

**Lisle Township**  
Lisle, Illinois

**Annual Financial Report**

For the year ended  
**December 31, 2017**



# LISLE TOWNSHIP

Lisle, Illinois

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**LISLE TOWNSHIP**

Lisle, Illinois

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### *Independent Auditor's Report*

Board of Trustees  
Lisle Township  
Lisle, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lisle Township, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Lisle 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 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on Governmental Activities**

Management has not recorded certain capital assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. The modified cash basis of accounting requires that those capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determinable.

### **Adverse Opinion on Governmental Activities**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly, in accordance with the modified cash basis of accounting, the financial position of the governmental activities of Lisle Township as of December 31, 2017 and the changes in financial position thereof for the year then ended.

### **Unmodified Opinion on Each Major Fund and the Aggregate Remaining Fund Information**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Lisle Township, as of December 31, 2017, and the respective changes in financial position-modified cash basis for the year then ended in accordance with the basis of accounting described in note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lisle Township’s basic financial statements. The Management’s Discussion and Analysis, Supplementary Information, Combining and Individual Fund Financial Statements and Schedules, and Other Supplementary 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 Combining and Individual Fund Financial Statements are the responsibility of management and were 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 combining and individual fund financial statements is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The Management’s Discussion and Analysis, Supplementary Information, and Other Supplementary Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein, Hall CPAs  
Aurora, Illinois  
April 24, 2018

## **Lisle Township**

### **Management's Discussion and Analysis For the Year Ended December 31, 2017**

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The Management's Discussion and Analysis ("MD&A") is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. In this area Lisle Township (the Township) presents its discussion and analysis of the Township's financial performance and provides an overall review of the Township's financial activities for the fiscal year ended December 31, 2017.

The MD&A is designed to focus on the current period's activities, resulting changes and currently known facts. The management of the Township encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance.

### **General Background**

Lisle Township is a local unit of government credited with being the first settled town in DuPage County. In 1850 the township population was 1,133 and was known as DuPage Township until 1854, when it changed its name to Lisle Township. Today Lisle Township serves approximately 116,000 residents (as of the latest census for 2010). Lisle Township includes most of Lisle with portions of Naperville, Downers Grove and small portions of Woodridge and Bolingbrook.

The Township is composed of two taxing bodies, the Township and Highway Department. Collectively the Township levies, budgets and provides services through the Town Fund, which includes the assessor, the General Assistance Fund and the Highway Department Funds. These funds provide distinct and separate services to the Township residents.

The Town Fund supports, but is not limited to:

- Food Pantry, serving approximately 300-350 families per month.
- Transportation Program; Dial DuPage providing assistance for senior citizens and the physically challenged.
- Passport application acceptance services.
- Job Clubs.
- Early Voting and Absentee Voters services.
- Youth Worker support and counseling
- Assessor's functions including uniformly assessing real properties at a median level of 33 1/3% (one third) of market value.
- Maintain a file for every property located within the Township which includes lot size, building sketch and if the property is improved, descriptions of the improvements.

The General Assistance Fund supports, but is not limited to:

- Financial support for residents who have limited or no resources.
- Financial support for residents who are unemployed or disabled without any other forms of income.
- Emergency financial aid and assistance.

The Road and Bridge Fund support, but is not limited to:

- Maintaining approximately 51 miles of roads in unincorporated Lisle Township.
- Branch pick-up service, Tree trimming and removal.
- Issuing Permits for building, remodeling and infrastructure improvements.
- Storm Sewer Basin Inspection and Cleaning.
- Sidewalks and Curb Replacement.
- Snow and ice removal.

## **Financial Highlights**

Lisle Township continues to operate under the restrictions of the Property Tax Extension Limitation Law (PTELL). The "tax caps" limit the annual growth of the Township's primary revenue source to the annual CPI index factor. This limitation, combined with the recent low rate of return on investments has required the Township to use its fund balances to compensate any deficits between revenues and expenditures in the operating funds. The Township Board routinely monitors the receipt of revenues and disbursements of expenditures in order to ensure the minimization of a deficit between the revenue and expense levels.

Primary effects on fiscal 2017 operating results include the following:

- The Township's total net position as of December 31, 2017 was \$8,735,321.
- The fund balances at the end of the period were \$8,735,321, which was comprised as follows: \$3,588,086 General Town Fund, \$260,949 General Assistance Fund, \$4,177,214 Road and Bridge Fund, and \$709,072 Motor Fuel Tax Fund.

For purpose of this analysis, the Township considers operating funds to include the General Town, General Assistance, Road and Bridge and Motor Fuel Tax Funds.

## **Overview of the Financial Statements**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that are similar to the historical reporting concept and focus on individual parts of the Township, reporting the Township's operations and in more detail than the government-wide statements.

The fund financial statements have the following two primary components.

- The governmental funds statements tell how basic services were financed in the short term, as well as what remains for future spending.
- The fiduciary funds statements provide information about the financial relationships in which the Township acts solely as trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The reader should refer to these notes for a better understanding of the overall financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.



Figure A-1 summarizes the organization of the Township's financial statements, including the portion of the township's activities they cover and the types of information contained.

**Figure A-1**  
**Organization of Lisle Township Annual Financial Report**

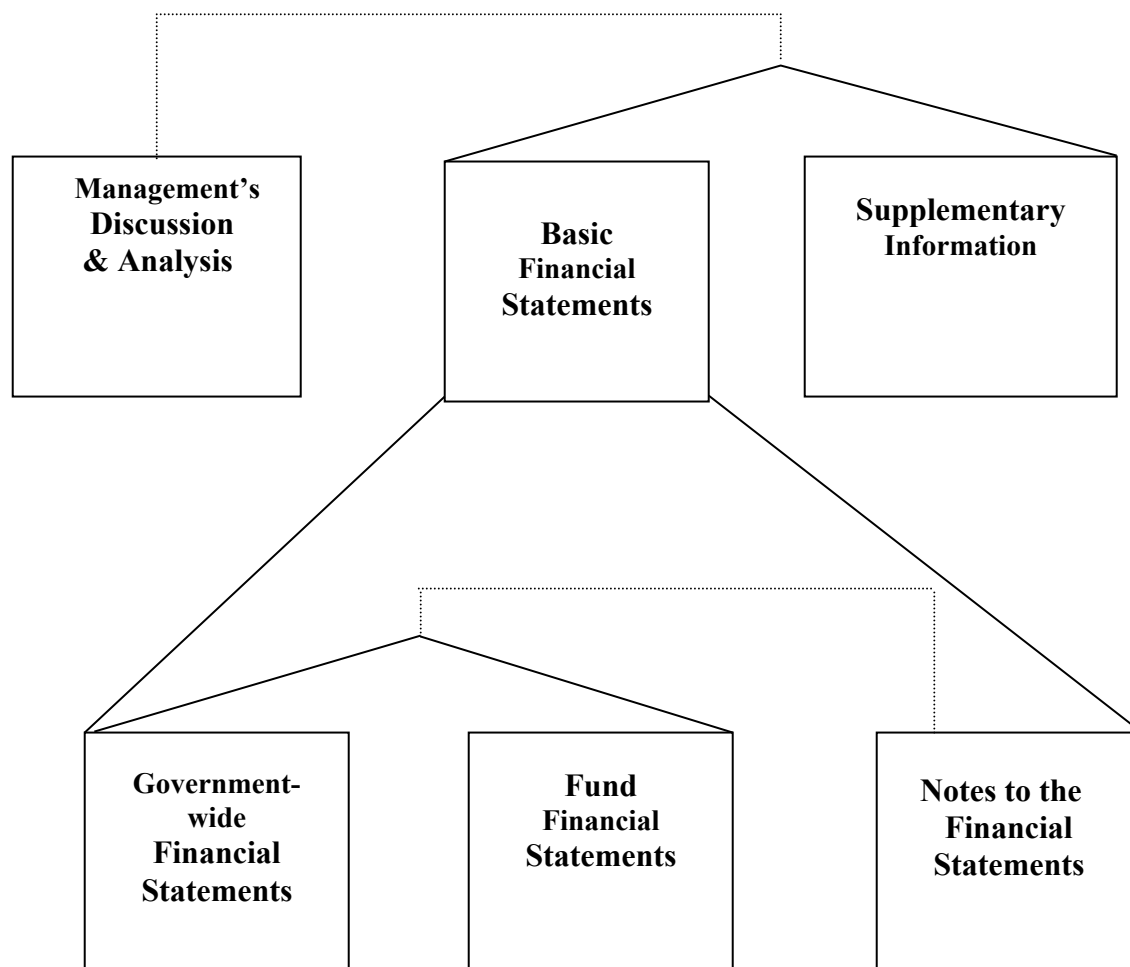


Figure A-2 summarizes the major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A and analysis highlights the structure and contents of each of the statements.

**Figure A-2**  
**Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary, such as Town & Road Bridge	Instances in which the Township administers resources on behalf of someone else, such as bonds posted for construction projects
Required financial statements	Statement of net position Statement of activities	Statement of assets, liabilities and fund balances Statement of revenues collected, expenditures paid, and changes in fund balance	Statement of fiduciary net assets Statement of changes in fiduciary net position
Accounting basis and measurement focus	Modified cash basis of accounting	Modified cash basis of accounting	Modified cash basis of accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year when cash is received or paid	All revenues and expenditures during year when cash is received or paid	All revenues and expenses during year when cash is received or paid

### **Government-wide financial statements**

The Government-wide financial statements are designed to provide readers with a broad overview of the Township's financial position and operations as a whole, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Township's current and non-current assets and liabilities, with the difference between the two reported as net position, a concept similar to "equity" in enterprise financial statements.

The statement of activities presents information showing how the Township's net position changed during the fiscal period being reported. All changes in net position are reported on the modified cash basis of accounting.

## **Lisle Township**

### **Management's Discussion and Analysis For the Year Ended December 31, 2017**

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Use of the Net Position concept is one way to measure the Township's financial health or position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. To assess the Township's overall financial health, consideration also needs to be given to other non-financial factors such as changes in the Township's property tax base, the condition of its facilities and other similar items.

In the Government-wide financial statements, the Township's activities are categorized as follows:

- *Governmental Activities* – Most of the Township's basic services such as road maintenance and administration are included. Property taxes finance most of these activities. Some support is received from local fees.

#### ***Fund-based 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This accounting presentation also provides information prepared on a consistent method with prior years to facilitate comparative analysis.

*Governmental funds*- These funds are used to account for essentially the same functions reported as governmental activities in the Township-wide financial statements. However, unlike the Township-wide financial statement, governmental fund financial statements focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out of Township operations and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term asset and debt focus of the Government-wide financial statement, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Governmental funds are further summarized by a Major funds category and a Non-Major funds category.

- The major funds of the Township include General Town, General Assistance, Road and Bridge and Motor Fuel Tax Funds. For financial reporting there are no non-major funds.

The major and non-major category determinations are made annually based on previously prescribed fund balance materiality criteria. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in the fund balances for the combined total governmental funds and for each summary category of funds.

The Township also adopts an annual budget for each of the funds listed above except the Motor Fuel Tax Fund. A budgetary comparison statement has been provided for each fund, except the Motor Fuel Tax Fund, to demonstrate actual results compared with this budget.

#### ***Notes to the Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund-based financial statements.

**Lisle Township**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2017

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***Other Information***

In addition to the basic financial statement and accompanying notes, this report also presents certain supplementary financial and statistical information concerning the Township's operations.

**Government-Wide Financial Analysis**

The following is a condensed summary of Net Position financial information as of December 31, 2017 and 2016.

Table 1  
Condensed Statements of Net Position - Modified Cash Basis

	2017	2016
Current and other assets	<u>\$ 8,766,855</u>	<u>\$ 7,915,284</u>
Unremitted Payroll Liabilities	<u>\$ 31,534</u>	<u>\$ 31,922</u>
Net position:		
Restricted	\$ 5,147,235	\$ 4,376,801
Unrestricted	3,588,086	3,506,561
Total net position	<u>\$ 8,735,321</u>	<u>\$ 7,883,362</u>

**Net Position** – The overall net position of the Township as of December 31, 2017 is \$8,735,321, of which \$3,588,086 is unrestricted. This net position represents a favorable financial condition. All of the Township's assets consist of liquid investments or cash.

**Lisle Township**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2017

**Changes in Net Position** – The following table provides a condensed government-wide summary of the changes in the net position of the Township for the fiscal periods ended December 31, 2017 and 2016. The fiscal period financial information is provided for total governmental activities.

Table 2  
Changes in Net Position - Modified Cash Basis

	Governmental		Governmental	
	Activities	Percentage	Activities	Percentage
	2017	of Total	2016	of Total
<b>Revenues</b>				
Program revenues				
Charges for Services	\$ 223,303	3.8%	\$ 235,291	3.9%
Operating Grants	24,962	0.4%	62,550	1.1%
General Revenues				
Property Taxes	5,465,626	91.9%	5,397,846	91.6%
Replacement Taxes	95,019	1.6%	92,056	1.6%
Motor Fuel Taxes	65,722	1.1%	67,909	1.2%
Investment Earnings	70,236	1.2%	32,811	0.6%
	<u>5,944,868</u>	<u>100.0%</u>	<u>5,888,463</u>	<u>100.0%</u>
<b>Expenses</b>				
General Government	2,529,087	49.7%	2,168,198	43.7%
Highways and Streets	2,459,894	48.3%	2,711,938	54.7%
Health and Welfare	103,928	2.0%	78,364	1.6%
Total Expenses	<u>5,092,909</u>	<u>100.0%</u>	<u>4,958,500</u>	<u>100.0%</u>
 Increase (decrease) in net position	 851,959		 929,963	
 Net Position, beginning of period (as originally reported)	 7,883,362		 6,937,689	
Prior Period Adjustment			15,710	
Net Position, beginning of period (as restated)	<u>7,883,362</u>		<u>6,953,399</u>	
 Net Position, end of period	 <u>\$ 8,735,321</u>		 <u>\$ 7,883,362</u>	

**Revenues-** The most substantial portion of Township revenues is derived from property taxes. This revenue source is limited by the State's "tax cap" methodology. In essence, the annual growth in Township property tax revenues is limited to the lesser of 5% or a CPI index factor, plus a factor as defined for new property, added to the total value of the property in the Township. The resulting total property tax revenues for the year ended December 31, 2017 were \$5,465,626 or \$67,780 greater than the previous period due to an increase in the General Town and Road and Bridge tax levies. Total operating revenues for the year ended December 31, 2017 were \$5,944,868, or approximately 1.0% greater than the prior period.

**Expenses-** Total operating expenses for the period ended December 31, 2017 were \$5,092,909 or \$134,409 greater than the previous period. Overall the Township maintained delivery of its desired and consistent level of quality programs in the year ended December 31, 2017. This is shown by the \$851,959 increase in operating fund balances for the year ended December 31, 2017.

**Lisle Township**

Management's Discussion and Analysis  
For the Year Ended December 31, 2017

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**Financial Analysis of the Township's Funds**

The General Town, General Assistance, Road and Bridge, and Motor Fuel Tax Funds showed increases (decreases) to fund balances of \$81,525, (\$101,853), \$803,680, and \$68,607, respectively. The increases are due to consistently conservative budgeting.

The General Town Fund revenues were \$34,860 greater than budgeted. Expenditures were \$1,309,530 lower than budget in total. Overall, the General Town Fund's increase in fund balance was \$1,344,390 greater than budget.

**Factors Bearing on the Township's Future**

At the time these financial statements were prepared and audited, the Township was aware of the following items that could significantly affect its future operations and related financial position:

- Unfunded mandates from the State for increased employee benefits and environmental monitoring and cleanup to add financial burdens to the Township.
- Additional exploration of new supplemental revenues from grants and other funding sources will continue to be evaluated.
- As a result of historic and continued sound fiscal management, the Township Board will continue to closely monitor and address budgetary expenditures in an attempt to minimize deficit spending and preserve the appropriate fund balance levels.

**Request for Information**

This financial report is designed to provide the Township's citizens, taxpayers, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions regarding this report, or need additional financial information, contact the Township's Supervisor at (630) 968-2087.

**Lisle Township**

## Statement of Net Position - Modified Cash Basis

December 31, 2017

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**Assets**

Cash and Cash Equivalents	\$ 8,057,783
Due from Other Governments	<u>709,072</u>

<b>Total Assets</b>	<b><u>\$ 8,766,855</u></b>
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**Liabilities**

Unremitted Payroll Withholding Liabilities	<u>\$ 31,534</u>
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**Net Position**

Restricted	
General assistance	\$ 260,949
Road and bridge	4,323,802
Equipment and building	366,380
Liability insurance	49,580
Employee retirement	146,524
Unrestricted	<u>3,588,086</u>

<b>Total Net Position</b>	<b><u>\$ 8,735,321</u></b>
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*See Accompanying Notes to Financial Statements*

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**Lisle Township**

## Statement of Activities - Modified Cash Basis

Year Ended December 31, 2017

Function/Program	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants	Capital Grants	
Governmental Activities					
General Government	\$ 2,529,087	\$ 29,494	\$ 24,962	\$ -	\$ (2,474,631)
Highways and Streets	2,459,894	193,809	-	-	(2,266,085)
Health and Welfare	103,928	-	-	-	(103,928)
Total Governmental Activities	<u>\$ 5,092,909</u>	<u>\$ 223,303</u>	<u>\$ 24,962</u>	<u>\$ -</u>	<u>(4,844,644)</u>

Property Taxes	5,465,626
Replacement Taxes	95,019
Motor Fuel Taxes	65,722
Investment Earnings	<u>70,236</u>
Total General Revenues	<u>5,696,603</u>
Change in Net Position	851,959
Net Position, Beginning of Year	<u>7,883,362</u>
Net Position, End of Year	<u><u>\$ 8,735,321</u></u>

See Accompanying Notes to Financial Statements

**Lisle Township**

## Statement of Assets, Liabilities and Fund Balances Arising from Modified Cash Basis

## Governmental Funds

December 31, 2017

	General Town Fund	General Assistance Fund
<b>Assets</b>		
Cash and Cash Equivalents	\$ 3,619,620	\$ 260,949
Due from Other Governments	-	-
Total Assets	<u>\$ 3,619,620</u>	<u>\$ 260,949</u>
<b>Liabilities and Fund Balance</b>		
Liabilities		
Unremitted Payroll Liabilities	<u>\$ 31,534</u>	<u>\$ -</u>
Fund Balances		
Restricted		
General assistance	-	260,949
Road and bridge	-	-
Equipment and building	-	-
Liability insurance	-	-
Employee retirement	-	-
Unrestricted		
Unassigned	<u>3,588,086</u>	<u>-</u>
Total Fund Balances	<u>3,588,086</u>	<u>260,949</u>
Total Liabilities and Fund Balances	<u>\$ 3,619,620</u>	<u>\$ 260,949</u>

*See Accompanying Notes to Financial Statements*

Road and Bridge Fund		Motor Fuel Tax Fund		Total	
\$ 4,177,214	\$ -	\$ 8,057,783			
-	709,072	709,072			
\$ 4,177,214	\$ 709,072	\$ 8,766,855			
\$ -	\$ -	\$ 31,534			
-	-	260,949			
3,614,730	709,072	4,323,802			
366,380	-	366,380			
49,580	-	49,580			
146,524	-	146,524			
-	-	3,588,086			
4,177,214	709,072	8,735,321			
\$ 4,177,214	\$ 709,072	\$ 8,766,855			

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**Lisle Township**

Reconciliation of Fund Balances Arising from Modified Cash Basis  
of Governmental Funds to the Governmental Activities  
in the Statement of Net Position  
December 31, 2017

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Total Fund Balances	\$ 8,735,321
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Amounts reported for governmental  
activities are different because

No Reconciling Items	<u>-</u>
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Net Position of Governmental Activities	<u><u>\$ 8,735,321</u></u>
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*See Accompanying Notes to Financial Statements*

**Lisle Township**

## Statement of Revenues Received, Expenditures Disbursed and Changes in Fund

Balances - Modified Cash Basis

Governmental Funds

Year Ended December 31, 2017

	General Town Fund	General Assistance Fund
Revenues Received		
Property Taxes	\$ 2,470,016	\$ -
Replacement Taxes	48,871	-
Intergovernmental	24,962	-
Motor Fuel Taxes	-	-
Interest	37,269	2,075
Miscellaneous	29,494	-
Total Revenues Received	2,610,612	2,075
Expenditures Disbursed		
General Government	2,529,087	-
Highways and Streets	-	-
Health and Welfare	-	103,928
Total Expenditures Disbursed	2,529,087	103,928
Net Change in Fund Balance	81,525	(101,853)
Fund Balance, Beginning of Year	3,506,561	362,802
Fund Balance, End of Year	\$ 3,588,086	\$ 260,949

*See Accompanying Notes to Financial Statements*

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Road and Bridge Fund	Motor Fuel Tax Fund	Total
\$ 2,995,610	\$ -	\$ 5,465,626
46,148	-	95,019
126,766	-	151,728
-	65,722	65,722
28,007	2,885	70,236
67,043	-	96,537
3,263,574	68,607	5,944,868
-	-	2,529,087
2,459,894	-	2,459,894
-	-	103,928
2,459,894	-	5,092,909
803,680	68,607	851,959
3,373,534	640,465	7,883,362
\$ 4,177,214	\$ 709,072	\$ 8,735,321

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**Lisle Township**

Reconciliation of the Governmental Funds Statement of Revenues  
Received, Expenditures Disbursed and Changes in Fund Balances -  
Modified Cash Basis - to the Governmental Activities in the Statement of Activities  
For the Year Ended December 31, 2017

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Total Net Change in Fund Balance	\$ 851,959
Amounts reported for governmental activities are different because:	
No Reconciling Items	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ 851,959</u></u>

*See Accompanying Notes to Financial Statements*



**Lisle Township**  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
December 31, 2017

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**Assets**

Cash and Cash Equivalents	<u>\$ 157,248</u>
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**Liabilities**

Liabilities	
Due to Depositors	<u>\$ 157,248</u>

*See Accompanying Notes to Financial Statements*

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Lisle Township's (the Township) accounting policies conform to the prescribed basis of accounting that demonstrated compliance with the modified cash basis and budget laws for governments of this type within the State of Illinois. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

### **a. Principles Used to Determine the Scope of the Reporting Entity**

The Township includes all funds of its governmental operations that are controlled by or dependent upon the Township as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Township as there are no other organizations for which it has financial accountability.

### **b. Fund Accounting**

The accounts of the Township are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following category: Governmental and Fiduciary

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Fiduciary funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals or private organizations.

The following are the Township's governmental and fiduciary funds:

**General Fund – The General (Town) Fund** - The General (Town) Fund is the general operating fund of the Township. It is used to account for all financial resources except those accounted for in another fund.

#### **Special Revenue Funds**

**General Assistance Fund** – The General Assistance Fund is used to account for revenues received and expenditures disbursed for general and emergency assistance needs of Township residents.

**General Road Fund** – The General Road Fund is used to account for revenues received and expenditures disbursed for the maintenance and repair of Township roads.

**Motor Fuel Tax Fund** – The Motor Fuel Tax Fund is used to account for Motor Fuel Tax revenues received from the state and expenditures disbursed for the repair of Township roads.

**Fiduciary Fund** – The Agency Funds (Bond Escrow) account for assets held by the Township in a Trustee capacity. The monies are collected as part of the construction permitting process and returned after completion of the project, provided no damage was done to Highway Department assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Township reports the following funds as major governmental funds:

General Town Fund  
General Assistance Fund  
General Road Fund  
Motor Fuel Tax Fund

**c. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities 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 revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**d. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Revenues and additions are recognized and recorded when cash is received and expenditures and deductions are recorded upon disbursement of cash.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting.

The cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

**e. Deposits and Investments**

The Township's cash and cash equivalent balances are cash and certificate of deposits deposited at various local banks.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Property Taxes**

The Township must file its tax levy ordinance by the last Tuesday in December of each year. The Township's property tax is levied each year on all taxable real property located in the Township. The levy becomes an enforceable lien against the property as of January 1 in the year in which the levy is adopted. The property tax levies were adopted December 13, 2017 for the Town, General Assistance and Road and Bridge Funds.

Property taxes are collected by the DuPage County Collector/Treasurer who remits to the Township its share of collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. The installments are based on the current levy, assessment and equalization.

The following are tax rates applicable per \$100 of equalized assessed valuation as it pertains to the 2016 and 2015 tax levies:

	Maximum Percent	Actual Percent	
		2016	2015
Town Fund	None	0.0528%	0.0553%
General Assistance	0.1000	0.0000%	0.0000%
Road District			
Road and Bridge	0.9400	0.0075%	0.0081%
Permanent Road	0.2500	0.0464%	0.0485%
Equipment and Building	0.1000	0.0074%	0.0059%
Liability Insurance	None	0.0017%	0.0017%
IMRF	None	0.0031%	0.0052%
Social Security	None	0.0013%	0.0013%
		<u>0.1202%</u>	<u>0.1260%</u>

Property taxes are based on the assessed valuations of the Township's real property as equalized by the State of Illinois. The EAV of real property totaled \$4,681,822,970 and \$4,402,512,592 for the tax years 2016 and 2015, respectively.

**g. Personal Property Replacement Tax**

During year ended December 31, 2017, eight installments of Personal Property Replacement taxes were received in the General (Town) and Road and Bridge Funds totaling \$48,871 and \$46,148 respectively.

## **2. CASH AND INVESTMENTS**

The Township's investment policy authorizes the Township to invest in:

- (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- (3) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (201 ILCS 5/1 et seq.), provided such a bank is federally insured; or
- (4) short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature no later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the public agency's funds may be invested in short term obligations of corporations; or
- (5) money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) or (2) of this subsection and to the agreements to repurchase such obligations; or
- (6) an Illinois Public Treasurer's Investment Pool created and administered by the State Treasurer of Illinois; or
- (7) other securities, as authorized by the Illinois Public Funds Investment Act (30 ILCS 235/1 et seq.), provided, however, that the Chief Investment Officer determines, in writing, that such investments are consistent with the Township's investment risk constraints, as set forth in this Investment Policy.

It is the policy of the Township to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds, using "good judgment and care" for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

### **a. Custodial Credit Risk – Deposits**

At December 31, 2017, the carrying amount of the Township's deposits (excluding agency funds and cash on hand of \$179), which included both cash and certificates of deposit, totaled \$8,057,604 and the bank balances totaled \$8,392,862. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's investment policy requires the pledging of collateral for amounts exceeding federal depository insurance limits.

### **3. RETIREMENT FUND COMMITMENTS**

#### **a. 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](http://www.imrf.org).

#### **b. Benefits Provided**

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

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

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

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

### **3. RETIREMENT FUND COMMITMENTS (Continued)**

#### **c. Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>22</u>
Total	<u><u>83</u></u>

#### **d. 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 2017 was 14.41%. For the fiscal year ended December 31, 2017, the Township contributed \$223,340 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.

#### **e. Net Pension Liability**

The Township's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### **f. Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2017.

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

### 3. RETIREMENT FUND COMMITMENTS (Continued)

- 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.0%	6.85%
International Equity	17.0%	6.75%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	5.75%
Alternative Investments	9.0%	2.65 - 7.35%
Cash Equivalents	1.0%	2.25%
	<u>100.0%</u>	

#### g. Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that 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:

- 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
- 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 the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.



### 3. RETIREMENT FUND COMMITMENTS (Continued)

#### h. Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 13,959,343	\$ 11,890,207	\$ 2,069,136
Changes for the year:			
Service Cost	178,595	-	178,595
Interest on the Total Pension Liability	1,024,797	-	1,024,797
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(127,716)	-	(127,716)
Changes of Assumptions	(437,683)	-	(437,683)
Contributions - Employer	-	223,340	(223,340)
Contributions - Employees	-	69,746	(69,746)
Net Investment Income	-	2,187,289	(2,187,289)
Benefit Payments, including Refunds of Employee Contributions	(769,369)	(769,369)	-
Other (Net Transfer)	-	(263,412)	263,412
Net Changes	(131,376)	1,447,594	(1,578,970)
Balances at December 31, 2017	\$ 13,827,967	\$ 13,337,801	\$ 490,166

#### i. 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 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,967,518	\$ 490,166	\$ (758,004)

### 3. RETIREMENT FUND COMMITMENTS (Continued)

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

For the year ended December 31, 2017, the Township disclosed pension expense of \$541,318. At December 31, 2017, the Township disclosed deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 47,424	\$ 83,702
Changes in assumptions	-	307,419
Net difference between projected and actual earnings on pension plan investments	350,994	1,058,610
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 398,418</u>	<u>\$ 1,449,731</u>

Amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Inflows of Resources
2018	\$ 264,377
2019	272,075
2020	250,207
2021	264,654
2022	-
Thereafter	-
Total	<u>\$ 1,051,313</u>

### 4. CONTINGENCIES

Per the Township's legal counsel, the Township and Road Department had been defendants in tax objection litigation. During the year ended December 31, 2017, the Township and Road Department reached a settlement to close the matter. With regard to any other pending matters, whether asserted or not the eventual outcome and related liability, if any is not determinable at this time. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

## **5. FUND BALANCE REPORTING**

According to Government Accounting Standards, fund balances are to be classified in to five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

### **A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the Township all such items are expensed at the time of purchase, so there is nothing to report for this classification.

### **B. Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

### **C. Committed Fund Balance**

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

### **D. Assigned Fund Balance**

The assigned fund balance classification refers to the amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

### **E. Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the general operating funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

**5. FUND BALANCE REPORTING (Continued)**

G. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances.

Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**6. 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; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage have been paid or reported. Settled claims have not exceeded insurance coverage for the past three fiscal periods.

**7. OTHER POSTEMPLOYMENT BENEFITS**

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no employees have been participating in the Township's health insurance plan as of December 31, 2017. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of December 31, 2017.

**Lisle Township**

Schedule of Changes in the Employer's Net Pension Liability  
and Related Ratios  
Illinois Municipal Retirement Fund  
Last Three Fiscal Years

	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 178,595	\$ 176,052	\$ 196,574
Interest	1,024,797	981,280	890,557
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(127,716)	170,780	819,756
Changes of Assumptions	(437,683)	(74,083)	43,190
Benefit Payments, Including Refunds of Member Contributions	(769,369)	(756,405)	(591,825)
Net Change in Total Pension Liability	(131,376)	497,624	1,358,252
Total Pension Liability - Beginning	13,959,343	13,461,719	12,103,467
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$13,827,967</b>	<b>\$13,959,343</b>	<b>\$13,461,719</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 223,340	\$ 684,376	\$ 241,274
Contributions - Member	69,746	71,029	176,702
Net Investment Income	2,187,289	756,054	54,953
Benefit Payments, Including Refunds of Member Contributions	(769,369)	(756,405)	(591,825)
Administrative Expense	(263,412)	181,754	(5,173)
Net Change in Plan Fiduciary Net Position	1,447,594	936,808	(124,069)
Plan Net Position - Beginning	11,890,207	10,953,399	11,077,468
<b>PLAN NET POSITION - ENDING</b>	<b>\$13,337,801</b>	<b>\$11,890,207</b>	<b>\$10,953,399</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 490,166</b>	<b>\$ 2,069,136</b>	<b>\$ 2,508,320</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.46%	85.18%	81.37%
Covered-Employee Payroll	\$ 1,549,898	\$ 1,578,411	\$ 1,739,436
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	31.63%	131.09%	144.20%

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**Lisle Township**  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
Last Three Fiscal Years

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 223,340	\$ 223,340	\$ -	\$ 1,549,898	14.41%
2016	209,929	684,376	(474,447)	1,578,411	43.36%
2015	240,390	241,274	(884)	1,739,436	13.87%

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	26-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.75%
Salary increases	3.75% - 14.50%
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	IMRF specific mortality table 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.

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
General and Major Special Revenue Funds  
Year Ended December 31, 2017

	General Town Fund		
	Original and Final Budget	Actual	Variance Over/(Under)
Revenues Received			
Property Taxes	\$ 2,427,002	\$ 2,470,016	\$ 43,014
Replacement Taxes	51,000	48,871	(2,129)
Intergovernmental Revenue	-	-	-
Interest	7,550	37,269	29,719
Miscellaneous	90,200	54,456	(35,744)
Total Revenues Received	2,575,752	2,610,612	34,860
Expenditures Disbursed			
General Government	3,838,617	2,529,087	(1,309,530)
Highways and Streets	-	-	-
Health and Welfare	-	-	-
Total Expenditures Disbursed	3,838,617	2,529,087	(1,309,530)
Net Change in Fund Balance	<u>\$ (1,262,865)</u>	81,525	<u>\$ 1,344,390</u>
Fund Balance, Beginning of Period		<u>3,506,561</u>	
Fund Balance, End of Period		<u>\$ 3,588,086</u>	



General Assistance Fund			Road and Bridge Fund		
Original and Final Budget	Actual	Variance Over/(Under)	Original and Final Budget	Actual	Variance Over/(Under)
\$ 25	\$ -	\$ (25)	\$ 3,187,000	\$ 2,995,610	\$ (191,390)
-	-	-	-	46,148	46,148
-	-	-	-	126,766	126,766
1,200	2,075	875	500	28,007	27,507
500	-	(500)	67,250	67,043	(207)
1,725	2,075	350	3,254,750	3,263,574	8,824
-	-	-	-	-	-
-	-	-	3,347,600	2,459,894	(887,706)
168,500	103,928	(64,572)	-	-	-
168,500	103,928	(64,572)	3,347,600	2,459,894	(887,706)
<u>\$ (166,775)</u>	<u>(101,853)</u>	<u>\$ 64,922</u>	<u>\$ (92,850)</u>	<u>803,680</u>	<u>\$ 896,530</u>
	<u>362,802</u>			<u>3,373,534</u>	
	<u>\$ 260,949</u>			<u>\$ 4,177,214</u>	

### **Budgets and Budgetary Accounting**

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes. The Town Fund and Road and Bridge Fund budgets were adopted on October 12, 2016. The Town Fund budget was amended once during the year.

The level of control (level at which expenditures distributed may not legally exceed the budget) is the fund. The budget lapses at the end of each fiscal year.

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

1. Prior to December 1, the Supervisor and Road Commissioner submit to the Board of Trustees a proposed operating budget for the fiscal year commencing on the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
4. The Board of Trustees may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund.
5. The Board of Trustees may also amend the budget in total by the same procedures of its original adoption.

The Motor Fuel Tax Fund is not budgeted. Accordingly, the account balances of this fund represent reconciling items between the cash basis financial statements and the financial statements prepared on a budgetary basis.

The following is a reconciliation of the Governmental Funds presented on a budgetary basis to the cash basis presentation.

Fund Balances at December 31, 2017	
Budgetary Basis	\$ 8,026,249
Nonbudgeted Fund Balance - Motor Fuel Tax	<u>709,072</u>
Fund Balances at December 31, 2017	<u><u>\$ 8,735,321</u></u>

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
General Town Fund  
Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 2,427,002	\$ 2,470,016
Replacement Taxes	51,000	48,871
Intergovernmental	75,000	24,962
Interest	7,550	37,269
Miscellaneous	15,200	29,494
Total Revenues Received	2,575,752	2,610,612
Expenditures Disbursed		
General Government		
Compensation of Town Officers		
Supervisor	62,943	62,943
Town Clerk	23,600	23,600
Assessor	114,702	111,536
Highway Commissioner	93,336	93,336
Board of Trustees	26,536	24,232
Treasurer-Road District	1,000	1,000
Total Compensation of Town Officers	322,117	316,647
Town Hall Expenditures		
General Insurance	40,000	32,127
Electric	16,000	10,775
Gas	4,000	2,672
Telephone	4,500	4,515
Water/Sewer/Garbage	2,500	1,258
Building Maintenance	40,000	40,349
Bank Service Charges	5,500	4,103
Capital Improvements	650,000	21,549
Miscellaneous	50,000	-
Total Town Hall Expenditures	\$ 812,500	\$ 117,348

(Continued)

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
General Town Fund  
Year Ended December 31, 2017

	Budget	Actual
Administration		
Supervisor		
Salaries	\$ 390,000	\$ 327,555
Office Supplies	7,500	7,322
Printing and Publishing	1,000	747
Office Equipment	2,000	440
Equipment Maintenance	5,000	3,816
Travel/Meeting/Dues	5,000	4,924
Computer	4,000	1,937
Auditing	9,500	7,900
Legal	550,000	543,464
FICA	50,000	46,519
IMRF	155,000	92,816
Unemployment Insurance	5,000	1,686
Workmen's Compensation	65,000	26,425
Health Insurance	350,000	271,871
Staff Training	5,000	1,924
Miscellaneous	10,000	-
Assessor		
Field persons and Clerks	529,000	431,304
Office Supplies	6,000	3,685
IMRF	140,000	26,249
FICA	40,000	29,360
Training	9,000	11,283
Office Equipment	6,000	287
Equipment Maintenance	4,500	85
Travel	12,000	1,051
Appraisal	4,500	-
Legal	4,000	-
Telephone/Internet	5,000	6,358
Computer	22,000	35,671
Miscellaneous	50,000	-
Total Administration	\$ 2,446,000	\$ 1,884,679

(Continued)

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
General Town Fund  
Year Ended December 31, 2017

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	Budget	Actual
Other Services		
Mosquito Control	\$ 55,000	\$ 50,100
Passport Program	1,000	499
Transportation	175,000	92,270
Community Career Center	5,000	5,000
Community Emergency Response Team	4,000	3,750
Counseling/Meetings	1,000	159
Job Club	1,500	33
Training	2,500	697
Miscellaneous	6,500	55,992
Van Maintenance and Gas	6,500	1,913
Total Other Services	258,000	210,413
Total Expenditures Disbursed	3,838,617	2,529,087
Net Change in Fund Balance	<u>\$ (1,262,865)</u>	81,525
Fund Balance, Beginning of Year		<u>3,506,561</u>
Fund Balance, End of Year		<u>\$ 3,588,086</u>

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**Lisle Township**Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis

## General Assistance Fund

Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 25	\$ -
Interest	1,200	2,075
Miscellaneous	500	-
Total Revenues Received	1,725	2,075
Expenditures Disbursed		
Health and Welfare		
Home Relief		
Food	50,000	31,055
Shelter	34,000	28,930
Sewer and Water	2,000	2,366
Gas	3,500	2,898
Electric	30,000	17,740
Clothing	1,000	64
Medical	10,000	4,500
Transportation and Moving	15,000	5,077
Household Incidentals	10,000	-
Total Home Relief	155,500	92,630
Hospitalization		
Senior Citizen Care	3,000	1,373
Total Hospitalization	3,000	1,373
Food Pantry		
Food Pantry	10,000	9,925
Total Food Pantry	10,000	9,925
Total Expenditures Disbursed	168,500	103,928
Net Change in Fund Balance	\$ (166,775)	(101,853)
Fund Balance, Beginning of Year		362,802
Fund Balance, End of Year		\$ 260,949

**Lisle Township**

Combining Schedule of Assets, Liabilities and  
Fund Balances Arising from Modified Cash Basis  
Road and Bridge Fund  
December 31, 2017

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	General Road and Bridge	Permanent Road
<b>Assets</b>		
Cash and Cash Equivalents	\$ 411,038	\$ 3,203,692
	<u>\$ 411,038</u>	<u>\$ 3,203,692</u>
<b>Liabilities and Fund Balances</b>		
Fund Balances		
Restricted		
Road and bridge	\$ 411,038	\$ 3,203,692
Equipment and building	-	-
Liability insurance	-	-
Employee retirement	-	-
	<u></u>	<u></u>
Total Fund Balances	<u>\$ 411,038</u>	<u>\$ 3,203,692</u>



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Equipment and Building	Liability Insurance	Illinois Municipal Retirement	Social Security	Total
\$ 366,380	\$ 49,580	\$ 91,985	\$ 54,539	\$ 4,177,214
\$ 366,380	\$ 49,580	\$ 91,985	\$ 54,539	\$ 4,177,214

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\$ -	\$ -	\$ -	\$ -	\$ 3,614,730
366,380	-	-	-	366,380
-	49,580	-	-	49,580
-	-	91,985	54,539	146,524
\$ 366,380	\$ 49,580	\$ 91,985	\$ 54,539	\$ 4,177,214

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**Lisle Township**

Combining Schedule of Revenues Received, Expenditures  
Disbursed and Changes in Fund Balances - Modified Cash Basis  
Road and Bridge Fund  
Year Ended December 31, 2017

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	General Road and Bridge	Permanent Road
Revenues Received		
Property Taxes	\$ 193,546	\$ 2,170,543
Replacement Taxes	46,148	-
Intergovernmental revenue	126,766	-
Interest	2,548	21,354
Miscellaneous	67,043	-
Total Revenues Received	436,051	2,191,897
Expenditures Disbursed		
Highways and Streets	333,104	1,608,734
Net Change in Fund Balance	102,947	583,163
Fund Balances, Beginning of Year	308,091	2,620,529
Fund Balances, End of Year	\$ 411,038	\$ 3,203,692

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Equipment and Building	Liability Insurance	Illinois Municipal Retirement	Social Security	Total
\$ 346,166	\$ 79,526	\$ 145,016	\$ 60,813	\$ 2,995,610
-	-	-	-	46,148
-	-	-	-	126,766
2,929	268	532	376	28,007
-	-	-	-	67,043
349,095	79,794	145,548	61,189	3,263,574
309,071	52,381	104,004	52,600	2,459,894
40,024	27,413	41,544	8,589	803,680
326,356	22,167	50,441	45,950	3,373,534
\$ 366,380	\$ 49,580	\$ 91,985	\$ 54,539	\$ 4,177,214

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**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
General Road and Bridge Department - Road District  
Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 195,000	\$ 193,546
Replacement Taxes	-	46,148
Intergovernmental revenue	-	126,766
Interest	500	2,548
Miscellaneous	67,250	67,043
Total Revenues Received	262,750	436,051
Expenditures Disbursed		
Highways and Streets		
Clerical	63,000	57,028
Office supplies	4,000	2,299
Office equipment	5,000	-
Printing and Publishing	7,500	5,721
Computer	3,000	818
Legal Service	20,000	31,532
Travel - Conventions	5,000	786
Dues	5,000	1,268
Telephone	5,000	7,256
Miscellaneous office	-	251
Building supplies	1,500	-
Two-way communication	8,000	6,768
Unemployment insurance	2,000	1,066
Health insurance	275,000	218,311
Total Expenditures Disbursed	404,000	333,104
Net Change in Fund Balance	\$ (141,250)	102,947
Fund Balance, Beginning of Year		308,091
Fund Balance, End of Year		\$ 411,038

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
Permanent Road Department - Road District  
Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 2,213,000	\$ 2,170,543
Interest	-	21,354
Total Revenues Received	2,213,000	2,191,897
Expenditures Disbursed		
Highways and Streets		
Insurance and bonds	40,000	37,119
Permanent road	750,000	556,460
Microseal	65,000	-
Reclamite/CRF	40,000	32,760
Curb/sidewalk replacement	40,000	3,262
Crack filling	35,000	28,428
Landscaping/parkway	12,000	18,361
Patching	25,000	-
Uniforms	7,000	3,597
Striping	50,000	3,306
Salt/additives	110,000	61,167
Leaf pick-up	40,000	22,477
Miscellaneous	10,000	7,217
Signs	10,000	5,005
Tree care	8,000	2,750
Lighting program	5,000	3,202
Engineering	30,000	4,286
Culverts	10,000	14,853
Law enforcement	25,000	28,800
Material landfill	25,000	11,096
Supplies	25,000	25,923
Equipment repairs	35,000	40,497
Fuel	60,000	32,674
Equipemnt rentals	1,500	120
Drug program/medical	1,000	850
Labor	750,000	648,264
Temporary labor	7,500	-
Overtime	35,000	16,260
Total Expenditures Disbursed	2,252,000	1,608,734
Net Change in Fund Balance	\$ (39,000)	583,163
Fund Balance, Beginning of Year		2,620,529
Fund Balance, End of Year		\$ 3,203,692

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
Equipment and Building Department - Road District  
Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 349,000	\$ 346,166
Interest	-	2,929
Total Revenues Received	349,000	349,095
Expenditures Disbursed		
Highways and Streets		
Utilities	1,000	11,512
Office equipment	10,000	1,696
Equipment	114,600	109,061
Building	30,000	105,779
Capital outlay/new parts	250,000	81,023
Janitorial	6,000	-
Total Expenditures Disbursed	411,600	309,071
Net Change in Fund Balance	<u>\$ (62,600)</u>	40,024
Fund Balance, Beginning of Year		<u>326,356</u>
Fund Balance, End of Year		<u>\$ 366,380</u>

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
Liability Insurance Department - Road District  
Year Ended December 31, 2017

	Budget	Actual
Revenues Received		
Property Taxes	\$ 75,000	\$ 79,526
Interest	-	268
Total Revenues Received	75,000	79,794
Expenditures Disbursed		
Highways and Streets		
Workmen's Compensation	70,000	52,381
Total Expenditures Disbursed	70,000	52,381
Net Change in Fund Balance	<u>\$ 5,000</u>	27,413
Fund Balance, Beginning of Year		<u>22,167</u>
Fund Balance, End of Year		<u>\$ 49,580</u>

**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
Illinois Municipal Retirement Department - Road District  
Year Ended December 31, 2017

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	Budget	Actual
Revenues Received		
Property Taxes	\$ 295,000	\$ 145,016
Interest	-	532
Total Revenues Received	295,000	145,548
Expenditures Disbursed		
Highways and Streets		
Retirement Contributions	150,000	104,004
Total Expenditures Disbursed	150,000	104,004
Net Change in Fund Balance	<u>\$ 145,000</u>	41,544
Fund Balance, Beginning of Year		<u>50,441</u>
Fund Balance, End of Year		<u>\$ 91,985</u>



**Lisle Township**

Schedule of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget and Actual - Modified Cash Basis  
Social Security Department - Road District  
Year Ended December 31, 2017

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	Budget	Actual
Revenues Received		
Property Taxes	\$ 60,000	\$ 60,813
Interest	-	376
Total Revenues Received	60,000	61,189
Expenditures Disbursed		
Highways and Streets		
Retirement Contributions	60,000	52,600
Total Expenditures Disbursed	60,000	52,600
Net Change in Fund Balance	<u>\$ -</u>	8,589
Fund Balance, Beginning of Year		<u>45,950</u>
Fund Balance, End of Year		<u>\$ 54,539</u>

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**Lisle Township**  
Property Tax Collections  
Last Five Tax Levy Years

Fund	2016	2015	2014	2013	2012
Town	\$ 2,470,016	\$ 2,430,584	\$ 2,099,939	\$ 1,984,342	\$ 1,046,946
General Assistance	-	-	284,801	349,297	120,801
Road and Bridge	193,415	196,438	194,733	195,073	185,745
Permanent Road	2,169,954	2,131,630	2,099,394	2,214,166	2,348,917
Liability Insurance	346,166	74,743	72,300	97,943	93,957
Equipment and Building	79,511	259,471	199,887	183,269	-
IMRF - Road and Bridge	144,963	228,575	272,117	110,723	98,431
FICA - Road and Bridge	60,799	57,143	59,512	34,040	44,741
Tax Collections	<u>\$ 5,464,824</u>	<u>\$ 5,378,584</u>	<u>\$ 5,282,683</u>	<u>\$ 5,168,853</u>	<u>\$ 3,939,538</u>
Levy Extended	<u>\$ 5,466,551</u>	<u>\$ 5,385,686</u>	<u>\$ 5,298,546</u>	<u>\$ 5,179,118</u>	<u>\$ 3,944,065</u>
Percent Collected	<u>99.97%</u>	<u>99.87%</u>	<u>99.70%</u>	<u>99.80%</u>	<u>99.89%</u>

**Lisle Township**

## Property Tax Assessed Valuations, Rates and Extensions

## Last Five Tax Levy Years

Tax Levy Year	2016		2015	
Assessed Valuations	\$4,681,822,970		\$4,402,512,592	
	Rate	Amount	Rate	Amount
Tax Extensions				
Town	0.0528	\$ 2,472,003	0.0553	\$ 2,434,589
General Assistance	0.0000	-	0.0000	-
Permanent Road	0.0464	2,172,366	0.0485	2,135,219
Equipment and Building	0.0074	346,455	0.0059	259,748
Municipal Retirement	0.0031	145,137	0.0052	228,931
Liability Insurance	0.0017	79,591	0.0017	74,843
FICA	0.0013	60,864	0.0013	57,233
	0.1127	5,276,414	0.1179	5,190,562
Road and Bridge	0.0075	351,137	0.0081	356,604
Total Extension	0.1202	\$ 5,627,551	0.1260	\$ 5,547,166
Road and Bridge Rate		0.0075		0.0081
Municipalities Share		\$ 161,000		\$ 161,480
Town Share		190,137		195,124
		<u>\$ 351,137</u>		<u>\$ 356,604</u>

\* Property tax rates are per \$100 of assessed valuation

Note: Under Illinois law a portion of the Town's Road and Bridge tax produced by property within the limits of a municipality is to be paid over to the Treasurer of that municipality for the improvement of roads and street within the municipality.

2014	2013	2012
\$4,265,540,778	\$4,266,441,135	\$4,474,127,885

Rate	Amount	Rate	Amount	Rate	Amount
0.0476	\$ 2,030,397	0.0466	\$ 1,988,162	0.0234	\$ 1,046,946
0.0085	362,571	0.0082	349,848	0.0027	120,801
0.0494	2,107,177	0.0520	2,218,549	0.0525	2,348,917
0.0047	200,480	0.0043	183,457	0.0000	-
0.0064	272,995	0.0026	110,927	0.0022	98,431
0.0017	72,514	0.0023	98,128	0.0021	93,957
0.0014	59,718	0.0008	34,132	0.0010	44,741
0.1197	5,105,852	0.1168	4,983,203	0.0839	3,753,793
0.0082	349,774	0.0082	349,848	0.0075	335,560
0.1279	\$ 5,455,626	0.1250	\$ 5,333,051	0.0914	\$ 4,089,353

0.0082	0.0082	0.0075
\$ 157,080	\$ 153,933	\$ 145,288
192,694	195,915	190,272
\$ 349,774	\$ 349,848	\$ 335,560