2020

	Town General	Special Revenue Road and Bridge	Motor Fuel Tax	Nonmajor	Totals
Revenues					
Taxes	\$ 1,833,108	1,591,950	-	873,680	4,298,738
Intergovernmental	135,902	193,598	72,085	-	401,585
Charges for Services	20,687	-	-	-	20,687
Investment Income	16,102	11,936	6,382	8,522	42,942
Miscellaneous	-	91,123	-	4,245	95,368
Total Revenues	2,005,799	1,888,607	78,467	886,447	4,859,320
Expenditures					
General Government	2,045,773	-	-	164,408	2,210,181
Highways and Streets	-	1,612,033	57,524	220,941	1,890,498
Health and Welfare	-	-	-	314,444	314,444
Capital Outlay	185,348	-	-	125,328	310,676
Debt Service					
Principal Retirement	-	-	-	83,298	83,298
Interest and Fiscal Charges	-	-	-	8,265	8,265
Total Expenditures	2,231,121	1,612,033	57,524	916,684	4,817,362
Net Change in Fund Balance	(225,322)	276,574	20,943	(30,237)	41,958
Fund Balances - Beginning	1,162,806	517,189	394,370	519,168	2,593,533
Fund Balances - Ending	937,484	793,763	415,313	488,931	2,635,491

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Modified Cash Basis

For the Fiscal Year Ended May 31, 2020

Net Change in Fund Balances	\$ 41,958
Amounts reported in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	49,735
Depreciation Expense	(239,904)
Disposals - Cost	(332,782)
Disposals - Accumulated Depreciation	332,782
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Retirement of Debt	<u>83,298</u>
Changes in Net Position	<u><u>(64,913)</u></u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Township of Addison (the "Township") is a municipal corporation of the State of Illinois headquartered in the County of DuPage. The basic financial statements of the Township have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Township's accounting policies are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Township complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Township. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). The Township's general assistance welfare programs, senior services, maintenance of highways and streets, public improvements, property assessing for tax purposes, and other programs are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis. The Township's net position is reported in three parts: investment in capital assets; restricted; and unrestricted. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions (general government, highways and streets, etc.). These functions are supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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. The net costs (by function) are normally covered by general revenue (property tax, intergovernmental revenues, interest income, etc.). The Township does not allocate indirect costs. This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. The Township's funds are all reported as governmental funds. The emphasis in fund financial statements is on the major funds.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses) for the determination of major funds. The Township electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the Township or total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund type is used by the Township:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Township:

General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Township maintains two major and six nonmajor special revenue funds. The Road and Bridge Fund is used to account for all financial resources relating to the repair and maintenance of the Township's infrastructure. The Motor Fuel Tax Fund accounts for the Township's share of motor tax revenues.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the Township records capital assets and depreciation.

In the fund financial statements, governmental funds are presented on the modified cash basis of accounting. The modified cash basis of accounting omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has no investments at year-end.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000 - \$100,000, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Township as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Building and Improvements	50 Years
Equipment	10 - 15 Years
Infrastructure	50 - 75 Years
Office	15 Years
Vehicles	10 Years

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

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

Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- The Township’s supervisor submits to the Town Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance.
- The Township’s supervisor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board and be in compliance with applicable statutes.
- The Board of Trustees amended the budget subsequent to its original adoption.
- The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for all funds, except the Motor Fuel Tax Fund, as those monies are controlled by DuPage County.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Township's funds.

Permitted Deposits and Investments – Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Township's deposits totaled \$2,290,834 and the bank balances totaled \$2,471,482.

The cash held by other governments represents the cash held by DuPage County on behalf of the Township for motor fuel tax revenues. DuPage County is responsible for maintaining the collateral for these monies.

Interest Rate Risk. Interest rate risk is the risk that changes in 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. Safety of principal is the foremost objective of the investment program. Investments of the Township shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy states the Township will invest in instruments as allowed by the Public Funds Investment Act, 30 ILCS 235/2. The Township does not have any investments at year end.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy states to avoid unreasonable risks, the investment portfolio shall be consistent with the objectives of the investment policy. At year-end, the Township does not have any investments over 5 percent of the total cash and investment portfolio.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires pledging of collateral for all bank balances in excess of the federal depository insurance, at an amount of not less than 110% of the fair market value of the funds secured. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township's investment policy does not address custodial credit risk for investments.

PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Du Page County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 156,400	-	-	156,400
Right of Way	6,795,323	-	-	6,795,323
	<u>6,951,723</u>	<u>-</u>	<u>-</u>	<u>6,951,723</u>
Depreciable Capital Assets				
Building and Improvements	1,384,295	-	-	1,384,295
Equipment Infrastructure	756,123	-	120,453	635,670
Office	4,736,504	-	-	4,736,504
Vehicles	179,106	-	-	179,106
	<u>1,193,234</u>	<u>49,735</u>	<u>212,329</u>	<u>1,030,640</u>
	<u>8,249,262</u>	<u>49,735</u>	<u>332,782</u>	<u>7,966,215</u>
Less Accumulated Depreciation				
Building and Improvements	678,775	37,665	-	716,440
Equipment Infrastructure	474,299	38,569	120,453	392,415
Office	2,946,622	66,871	-	3,013,493
Vehicles	161,280	5,987	-	167,267
	<u>590,128</u>	<u>90,812</u>	<u>212,329</u>	<u>468,611</u>
	<u>4,851,104</u>	<u>239,904</u>	<u>332,782</u>	<u>4,758,226</u>
Total Net Depreciable Capital Assets	<u>3,398,158</u>	<u>(190,169)</u>	<u>-</u>	<u>3,207,989</u>
Total Net Capital Assets	<u>10,349,881</u>	<u>(190,169)</u>	<u>-</u>	<u>10,159,712</u>

The depreciation expense was charged to governmental activities as follows:

General Government	\$ 43,652
Highways and Streets	<u>196,252</u>
	<u>239,904</u>

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Contract Payable

The Township issued an installment contract payable to provide funds for the purchase of capital assets. Installment contract currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$264,585 Installment Contract of 2018 dated July 11, 2018, due in annual installments of \$91,563 to \$95,000 including interest at 4.74% through July 11, 2020.	\$ 170,630	-	83,298	87,332

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One Year
Governmental Activities Installment Contract	\$ 170,630	-	83,298	87,332	87,332

The installment contract is liquidated by the Road Building and Equipment Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Installment Contract	
	Principal	Interest
2021	\$ 87,332	4,230

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 5.75% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2019	<u>\$ 3,840,308,701</u>
Legal Debt Limit - 5.75% of Assessed Value	<u>22,081,775</u>

NET POSITION CLASSIFICATIONS

Investment in capital assets was comprised of the following as of May 31, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 10,159,712
Less Capital Related Debt:	
Installment Contract of 2018	<u>(87,332)</u>
Net Investment in Capital Assets	<u>10,072,380</u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund's financial statements, the Township considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Township first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Township's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue				
		General	Road and Bridge	Motor Fuel Tax	Nonmajor	Totals
Fund Balances						
Restricted						
Highway Construction and Maintenance	\$	-	793,763	415,313	116,730	1,325,806
Residence Assistance		-	-	-	55,024	55,024
Employee Benefits		-	-	-	155,784	155,784
Liability Insurance		-	-	-	161,393	161,393
		-	793,763	415,313	488,931	1,698,007
Unassigned						
		937,484	-	-	-	937,484
Total Fund Balances		937,484	793,763	415,313	488,931	2,635,491

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

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; natural disasters; and injuries to the Township's employees. The Township has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Litigation

Matters of material or pending litigation, claims, or assessments involving the Township were tax rate objections cases, wherein the petitioners object to the various tax levies of the Township for specific years. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Township's operations and financial position cannot be determined.

Motor Fuel Tax Fund

Every year the Township received an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the State to DuPage County where it is held for pending projects approved by Township of Addison's Highway Commissioner. When the projects are approved, all management, payment, and accounting for the projects are done through DuPage County. These funds are not reflected in the financial statements of the Township.

PERFORMANCE BOND PAYABLE

The Township collects performance bonds from contractors who perform projects within the Township. The Township records the bonds as a liability in the Road and Bridge Fund and, upon completion of the project, the Township will remit the bond to the contractor. As of May 31, 2020, the Township has \$70,665 outstanding in performance bonds payable.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Township contributes to one defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

IMRF provides two tiers of pension benefits. 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.

TOWNSHIP OF ADDISON, ILLINOIS

**Notes to the Financial Statements
May 31, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. 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.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	<u>32</u>
Total	<u><u>92</u></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. For the year-ended May 31, 2020, the Township’s contribution was 11.48% of covered payroll.

Net Pension Liability. The Township’s net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-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 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 adjustment 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:

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability(asset) of the Township calculated using the discount rate as well as what the Township's net pension liability(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	2,668,492	1,003,305	(379,183)

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2018	\$ 12,859,745	10,657,521	2,202,224
Changes for the Year:			
Service Cost	211,093	-	211,093
Interest on the Total Pension Liability	919,142	-	919,142
Difference Between Expected and Actual Experience of the Total Pension Liability	(33,541)	-	(33,541)
Changes of Assumptions	-	-	-
Contributions - Employer	-	237,108	(237,108)
Contributions - Employees	-	94,344	(94,344)
Net Investment Income	-	1,997,400	(1,997,400)
Benefit Payments, including Refunds of Employee Contributions	(574,946)	(574,946)	-
Other (Net Transfer)	-	(33,239)	33,239
Net Changes	521,748	1,720,667	(1,198,919)
Balances at December 31, 2019	13,381,493	12,378,188	1,003,305

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

For the year ended May 31, 2020, the Township recognized cash basis pension expense of \$242,602. At May 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 90,312	(22,271)	68,041
Change in Assumptions	112,851	-	112,851
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(502,247)	(502,247)
Total Pension Expense to be Recognized in Future Periods	203,163	(524,518)	(321,355)
Pension Contributions Made Subsequent to the Measurement Date	115,247	-	115,247
Total Deferred Amounts Related to IMRF	318,410	(524,518)	(206,108)

\$115,247 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended May 31, 2021. 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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 50,964
2022	(162,318)
2023	36,952
2024	(246,953)
2025	-
Thereafter	-
Total	(321,355)

TOWNSHIP OF ADDISON, ILLINOIS

**Notes to the Financial Statements
May 31, 2020**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS PLAN

General Information about the OPEB Plan

Plan Description. The Township’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time employees of the Township. RBP is a single-employer defined benefit OPEB plan administered by the Township. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Township Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. The benefit terms provide for retiree payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees and of supplemental health insurance premiums for Medicare-eligible retirees.

Plan Membership. As of May 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	<u>27</u>
Total	<u><u>28</u></u>

Total OPEB Liability

The Township’s total OPEB liability was measured as of May 31, 2020, and was determined by an actuarial valuation of May 1, 2019.

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the May 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	2.16%
Healthcare Cost Trend Rates	6.87% for 2020, decreasing 0.2% per year to an ultimate rate of 5.0% for 2028 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the municipal bond rate.

Mortality rates were based on the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. The actuarial assumptions used in the May 31, 2020 valuation were based on the results of an actuarial experience study for the period June 1, 2018 – May 31, 2019.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at May 31, 2019	<u>\$ 313,260</u>
Changes for the Year:	
Service Cost	4,819
Interest on the Total OPEB Liability	10,532
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	37,619
Benefit Payments	<u>(26,236)</u>
Net Changes	<u>26,734</u>
Balance at May 31, 2020	<u><u>339,994</u></u>

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.16%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 375,070	339,994	311,108

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate of, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 302,504	339,994	385,062

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB

TOWNSHIP OF ADDISON, ILLINOIS

Notes to the Financial Statements May 31, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

For the year ended May 31, 2020, the Township recognized no OPEB expense on modified cash basis. At May 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	-	-

There are no employer contributions made subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-
Total	-

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefits Plan
- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Road and Bridge Fund

The Road and Bridge Fund is used to account for all financial resources relating to the repair and maintenance of the Township's infrastructure.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the Township's share of motor fuel tax revenue.

General Assistance Fund

The General Assistance Fund is used to account for taxes levied and expenditures incurred to provide benefits for needy residents.

Road Building and Equipment Fund

The Road Building and Equipment Fund is used to account for taxes levied and capital expenditures for the use of the Highway Department.

Town IMRF Fund

The Town IMRF Fund is used to account for taxes levied and expenditures incurred to provide retirement benefits for Township employees.

Road IMRF Fund

The Road IMRF Fund is used to account for taxes levied and expenditures incurred to provide retirement benefits for Road and Bridge employees.

Road Social Security Fund

The Road Social Security Fund is used to account for taxes levied and expenditures incurred to provide retirement benefits for Road and Bridge employees.

Road Tort and Liability

The Road Tort and Liability Fund is used to account for taxes levied and expenditures incurred for liability insurance.

TOWNSHIP OF ADDISON, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Employer Contributions

May 31, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 232,562	\$ 232,562	\$ -	\$ 1,752,532	13.27%
2017	251,474	251,474	-	1,796,245	14.00%
2018	252,660	252,660	-	1,860,532	13.58%
2019	242,791	261,020	18,229	2,068,680	12.62%
2020	242,602	242,602	-	2,112,579	11.48%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2017 (base year 2015)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

TOWNSHIP OF ADDISON, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability May 31, 2020

	<u>12/31/15</u>
Total Pension Liability	
Service Cost	\$ 187,438
Interest	779,145
Differences Between Expected and Actual Experience	(38,079)
Change of Assumptions	13,793
Benefit Payments, Including Refunds of Member Contributions	<u>(411,969)</u>
Net Change in Total Pension Liability	530,328
Total Pension Liability - Beginning	<u>10,528,636</u>
Total Pension Liability - Ending	<u><u>11,058,964</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 232,562
Contributions - Members	78,864
Net Investment Income	46,211
Benefit Payments, Including Refunds of Member Contributions	(411,969)
Other (Net Transfer)	<u>(131,487)</u>
Net Change in Plan Fiduciary Net Position	(185,819)
Plan Net Position - Beginning	<u>9,292,383</u>
Plan Net Position - Ending	<u><u>9,106,564</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,952,400</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.35%
Covered Payroll	\$ 1,752,532
Employer's Net Pension Liability as a Percentage of Covered Payroll	111.40%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19
194,703	200,124	191,025	211,093
818,524	857,941	863,118	919,142
(45,637)	(90,520)	285,016	(33,541)
(42,761)	(398,697)	356,145	-
(397,675)	(493,942)	(496,583)	(574,946)
527,154	74,906	1,198,721	521,748
11,058,964	11,586,118	11,661,024	12,859,745
11,586,118	11,661,024	12,859,745	13,381,493
251,474	252,660	260,734	237,108
80,831	83,724	92,459	94,344
635,357	1,667,073	(579,529)	1,997,400
(397,675)	(493,942)	(496,583)	(574,946)
180,197	(203,439)	217,616	(33,239)
750,184	1,306,076	(505,303)	1,720,667
9,106,564	9,856,748	11,162,824	10,657,521
9,856,748	11,162,824	10,657,521	12,378,188
1,729,370	498,200	2,202,224	1,003,305
85.07%	95.73%	82.88%	92.50%
1,796,245	1,860,532	2,054,642	2,096,534
96.28%	26.78%	107.18%	47.86%

TOWNSHIP OF ADDISON, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

May 31, 2020

	2019	2020
Total OPEB Liability		
Service Cost	\$ 4,549	4,819
Interest	11,378	10,532
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Change of Assumptions or Other Inputs	6,889	37,619
Benefit Payments	(21,157)	(26,236)
Net Change in Total OPEB Liability	1,659	26,734
Total OPEB Liability - Beginning	311,601	313,260
Total OPEB Liability - Ending	313,260	339,994
Covered Payroll	\$ 2,167,935	2,183,971
Total OPEB Liability as a Percentage of Covered Payroll	14.45%	15.57%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 and 2020.

TOWNSHIP OF ADDISON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended May 31, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,790,000	1,790,000	1,833,108
Intergovernmental			
Replacement Taxes	115,000	115,000	135,902
Grants	160,000	160,000	-
Charges for Services	13,000	13,000	20,687
Investment Income	3,500	3,500	16,102
Miscellaneous	200	200	-
Total Revenues	2,081,700	2,081,700	2,005,799
Expenditures			
General Government			
Administration	1,682,100	1,682,100	1,472,233
Assesor's Office	604,000	603,000	569,170
Other Services	17,000	17,000	4,370
Capital Outlay	867,000	868,000	185,348
Total Expenditures	3,170,100	3,170,100	2,231,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,088,400)	(1,088,400)	(225,322)
Other Financing (Uses)			
Transfers Out	(44,000)	(44,000)	-
Net Change in Fund Balance	(1,132,400)	(1,132,400)	(225,322)
Fund Balance - Beginning			1,162,806
Fund Balance - Ending			937,484

TOWNSHIP OF ADDISON, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
General Government			
Administration			
Personnel			
Salaries	\$ 950,000	950,000	899,420
Health Insurance	150,000	150,000	144,147
Workers Compensation	20,000	24,500	24,360
Social Security Contribution	75,000	75,000	67,297
Employee Assistance	100	100	63
Assessor Car Allowance	6,000	6,000	6,000
	1,201,100	1,205,600	1,141,287
Contractual			
Maintenance Service - Bldg & Equip	100,000	100,000	77,079
Maintenance Service - Contractual	50,000	50,000	43,419
Maintenance Service - Office	1,000	1,000	-
Maintenance Service- Vehicles	5,000	5,000	2,341
Accounting Service/Auditors	7,000	7,000	6,050
Legal Service	25,000	25,000	20,216
Postage	8,000	8,000	7,580
Telephone	12,000	12,000	10,495
Publishing	1,000	1,000	193
Dues	10,000	10,000	5,569
Travel Expenses	2,000	2,000	926
Training	5,000	5,000	1,929
Utilities	30,000	30,000	20,345
Liability Insurance	18,000	13,500	9,780
Professional Consulting	25,000	25,000	16,660
Mosquito Abatement	64,000	64,000	62,526
Community Relations	10,000	10,000	9,172
Newsletter	15,000	15,000	-
Contingency	50,000	50,000	-
	438,000	433,500	294,280
Commodities			
Office Supplies/Equipment	40,000	40,000	34,806
Printing - Office Forms	2,000	2,000	1,357
Publications/Subscriptions	1,000	1,000	503
	43,000	43,000	36,666
Total Administration	1,682,100	1,682,100	1,472,233

TOWNSHIP OF ADDISON, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
General Government - Continued			
Assessor's Office			
Personnel			
Salaries	\$ 416,000	412,000	406,106
Health Insurance	60,000	60,000	55,225
Unemployment Insurance	2,000	2,000	-
Workers Compensation	13,500	13,500	6,157
Social Security Contribution	32,000	32,000	30,453
Employment Assistance Program	100	100	84
	523,600	519,600	498,025
Contractual			
Maintenace Service-Equipment	7,500	7,500	7,063
Legal Service	2,000	2,000	800
Postage/Freight	500	500	11
Telephone/Communications	2,000	2,000	1,465
Printing - Legal Notices	50	50	-
Dues	2,000	2,000	1,144
Travel Expenses	6,000	4,300	1,807
Training	4,000	4,000	2,115
Insurance - Auto/General Liab	5,500	5,500	4,400
On Line Services	4,500	4,500	3,546
Professional & Consultants	32,000	34,600	34,288
Appraisals	250	250	-
Community Relations/Newsletter	4,000	4,000	3,471
	70,300	71,200	60,110
Commodities			
Office Supplies	6,500	6,500	5,435
Publications/Subscriptions	1,600	1,600	1,569
Auto/Maintenance & Gas	2,000	4,100	4,031
	10,100	12,200	11,035
Total Assessor's Office	604,000	603,000	569,170

TOWNSHIP OF ADDISON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
General Government - Continued			
Other Services			
Weed Control/Liens	\$ 5,000	5,000	2,010
Special Events and Programs	12,000	12,000	2,360
Total Other Services	17,000	17,000	4,370
Capital Outlay	867,000	868,000	185,348
Total Expenditures	3,170,100	3,170,100	2,231,121

TOWNSHIP OF ADDISON, ILLINOIS**Road and Bridge - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance -****Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,545,000	1,545,000	1,591,950
Intergovernmental			
Replacement Taxes	140,000	140,000	175,403
Other	16,000	16,000	18,195
Investment Income	1,500	1,500	11,936
Miscellaneous	40,000	40,000	91,123
Total Revenues	1,742,500	1,742,500	1,888,607
Expenditures			
Highways and Streets			
Administration	220,500	220,500	178,984
Maintenance	1,480,000	1,480,000	1,390,631
Transportation	67,000	67,000	42,418
Capital Outlay	5,000	5,000	-
Total Expenditures	1,772,500	1,772,500	1,612,033
Net Change in Fund Balance	(30,000)	(30,000)	276,574
Fund Balance - Beginning			517,189
Fund Balance - Ending			793,763

TOWNSHIP OF ADDISON, ILLINOIS**Road and Bridge - Special Revenue Fund****Schedule of Expenditures - Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Highways and Streets			
Administration			
Personnel			
Health Insurance	\$ 105,000	118,000	113,693
Contractual			
Accounting/Auditing Services	7,000	7,000	6,610
Legal Services	14,000	14,000	5,358
Telephone	13,000	13,000	9,525
Publishing	18,000	18,000	7,660
Dues	4,500	4,500	1,964
Travel Expenditures	5,000	2,000	1,139
Training	6,000	1,000	653
Professional Consulting Services	10,000	10,000	8,747
Community/Employee Relations	3,000	5,000	2,598
Electronic Recycling	15,000	15,000	14,282
Contingency	5,000	-	-
	100,500	89,500	58,536
Commodities			
Office Supplies	10,000	8,000	5,751
Equipment	5,000	5,000	1,004
	15,000	13,000	6,755
Total Administration	220,500	220,500	178,984
Maintenance			
Personnel			
Salaries	715,000	715,000	674,647
Uniforms	5,500	5,500	5,441
OSHA	5,000	5,000	4,500
	725,500	725,500	684,588
Contractual			
Maintenance Service - Building	12,000	12,000	7,413
Maintenance Service - Equipment	8,000	8,000	6,709
Maintenance Service - Road	494,500	466,500	466,460

TOWNSHIP OF ADDISON, ILLINOIS**Road and Bridge - Special Revenue Fund****Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Maintenance - Continued			
Contractual - Continued			
Engineering Service	\$ 30,000	48,000	29,504
Utilities	13,000	13,000	9,215
Street Lighting	30,000	31,500	31,467
P.P.R.T. Municipal Share	85,000	85,000	82,414
	672,500	664,000	633,182
Commodities			
Maintenance Supplies - Building	5,000	5,000	1,364
Maintenance Supplies - Equipment	15,000	15,000	10,452
Maintenance Supplies - Road	30,000	40,000	37,290
Small Tools	2,000	2,000	1,384
Automotive Fuel/Oil	25,000	25,000	22,371
	77,000	87,000	72,861
Contingency	5,000	3,500	-
Total Maintenance	1,480,000	1,480,000	1,390,631
Transportation			
Commodities			
Ride DuPage	67,000	67,000	42,418
Capital Outlay	5,000	5,000	-
Total Expenditures	1,772,500	1,772,500	1,612,033

TOWNSHIP OF ADDISON, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet - Modified Cash Basis
May 31, 2020**

	General Assistance	Road Building and Equipment
ASSETS		
Cash and Investments	\$ 55,024	116,730
LIABILITIES		
None	-	-
FUND BALANCES		
Restricted	55,024	116,730
Total Liabilities and Fund Balances	55,024	116,730

Town IMRF	Road IMRF	Road Social Security	Road Tort and Liability	Totals
57,681	50,434	47,669	161,393	488,931
-	-	-	-	-
57,681	50,434	47,669	161,393	488,931
57,681	50,434	47,669	161,393	488,931

TOWNSHIP OF ADDISON, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	General Assistance	Road Building and Equipment
Revenues		
Taxes	\$ 306,601	271,819
Investment Income	1,912	1,641
Miscellaneous	4,245	-
Total Revenues	312,758	273,460
Expenditures		
Current		
General Government	-	-
Highways and Streets	-	-
Health and Welfare	314,444	-
Capital Outlay	28,950	96,378
Debt Service		
Principal Retirement	-	83,298
Interest and Fiscal Charges	-	8,265
Total Expenditures	343,394	187,941
Change in Fund Balances	(30,636)	85,519
Fund Balances - Beginning	85,660	31,211
Fund Balances - Ending	55,024	116,730

Town IMRF	Road IMRF	Road Social Security	Road Tort and Liability	Totals
159,361	83,308	21,447	31,144	873,680
1,209	793	682	2,285	8,522
-	-	-	-	4,245
160,570	84,101	22,129	33,429	886,447
164,408	-	-	-	164,408
-	78,194	51,139	91,608	220,941
-	-	-	-	314,444
-	-	-	-	125,328
-	-	-	-	83,298
-	-	-	-	8,265
164,408	78,194	51,139	91,608	916,684
(3,838)	5,907	(29,010)	(58,179)	(30,237)
61,519	44,527	76,679	219,572	519,168
57,681	50,434	47,669	161,393	488,931

TOWNSHIP OF ADDISON, ILLINOIS

General Assistance - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Modified Cash Basis For the Fiscal Year Ended May 31, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 305,000	305,000	306,601
Investment Income	300	300	1,912
Miscellaneous	4,245	4,245	4,245
Total Revenues	309,545	309,545	312,758
Expenditures			
Health and Welfare			
Administration	304,450	304,450	252,579
Home Relief	94,745	99,745	61,865
Capital Outlay	30,000	30,000	28,950
Contingency	5,755	755	-
Total Expenditures	434,950	434,950	343,394
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,405)	(125,405)	(30,636)
Other Financing Sources			
Transfers In	44,000	44,000	-
Change in Fund Balance	(81,405)	(81,405)	(30,636)
Fund Balance - Beginning			85,660
Fund Balance - Ending			55,024

TOWNSHIP OF ADDISON, ILLINOIS**General Assistance - Special Revenue Fund****Schedule of Expenditures - Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Health and Welfare			
Administration			
Personnel			
Salaries	\$ 190,000	190,000	171,820
Health Insurance	35,000	35,000	24,768
Workers Compensation	1,000	1,000	497
Social Security Contribution	14,000	14,000	12,805
Employee Assistance	50	50	32
	240,050	240,050	209,922
Contractual			
Legal Service	5,000	5,000	-
Postage	1,000	1,000	-
Dues	200	200	65
Travel	1,000	1,000	532
Training & Education	1,000	1,000	257
Utilities	32,000	32,000	25,364
Liability Insurance	2,000	2,000	1,467
Community Relations/Newsletter	2,000	2,000	-
	44,200	44,200	27,685
Commodities			
Office Supplies & Equipment	20,000	20,000	14,972
Publications/Subscriptions	200	200	-
	20,200	20,200	14,972
Total Administration	304,450	304,450	252,579
Home Relief			
Contractual			
Medical	3,500	3,500	395
Funeral	1,000	1,000	-
Prescriptions	2,000	2,000	-
Flat Grant	36,245	36,245	20,411
Shelter	30,000	30,000	21,182
Client Utilities	10,000	10,000	4,717
Client Fuel	2,000	2,000	160
	84,745	84,745	46,865

TOWNSHIP OF ADDISON, ILLINOIS

General Assistance - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Health and Welfare - Continued			
Home Relief - Continued			
Commodities			
Food	\$ 10,000	15,000	15,000
Total Home Relief	94,745	99,745	61,865
Capital Outlay	30,000	30,000	28,950
Contingency	5,755	755	-
Total Expenditures	434,950	434,950	343,394

TOWNSHIP OF ADDISON, ILLINOIS**Road Building and Equipment - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 269,500	269,500	271,819
Investment Income	100	100	1,641
Total Revenues	269,600	269,600	273,460
Expenditures			
Capital Outlay	183,837	183,837	96,378
Debt Service			
Principal Retirement	83,298	83,298	83,298
Interest and Fiscal Charges	8,265	8,265	8,265
Total Expenditures	275,400	275,400	187,941
Change in Fund Balance	(5,800)	(5,800)	85,519
Fund Balance - Beginning			31,211
Fund Balance - Ending			116,730

TOWNSHIP OF ADDISON, ILLINOIS

Town IMRF - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Modified Cash Basis For the Fiscal Year Ended May 31, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 155,500	155,500	159,361
Investment Income	100	100	1,209
Total Revenues	155,600	155,600	160,570
Expenditures			
General Government			
Employer IMRF Contributions	185,000	185,000	164,408
Change in Fund Balance	(29,400)	(29,400)	(3,838)
Fund Balance - Beginning			61,519
Fund Balance - Ending			57,681

TOWNSHIP OF ADDISON, ILLINOIS

Road IMRF - Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 80,700	80,700	83,308
Investment Income	100	100	793
Total Revenues	80,800	80,800	84,101
Expenditures			
Highways and Streets			
Employer IMRF Contributions	110,000	110,000	78,194
Change in Fund Balance	(29,200)	(29,200)	5,907
Fund Balance - Beginning			44,527
Fund Balance - Ending			50,434

TOWNSHIP OF ADDISON, ILLINOIS**Road Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance -****Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 21,000	21,000	21,447
Investment Income	100	100	682
Total Revenues	21,100	21,100	22,129
Expenditures			
Highways and Streets			
Social Security Contributions	63,000	63,000	51,139
Change in Fund Balance	(41,900)	(41,900)	(29,010)
Fund Balance - Beginning			76,679
Fund Balance - Ending			47,669

TOWNSHIP OF ADDISON, ILLINOIS

Road Tort and Liability - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Modified Cash Basis For the Fiscal Year Ended May 31, 2020

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 29,000	29,000	31,144
Investment Income	500	500	2,285
Total Revenues	29,500	29,500	33,429
Expenditures			
Highways and Streets			
Salaries	50,000	50,000	25,978
Unemployment Insurance	8,000	8,000	802
Workers Compensation	40,000	40,000	29,130
Liability Insurance	40,000	40,000	35,698
Contingency	10,000	10,000	-
Total Expenditures	148,000	148,000	91,608
Change in Fund Balance	(118,500)	(118,500)	(58,179)
Fund Balance - Beginning			219,572
Fund Balance - Ending			161,393

SUPPLEMENTAL SCHEDULES

TOWNSHIP OF ADDISON, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Contract of 2018

May 31, 2020

Date of Issue	July 11, 2018
Date of Maturity	July 11, 2020
Authorized Issue	\$ 264,585
Interest Rate	4.74%
Interest Date	July 11
Principal Maturity Date	July 11
Payable at	TCF Equipment Finance

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	<u>\$ 87,332</u>	<u>4,230</u>	<u>91,562</u>

TOWNSHIP OF ADDISON, ILLINOIS**Schedule of Assessed Valuation, Tax Rates, Tax Extension, and Collections****Last Seven Tax Levy Years****May 31, 2020**

	2013	2014
Assessed Valuation		
DuPage County	\$ 5,264,325,795	5,227,047,877
Tax Rates		
Town Fund	0.0419	0.0449
Town IMRF	0.0039	0.0042
Town General Assistance	0.0286	0.0407
Road and Bridge Fund	0.0004	0.0019
Road Equipment and Building Fund	0.0010	0.0010
Road Tort Judgement and Liability	0.0010	0.0010
Road and Bridge IMRF Fund	0.0011	0.0009
Road and Bridge Social Security Fund	0.0008	0.0005
Total Tax Rates	0.0787	0.0951
Tax Extensions		
Town Fund	\$ 2,205,752	2,346,945
Town IMRF	205,309	219,538
General Assistance	77,798	109,185
Road and Bridge Fund	52,642	49,657
Road Equipment and Building Fund	52,642	52,270
Road Tort Judgement and Liability	2,437,383	2,482,848
Road and Bridge IMRF Fund	178,987	88,860
Road and Bridge Social Security Fund	42,115	26,135
Total Tax Extensions	5,252,628	5,375,438

2015	2016	2017	2018	2019
3,037,300,126	3,260,952,876	3,521,117,279	3,671,835,379	3,840,308,701
0.0570	0.0539	0.0514	0.0506	0.0497
0.0052	0.0048	0.0046	0.0044	0.0042
0.0095	0.0089	0.0086	0.0086	0.0084
0.0942	0.0893	0.0864	0.0837	0.0810
0.0047	0.0044	0.0044	0.0075	0.0072
0.0029	0.0026	0.0015	0.0010	0.0015
0.0036	0.0031	0.0027	0.0023	0.0023
0.0021	0.0019	0.0017	0.0070	0.0012
0.1792	0.1689	0.1613	0.1651	0.1555
1,731,261	1,757,654	1,809,854	1,857,949	1,908,633
157,940	156,526	161,971	161,561	161,293
288,544	290,225	302,816	315,777	322,586
2,861,137	2,912,031	3,042,245	3,073,326	3,110,650
142,753	143,482	154,929	275,388	276,502
88,082	84,785	52,817	36,718	57,605
109,343	101,090	95,070	84,452	88,327
63,783	61,958	59,859	25,703	46,084
5,442,843	5,507,751	5,679,561	5,830,874	5,971,680