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***NEW TRIER TOWNSHIP
COOK COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
FEBRUARY 29, 2020***

eder, casella & co

NEW TRIER TOWNSHIP
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FEBRUARY 29, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Board of Trustees
 New Trier Township
 Winnetka, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

NEW TRIER TOWNSHIP

as of and for the year ended February 29, 2020, and the related notes to financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of February 29, 2020, and the respective

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changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
January 13, 2021

REQUIRED SUPPLEMENTAL INFORMATION

NEW TRIER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 29, 2020

As management of New Trier Township (Township), we offer the readers of the Township's statements this narrative discussion and analysis of its financial activities of the Township for the fiscal year ended February 29, 2020.

FINANCIAL HIGHLIGHTS

- At February 29, 2020, the assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources by \$1,471,327 (net position). Of this amount, \$259,592 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The total net position for the Township increased by \$771.
- At February 29, 2020, the Township's governmental funds reported combined ending fund balances of \$1,531,001 a decrease of \$11,569 in comparison with the prior year. Of this amount, \$5,679 is nonspendable, \$857,454 is restricted, \$50,246 is assigned for different funds and projects, and \$617,622 is available for spending at the Township's discretion (unassigned fund balance).
- At February 29, 2020, the fund balance for the Town Fund was \$622,418, of which \$617,622 was unassigned. Unassigned fund balance represents 23% of total Town Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements - The Government-Wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Township's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the Township's financial position is improving or deteriorating when comparing year to year results.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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).

The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and other governmental 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 governmental activities of the Township include general government, directly funded community services, community assistance and services, and assessor. The Township does not conduct any business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 a government'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 Township'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 this comparison between governmental funds and governmental activities.

The Township maintains two 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 Town Fund and General Assistance Fund, both of which are considered to be major funds.

The Fund Financial Statements can be found on pages 10 through 13 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township's fiduciary funds include the Angel and Courier Funds. The Fiduciary Fund Financial Statements can be found on pages 14 and 15 of this report.

Notes to 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 at pages 16 through 28 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Township's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The Township adopts an annual appropriated budget for all its governmental funds. A budgetary comparison has been provided for the Major Funds to demonstrate compliance with this appropriation.

The required supplementary information can be found on pages 29 through 33.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,471,327 at February 29, 2020.

A portion of the Township's net position (24%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, office equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Township has no debt related to capital asset investments. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

New Trier Township's Statement of Net Position

	Governmental Activities	
	2/29/2020	2/28/2019
Assets		
Current and Other Assets	\$ 4,569,485	\$ 4,506,658
Capital Assets	354,281	346,645
Total Assets	<u>\$ 4,923,766</u>	<u>\$ 4,853,303</u>
Deferred Outflows		
Deferred Pension Expense	\$ 141,661	\$ 126,844
Deferred Employer Pension Contributions	9,670	8,409
Total Deferred Outflows of Resources	<u>\$ 151,331</u>	<u>\$ 135,253</u>
Total Assets and Deferred Outflows	<u>\$ 5,075,097</u>	<u>\$ 4,988,556</u>
Liabilities		
Other Long-Term Liabilities	\$ 4,724	\$ 7,349
Total Liabilities	<u>332,080</u>	<u>553,912</u>
Deferred Inflows		
Deferred Pension Revenue	\$ 233,206	\$ -
Unavailable Revenue - Property Taxes	3,033,760	2,956,739
Total Deferred Outflows of Resources	<u>\$ 3,266,966</u>	<u>\$ 2,956,739</u>
Total Liabilities and Deferred Inflows	<u>\$ 3,603,770</u>	<u>\$ 3,518,000</u>
	<u><u> </u></u>	<u><u> </u></u>

An additional portion of the Township's net position (58%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$259,592, may be used to meet the Township's ongoing obligations to citizens and creditors.

At February 29, 2020, the Township is able to report positive balances in all three categories of net position.

The Township's net position increased by \$771 during the year ended February 29, 2020.

Governmental activities - Governmental activities increased the Township's net position by \$771. Key elements of this increase are as follows:

New Trier Township's Changes in Net Assets

	Governmental Activities	
	2/29/2020	2/28/2019
Revenues		
Program Revenues		
Charges for Services	\$ 14,830	\$ 13,725
General Revenue		
Property Taxes	2,954,993	2,836,743
Replacement Taxes	46,680	36,132
Earnings on Investments	47,414	40,098
Miscellaneous Revenue	7,428	3,563
Total Revenues	<u>\$ 3,071,345</u>	<u>\$ 2,930,261</u>
Expenses		
Administration*	\$ 562,286	\$ 760,911
Program Services	1,686,167	1,984,283
Project Funds	314,283	-
Operations Support	158,227	-
Building/Town Hall Expenses	87,165	-
Health and Welfare	262,446	227,012
Total Expenses	<u>\$ 3,070,574</u>	<u>\$ 2,972,206</u>
Increase (Decrease) in Net Position	\$ 771	\$ (41,945)
Net Position - Beginning	<u>1,470,556</u>	<u>1,512,501</u>
Net Position - Ending	<u>\$ 1,471,327</u>	<u>\$ 1,470,556</u>

*For the year ended February 28, 2019, administration included the cost of providing facilities (building/town hall expenses) for program services. Amounts for operations support and project funds were included in administration and program services.

The most significant change for revenue was the increase in property taxes due to the increase in the 2018 tax levy. When comparing expenditures to how they were reported for the year ended February 29, 2020, every category aside from Operations Support saw an increase.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for spending.

At February 29, 2020, the Township's governmental funds combined ending fund balances of \$1,531,001 a decrease of \$11,569 in comparison with the prior year. Of this amount, \$617,622 constitutes unassigned fund balance, which is available for spending at the Township's discretion.

The Town Fund is the chief operating fund of the Township. At February 29, 2020, fund balance in the Town fund was \$622,418, a decrease of \$62,216 in comparison with the prior year.

The General Assistance Fund is used to account for revenues restricted for general assistance expenditures. At February 29, 2020, fund balance in the General Assistance Fund was \$908,583,

an increase of \$50,647 in comparison with the prior year. The increase was greater than last year and that is due to a greater amount of property taxes being received.

TOWN FUND BUDGETARY HIGHLIGHTS

The budget was not amended during the year ended February 29, 2020; therefore, the amount shown as original and final are the same.

Significant differences between the budgeted amounts and actual amounts are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$22,675 (unfavorable) and was primarily due to less than anticipated property tax revenue.
- The difference between the estimated expenditures and the actual expenditures was \$421,295 (favorable) and was primarily due to less than anticipated project funds and operations support expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Township’s investment in capital assets for its governmental activities as of February 29, 2020 amounts to \$354,281 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office furniture and equipment, and computers. Major capital asset events during the year ended February 29, 2020 included the following:

- Roof work for a total of \$11,250
- Carrier Rooftop Unit for \$12,654
- Computer System Backup Server for \$1,113

New Trier Township's Capital Assets at Year-End (Net of Depreciation)

	<u>2/29/2020</u>	<u>2/28/2019</u>
Land, Buildings, and Equipment		
Land	\$ 8,500	\$ 8,500
Buildings	342,141	334,765
Furniture and Equipment	3,640	3,380
	<u>\$ 354,281</u>	<u>\$ 346,645</u>

For more detail on the Township’s capital assets, see Note 3 in the notes to the financial statements.

ECONOMIC FACTORS

Because the Township depends heavily on property tax revenues, economic factors have not materially affected its revenues. The Trustees of the Township considered various factors in preparation of the appropriation ordinance for the Township which was adopted for the 2021 fiscal year.

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Township is uncertain and cannot be reasonably estimated at this time.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Township's citizens, taxpayers and creditors with a general overview of New Trier Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional

BASIC FINANCIAL STATEMENTS

NEW TRIER TOWNSHIP
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
FEBRUARY 29, 2020

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash	\$ 1,962,219
Receivables	
Property Taxes, Net of Allowance of \$46,199	2,597,625
Replacement Taxes	3,962
Prepaid Items	5,679
Capital Assets	
Land	8,500
Buildings and Equipment, Net	345,781
Total Assets	<u>\$ 4,923,766</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Expense	\$ 141,661
Deferred Employer Pension Contributions	9,670
Total Deferred Outflows of Resources	<u>\$ 151,331</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,075,097</u>
 LIABILITIES	
Accounts Payable	\$ 4,724
Non-Current Liabilities	
Due in More Than One Year	332,080
Total Liabilities	<u>\$ 336,804</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Revenue	\$ 233,206
Unavailable Revenue - Property Taxes	3,033,760
Total Deferred Inflows of Resources	<u>\$ 3,266,966</u>
Total Liabilities and Deferred Inflow of Resources	<u>\$ 3,603,770</u>
 NET POSITION	
Invested in Capital Assets	\$ 354,281
Restricted for:	
General Assistance	857,454
Unrestricted	259,592
Total Net Position	<u><u>\$ 1,471,327</u></u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FEBRUARY 29, 2020

	Expenses	Charges for Services	Net (Expenses) and Changes in Net Position
Functions/Programs			
Governmental Activities			
Administration	\$ 562,286	\$ 14,830	\$ (547,456)
Programs and Services	1,686,167	-	(1,686,167)
Project Funds	314,283	-	(314,283)
Operations Support	158,227	-	(158,227)
Building/Town Hall Expenses	87,165	-	(87,165)
Health and Welfare	262,446	-	(262,446)
	<u>\$ 3,070,574</u>	<u>\$ 14,830</u>	<u>\$ (3,055,744)</u>
			General Revenues
			Property Taxes
			\$ 2,954,993
			Replacement Taxes
			46,680
			Interest Earnings
			47,414
			Miscellaneous Revenue
			7,428
			<u>Total General Revenues</u>
			\$ 3,056,515
			Change in Net Position
			\$ 771
			Net Position - Beginning
			1,470,556
			Net Position - Ending
			\$ 1,471,327

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
FEBRUARY 29, 2020

	Town Fund	General Assistance Fund	Total Governmental Funds
ASSETS			
Cash	\$ 992,547	\$ 969,672	\$ 1,962,219
Receivables			
Property Taxes, Net of Allowance of \$46,199	2,243,516	354,109	2,597,625
Replacement Taxes	3,962	-	3,962
Prepaid Items	4,796	883	5,679
Total Assets	<u>\$ 3,244,821</u>	<u>\$ 1,324,664</u>	<u>\$ 4,569,485</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 4,724	\$ 4,724
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 2,622,403	\$ 411,357	\$ 3,033,760
FUND BALANCES			
Non-Spendable			
Prepaid Items	\$ 4,796	\$ 883	\$ 5,679
Restricted			
General Assistance	-	857,454	857,454
Assigned			
General Assistance	-	50,246	50,246
Unrestricted	617,622	-	617,622
Total Fund Balances	<u>\$ 622,418</u>	<u>\$ 908,583</u>	<u>\$ 1,531,001</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,244,821</u>	<u>\$ 1,324,664</u>	<u>\$ 4,569,485</u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 29, 2020

Fund Balances of the Governmental Funds \$ 1,531,001

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.

Capital Assets	\$ 650,135	
Accumulated Depreciation	<u>(295,854)</u>	354,281

Some liabilities are not due and payable in the current period and
therefore are not reported in the funds.

Compensated Absences	\$ (6,822)	
Net Pension Liability	<u>(325,258)</u>	(332,080)

Deferred pension costs in governmental activities are not financial
resources and therefore are not reported in the funds

Deferred Outflows	\$ 151,331	
Deferred Inflows	<u>(233,206)</u>	<u>(81,875)</u>

Net Position of Governmental Activities		<u><u>\$ 1,471,327</u></u>
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NEW TRIER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FEBRUARY 29, 2020

	Town Fund	General Assistance Fund	Totals
REVENUES			
Property Taxes	\$ 2,567,635	\$ 387,358	\$ 2,954,993
Replacement Taxes	46,680	-	46,680
Interest	27,381	20,033	47,414
Other Revenue	22,258	-	22,258
Total Revenue	<u>\$ 2,663,954</u>	<u>\$ 407,391</u>	<u>\$ 3,071,345</u>
EXPENDITURES			
Current Operating			
Administration	\$ 455,311	\$ 94,298	\$ 549,609
Programs and Services	1,686,167	-	1,686,167
Project Funds	314,283	-	314,283
Operations Support	158,227	-	158,227
Building/Town Hall Expenses	87,165	-	87,165
Health and Welfare	-	262,446	262,446
Capital Outlay	25,017	-	25,017
Total Expenditures	<u>\$ 2,726,170</u>	<u>\$ 356,744</u>	<u>\$ 3,082,914</u>
NET CHANGES IN FUND BALNCES	\$ (62,216)	\$ 50,647	\$ (11,569)
FUND BALANCES - BEGINNING	<u>684,634</u>	<u>857,936</u>	<u>1,542,570</u>
FUND BALANCES - ENDING	<u><u>\$ 622,418</u></u>	<u><u>\$ 908,583</u></u>	<u><u>\$ 1,531,001</u></u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 29, 2020

Net Change in Fund Balances - Governmental Funds \$ (11,569)

Amounts reported for Governmental Activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, they are capitalized
and depreciated over their estimated useful lives. This is the
amount by which capital outlay exceeds depreciation expense
in the current period.

Capital Outlays	\$ 25,017	
Depreciation	<u>(17,381)</u>	7,636

Some expenses in the Statement of Activities do not require the
use of current financial resources and therefore are not reported
as expenditures in the governmental funds.

Compensated Absences	\$ (167)	
Pension Expense	<u>(47,696)</u>	(47,863)

Employer pension contributions are expensed in the fund financial
statements but treated as a reduction in the Net Pension Liability
on the government-wide financial statements.

52,567

Change in Net Position of Governmental Activities	\$	<u><u>771</u></u>
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NEW TRIER TOWNSHIP
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 FEBRUARY 29, 2020

	Angel Fund, Inc.	Courier, Inc.	Totals
Assets			
Cash	\$ 135,896	\$ 459	\$ 136,355
Total Current Assets	\$ 135,896	\$ 459	\$ 136,355
Net Position			
Held For Their Intended Purposes	\$ 135,896	\$ 459	\$ 136,355
Total Net Position	\$ 135,896	\$ 459	\$ 136,355

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FEBRUARY 29, 2020

Additions	Angel Fund, Inc.	Courier, Inc.	Totals
Contributions			
General Public	\$ 44,250	\$ -	\$ 44,250
New Trier Township	-	8,500	8,500
Total Additions	<u>\$ 44,250</u>	<u>\$ 8,500</u>	<u>\$ 52,750</u>
Deductions			
Health and Welfare			
Housing Assistance	\$ 12,633	\$ -	\$ 12,633
School Supplies	3,514	-	3,514
Utilities	1,256	-	1,256
Meals	14,124	-	14,124
Transportation	965	-	965
Health Care/Medication	2,734	-	2,734
Mailing Costs			
Postage	-	8,500	8,500
Total Deductions	<u>\$ 35,226</u>	<u>\$ 8,500</u>	<u>\$ 43,726</u>
Change in Net Position	\$ 9,024	\$ -	\$ 9,024
Net Position - Beginning	<u>126,872</u>	<u>459</u>	<u>127,331</u>
Net Position - Ending	<u><u>\$ 135,896</u></u>	<u><u>\$ 459</u></u>	<u><u>\$ 136,355</u></u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Located in the Northeast corner of Cook County, Illinois, New Trier Township is a local unit of government established in 1850 to serve, at that time, its 473 residents. Today the Township serves approximately 56,000 residents. From its beginning, New Trier has been a fractional township. It deviates from the standard six miles in each direction because part of the Township is in Lake Michigan. The Township covers approximately 17 square miles. Included in its borders are the villages of Wilmette, Kenilworth, Winnetka, and Glencoe, plus portions of Glenview and Northfield.

New Trier Township's (Township) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies are established in GAAP and used by the Township are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Township. Component units are legally separate entities for which the Township (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Township's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Township. Using these criteria, the Township has no component units. In addition, the Township is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements - Government-wide Financial Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund (reporting the Township's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Township as governmental activities. The Township does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. 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. The functions are also supported by general government revenues (property taxes, replacement tax, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, directly funded community services, community assistance and services,

NOTES TO FINANCIAL STATEMENTS (Continued)

assessor). 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. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Township had no operating or capital grants for the year ended February 29, 2020.

The net costs (by function) are normally covered by general revenue (property taxes, replacement tax, unrestricted investment earnings, 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.

C. Basic Financial Statements – 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, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The Township electively made all funds major funds.

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 Township reports these major governmental funds:

1. The Town Fund is the Township's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
2. The General Assistance Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for various services provided to lower income residents.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

The Township maintains two Fiduciary Funds. These funds are held on behalf of legally separate entities.

Angel Fund, Inc. - This fund provides emergency assistance to pay for food, shelter, utilities, clothing, medical care, and other necessities of local residents in need.

Courier, Inc. - This fund provides for postage costs related to the Township's newspaper.

NOTES TO FINANCIAL STATEMENTS (Continued)

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The Township reports unavailable revenue on its governmental funds Balance Sheet. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. At February 29, 2020, the Township had \$3,033,760 of unavailable revenue from property taxes.

E. *Deposits and Investments*

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

Separate bank accounts are maintained for all Township funds. Occasionally, certain cash accounts may incur overdrafts (deficits) in an account. None of the Township's bank accounts had a cash overdraft at February 29, 2020.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

State statutes authorize the Township to invest in bank certificates of deposit, obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurers Investment Pool known as The Illinois Funds.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the governmental-wide and the fund financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets, which include land, land improvements, buildings, building improvements, furniture, equipment and, if applicable, construction in progress, are reported in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Office Equipment	5-20
Computer	5

The Township does not depreciate land or construction in progress.

J. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflow of resources, represents a consumption of net position that applies to a future period and thereafter will *not* be recognized as an outflow of resources until then. Deferred inflow of resources, represents an acquisition of net position that applies to a future period and therefore will *not* be recognized as an inflow of resources until that time.

K. *Compensated Absences*

The Township's employees are compensated for certain vacation, sick time, holidays, and personal leave. Employees are expected to take vacations within the fiscal year and may not carry over more than five vacation days to the following year. Sick leave does accumulate, but is not paid on retirement or termination. Accordingly, the Township records and accrues liability for only the carryover vacation days as compensated absences. At February 29, 2020, this amount was \$6,822. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and is reported as a reconciling item between the fund and government-wide presentations.

NOTES TO FINANCIAL STATEMENTS (Continued)

L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

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

M. *Governmental Fund Balances*

Governmental fund balances are divided between non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in the following hierarchy based on spending constraints:

- Restricted - Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned - Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the Town Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the Town Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the Town Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Township itself.

- Unassigned - Unassigned fund balance is the residual classification for the Town Fund. This classification represents the Town Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the Town Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Township permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

N. *Property Tax Calendar and Revenues*

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax is levied the following December and billed to property owners early in the next year. The tax levy is payable in two installments. The first installment is generally due about March 1 and the second about August 1. The billings are considered past due after the respective tax payment due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

The Township must file its tax levy ordinance with the Cook County Clerk by the last Tuesday in December of each year. The Board of Trustees approved its 2019 tax levy resolution on December 17, 2019. Taxes levied are subject to the statutory tax rate limit in the various operating funds subject to change only upon approval of the Township's voters. In addition, New Trier is subject to the Property Tax Extension Limitation Act, which, in general, limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the Consumer Price Index for the year preceding the levy. If the Township had a general obligation bond issue outstanding, the bond issue levies would be exempt from this limitation. The same exemption would apply to referendum approved increases.

All property taxes are collected by the Cook County Treasurer who remits to the Township its share of the collections. Most property taxes are normally received by the Township within 60 days of the respective installment due date.

O. *Estimates*

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured and collateralized by securities held in the Township's name.

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Interest Rate Risk. The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific types of investment instruments. See Note 1E for types allowable under state law.

Concentration of Credit Risk. The Township places no limit on the amount the Township may invest in any one investment instrument.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's custodial credit risk policy requires collateral for any deposits in excess of insured amounts. At February 29, 2020, the Township's bank balances were fully covered.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended February 29, 2020 is shown below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Assets Not Being Depreciated				
Land	\$ 8,500	\$ -	\$ -	\$ 8,500
Assets Being Depreciated:				
Buildings	\$ 559,935	23,904	\$ -	\$ 583,839
Furniture and Equipment	56,683	1,113	-	57,796
	<u>\$ 616,618</u>	<u>\$ 25,017</u>	<u>\$ -</u>	<u>\$ 641,635</u>
Less: Accumulated Depreciation For:				
Buildings	\$ 225,170	\$ 16,528	\$ -	\$ 241,698
Furniture and Equipment	53,303	853	-	54,156
	<u>\$ 278,473</u>	<u>\$ 17,381</u>	<u>\$ -</u>	<u>\$ 295,854</u>
Net Governmental Assets Being Depreciated	<u>\$ 338,145</u>	<u>\$ 7,636</u>	<u>\$ -</u>	<u>\$ 345,781</u>
Net Governmental Assets	<u>\$ 346,645</u>	<u>\$ 7,636</u>	<u>\$ -</u>	<u>\$ 354,281</u>

Depreciation expense of \$17,381 is charged 100% to the Administration function.

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended February 29, 2020 was as follows:

	Balance 3/1/19	Additions	Subtractions	Balance 2/29/20
Governmental Activities:				
Other Long-Term Obligations				
IMRF Liability	\$ 547,257	\$ -	\$ 221,999	\$ 325,258
Compensated Absences	6,655	167	-	6,822
Total Long-Term Obligations	<u>\$ 553,912</u>	<u>\$ 167</u>	<u>\$ 221,999</u>	<u>\$ 332,080</u>

NOTE 5 - INTERFUND BALANCE

There were no interfund balances at February 29, 2020.

NOTE 6 - DEFICIT FUND BALANCE

There were no funds which reflected a deficit fund balance as of February 29, 2020.

NOTE 7 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2018 tax levies. A summary of the assessed valuations, rates, and extensions for the years 2019, 2018, and 2017 follows:

TAX YEAR	2019		2018		2017	
ASSESSED VALUATION	\$5,220,270,921		\$4,920,927,052		\$5,097,426,797	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate	0.0509	\$ 2,662,338	0.0529	\$ 2,608,091	0.0497	\$ 2,548,713
General Assistance	0.0075	417,622	0.0073	393,674	0.007	356,820
	<u>0.0584</u>	<u>\$ 3,079,960</u>	<u>0.0602</u>	<u>\$ 3,001,765</u>	<u>0.0567</u>	<u>\$ 2,905,533</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 29, 2020, no fund had expenditures that exceeded the budget.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members and Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>6</u>
	<u>23</u>

Contributions

As set by statute, the District'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 District's annual contribution rate for calendar year 2019 was 14.09%. For the fiscal year ended February 29, 2020, the Township contributed \$52,566 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 2,226,115
IMRF Fiduciary Net Pension	1,900,857
Township's Net Pension Liability	325,258
IMRF Fiduciary Net Pension as a Percentage of the Total Pension Liability	85.39%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

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

Assumptions	
Inflation	2.50%
Salary Increases	3.35% - 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Return</u>
Equities	37%	5.75%
International Equities	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternatives	7%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash	1%	1.85%
	<u>100.0%</u>	

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balances at December 31, 2018	\$ 2,174,271	\$ 1,627,014	\$ 547,257
Changes for the year:			
Service Cost	\$ 36,651	\$ -	\$ 36,651
Interest on the Total Pension Liability	154,493	-	154,493
Differences Between Expected and Actual Experience of the Total Pension Liability	(15,977)	-	(15,977)
Contributions - Employer	-	51,306	(51,306)
Contributions - Employee	-	16,386	(16,386)
Net Investment Income	-	313,939	(313,939)
Benefit Payments, including Refunds of Employee Contributions	(123,323)	(123,323)	-
Other (Net Transfer)	-	15,535	(15,535)
Net Changes	\$ 51,844	\$ 273,843	\$ (221,999)
Balances at December 31, 2019	\$ 2,226,115	\$ 1,900,857	\$ 325,258

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

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

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 559,546	\$ 325,258	\$ 126,875

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended February 29, 2020, the Township recognized pension expense of \$47,696. At February 29, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 4,983	\$ (4,983)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	141,661	228,223	(86,562)
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ 141,661	\$ 233,206	\$ (91,545)
Pension Contributions Made Subsequent to the Measurement Date	9,670	-	9,670
Total Deferred Amounts Related to Pensions	\$ 151,331	\$ 233,206	\$ (81,875)

NOTES TO FINANCIAL STATEMENTS (Continued)

\$86,562 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended February 28, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/Inflows of Resources
2020	\$ (31,617)
2021	(27,790)
2022	7,348
2023	(39,486)
Total	\$ (91,545)

B. Social Security

All employees are covered under Social Security. The Township paid the total required contribution for the current fiscal year.

NOTE 10 - INTERFUND TRANSFERS

There were no interfund transfers made for the year ended February 29, 2020.

NOTE 11 - 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 is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), a joint risk management pool of townships through which property, general liability, automobile liability, uninsured motorists, underinsured motorists, public officials and employees liability, employee benefits liability, and workers' compensation and employers' liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Township and TOIRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions for TOIRMA, to report claims on a timely basis, cooperate with TOIRMA, its claims administrator, and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by TOIRMA. Members have a contractual obligation to fund any deficit of TOIRMA attributable to a membership year during which they were a member.

TOIRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. TOIRMA also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

For each of the past three years, the Township has had no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Township is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended February 29, 2020, there were no significant adjustments in premiums based on actual experience.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - LEGAL DEBT MARGIN

The Illinois Compiled Statutes limits the amount of indebtedness to 2.875% of the most recent available equalized assessed valuation (EAV) of the Township.

2019 Assessed Valuation	\$ 5,220,270,921
	<u>2.875%</u>
Debt Margin	\$ 150,082,789
Current Debt	<u>-</u>
Remaining Debt Margin	<u>\$ 150,082,789</u>

NOTE 13 - CONTINGENCIES

The Township is not aware of any litigation which might have a material adverse effect on the Township's financial position.

NOTE 14 - SUBSEQUENT EVENTS

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Township is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

NEW TRIER TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 29, 2020

	<u>2/29/2020</u>	<u>2/28/2019</u>	<u>2/28/2018</u>	<u>2/28/2017</u>	<u>2/29/2016</u>
Service Cost	\$ 36,651	\$ 34,533	\$ 36,400	\$ 39,235	\$ 34,653
Interest on the Total Pension Liability	154,493	149,891	150,115	151,867	147,412
Difference Between Expected and Actual Experience	(15,977)	16,505	2,295	(97,062)	1,074
Changes in Assumptions	-	52,332	(68,894)	(36,020)	(4,374)
Benefit Payments, Including Refunds of Member Contributions	(123,323)	(120,545)	(123,399)	(130,433)	(121,144)
Net Change in Total Pension Liability	<u>\$ 51,844</u>	<u>\$ 132,716</u>	<u>\$ (3,483)</u>	<u>\$ (72,413)</u>	<u>\$ 57,621</u>
Total Pension Liability - Beginning	<u>2,174,271</u>	<u>2,041,555</u>	<u>2,045,038</u>	<u>2,117,451</u>	<u>2,059,830</u>
Total Pension Liability - Ending	<u>\$ 2,226,115</u>	<u>\$ 2,174,271</u>	<u>\$ 2,041,555</u>	<u>\$ 2,045,038</u>	<u>\$ 2,117,451</u>
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 51,306	\$ 56,174	\$ 52,648	\$ 57,901	\$ 44,738
Contributions - Member	16,386	16,060	15,680	14,957	15,092
Net Investment Income	313,939	(103,995)	288,636	109,827	8,145
Benefit Payments, Including Refunds of Member Contributions	(123,323)	(120,545)	(123,399)	(130,433)	(121,144)
Other (Net Transfer)	15,535	38,858	(53,162)	(124,599)	25,860
Net Change in Plan Fiduciary Net Position	<u>\$ 273,843</u>	<u>\$ (113,448)</u>	<u>\$ 180,403</u>	<u>\$ (72,347)</u>	<u>\$ (27,309)</u>
Plan Net Position - Beginning	<u>1,627,014</u>	<u>1,740,462</u>	<u>1,560,059</u>	<u>1,632,406</u>	<u>1,659,715</u>
Plan Net Position - Ending	<u>\$ 1,900,857</u>	<u>\$ 1,627,014</u>	<u>\$ 1,740,462</u>	<u>\$ 1,560,059</u>	<u>\$ 1,632,406</u>
Township's Net Pension Liability	<u>\$ 325,258</u>	<u>\$ 547,257</u>	<u>\$ 301,093</u>	<u>\$ 484,979</u>	<u>\$ 485,045</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.39%	74.83%	85.25%	76.29%	77.09%
Covered Payroll	\$ 364,129	\$ 356,887	\$ 348,434	\$ 332,387	\$ 335,374
Employer's Net Pension Liability as a Percentage of Covered Payroll	89.32%	153.34%	86.41%	145.91%	144.63%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
FEBRUARY 29, 2020

	2/29/2020	2/28/2019	2/28/2018	2/28/2017	2/29/2016
Actuarial-Determined Contribution	\$ 51,306	\$ 56,174	\$ 52,648	\$ 57,902	\$ 44,739
Contributions in Relation to Actuarial-Determined Contribution	51,306	56,174	52,648	57,901	44,738
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Covered Payroll	\$ 365,341	\$ 358,073	\$ 348,434	\$ 332,387	\$ 335,374
Contributions as a Percentage of Covered Payroll	14.04%	15.69%	15.11%	17.42%	13.34%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate *

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 24-year closed period

Asset Valuation Method: 5-year smoothed market; 20%

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; no explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: 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 adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - TOWN FUND
 FOR THE YEAR ENDED FEBRUARY 29, 2020

	Budgeted Amounts Original & Final	Actual
REVENUES		
Property Taxes	\$ 2,609,729	\$ 2,567,635
Replacement Taxes	37,000	46,680
Interest	23,000	27,381
Passport Fees	14,000	14,830
Miscellaneous	2,900	7,428
Total Revenues	\$ 2,686,629	\$ 2,663,954
EXPENDITURES		
Programs & Services		
Agency Programs		
Agency Oversight Committee	\$ 415,485	\$ 415,485
Money Follows the Person Committee	652,830	652,830
Mental Health Committee	468,000	467,997
Child Care Services	131,000	120,637
Transportation Services	46,000	29,218
Total Programs & Services	\$ 1,713,315	\$ 1,686,167
Project Funds		
Projects of Township Significance	\$ 496,600	\$ 289,000
Other Projects	36,000	25,283
Total Project Funds	\$ 532,600	\$ 314,283
Operations Support		
Meetings Expenses	\$ 8,350	\$ 6,278
Contractual Services	235,000	135,414
Commodities	14,000	8,779
Other Expenses	18,700	7,756
Total Operations Support	\$ 276,050	\$ 158,227
Building/Town Hall Expenses		
	\$ 141,500	\$ 87,165
Administration		
Personnel	\$ 441,000	\$ 412,394
Elected Officials Compensation	43,000	42,917
Total Administration	\$ 484,000	\$ 455,311
Capital Outlay		
	\$ -	\$ 25,017
Total Expenditures	\$ 3,147,465	\$ 2,726,170
Net Change in Fund Balance	\$ (460,836)	\$ (62,216)
Fund Balance - Beginning		684,634
Fund Balance - Ending		\$ 622,418

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL ASSISTANCE FUND
 FOR THE YEAR ENDED FEBRUARY 29, 2020

	Budgeted Amounts Original & Final	Actual
REVENUES		
Property Taxes	\$ 356,820	\$ 387,358
Interest	18,000	20,033
Total Revenues	\$ 374,820	\$ 407,391
EXPENDITURES		
Administration		
Personnel		
Salaries	\$ 64,000	\$ 64,000
IMRF and Social Security	15,000	15,000
Health Insurance	13,900	13,900
Office Expense	2,500	1,398
	\$ 95,400	\$ 94,298
Health and Welfare		
Home Relief	\$ 61,000	\$ 42,051
Emergency Assistance	186,500	155,194
Hospitalization and Insurance		
Hospitalization Insurance	28,500	2,650
Food Pantry	65,000	62,551
	\$ 341,000	\$ 262,446
Total Expenditures	\$ 436,400	\$ 356,744
Net Change in Fund Balance	\$ (61,580)	\$ 50,647
Fund Balance - Beginning		857,936
Fund Balance - Ending		\$ 908,583

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 29, 2020

NOTE 1 - BUDGETARY PROCESS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

On or before May 31 of each year, the Township must adopt a budget and appropriation ordinance. The budget was approved by the Township Board on May 21, 2019. The appropriated budget is prepared by fund, function and object. Transfers from one budget line item to another requires approval of the Township Board of Trustees. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriation) is the fund level. The Township Board of Trustees authorized several line item transfers during the year which did not affect the total appropriated for any fund.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 29, 2020, no fund had expenditures that exceeded the budget.

OTHER SUPPLEMENTAL INFORMATION

NEW TRIER TOWNSHIP
SCHEDULE OF COMPARATIVE PROPERTY TAX DATA BY TAX LEVY YEAR
FEBRUARY 29, 2020

	2009	2010	2011	2012	2013
Assessed Valuation	\$ 6,348,542,469	\$ 5,506,749,440	\$ 4,946,850,035	\$ 4,594,620,759	\$ 4,151,248,889
Tax Rates					
Town Fund	0.0300	0.0400	0.0420	0.0470	0.0054
General Assistance Fund	-	-	0.0050	0.0060	0.0007
Final Rate	0.0300	0.0400	0.0470	0.0530	0.0061
Tax Extension					
Town Fund	\$ 1,904,563	\$ 2,037,497	\$ 2,077,677	\$ 2,159,472	\$ 2,241,674
General Assistance	190,456	220,270	247,343	275,677	290,587
	\$ 2,095,019	\$ 2,257,767	\$ 2,325,020	\$ 2,435,149	\$ 2,532,261
Tax Collections					
Town Fund	\$ 1,879,474	\$ 2,003,920	\$ 2,035,053	\$ 2,120,642	\$ 2,186,738
General Assistance	184,479	213,314	243,005	267,604	283,903
	\$ 2,063,953	\$ 2,217,234	\$ 2,278,058	\$ 2,388,246	\$ 2,470,641
Total Collections as a Percent of Total Tax Extended	98.52%	98.20%	97.98%	98.07%	97.57%
	2014	2015	2016	2017	2018
Assessed Valuation	\$ 4,200,978,633	\$ 4,074,925,201	\$ 4,987,013,488	\$ 5,097,426,797	\$ 4,920,927,052
Tax Rates					
Town Fund	0.0547	0.0058	0.0483	0.0497	0.0529
General Assistance Fund	0.0070	0.0008	0.0066	0.0070	0.0073
Final Rate	0.0617	0.0066	0.0549	0.0567	0.0602
Tax Extension					
Town Fund	\$ 2,310,538	\$ 2,363,457	\$ 2,443,637	\$ 2,548,713	\$ 2,608,091
General Assistance	294,069	325,994	349,091	356,820	393,674
	\$ 2,604,607	\$ 2,689,451	\$ 2,792,728	\$ 2,905,533	\$ 3,001,765
Tax Collections					
Town Fund	\$ 2,248,287	\$ 2,282,715	\$ 2,395,598	\$ 2,494,324	\$ 2,567,635
General Assistance	286,782	313,955	336,275	342,419	387,358
	\$ 2,535,069	\$ 2,596,670	\$ 2,731,873	\$ 2,836,743	\$ 2,954,993
Total Collections as a Percent of Total Tax Extended	97.33%	96.55%	97.82%	97.63%	98.44%

See Accompanying Independent Auditor's Report