

Lisle Township
Lisle, Illinois

Annual Financial Report

For the year ended
December 31, 2016

LISLE TOWNSHIP

Lisle, Illinois

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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, 2016, 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, 2016 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, 2016, 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
May 15, 2017

Lisle Township

Management's Discussion and Analysis For the Year Ended December 31, 2016

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, 2016.

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.

Lisle Township

Management's Discussion and Analysis
For the Year Ended December 31, 2016

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 2016 operating results include the following:

- The Township's total net position as of December 31, 2016 was \$7,883,362.
- The fund balances at the end of the period were \$7,883,362, which was comprised as follows: \$3,506,561 General Town Fund, \$362,802 General Assistance Fund, \$3,373,534 Road and Bridge Fund, and \$640,465 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.

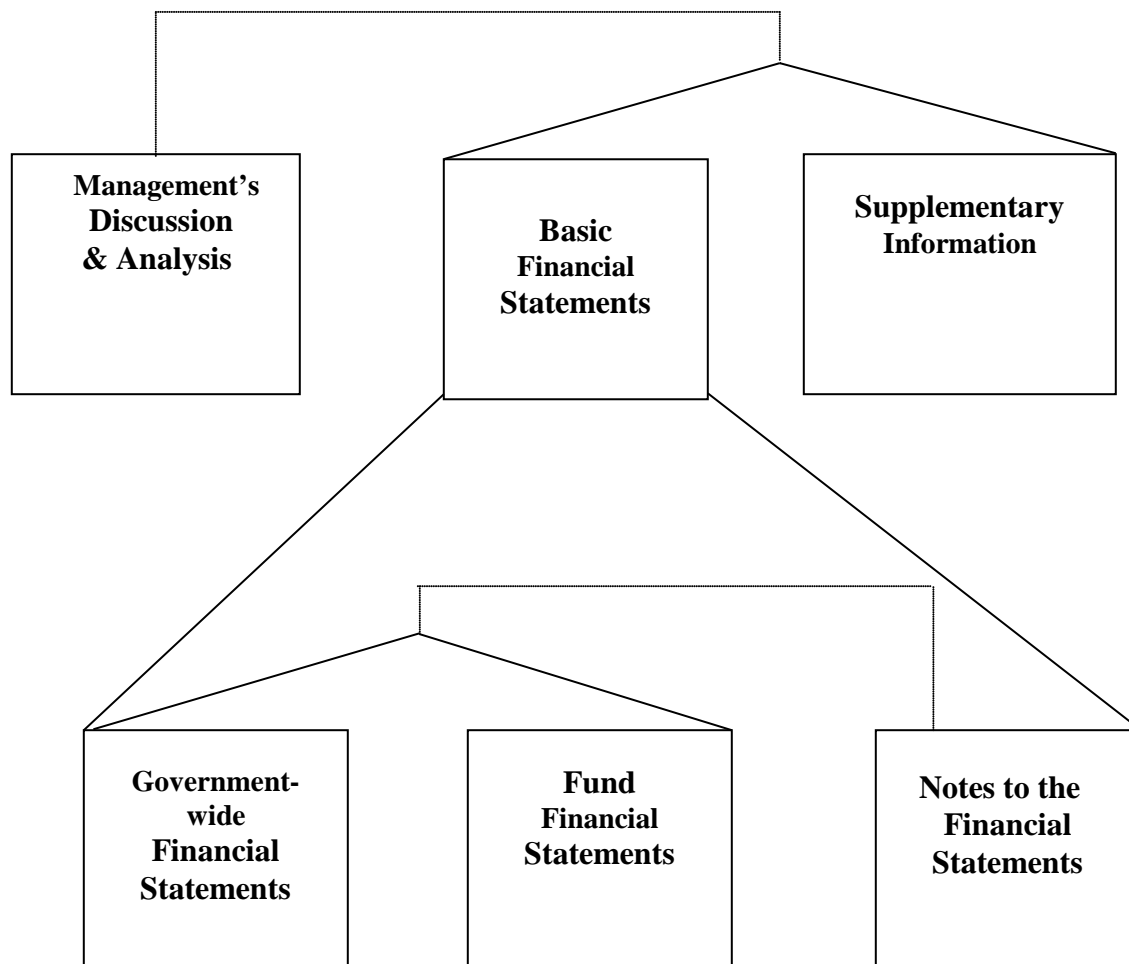
The fund financial statements have the following two primary components.

- 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



Lisle Township

Management's Discussion and Analysis
For the Year Ended December 31, 2016

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, 2016

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, 2016

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, 2016 and 2015.

Table 1
Condensed Statements of Net Position - Modified Cash Basis

	2016	2015
Current and other assets	<u>\$ 7,915,284</u>	<u>\$ 6,979,652</u>
Unremitted Payroll Liabilities	<u>\$ 31,922</u>	<u>\$ 41,963</u>
Net position		
Unrestricted		
Restricted	\$ 4,376,801	\$ 3,858,623
Unrestricted	3,506,561	3,079,066
Total net position	<u>\$ 7,883,362</u>	<u>\$ 6,937,689</u>

Net Position – The overall net position of the Township as of December 31, 2016 is \$7,883,362, of which \$3,506,561 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, 2016

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, 2016 and 2015. The fiscal period financial information is provided for total governmental activities.

Table 2

Changes in Net Position - Modified Cash Basis

	Governmental Activities 2016		Governmental Activities 2015	
	Percentage of Total		Percentage of Total	
Revenues				
Program revenues				
Charges for Services	\$ 235,291	3.9%	\$ 58,560	1.0%
Operating Grants	62,550	1.1%	51,656	0.9%
General Revenues				
Property Taxes	5,397,846	91.6%	5,295,967	94.6%
Replacement Taxes	92,056	1.6%	98,075	1.7%
Motor Fuel Taxes	67,909	1.2%	71,638	1.3%
Investment Earnings	32,811	0.6%	29,091	0.5%
	<u>5,888,463</u>	<u>100.0%</u>	<u>5,604,987</u>	<u>100.0%</u>
Expenses				
General Government	2,168,198	43.7%	1,986,711	40.6%
Highways and Streets	2,711,938	54.7%	2,642,495	54.0%
Health and Welfare	78,364	1.6%	266,916	5.4%
Total Expenses	<u>4,958,500</u>	<u>100.0%</u>	<u>4,896,122</u>	<u>100.0%</u>
 Increase (decrease) in net position	 929,963		 708,865	
 Net Position, beginning of period (as originally reported)	 6,937,689		 6,228,824	
Prior Period Adjustment	<u>15,710</u>		<u>-</u>	
Net Position, beginning of period (as restated)	<u>6,953,399</u>		<u>6,228,824</u>	
 Net Position, end of period	 <u>\$ 7,883,362</u>		 <u>\$ 6,937,689</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, 2016 were \$5,397,846 or \$101,879 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, 2015 were \$5,888,463, or approximately 5.1% greater than the prior period.

Expenses- Total operating expenses for the period ended December 31, 2016 were \$4,958,500 or \$62,378 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, 2016. This is shown by the \$929,963 increase in operating fund balances for the year ended December 31, 2016.

Lisle Township

Management's Discussion and Analysis
For the Year Ended December 31, 2016

Financial Analysis of the Township's Funds

The General Town, General Assistance, Road and Bridge, and Motor Fuel Tax Funds showed improvements to fund balances of \$409,287, (\$76,750), \$527,014, and \$70,412, respectively. The increases are due to consistently conservative budgeting.

The General Town Fund revenues were \$52,335 greater than budgeted. Expenditures were \$1,002,049 lower than budget in total. Overall, the General Town Fund's increase in fund balance was \$1,054,384 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, 2016

Assets

Cash and Cash Equivalents	\$ 7,274,819
Due from Other Governments	<u>640,465</u>

Total Assets	<u>\$ 7,915,284</u>
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Liabilities

Unremitted Payroll Withholding Liabilities	<u>\$ 31,922</u>
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Net Position

Restricted	
General assistance	362,802
Road and bridge	3,569,085
Equipment and building	326,356
Liability insurance	22,167
Employee retirement	96,391
Unrestricted	<u>3,506,561</u>

Total Net Position	<u>\$ 7,883,362</u>
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See Accompanying Notes to Financial Statements

Lisle Township

Statement of Activities - Modified Cash Basis

Year Ended December 31, 2016

Function/Program	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants	Capital Grants	
Governmental Activities					
General Government	\$ 2,168,198	\$ 14,011	\$ 62,550	\$ -	\$ (2,091,637)
Highways and Streets	2,711,938	221,280	-	-	(2,490,658)
Health and Welfare	78,364	-	-	-	(78,364)
Total Governmental Activities	\$ 4,958,500	\$ 235,291	\$ 62,550	\$ -	(4,660,659)
Property Taxes					5,397,846
Replacement Taxes					92,056
Motor Fuel Taxes					67,909
Investment Earnings					32,811
Total General Revenues					5,590,622
Change in Net Position					929,963
Net Position, Beginning of Year					6,937,689
Prior Period Adjustment					15,710
Net Position, Beginning of Year, as adjusted					6,953,399
Net Position, End of Year					\$ 7,883,362

See Accompanying Notes to Financial Statements

Lisle Township

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

Governmental Funds

December 31, 2016

Assets	General	General
	Town	Assistance
	Fund	Fund
Cash and Cash Equivalents	\$ 3,538,483	\$ 362,802
Due from Other Governments	-	-
Total Assets	<u>\$ 3,538,483</u>	<u>\$ 362,802</u>
Liabilities and Fund Balance		
Liabilities		
Unremitted Payroll Liabilities	\$ 31,922	\$ -
Fund Balances		
Restricted		
General assistance	-	362,802
Road and bridge	-	-
Equipment and building	-	-
Liability insurance	-	-
Employee retirement	-	-
Unrestricted		
Unassigned	3,506,561	-
Total Fund Balances	<u>3,506,561</u>	<u>362,802</u>
Total Liabilities and Fund Balances	<u>\$ 3,538,483</u>	<u>\$ 362,802</u>

See Accompanying Notes to Financial Statements

Road and Bridge Fund	Motor Fuel Tax Fund	Total
\$ 3,373,534	\$ -	\$ 7,274,819
-	640,465	640,465
\$ 3,373,534	\$ 640,465	\$ 7,915,284

\$ -	\$ -	\$ 31,922
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-	-	362,802
2,928,620	640,465	3,569,085
326,356	-	326,356
22,167	-	22,167
96,391	-	96,391
-	-	3,506,561
3,373,534	640,465	7,883,362
\$ 3,373,534	\$ 640,465	\$ 7,915,284

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, 2016

Total Fund Balances	\$ 7,883,362
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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>\$ 7,883,362</u></u>
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Lisle Township

Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
Year Ended December 31, 2016

	General Town Fund	General Assistance Fund
Revenues Received		
Property Taxes	\$ 2,435,939	\$ 3
Replacement Taxes	48,357	-
Intergovernmental	62,550	-
Motor Fuel Taxes	-	-
Interest	16,628	1,611
Miscellaneous	14,011	-
Total Revenues Received	2,577,485	1,614
Expenditures Disbursed		
General Government	2,168,198	-
Highways and Streets	-	-
Health and Welfare	-	78,364
Total Expenditures Disbursed	2,168,198	78,364
Net Change in Fund Balance	409,287	(76,750)
Fund Balance, Beginning of Year	3,079,066	470,031
Prior period adjustment	18,208	(30,479)
Fund Balance, Beginning of Year, as restated	3,097,274	439,552
Fund Balance, End of Year	\$ 3,506,561	\$ 362,802

See Accompanying Notes to Financial Statements

Road and Bridge Fund	Motor Fuel Tax Fund	Total
\$ 2,961,904	\$ -	\$ 5,397,846
43,699	-	92,056
103,125	-	165,675
-	67,909	67,909
12,069	2,503	32,811
118,155	-	132,166
3,238,952	70,412	5,888,463
-	-	2,168,198
2,711,938	-	2,711,938
-	-	78,364
2,711,938	-	4,958,500
527,014	70,412	929,963
2,818,539	570,053	6,937,689
27,981	-	15,710
2,846,520	570,053	6,953,399
\$ 3,373,534	\$ 640,465	\$ 7,883,362

Lisle Township

Reconciliation of the Governmental Funds Statement of Revenues

Collected, Expenditures Paid and Changes in Fund Balances -

Modified Cash Basis - to the Governmental Activities in the Statement of Activities

For the Year Ended December 31, 2016

Total Net Change in Fund Balance	\$ 929,963
Amounts reported for governmental activities are different because:	
No Reconciling Items	<u>-</u>
Change in Net Position of Governmental Activities	<u>\$ 929,963</u>

See Accompanying Notes to Financial Statements

Lisle Township
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2016

Assets

Cash and Cash Equivalents	<u>\$ 118,611</u>
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Liabilities

Liabilities	
Due to Depositors	<u>\$ 118,611</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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Deposits and Investments

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

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 10, 2014 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 2015 and 2014 tax levies:

	Maximum Percent	Actual Percent	
		2015	2014
Town Fund	None	0.0553%	0.0476%
General Assistance	0.1000	0.0000%	0.0085%
Road District			
Road and Bridge	0.9400	0.0081%	0.0082%
Permanent Road	0.2500	0.0485%	0.0494%
Equipment and Building	0.1000	0.0059%	0.0047%
Liability Insurance	None	0.0017%	0.0017%
IMRF	None	0.0052%	0.0064%
Social Security	None	0.0013%	0.0014%
		<u>0.1260%</u>	<u>0.1279%</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 \$4,402,512,592 and \$4,265,540,778 for the tax years 2015 and 2014, respectively.

g. Personal Property Replacement Tax

During year ended December 31, 2016, eight installments of Personal Property Replacement taxes were received in the General (Town) and Road and Bridge Funds totaling \$48,357 and \$43,699 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, 2016, the carrying amount of the Township's deposits (excluding agency funds and cash on hand of \$279), which included both cash and certificates of deposit, totaled \$7,274,540 and the bank balances totaled \$7,303,897. 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.

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.

Lisle Township

Notes to Financial Statements (continued)

December 31, 2016

3. RETIREMENT FUND COMMITMENTS (Continued)**c. Employees Covered by Benefit Terms**

As of December 31, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>26</u>
Total	<u><u>84</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 2016 was 13.30%. For the fiscal year ended December 31, 2016, the Township contributed \$684,376 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, 2016. 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, 2016.

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, 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 2014 valuation according to an experience study from years 2011 to 2013.
- 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-2014 (base year 2014). 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-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These

Lisle Township

Notes to Financial Statements (continued)

December 31, 2016

3. RETIREMENT FUND COMMITMENTS (Continued)

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%	7.60%
International Equity	17.0%	7.80%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	6.15%
Alternative Investments	9.0%	5.25 - 8.50%
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:

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 the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Lisle Township

Notes to Financial Statements (continued)

December 31, 2016

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, 2015	\$ 13,461,719	\$ 10,953,399	\$ 2,508,320
Changes for the year:			
Service Cost	176,052	-	176,052
Interest on the Total Pension Liability	981,280	-	981,280
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	170,780	-	170,780
Changes of Assumptions	(74,083)	-	(74,083)
Contributions - Employer	-	684,376	(684,376)
Contributions - Employees	-	71,029	(71,029)
Net Investment Income	-	756,054	(756,054)
Benefit Payments, including Refunds of Employee Contributions	(756,405)	(756,405)	-
Other (Net Transfer)	-	181,754	(181,754)
Net Changes	497,624	936,808	(439,184)
Balances at December 31, 2016	\$ 13,959,343	\$ 11,890,207	\$ 2,069,136

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)	\$ 3,654,382	\$ 2,069,136	\$ 735,231

Lisle Township

Notes to Financial Statements (continued)

December 31, 2016

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, 2016, the Township disclosed pension expense of \$578,641. At December 31, 2016, 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	\$ 360,452	\$ -
Changes in assumptions	13,242	47,328
Net difference between projected and actual earnings on pension plan investments	519,269	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 892,963</u>	<u>\$ 47,328</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 Outflows of Resources
2017	\$ 467,790
2018	195,126
2019	168,274
2020	14,445
2021	-
Thereafter	-
Total	<u>\$ 845,635</u>

4. CONTINGENCIES

Per the Township's legal counsel, the Township and Road Department are defendants in tax objection litigation. The Township's legal counsel does not expect any material financial loss from this 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 former employees have chosen to stay in the Township's health insurance plan. Therefore, there has been 0% utilization and, therefore, 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, 2016.

8. RESTATEMENTS

During the year ended December 31, 2016, the Township restated both the beginning net position and fund balance in the amount of \$15,710. This prior period adjustment was due to the elimination of prior years' outstanding items that were written off. This adjustment increased the fund balances of the General Town Fund and Road and Bridge Fund by \$18,208 and \$27,981 respectively and decreased the fund balance of the General Assistance Fund by \$30,479.

Lisle Township

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

	2016	2015
TOTAL PENSION LIABILITY		
Service Cost	\$ 176,052	\$ 196,574
Interest	981,280	890,557
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	170,780	819,756
Changes of Assumptions	(74,083)	43,190
Benefit Payments, Including Refunds of Member Contributions	(756,405)	(591,825)
Net Change in Total Pension Liability	497,624	1,358,252
Total Pension Liability - Beginning	13,461,719	12,103,467
TOTAL PENSION LIABILITY - ENDING	\$ 13,959,343	\$ 13,461,719
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 684,376	\$ 241,274
Contributions - Member	71,029	176,702
Net Investment Income	756,054	54,953
Benefit Payments, Including Refunds of Member Contributions	(756,405)	(591,825)
Administrative Expense	181,754	(5,173)
Net Change in Plan Fiduciary Net Position	936,808	(124,069)
Plan Net Position - Beginning	10,953,399	11,077,468
PLAN NET POSITION - ENDING	\$ 11,890,207	\$ 10,953,399
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 2,069,136	\$ 2,508,320
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.18%	81.37%
Covered-Employee Payroll	\$ 1,578,411	\$ 1,739,436
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	131.09%	144.20%

Lisle Township
Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Last Two 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
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	27 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 Collected, Expenditures Paid and
 Changes in Fund Balance - Budget and Actual - Modified Cash Basis
 General and Major Special Revenue Funds
 Year Ended December 31, 2016

	General Town Fund		
	Original and Final Budget	Actual	Variance Over/(Under)
Revenues Received			
Property Taxes	\$ 2,392,000	\$ 2,435,939	\$ 43,939
Replacement Taxes	38,000	48,357	10,357
Intergovernmental Revenue	-	-	-
Interest	5,650	16,628	10,978
Miscellaneous	89,500	76,561	(12,939)
Total Revenues Received	2,525,150	2,577,485	52,335
Expenditures Disbursed			
General Government	3,170,247	2,168,198	1,002,049
Highways and Streets	-	-	-
Health and Welfare	-	-	-
Total Expenditures Disbursed	3,170,247	2,168,198	1,002,049
Net Change in Fund Balance	\$ (645,097)	409,287	\$ 1,054,384
Fund Balance, Beginning of Period		3,079,066	
Prior period adjustment		18,208	
Fund Balance, Beginning of Year, as restated		3,097,274	
Fund Balance, End of Period		\$ 3,506,561	

General Assistance Fund			Road and Bridge Fund		
Original and Final Budget	Actual	Variance Over/(Under)	Original and Final Budget	Actual	Variance Over/(Under)
\$ -	\$ 3	\$ 3	\$ 3,050,520	\$ 2,961,904	\$ (88,616)
-	-	-	-	43,699	43,699
-	-	-	-	103,125	103,125
1,000	1,611	611	7,500	12,069	4,569
500	-	(500)	92,000	118,155	26,155
1,500	1,614	114	3,150,020	3,238,952	88,932
-	-	-	-	-	-
-	-	-	3,347,600	2,711,938	635,662
168,500	78,364	90,136	-	-	-
168,500	78,364	90,136	3,347,600	2,711,938	635,662
<u>\$ (167,000)</u>	<u>(76,750)</u>	<u>\$ 90,250</u>	<u>\$ (197,580)</u>	<u>527,014</u>	<u>\$ 724,594</u>
	470,031			2,818,539	
	(30,479)			27,981	
	<u>439,552</u>			<u>2,846,520</u>	
	<u>\$ 362,802</u>			<u>\$ 3,373,534</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 November 11, 2015. The budgets were not amended 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, 2016	
Budgetary Basis	\$ 7,242,897
Nonbudgeted Fund Balance - Motor Fuel Tax	<u>640,465</u>
Fund Balances at December 31, 2016	<u><u>\$ 7,883,362</u></u>

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
General (Town) Fund
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 2,392,000	\$ 2,435,939
Replacement Taxes	38,000	48,357
Intergovernmental	75,000	62,550
Interest	5,650	16,628
Miscellaneous	14,500	14,011
Total Revenues Received	2,525,150	2,577,485
Expenditures Disbursed		
General Government		
Compensation of Town Officers		
Supervisor	61,373	61,110
Town Clerk	23,012	22,913
Assessor	107,984	111,536
Highway Commissioner	89,006	90,618
Board of Trustees	25,872	25,763
Treasurer-Road District	1,000	1,000
Total Compensation of Town Officers	308,247	312,940
Town Hall Expenditures		
General Insurance	50,000	5,817
Electric	15,000	14,200
Gas	5,000	2,520
Telephone	4,500	4,389
Water/Sewer/Garbage	3,000	2,429
Building Maintenance	60,000	33,893
Bank Service Charges	3,500	3,725
Capital Improvements	130,000	1,392
Miscellaneous	100,000	77,586
Total Town Hall Expenditures	\$ 371,000	\$ 145,951

(Continued)

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
General (Town) Fund
Year Ended December 31, 2016

	Budget	Actual
Administration		
Supervisor		
Salaries	\$ 390,000	\$ 311,195
Office Supplies	9,000	7,626
Printing and Publishing	1,000	661
Office Equipment	3,000	9
Equipment Maintenance	4,500	4,348
Travel/Meeting/Dues	7,000	3,544
Computer	8,500	2,712
Auditing	9,000	7,700
Legal	5,000	1,460
FICA	50,000	45,190
IMRF	405,000	256,455
Unemployment Insurance	5,000	2,097
Workmen's Compensation	65,000	54,285
Health Insurance	330,000	264,178
Staff Training	5,000	20
Miscellaneous	100,000	-
Assessor		
Field persons and Clerks	529,000	423,992
Office Supplies	6,000	3,888
IMRF	140,000	43,387
FICA	40,000	29,944
Training	9,000	9,000
Office Equipment	6,000	6,000
Equipment Maintenance	4,500	-
Travel	12,000	1,201
Appraisal	4,500	4,500
Legal	4,000	-
Telephone/Internet	5,000	5,000
Computer	22,000	22,000
Miscellaneous	50,000	15,713
Total Administration	\$ 2,229,000	\$ 1,526,105

(Continued)

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
General (Town) Fund
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>
Other Services		
Mosquito Control	\$ 55,000	\$ 50,100
Passport Program	1,000	-
Transportation	150,000	117,064
Community Career Center	5,000	5,000
Community Emergency Response Team	4,000	3,750
Catastrophic Insurance	30,000	-
Counseling/Meetings	1,000	320
Job Club	1,500	113
Training	2,500	1,530
Miscellaneous	5,500	1,800
Van Maintenance and Gas	6,500	3,525
Total Other Services	<u>262,000</u>	<u>183,202</u>
Total Expenditures Disbursed	<u>3,170,247</u>	<u>2,168,198</u>
Net Change in Fund Balance	<u><u>\$ (645,097)</u></u>	409,287
Fund Balance, Beginning of Year		3,079,066
		<u>18,208</u>
		<u>3,097,274</u>
Fund Balance, End of Year		<u><u>\$ 3,506,561</u></u>

(Concluded)

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
General Assistance Fund
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ -	\$ 3
Interest	1,000	1,611
Miscellaneous	500	-
Total Revenues Received	1,500	1,614
Expenditures Disbursed		
Health and Welfare		
Home Relief		
Food	50,000	23,852
Shelter	34,000	26,633
Sewer and Water	2,000	134
Gas	3,500	-
Electric	30,000	9,055
Clothing	1,000	-
Medical	10,000	4,500
Transportation and Moving	15,000	4,195
Household Incidentals	10,000	-
Total Home Relief	155,500	68,369
Hospitalization		
Senior Citizen Care	3,000	500
Total Hospitalization	3,000	500
Fodd Pantry		
Food Pantry	10,000	9,495
Total Food Pantry	10,000	9,495
Total Expenditures Disbursed	168,500	78,364
Net Change in Fund Balance	\$ (167,000)	(76,750)
Fund Balance, Beginning of Year		470,031
Prior period adjustment		(30,479)
Fund Balance, Beginning of Year, as restated		439,552
Fund Balance, End of Year		\$ 362,802

Lisle Township

Combining Schedule of Assets, Liabilities and
Fund Balances Arising from Modified Cash Basis
Road and Bridge Fund
December 31, 2016

Assets	General	Permanent
	Road and Bridge	Road
Cash and Cash Equivalents	<u>\$ 308,091</u>	<u>\$ 2,620,529</u>
	<u><u>\$ 308,091</u></u>	<u><u>\$ 2,620,529</u></u>
Liabilities and Fund Balances		
Fund Balances		
Restricted		
Road and bridge	\$ 308,091	\$ 2,620,529
Equipment and building	-	-
Liability insurance	-	-
Employee retirement	-	-
	<u> </u>	<u> </u>
Total Fund Balances	<u><u>\$ 308,091</u></u>	<u><u>\$ 2,620,529</u></u>

Equipment and Building	Liability Insurance	Illinois Municipal Retirement	Social Security	Total
\$ 326,356	\$ 22,167	\$ 50,441	\$ 45,950	\$ 3,373,534
\$ 326,356	\$ 22,167	\$ 50,441	\$ 45,950	\$ 3,373,534

\$ -	\$ -	\$ -	\$ -	\$ 2,928,620
326,356	-	-	-	326,356
-	22,167	-	-	22,167
-	-	50,441	45,950	96,391
\$ 326,356	\$ 22,167	\$ 50,441	\$ 45,950	\$ 3,373,534

Lisle Township

Combining Schedule of Revenues Collected, Expenditures

Paid and Changes in Fund Balances - Modified Cash Basis

Road and Bridge Fund

Year Ended December 31, 2016

	General Road and Bridge	Permanent Road
Revenues Received		
Property Taxes	\$ 197,279	\$ 2,143,786
Replacement Taxes	43,699	-
Intergovernmental revenue	-	103,125
Interest	1,057	9,310
Miscellaneous	118,155	-
Total Revenues Received	360,190	2,256,221
Expenditures Disbursed		
Highways and Streets	277,718	1,822,684
Net Change in Fund Balance	82,472	433,537
Fund Balances, Beginning of Year	225,619	2,159,011
Prior period adjustment	-	27,981
Fund Balance, Beginning of Year, as restated	225,619	2,186,992
Fund Balances, End of Year	\$ 308,091	\$ 2,620,529

Equipment and Building	Liability Insurance	Illinois Municipal Retirement	Social Security	Total
\$ 259,471	\$ 74,905	\$ 229,186	\$ 57,277	\$ 2,961,904
-	-	-	-	43,699
-	-	-	-	103,125
945	92	495	170	12,069
-	-	-	-	118,155
260,416	74,997	229,681	57,447	3,238,952
95,479	78,228	384,399	53,430	2,711,938
164,937	(3,231)	(154,718)	4,017	527,014
161,419	25,398	205,159	41,933	2,818,539
-	-	-	-	27,981
161,419	25,398	205,159	41,933	2,846,520
\$ 326,356	\$ 22,167	\$ 50,441	\$ 45,950	\$ 3,373,534

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
General Road and Bridge Department - Road District
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 205,520	\$ 197,279
Replacement Taxes	-	43,699
Interest	7,500	1,057
Miscellaneous	92,000	118,155
Total Revenues Received	305,020	360,190
Expenditures Disbursed		
Highways and Streets		
Clerical	67,500	63,804
Office Supplies	3,500	2,463
Printing and Publishing	6,000	5,142
Computer	5,000	209
Legal Service	10,000	4,116
Travel - Conventions	6,000	2,450
Dues	1,500	550
Telephone	5,500	5,114
Miscellaneous office	3,000	2,791
Two-way communication	8,000	5,335
Unemployment insurance	1,000	1,092
Health insurance	250,000	184,652
Total Expenditures Disbursed	367,000	277,718
Net Change in Fund Balance	\$ (61,980)	82,472
Fund Balance, Beginning of Year		225,619
Fund Balance, End of Year		\$ 308,091

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
 Changes in Fund Balance - Budget and Actual - Modified Cash Basis
 Permanent Road Department - Road District
 Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 2,213,000	\$ 2,143,786
Intergovernmental revenue	-	103,125
Interest	-	9,310
Total Revenues Received	2,213,000	2,256,221
Expenditures Disbursed		
Highways and Streets		
Insurance and bonds	40,000	11,893
Permanent road	750,000	715,947
Microseal	65,000	65,000
Reclamite/CRF	40,000	25,512
Curb/sidewalk replacement	40,000	39,062
Crack filling	35,000	-
Landscaping/parkway	12,000	22,353
Patching	25,000	-
Uniforms	7,000	6,755
Striping	30,000	35,660
Salt/additives	110,000	73,343
Leaf pick-up	35,000	121
Miscellaneous	10,000	7,150
Signs	10,000	5,418
Tree care	8,000	9,500
Lighting program	5,000	5,391
Engineering	30,000	20,101
Culverts	10,000	5,894
Law enforcement	25,000	10,000
Material landfill	12,000	4,530
Supplies	25,000	17,607
Equipment repairs	36,500	55,114
Fuel	60,000	24,020
Drug program/medical	1,000	185
Labor	750,000	616,503
Temporary labor	7,500	-
Overtime	30,000	45,625
Total Expenditures Disbursed	2,209,000	1,822,684
Net Change in Fund Balance	\$ 4,000	433,537
Fund Balance, Beginning of Year		2,159,011
Prior period adjustment		27,981
Fund Balance, Beginning of Year, as restated		2,186,992
Fund Balance, End of Year		\$ 2,620,529

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
Equipment and Building Department - Road District
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 270,000	\$ 259,471
Interest	-	945
Total Revenues Received	270,000	260,416
Expenditures Disbursed		
Highways and Streets		
Utilities	11,000	9,088
Office equipment	7,500	1,815
Equipment	200,000	66,733
Building	25,000	14,697
Capital outlay/new parts	20,000	2,642
Janitorial	5,600	426
Building supplies	2,500	78
Total Expenditures Disbursed	271,600	95,479
Net Change in Fund Balance	<u>\$ (1,600)</u>	164,937
Fund Balance, Beginning of Year		<u>161,419</u>
Fund Balance, End of Year		<u>\$ 326,356</u>

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
Liability Insurance Department - Road District
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 75,000	\$ 74,905
Interest	-	92
Total Revenues Received	75,000	74,997
Expenditures Disbursed		
Highways and Streets		
Workmen's Compensation	75,000	78,228
Total Expenditures Disbursed	75,000	78,228
Net Change in Fund Balance	\$ -	(3,231)
Fund Balance, Beginning of Year		25,398
Fund Balance, End of Year		\$ 22,167

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
Illinois Municipal Retirement Department - Road District
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 230,000	\$ 229,186
Interest	-	495
Total Revenues Received	230,000	229,681
Expenditures Disbursed		
Highways and Streets		
Retirement Contributions	360,000	384,399
Total Expenditures Disbursed	360,000	384,399
Net Change in Fund Balance	<u>\$ (130,000)</u>	(154,718)
Fund Balance, Beginning of Year		<u>205,159</u>
Fund Balance, End of Year		<u>\$ 50,441</u>

Lisle Township

Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance - Budget and Actual - Modified Cash Basis
Social Security Department - Road District
Year Ended December 31, 2016

	Budget	Actual
Revenues Received		
Property Taxes	\$ 57,000	\$ 57,277
Interest	-	170
Total Revenues Received	57,000	57,447
Expenditures Disbursed		
Highways and Streets		
Retirement Contributions	65,000	53,430
Total Expenditures Disbursed	65,000	53,430
Net Change in Fund Balance	<u>\$ (8,000)</u>	4,017
Fund Balance, Beginning of Year		<u>41,933</u>
Fund Balance, End of Year		<u>\$ 45,950</u>

Lisle Township
Property Tax Collections
Last Five Levy Years

Fund	2015	2014	2013	2012	2011
Town	\$ 2,430,584	\$ 2,099,939	\$ 1,984,342	\$ 1,046,946	\$ 2,061,957
General Assistance	-	284,801	349,297	120,801	218,499
Road and Bridge	196,438	194,733	195,073	185,745	182,682
Permanent Road	2,131,630	2,099,394	2,214,166	2,348,917	2,142,773
Liability Insurance	74,743	72,300	97,943	93,957	85,521
Equipment and Building	259,471	199,887	183,269	-	204,128
IMRF - Road and Bridge	228,575	272,117	110,723	98,431	95,036
FICA - Road and Bridge	57,143	59,512	34,040	44,741	61,772
Tax Collections	<u>\$ 5,378,584</u>	<u>\$ 5,282,683</u>	<u>\$ 5,168,853</u>	<u>\$ 3,939,538</u>	<u>\$ 5,052,368</u>
Levy Extended	<u>\$ 5,385,686</u>	<u>\$ 5,298,546</u>	<u>\$ 5,179,118</u>	<u>\$ 3,944,065</u>	<u>\$ 5,062,257</u>
Percent Collected	<u>99.87%</u>	<u>99.70%</u>	<u>99.80%</u>	<u>99.89%</u>	<u>99.80%</u>

Lisle Township

Property Tax Assessed Valuations, Rates and Extensions

Last Five Tax Levy Years

Tax Levy Year	2015		2014	
Assessed Valuations	\$4,402,512,592		\$4,265,540,778	
	Rate	Amount	Rate	Amount
Tax Extensions				
Town	0.0553	\$ 2,434,589	0.0476	\$ 2,030,397
General Assistance	0.0000	-	0.0085	362,571
Permanent Road	0.0485	2,135,219	0.0494	2,107,177
Equipment and Building	0.0059	259,748	0.0047	200,480
Municipal Retirement	0.0052	228,931	0.0064	272,995
Liability Insurance	0.0017	74,843	0.0017	72,514
FICA	0.0013	57,233	0.0014	59,718
	0.1179	5,190,562	0.1197	5,105,852
Road and Bridge	0.0081	356,604	0.0082	349,774
Total Extension	0.1260	\$ 5,547,166	0.1279	\$ 5,455,626
Road and Bridge Rate		0.0081		0.0082
Municipalities Share		\$ 161,480		\$ 157,080
Town Share		195,124		192,694
		<u>\$ 356,604</u>		<u>\$ 349,774</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.

2013	2012	2011
\$4,266,441,135	\$4,474,127,885	\$4,752,935,484

Rate	Amount	Rate	Amount	Rate	Amount
0.0466	\$ 1,988,162	0.0234	\$ 1,046,946	0.0434	\$ 2,062,774
0.0082	349,848	0.0027	120,801	0.0046	218,635
0.0520	2,218,549	0.0525	2,348,917	0.0451	2,143,574
0.0043	183,457	0.0000	-	0.0043	204,376
0.0026	110,927	0.0022	98,431	0.0020	95,059
0.0023	98,128	0.0021	93,957	0.0018	85,553
0.0008	34,132	0.0010	44,741	0.0013	61,788
0.1168	4,983,203	0.0839	3,753,793	0.1025	4,871,759
0.0082	349,848	0.0075	335,560	0.0071	337,458
0.1250	\$ 5,333,051	0.0914	\$ 4,089,353	0.1096	\$ 5,209,217

0.0082	0.0075	0.0071
\$ 153,933	\$ 145,288	\$ 146,960
195,915	190,272	190,498
\$ 349,848	\$ 335,560	\$ 337,458