

ROSCOE TOWNSHIP, ILLINOIS

**Annual Financial Statements
and
Independent Auditor's Report**

For the Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roscoe Township
Roscoe, Illinois

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township'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 Township'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Board of Trustees
Roscoe Township

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 Roscoe Township, Illinois as of March 31, 2019, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A 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 that collectively comprise Roscoe Township, Illinois's basic financial statements. The supplementary information in Schedules 1 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

SIEPERT & CO., LLP



Beloit, Wisconsin
November 21, 2019

ROSCOE TOWNSHIP
Statement of Net Position - Modified Cash Basis
 March 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash	\$ 878,036
Investments	929,522
Funds held by other governmental units	223,293
Total current assets	<u>2,030,851</u>
Noncurrent Assets:	
Capital assets - nondepreciable	913,119
Capital assets - depreciable, net of accumulated depreciation	2,491,834
Total noncurrent assets	<u>3,404,953</u>
Total assets	<u>5,435,804</u>
LIABILITIES	
Current Liabilities:	
Other payables	5,320
Refundable advance	30,000
Total current liabilities	<u>35,320</u>
Total liabilities	<u>35,320</u>
NET POSITION	
Invested in capital assets, net of refundable advance	3,374,953
Restricted-	
Maintenance of roads and bridges	1,296,666
General assistance	38,272
Cemetery	68,316
Unrestricted	622,277
Total Net Position	<u>\$ 5,400,484</u>

ROSCOE TOWNSHIP
Statement of Activities - Modified Cash Basis
For the Year Ended March 31, 2019

	Expenses	Charges for Services	Operating Grants and Contributions
Functions/Programs:			
Governmental Activities-			
General Government	\$ 472,023	\$ -	\$ -
Social Services	88,787	52,595	-
Culture & Recreation	166,926	-	-
Roads & Bridges	843,749	-	102,680
	<u>\$ 1,571,485</u>	<u>\$ 52,595</u>	<u>\$ 102,680</u>
Total governmental activities	<u>\$ 1,571,485</u>	<u>\$ 52,595</u>	<u>\$ 102,680</u>

General Revenues:

Property taxes, levied for general purposes
Other taxes not restricted to a specific program
Interest income
Miscellaneous
Total general revenues

Change in Net Position

Net Position, April 1, 2018

Net Position, March 31, 2019

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
\$ 45,040	\$ (426,983)
-	(36,192)
-	(166,926)
<u>67,500</u>	<u>(673,569)</u>
<u>\$ 112,540</u>	<u>(1,303,670)</u>

1,406,628
61,907
25,684
18,972
<u>1,513,191</u>
209,521
<u>5,190,963</u>
<u>\$ 5,400,484</u>

ROSCOE TOWNSHIP
Statement of Assets, Liabilities and Fund Balances -
Governmental Funds - Modified Cash Basis
 March 31, 2019

	Town Fund	Recreation Path Fund	Road & Bridge Fund
ASSETS			
Cash	\$ 63,236	\$ 151,446	\$ 132,987
Investments	-	412,915	-
Funds held by other governmental units	-	-	-
Total Assets	<u>\$ 63,236</u>	<u>\$ 564,361</u>	<u>\$ 132,987</u>
FUND BALANCES			
Restricted-			
Special revenue funds	\$ -	\$ -	\$ 132,987
Committed-			
Recreation purposes	-	564,361	-
Unassigned	<u>63,236</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 63,236</u>	<u>\$ 564,361</u>	<u>\$ 132,987</u>

Hard Road Fund	Special Bridge Fund	Motor Fuel Tax Fund	Non-Major Governmental Funds	Totals (Memorandum Only)
\$ 319,915	\$ 103,864	\$ -	\$ 106,588	\$ 878,036
-	516,607	-	-	929,522
-	-	223,293	-	223,293
<u>\$ 319,915</u>	<u>\$ 620,471</u>	<u>\$ 223,293</u>	<u>\$ 106,588</u>	<u>\$ 2,030,851</u>
\$ 319,915	\$ 620,471	\$ 223,293	\$ 106,588	\$ 1,403,254
-	-	-	-	564,361
-	-	-	-	63,236
<u>\$ 319,915</u>	<u>\$ 620,471</u>	<u>\$ 223,293</u>	<u>\$ 106,588</u>	<u>\$ 2,030,851</u>

ROSCOE TOWNSHIP
Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position - Modified Cash Basis
March 31, 2019

Total Governmental Fund Balances	\$ 2,030,851
Amounts Reported For Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$2,573,288.	3,404,953
Liabilities are related to capital assets and therefore are not reported in the funds.	<u>(35,320)</u>
Total Net Position - Governmental Activities	<u><u>\$ 5,400,484</u></u>

ROSCOE TOWNSHIP
Statement of Revenues Collected, Expenditures Paid and
Changes in Fund Balances - Governmental Funds - Modified Cash Basis
For the Year Ended March 31, 2019

	Town Fund	Recreation Path Fund	Road & Bridge Fund
Revenues Collected:			
Property taxes	\$ 592,572	\$ -	\$ 59,242
Personal property replacement taxes	22,421	-	39,486
Motor fuel tax	-	-	-
Cemetery income	-	-	-
Interest income	769	9,587	240
Other income	33,281	-	2,578
Total revenues collected	<u>649,043</u>	<u>9,587</u>	<u>101,546</u>
Expenditures Paid:			
General government	378,442	-	55,133
Social services	-	-	-
Culture & recreation	-	51,569	-
Roads & bridges	-	-	65,179
Capital outlay	580,951	107,775	-
Total expenditures paid	<u>959,393</u>	<u>159,344</u>	<u>120,312</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	(310,350)	(149,757)	(18,766)
Fund Balances, April 1, 2018	<u>373,586</u>	<u>714,118</u>	<u>151,753</u>
Fund Balances, March 31, 2019	<u>\$ 63,236</u>	<u>\$ 564,361</u>	<u>\$ 132,987</u>

The accompanying notes are an integral part of this statement.

Hard Road Fund	Special Bridge Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Totals (Memorandum Only)
\$ 703,192	\$ 1,301	\$ -	\$ 50,321	\$ 1,406,628
-	-	-	-	61,907
-	-	102,680	-	102,680
-	-	-	52,595	52,595
762	12,940	425	961	25,684
16	-	-	-	35,875
<u>703,970</u>	<u>14,241</u>	<u>103,105</u>	<u>103,877</u>	<u>1,685,369</u>
-	-	-	7,064	440,639
-	-	-	68,188	68,188
-	-	-	-	51,569
757,925	-	17,548	-	840,652
46,470	-	-	15,368	750,564
<u>804,395</u>	<u>-</u>	<u>17,548</u>	<u>90,620</u>	<u>2,151,612</u>
(100,425)	14,241	85,557	13,257	(466,243)
<u>420,340</u>	<u>606,230</u>	<u>137,736</u>	<u>93,331</u>	<u>2,497,094</u>
<u>\$ 319,915</u>	<u>\$ 620,471</u>	<u>\$ 223,293</u>	<u>\$ 106,588</u>	<u>\$ 2,030,851</u>

ROSCOE TOWNSHIP
Reconciliation of the Governmental Funds Statement of Revenues Collected,
Expenditures Paid and Changes in Fund Balances to the Governmental
Activities in the Statement of Activities - Modified Cash Basis
For the Year Ended March 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (466,243)

**Amounts Reported For Governmental Activities in the Statement of
Net Position are Different Because:**

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	813,708
Donation of capital assets	45,040
Refundable advance for capital assets	(30,000)
Depreciation expense	(166,081)
Gain on disposal of capital assets	13,097
	<u>13,097</u>

Change in Net Position of Governmental Activities \$ 209,521

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Roscoe Township, Illinois (Township) do not conform to accounting principles generally accepted in the United States of America as applicable to governmental units because the financial statements have been prepared on the modified cash basis and, therefore, omit recognition of receivables and payables as required by accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Reporting Entity

This report includes all of the funds of the Township. The reporting entity includes those of Roscoe Township (the primary government) and its component units, which include the Road & Bridge, Hard Road, Special Bridge, and Cemetery funds. The component units are included in the Township's reporting entity because of the significance of their operational and financial relationship with the Township. Roscoe Township's Road and Bridge, Hard Road, and Special Bridge funds are legal and separate units of the government that meet the criteria to be included as blended component units in the Township's financial statements and are governed by the same Board of Trustees as the Township. For financial reporting purposes, the Road and Bridge, Hard Road, Special Bridge, Motor Fuel Tax, General Assistance, Recreation Path, and Cemetery funds are considered special revenue funds of the primary government, the Township. These funds do not prepare separate financial statements.

The Cemetery Fund is governed by a three member board which is appointed by the Township Supervisor and approved by the Township Trustees. The Cemetery Fund is fiscally dependent on the Township because the Township levies its taxes and must approve its budget and debt issuance.

Basis of Presentation

The funds of the financial reporting entity are presented as follows in the basic financial statements:

Government-Wide Financial Statements

The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis present financial information about the Township's governmental activities. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities - Modified Cash Basis demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Town Fund:

The Town Fund is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Township. The reporting entity includes the following special revenue funds:

Recreation Path Fund - This fund accounts for the revenues collected and expenditures paid for recreational purposes for park and path maintenance.

Road & Bridge Fund - This fund accounts for the revenues collected and expenditures paid for road and bridge maintenance.

Hard Road Fund - This fund accounts for the revenues collected and expenditures paid for the purpose of constructing or maintaining gravel, rock, macadam or other hard roads.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Special Bridge Fund - This fund accounts for the revenues collected and expenditures paid for constructing or repairing bridges, culverts, drainage structures or grade separations.

Motor Fuel Tax Fund - This fund accounts for the revenues collected and expenditures paid for motor fuel taxes received by Winnebago County from the State of Illinois as an agent for the Township. The Township does not include this fund in its Annual Budget and Appropriation Ordinance.

Non-major funds reported for the fiscal year ended March 31, 2019 are the General Assistance Fund, which accounts for revenues collected and expenditures paid for home relief purposes, and the Cemetery Fund, which accounts for the maintenance of three cemeteries.

Measurement Focus and Basis of Accounting

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid. Nonexchange transactions, in which the Township gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The financial statements of the Township have been prepared on a prescribed basis of accounting that demonstrates compliance with the modified cash basis of accounting. This practice differs from accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

As described above, the Township's policy is to prepare its financial statements on the basis of cash receipts and disbursements. Consequently, certain revenue and the related assets are recognized when received in cash rather than when susceptible to accrual, and certain expenses are recognized when paid rather than when the obligation is incurred. All funds use the modified cash basis of accounting.

Budgets

The operating budgets for all funds except the Motor Fuel Tax Fund are prepared annually by the Township. The budgets are prepared and presented on the same basis of accounting as the financial schedules, and are reported in the Supplementary Information as such. No budget is prepared for the Motor Fuel Tax Fund.

The budgeted amounts presented include any amendments made. The Board of Trustees may authorize transfers of budgeted amounts between line items while retaining the total appropriations for the fund and may also increase the appropriation amount by following the same procedure as required for the original appropriation. No supplemental appropriations were made during the year.

Appropriations lapse at year-end unless specifically carried over. Budgets are adopted at the fund level of expenditure.

The budget and appropriation ordinances for the fiscal year ended March 31, 2019 were passed on April 4, 2018. For each fund, total fund expenditures disbursed may not legally exceed the appropriated amounts. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e. purchase orders, contracts and commitments). Encumbrance accounting is not used by the Township as a budgetary control.

The Township follows these procedures in establishing the budgetary data reflected in the supplementary information:

1. Tentative budgets are prepared and made available for public inspection at least thirty (30) days prior to adoption by the Board of Trustees.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to July 1, the budgets are legally adopted through passage of a resolution.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Trustees may make transfers between the various items in any fund while retaining the total appropriations for the fund as set forth in the budget.
6. The Board of Trustees may amend the budget (in other ways) by the same procedures required of its original adoption.

Program Revenues

Amounts reported as program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Accounting Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash

Cash consists of demand deposit and money market accounts in financial institutions. The Township considers all cash on hand, demand deposits and short term investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Investments

All non-negotiable certificates of deposit are recorded at cost.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The Township is authorized to invest in funds according to Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act.

Inventories

Governmental fund inventory items are charged to expenditure accounts when purchased.

Totals (Memorandum Only)

The columns captioned "Totals (Memorandum Only)" in the Fund Financial Statements are an aggregation of the columnar statements by fund type. The totals column is not comparable to a consolidation and does not present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America because interfund transactions and balances have not been eliminated.

Capital Assets

In the Fund Financial Statements, in accounting for governmental fund types under government accounting standards generally accepted in the United States of America, fixed asset acquisitions are recorded as expenditures, and borrowings are recorded as sources of revenues. These transactions are not capitalized within the governmental fund balance sheet; rather, these capital outlay items (fixed assets) are recorded as expenditures in the Town Fund and special revenue funds.

In the Government-Wide Financial Statements, fixed assets are accounted for as capital assets. Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 1 year for general capital assets and infrastructure assets. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated acquisition value at the date of donation.

Prior to April 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units were required to account for all capital assets, including infrastructure, in the Government-Wide Financial Statements prospectively from the date of implementation. During the fiscal year ended March 31, 2019, the Township had no infrastructure additions.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant.

Depreciation of all exhaustible capital assets is recorded as a direct expense in the Statement of Activities - Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position - Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	20-39 Years
Paths, Trails, & Parks	15-20 Years
Equipment & Vehicles	3-15 Years

Compensated Absences

The Township has not authorized a sick leave or vacation policy for its employees.

Property Tax Calendar

The following information gives significant dates on the property tax calendar of the Township:

1. The property lien date is January 1.
2. The annual tax levy ordinance for 2017 was passed November 2, 2017.
3. Property taxes are due to the County collector in two installments due in June and September.
4. Property taxes for 2017 are normally received monthly beginning in May, 2018, and generally ending November, 2018.

Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions,

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions (Continued)

except quasi-external transfers and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Interfund activity is eliminated on the Government-Wide Financial Statements for the governmental funds.

Fund Balance Terminology

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes as one of the following fund balance categories:

1. Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments.
3. Committed - Amounts that can be used only for specified purposes determined by a formal action of the Township Board. The Township Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through the same type of action it employed to previously commit those amounts.
4. Assigned - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Township Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are temporary and action is not normally required for assignment to be removed.
5. Unassigned - All other spendable amounts.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Restricted Funds

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

Subsequent Events

The Township has evaluated subsequent events through November 21, 2019, the date which the financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

NOTE B CASH AND INVESTMENTS

The Township's investment policies are governed by state statutes, whereby monies must be deposited in banks insured by the Federal Deposit Insurance Corporation (FDIC) located within the state. Permissible investments include demand accounts and certificates of deposit. The Township does not have a separate policy that addresses specific risk of investments.

Deposits in local and area banks are insured by the FDIC up to the amount of \$250,000 for all time and savings accounts and \$250,000 for all demand deposit accounts.

At March 31, 2019, the carrying amount of the Township's cash and cash equivalents, consisting of checking and savings accounts, totaled \$878,036, and the bank balances totaled \$934,091. These funds are covered at each financial institution by FDIC insurance and any excess balance is fully covered by collateral held in the Township's name.

The Township maintains a pooled checking and money market account to maximize interest earnings. The Cemetery accounts are not included in the pooled amounts. The following is a listing of each fund's share of the pooled accounts:

	Cash
Town Fund	\$ 63,236
Special Revenue Funds:	
General Assistance Fund	38,272
Recreation Path Fund	151,446
Road & Bridge Fund	132,987
Hard Road Fund	319,915
Special Bridge Fund	103,864
Total Pooled Cash	\$ 809,720

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE C CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Depreciable:				
Land	\$ 640,000	\$ 273,119	\$ -	\$ 913,119
Total not depreciable capital assets	<u>640,000</u>	<u>273,119</u>	<u>-</u>	<u>913,119</u>
Depreciable Capital Assets:				
Buildings	385,890	116,939	-	502,829
Buildings - cemetery	15,900	-	-	15,900
Paths & trails	1,080,008	-	-	1,080,008
Paths & trails - cemetery	26,160	-	-	26,160
Land improvements	44,673	24,058	-	68,731
Land improvements - cemetery	80,466	-	-	80,466
Parks	1,814,674	77,665	-	1,892,339
Vehicles	595,469	-	-	595,469
Equipment	<u>426,732</u>	<u>392,188</u>	<u>15,700</u>	<u>803,220</u>
Total depreciable capital assets	<u>4,469,972</u>	<u>610,850</u>	<u>15,700</u>	<u>5,065,122</u>
Less Accumulated Depreciation:				
Buildings	175,572	9,895	-	185,467
Buildings - cemetery	11,866	400	-	12,266
Paths & trails	910,587	15,000	-	925,587
Paths & trails - cemetery	13,058	1,308	-	14,366
Land improvements	4,468	2,735	-	7,203
Land improvements - cemetery	49,274	3,523	-	52,797
Parks	498,274	87,409	-	585,683
Vehicles	468,523	26,007	-	494,530
Equipment	<u>284,481</u>	<u>19,804</u>	<u>8,896</u>	<u>295,389</u>
Total accumulated depreciation	<u>2,416,103</u>	<u>166,081</u>	<u>8,896</u>	<u>2,573,288</u>
Total capital assets being depreciated, net	<u>2,053,869</u>	<u>444,769</u>	<u>6,804</u>	<u>2,491,834</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,693,869</u>	<u>\$ 717,888</u>	<u>\$ 6,804</u>	<u>\$ 3,404,953</u>

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE C CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions/programs of the primary government:

General Government	\$	8,330
Roads & Bridges		43,215
Culture & Recreation		109,305
Social Services		5,231
 Total	 \$	 <u>166,081</u>

NOTE D RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township belongs to the Township Officials of Illinois Risk Management Association (TOIRMA), a public entity risk pool currently operating as a common risk management and insurance program only for nearly 1,400 member Illinois townships. The Township paid \$23,495 to TOIRMA during the fiscal year for all its insurance coverage, except for health and life insurance policies. The Township received a dividend check for \$3,482. TOIRMA is a self-funded pool that is governed by a Board of Directors comprised of township officials.

DESCRIPTION	AVAILABLE COVERAGE LIMITS	DEDUCTIBLES
Commercial general liability	\$3,000,000 each occurrence	\$500 Property
Automobile liability	\$3,000,000 combined single limit	\$250 Inland Marine/Auto physical damage \$50 Inland Marine/Auto glass breakage
Public officials and employees liability	\$3,000,000 each wrongful act \$3,000,000 annual aggregate	\$60,000 Employment related \$20,000 all other claims
Workers compensation and employers liability	\$1,000,000 each accident	\$1,000 deductible
PROP/IM/APD all risk	Limits on file with the Association	\$500 (Flood & earthquake \$10,000)

Insurance settlements have not exceeded coverage in any of the past three years.

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE E FUND BALANCES

Fund balances reported on the Statement of Assets, Liabilities and Fund Balances - Governmental Funds - Modified Cash Basis at March 31, 2019 include the following restricted fund balances:

General Assistance Fund	\$ 38,272
Road & Bridge Fund	132,987
Hard Road Fund	319,915
Special Bridge Fund	620,471
Special Bridge	223,293
Cemetery Fund	<u>68,316</u>
 Total Restricted Fund Balances	 <u>\$1,403,254</u>

NOTE F ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

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

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE F ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Benefits Provided (Continued)

to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms

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

ROSCOE TOWNSHIP
Notes to Financial Statements

NOTE F ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Employees Covered by Benefit Terms (Continued)

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>8</u>
 Total	 <u><u>19</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. The Township's annual contribution rate for calendar year 2018 was 16.62%. For the calendar year ended December 31, 2018, the Township contributed \$48,617 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE G OVEREXPENDITURE OF BUDGET

The Town Fund and Road & Bridge Fund over-expended their legally adopted budgets by \$492,683 and \$20,566, respectively.

NOTE H COMMITMENTS AND CONTINGENCIES

From time to time, the Township is party to pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Township's legal counsel that the likelihood is remote any such claims or proceedings will have a material adverse effect on the Township's financial position or results of operations.

As of March 31, 2019, the Township was involved in an open case related to an accident involving a Township employee and Township equipment. Subsequent to year-end, in July 2019, the Township was informed that the case was decided in the Township's favor, which released the Township from liability related to this matter.

ROSCOE TOWNSHIP
Town Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 592,572	\$ 595,543	\$ 595,543	\$ (2,971)
Personal property replacement taxes	22,421	25,160	25,160	(2,739)
Interest income	769	2,500	2,500	(1,731)
Other income	33,281	300	300	32,981
Total revenues collected	<u>649,043</u>	<u>623,503</u>	<u>623,503</u>	<u>25,540</u>
Expenditures Paid:				
General government-				
Personnel	265,448	275,880	275,880	10,432
Contractual	95,871	132,480	132,480	36,609
Materials & supplies	17,123	19,950	19,950	2,827
Total general government	<u>378,442</u>	<u>428,310</u>	<u>428,310</u>	<u>49,868</u>
Capital outlay	<u>580,951</u>	<u>38,400</u>	<u>38,400</u>	<u>(542,551)</u>
Total expenditures paid	<u>959,393</u>	<u>466,710</u>	<u>466,710</u>	<u>(492,683)</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	(310,350)	156,793	156,793	(467,143)
Fund Balance, April 1, 2018	<u>373,586</u>	<u>373,586</u>	<u>373,586</u>	<u>-</u>
Fund Balance, March 31, 2019	<u>\$ 63,236</u>	<u>\$ 530,379</u>	<u>\$ 530,379</u>	<u>\$ (467,143)</u>

ROSCOE TOWNSHIP
Recreation Path Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Interest income	\$ 9,587	\$ -	\$ -	\$ 9,587
Expenditures Paid:				
Culture & recreation-				
Personnel	30,744	23,000	23,000	(7,744)
Contractual	20,825	29,600	29,600	8,775
Total culture & recreation	51,569	52,600	52,600	1,031
Capital outlay	107,775	715,500	715,500	607,725
Total expenditures paid	159,344	768,100	768,100	608,756
Deficit of Revenues Collected Over Expenditures Paid	(149,757)	(768,100)	(768,100)	618,343
Fund Balance, April 1, 2018	714,118	714,118	714,118	-
Fund Balance, March 31, 2019	\$ 564,361	\$ (53,982)	\$ (53,982)	\$ 618,343

ROSCOE TOWNSHIP
Road & Bridge Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 59,242	\$ 60,000	\$ 60,000	\$ (758)
Personal property replacement taxes	39,486	45,000	45,000	(5,514)
Interest income	240	200	200	40
Other income	2,578	400	400	2,178
Total revenues collected	<u>101,546</u>	<u>105,600</u>	<u>105,600</u>	<u>(4,054)</u>
Expenditures Paid:				
General government-				
Personnel	13,836	14,662	14,662	826
Contractual	39,872	28,884	28,884	(10,988)
Materials & supplies	1,425	1,200	1,200	(225)
Total general government	<u>55,133</u>	<u>44,746</u>	<u>44,746</u>	<u>(10,387)</u>
Roads & bridges	<u>65,179</u>	<u>55,000</u>	<u>55,000</u>	<u>(10,179)</u>
Total expenditures paid	<u>120,312</u>	<u>99,746</u>	<u>99,746</u>	<u>(20,566)</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	(18,766)	5,854	5,854	(24,620)
Fund Balance, April 1, 2018	<u>151,753</u>	<u>151,753</u>	<u>151,753</u>	<u>-</u>
Fund Balance, March 31, 2019	<u>\$ 132,987</u>	<u>\$ 157,607</u>	<u>\$ 157,607</u>	<u>\$ (24,620)</u>

ROSCOE TOWNSHIP
Hard Road Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 703,192	\$ 675,000	\$ 675,000	\$ 28,192
Personal property replacement taxes	-	8,000	8,000	(8,000)
Interest income	762	500	500	262
Other income	16	-	-	16
Total revenues collected	<u>703,970</u>	<u>683,500</u>	<u>683,500</u>	<u>20,470</u>
Expenditures Paid:				
Roads & bridges-				
Personnel	262,340	298,900	298,900	36,560
Contractual	382,255	432,000	432,000	49,745
Materials & supplies	113,330	141,000	141,000	27,670
Total road & bridges	<u>757,925</u>	<u>871,900</u>	<u>871,900</u>	<u>113,975</u>
Capital outlay	<u>46,470</u>	<u>74,500</u>	<u>74,500</u>	<u>28,030</u>
Total expenditures paid	<u>804,395</u>	<u>946,400</u>	<u>946,400</u>	<u>142,005</u>
Deficit of Revenues Collected Over Expenditures Paid	(100,425)	(262,900)	(262,900)	162,475
Fund Balance, April 1, 2018	<u>420,340</u>	<u>420,340</u>	<u>420,340</u>	<u>-</u>
Fund Balance, March 31, 2019	<u>\$ 319,915</u>	<u>\$ 157,440</u>	<u>\$ 157,440</u>	<u>\$ 162,475</u>

ROSCOE TOWNSHIP
Special Bridge Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 1,301	\$ 1,500	\$ 1,500	\$ (199)
Interest income	12,940	750	750	12,190
Total revenues collected	<u>14,241</u>	<u>2,250</u>	<u>2,250</u>	<u>11,991</u>
Expenditures Paid:				
Roads & bridges- Materials & supplies	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	14,241	(17,750)	(17,750)	31,991
Fund Balance, April 1, 2018	<u>606,230</u>	<u>606,230</u>	<u>606,230</u>	<u>-</u>
Fund Balance, March 31, 2019	<u>\$ 620,471</u>	<u>\$ 588,480</u>	<u>\$ 588,480</u>	<u>\$ 31,991</u>

ROSCOE TOWNSHIP
Motor Fuel Tax Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Modified Cash Basis
For the Year Ended March 31, 2019

	<u>Actual</u>
Revenues Collected:	
Motor fuel tax	\$ 102,680
Interest income	425
Total revenues collected	103,105
 Expenditures Paid:	
Roads & bridges-	
Materials & supplies	17,548
Excess of Revenues Collected Over Expenditures Paid	85,557
Fund Balance, April 1, 2018	137,736
Fund Balance, March 31, 2019	\$ 223,293

ROSCOE TOWNSHIP
Combining Schedule of Assets, Liabilities and Fund Balances -
Non-Major Governmental Funds - Modified Cash Basis
 March 31, 2019

	General Assistance Fund	Cemetery Fund	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 38,272	\$ 68,316	\$ 106,588
Total Assets	<u>\$ 38,272</u>	<u>\$ 68,316</u>	<u>\$ 106,588</u>
FUND BALANCES			
Restricted- Special revenue funds	\$ 38,272	\$ 68,316	\$ 106,588
Total Fund Balances	<u>\$ 38,272</u>	<u>\$ 68,316</u>	<u>\$ 106,588</u>

ROSCOE TOWNSHIP
Combining Schedule of Revenues Collected, Expenditures Paid, and Changes in
Fund Balances - Non-Major Governmental Funds - Modified Cash Basis
For the Year Ended March 31, 2019

	General Assistance Fund	Cemetery Fund	Total Non-Major Governmental Funds
Revenues Collected:			
Property taxes	\$ 15,183	\$ 35,138	\$ 50,321
Cemetery income	-	52,595	52,595
Interest income	51	910	961
Total revenues collected	<u>15,234</u>	<u>88,643</u>	<u>103,877</u>
Expenditures Paid:			
General government	164	6,900	7,064
Social services	3,065	65,123	68,188
Capital outlay	-	15,368	15,368
Total expenditures paid	<u>3,229</u>	<u>87,391</u>	<u>90,620</u>
Excess of Revenues Collected Over Expenditures Paid	12,005	1,252	13,257
Fund Balances, April 1, 2018	<u>26,267</u>	<u>67,064</u>	<u>93,331</u>
Fund Balances, March 31, 2019	<u>\$ 38,272</u>	<u>\$ 68,316</u>	<u>\$ 106,588</u>

ROSCOE TOWNSHIP
General Assistance Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 15,183	\$ 15,000	\$ 15,000	\$ 183
Interest income	51	-	-	51
Total revenues collected	<u>15,234</u>	<u>15,000</u>	<u>15,000</u>	<u>234</u>
Expenditures Paid:				
General government-				
Personnel	164	-	-	(164)
Materials & supplies	-	1,000	1,000	1,000
Total general government	<u>164</u>	<u>1,000</u>	<u>1,000</u>	<u>836</u>
Social services-				
Contractual	3,065	26,800	26,800	23,735
Total expenditures paid	<u>3,229</u>	<u>27,800</u>	<u>27,800</u>	<u>24,571</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	12,005	(12,800)	(12,800)	24,805
Fund Balance, April 1, 2018	<u>26,267</u>	<u>26,267</u>	<u>26,267</u>	-
Fund Balance, March 31, 2019	<u>\$ 38,272</u>	<u>\$ 13,467</u>	<u>\$ 13,467</u>	<u>\$ 24,805</u>

ROSCOE TOWNSHIP
Cemetery Fund
Schedule of Revenues Collected, Expenditures Paid,
and Changes in Fund Balance - Actual and Budget - Modified Cash Basis
For the Year Ended March 31, 2019

	Actual	Budgeted Amounts		Variance with Final Budget Over/Under
		Original	Final	
Revenues Collected:				
Property taxes	\$ 35,138	\$ 35,000	\$ 35,000	\$ 138
Burial plots	23,150	16,000	16,000	7,150
Burials	17,100	17,000	17,000	100
Stones	12,345	13,000	13,000	(655)
Interest income	910	250	250	660
Total revenues collected	<u>88,643</u>	<u>81,250</u>	<u>81,250</u>	<u>7,393</u>
Expenditures Paid:				
General government- Personnel	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>-</u>
Social services- Contractual	65,063	104,950	104,950	39,887
Materials & supplies	60	2,500	2,500	2,440
Total social services	<u>65,123</u>	<u>107,450</u>	<u>107,450</u>	<u>42,327</u>
Capital outlay	<u>15,368</u>	<u>23,000</u>	<u>23,000</u>	<u>7,632</u>
Total expenditures paid	<u>87,391</u>	<u>137,350</u>	<u>137,350</u>	<u>49,959</u>
Excess (Deficit) of Revenues Collected Over Expenditures Paid	1,252	(56,100)	(56,100)	57,352
Fund Balance, April 1, 2018	<u>67,064</u>	<u>67,064</u>	<u>67,064</u>	<u>-</u>
Fund Balance, March 31, 2019	<u>\$ 68,316</u>	<u>\$ 10,964</u>	<u>\$ 10,964</u>	<u>\$ 57,352</u>

ROSCOE TOWNSHIP
Schedule of Contributions
For the Year Ended March 31, 2019
Illinois Municipal Retirement Fund
Last 10 Years*

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution \$	48,617	\$ 55,172	\$ 60,410	\$ 63,394
Contributions in relation to the actuarially determined contributions	<u>48,617</u>	<u>55,172</u>	<u>60,411</u>	<u>63,394</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>
Covered valuation payroll	\$ 292,519	\$ 352,988	\$ 383,314	\$ 399,962
Contributions as a percentage of covered payroll	16.62%	15.63%	15.76%	15.85%

* Fiscal year 2016 was the first year of implementation. Therefore, only four years are shown.

ROSCOE TOWNSHIP
Notes to Supplementary Information

LEGAL COMPLIANCE AND ACCOUNTABILITY

Annual appropriated budgets are adopted (at the fund level) for the Township and Road & Bridge Funds on the modified cash basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. No budget is prepared for the Motor Fuel Tax Fund.

The Township adopted its annual budget and appropriation ordinances for the year ended March 31, 2019, at its April 4, 2018 meeting. The budget and appropriation ordinance was prepared in accordance with State law as set forth in the "Municipal Budget Act".

The "Municipal Budget Act" includes a requirement for a public hearing and making the tentative budget and appropriation ordinances available for public inspection at least thirty (30) days prior to adoption by the Board of Trustees. The line item budget is used by management for control purposes in the day-to-day operations. The Board of Trustees, after the first six months of the year, may make transfers between line items while retaining the total appropriation for the fund. The Board of Trustees also may increase the appropriation amount by following the same procedures as required for the original appropriation. There were no amendments made to the appropriation ordinance during the current fiscal year.

Budget revenues are based on estimates approved by the Board of Trustees.

ROSCOE TOWNSHIP
Notes to Supplementary Information

Illinois Municipal Retirement Fund Schedule of Contributions - Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date: 12/31/2018

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	Non-taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled

ROSCOE TOWNSHIP
Notes to Supplementary Information

Methods and Assumptions Used to Determine 2018 Contribution Rates (Continued):

Mortality (Continued)	Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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Other Information:

Notes	There were no benefit changes during this year.
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** Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.*