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Accounting • Auditing • Consulting

Libertyville Township, Illinois

Annual Financial Report
For the Year Ended February 28, 2021

LIBERTYVILLE TOWNSHIP, ILLINOIS

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Year Ended February 28, 2021

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LIBERTYVILLE TOWNSHIP, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Township Supervisor and
the Members of the Libertyville Township Board
Libertyville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Libertyville Township, Illinois as of and for the year ended February 28, 2021, which collectively comprise the Township's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Libertyville Township, Illinois as of February 28, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and budgetary comparison information on pages 4 through 13 and 39 through 50 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise Libertyville Township, Illinois' financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

George Roach & Associates, P.C.

George Roach & Associates, P.C.
Crystal Lake, Illinois
May 17, 2021

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

LIBERTYVILLE TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021*

As management of Libertyville Township, Illinois (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended February 28, 2021. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Township exceeded its liabilities and deferred inflows at February 28, 2021 by \$36,746,492 (*net position*). Of this amount, \$299,124 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$222,744.
- At February 28, 2021, the Township's governmental funds reported combined ending fund balances of \$3,836,817 a decrease of \$529,520 from the prior year.
- At February 28, 2021, the fund balance for the Town Fund was \$723,712, an increase of \$87,615 from the prior year.
- The Township's total net fixed assets increased by \$1,209,939 during the year ended February 28, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-wide financial statements

The government-wide financial statements are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses.

LIBERTYVILLE TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021*

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The statement of net position presents financial information on all of the Township's assets and liabilities plus deferred inflows, with the difference between the two reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township include general government, services for youth and family, seniors, general assistance and mental health, and road and bridge projects.

Fund financial statements

All of the funds of the Township are governmental funds. The Fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's three funds and one blended component unit (road and bridge), which consists of six funds.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget to actual revenues and expenditures.

LIBERTYVILLE TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021*

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning Libertyville Township's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section.

The Township adopts an annual budget for all funds except the Motor Fuel Tax fund which is managed and administered by the county on behalf of the Township. A budgetary comparison statement has been provided for the Town Fund and other governmental funds to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows exceeded liabilities and deferred inflows by \$36,746,492 for the year ended February 28, 2021. A portion of the Township's net position reflects its investment in capital assets; \$33,334,263. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is \$3,412,229 of which \$3,113,105 is restricted and \$299,124 is unrestricted.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021

Libertyville Township Net Position

	Governmental Activities	
	2/29/2020	2/28/2021
Current and Other Assets	\$ 7,421,749	\$ 7,416,290
Fixed Assets	32,124,324	33,334,263
Total Assets	\$ 39,546,073	\$ 40,750,553
Deferred Outflows	\$ 149,177	\$ -
Liabilities	\$ 233,781	\$ 120,770
Total Liabilities	233,781	120,770
Deferred Inflows	2,937,721	3,883,291
Net Position:		
Net Investment in Capital Assets	32,124,324	33,334,263
Restricted	3,730,240	3,113,105
Unrestricted	669,184	299,124
Total Net Position	\$ 36,523,748	\$ 36,746,492

An additional portion of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$299,124) may be used to meet the Township's ongoing obligations to citizens and creditors.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021

Governmental activities

Governmental activities increased the Township's net position by \$222,744.

Key elements of the increase to net position by governmental activities is as follows:

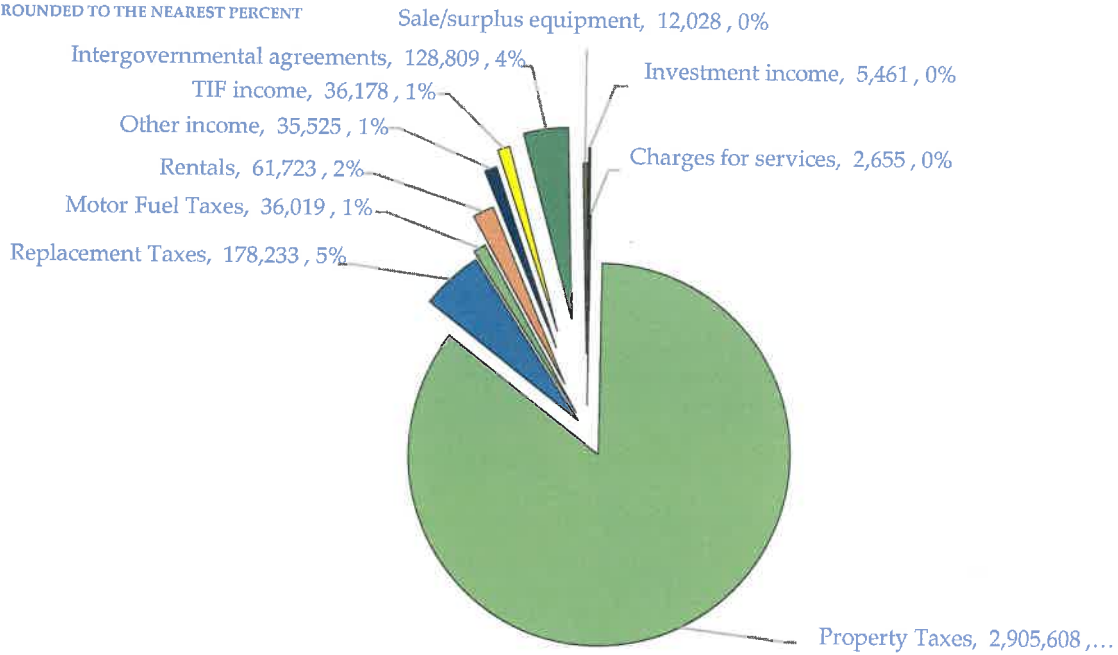
	Libertyville Township Changes in Net Position	
	Governmental Activities	
	<u>2/29/2020</u>	<u>2/28/2021</u>
Revenues		
Program Revenues		
Charges for services	\$ -	\$ 2,655
Operating grants	120,000	-
Capital grants	-	120,000
General Revenues		
Property Taxes	2,899,828	2,905,608
Replacement Taxes	168,951	178,233
Motor Fuel Taxes	35,057	36,019
Rentals	61,723	61,723
Other income	24,920	35,525
TIF income	10,852	36,178
Intergovernmental agreements	48,641	8,809
Federal grants	118,939	-
Investment income	7,641	5,461
Gain/(loss) on sale of capital assets	-	12,028
Permanent transfer from other funds	206,000	-
Total Revenues	<u>3,702,552</u>	<u>3,402,239</u>
Expenses		
Administrative	1,485,705	1,981,529
Assessor	390,548	290,697
Social services	143,605	131,263
Road and bridge maintenance	541,696	486,456
Open space maintenance	83,897	135,680
Retirement contributions	139,653	153,870
Total Expenses	<u>2,785,104</u>	<u>3,179,495</u>
Increase/(Decrease) in Net Assets	917,448	222,744
Net Position - Beginning of Year	<u>35,606,300</u>	<u>36,523,748</u>
Net Position - End of Year	<u>\$ 36,523,748</u>	<u>\$ 36,746,492</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021

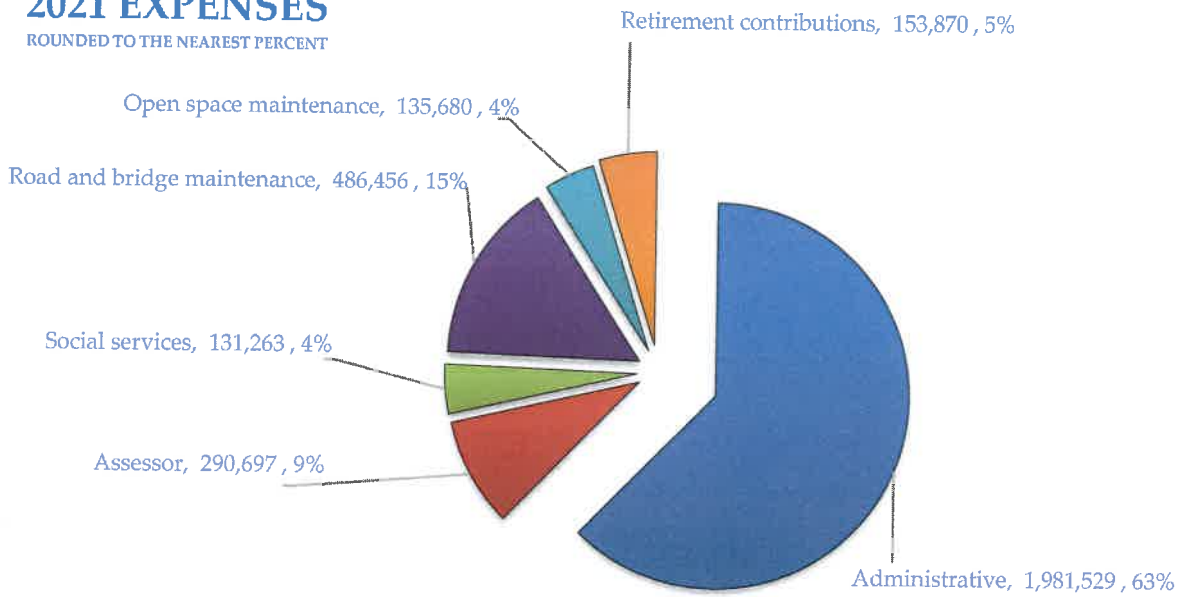
2021 REVENUES

ROUNDED TO THE NEAREST PERCENT



2021 EXPENSES

ROUNDED TO THE NEAREST PERCENT



LIBERTYVILLE TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021*

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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

Governmental funds

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

At February 28, 2021, the Township's governmental funds reported combined ending fund balances of \$3,836,817, a decrease of \$529,520 in comparison with the prior year.

The Town Fund is the chief operating fund of the Township. At February 28, 2021, the fund balance of the Town Fund was \$723,712. This represents an increase of \$87,615, compared to the prior fiscal year.

Town Fund Budgetary Highlights

Expenditures in the Town Fund of \$1,876,534, were under revenues by \$87,615, and was \$331,074 less than the appropriation of \$2,207,608.

CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of February 28, 2021, amount to \$33,334,263 (net of accumulated depreciation). This investment in fixed assets includes land, roads and improvements, buildings and improvements, vehicles, and other equipment.

LIBERTYVILLE TOWNSHIP, ILLINOIS

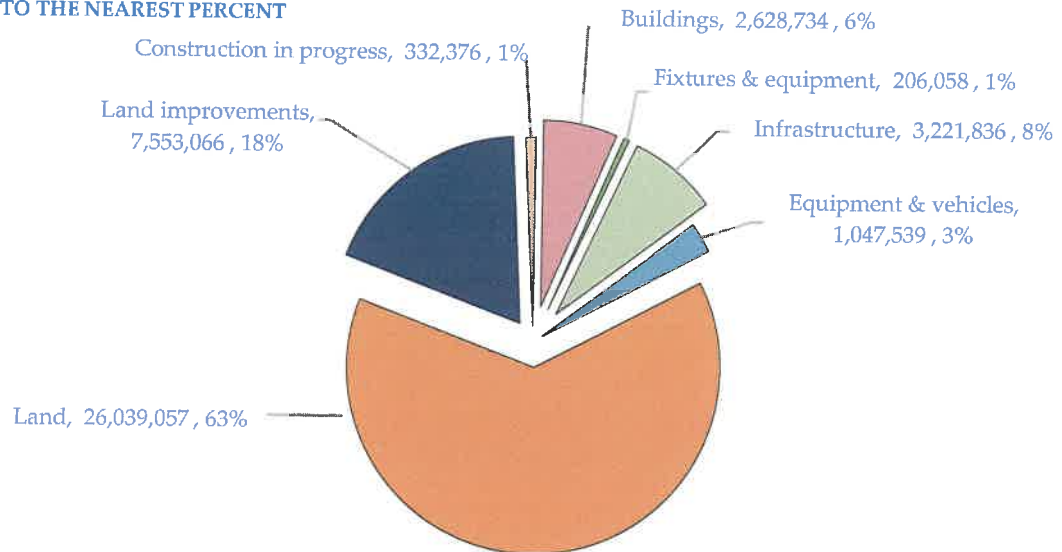
Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021

Major fixed asset events during the current fiscal year included the following:

Fixed Assets	Balance			Balance February 28, 2021
	March 1, 2020	Increases	Decreases	
Land	\$ 26,039,057	\$ -	\$ -	\$ 26,039,057
Construction in progress	510,270	268,836	446,730	332,376
Buildings	2,422,547	206,187	-	2,628,734
Land improvements	6,832,561	720,505	-	7,553,066
Furniture and equipment	206,058	-	-	206,058
Equipment and vehicles	1,079,609	-	32,070	1,047,539
Infrastructure	2,360,454	861,382	-	3,221,836
Total Fixed Assets	39,450,556	2,056,910	478,800	41,028,666
Less: Accumulated Depreciation	7,326,232	400,241	32,070	7,694,403
Fixed Assets (Net)	\$ 32,124,324	\$ 1,656,669	\$ 446,730	\$ 33,334,263

FIXED ASSETS (COST)

ROUNDED TO THE NEAREST PERCENT



ECONOMIC FACTORS AND PROPERTY TAXES -

The equalized assessed valuation (EAV) of the Township for 2020 is \$3,057,091,367. That represents a decrease in EAV of \$11,436,475 over the prior year's EAV. Taxes recorded in these financial statements are from the 2019 levy. A summary of the assessed valuations and extensions for tax years 2020, 2019, and 2018 is as follows:

LIBERTYVILLE TOWNSHIP, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021

ASSESSED VALUATIONS, EXTENDED TAX RATE PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES AND TAX EXTENSIONS

TAX LEVY YEAR	2020		2019		2018	
Assessed Valuation						
Lake County	\$	3,057,091,367	\$	3,068,527,842	\$	2,994,337,011
Tax Rates and Percentage Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Corporate	0.064348	50.80	0.060364	49.20	0.057559	47.10
General Assistance	0.000328	0.26	0.000812	0.66	0.001659	1.36
IMRF	0.000328	0.26	0.000812	0.66	0.001659	1.36
Social Security	0.000328	0.26	0.000812	0.66	0.001659	1.36
Tort & Liability Insurance	0.000328	0.26	0.000812	0.66	0.000830	0.68
Road & Bridge	0.060874	48.07	0.058972	48.07	0.058741	48.05
Road & Bridge IMRF	0.000033	0.03	0.000033	0.03	0.000034	0.03
Road & Bridge S.S.	0.000033	0.03	0.000033	0.03	0.000034	0.03
Road & Bridge Tort & Liability Insurance	0.000033	0.03	0.000033	0.03	0.000034	0.03
Totals	0.126633	100.00	0.122683	100.00	0.122209	100.00
Property Tax Extensions						
Funds	2020		2019		2018	
Corporate	\$	1,967,177	\$	1,852,286	\$	1,723,510
General Assistance		10,027		24,917		49,676
IMRF		10,027		24,917		49,676
Social Security		10,027		24,917		49,676
Tort & Liability Insurance		10,027		24,917		24,853
Road & Bridge		1,023,536		995,265		973,900
Road & Bridge IMRF		1,009		1,012		1,018
Road & Bridge S.S.		1,009		1,012		1,018
Road & Bridge Tort & Liability Insurance		1,009		1,012		1,018
Totals	\$	3,033,848	\$	2,950,255	\$	2,874,345

LIBERTYVILLE TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis – Unaudited
Year Ended February 28, 2021*

Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future. However, management continues to monitor items that may impact future receipts.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor, Libertyville Township, 359 Merrill Court, Libertyville, IL 60048.

BASIC FINANCIAL STATEMENTS

LIBERTYVILLE TOWNSHIP, ILLINOIS

Government-wide Statement of Net Position

February 28, 2021

Assets	
Cash	\$ 3,913,542
Restricted cash	147
Replacement taxes receivable	9,042
Property taxes receivable	2,987,060
Net pension asset	506,499
Fixed assets, net of depreciation (\$7,694,403)	33,334,263
Total Assets	\$ 40,750,553

Liabilities	
Accounts payable	\$ 74,791
Accrued payroll and withholdings	10,137
Due to other funds	986
Deferred compensation	34,856
Total Liabilities	120,770

Deferred Inflow - Pension	896,231
Deferred Inflow - Property taxes	2,987,060
Total Deferred Inflows	3,883,291

Net Position	
Net investment in capital assets	33,334,263
Restricted	3,113,105
Unrestricted	299,124
Total Net Position	\$ 36,746,492

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Government-wide Statement of Activities and Changes in Net Position

Year Ended February 28, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue & Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administrative	\$ 1,981,529	\$ 435	-	\$ (1,981,094)
Assessor	290,697	-	-	(290,697)
Social services	131,263	-	-	(131,263)
Road and bridge maintenance	486,456	2,220	-	(364,236)
Open space maintenance	135,680	-	-	(135,680)
Retirement contributions	153,870	-	-	(153,870)
Total Governmental Activities	\$ 3,179,495	\$ 2,655	\$ -	\$ (3,056,840)

General Revenues:

Property taxes	2,905,608
Replacement taxes	178,233
Motor fuel taxes	36,019
Rentals	61,723
Other income	35,525
TIF income	36,178
Intergovernmental agreements	8,809
Sale/surplus equipment	12,028
Investment income	5,461
Total Revenues	3,279,584
Changes in Net Position	222,744
Net Position Beginning of Year	36,523,748
Total Net Position	\$ 36,746,492

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Governmental Fund Types - Balance Sheet

February 28, 2021

Assets	Town Fund	General Assistance	Road and Bridge Fund	Open Space Fund	Capital Projects	Motor Fuel Fund	Non-major Governmental Funds		Total
Cash	\$ 745,692	\$ 62,790	\$ 516,803	\$ 2,071,264	\$ 196,457	\$ -	\$ 320,536	\$ 3,913,542	
Restricted cash	-	-	-	-	-	147	-	147	
Replacement taxes receivable	5,536	-	3,506	-	-	-	-	9,042	
Property taxes receivable, current									
levy, net of 1% allowance for loss									
Total Assets	1,947,505	9,927	996,850	-	-	-	32,778	2,987,060	
Liabilities	\$ 2,698,733	\$ 72,717	\$ 1,517,159	\$ 2,071,264	\$ 196,457	\$ 147	\$ 353,314	\$ 6,909,791	
Accounts payable	\$ 19,562	\$ -	\$ 20,345	\$ 32,594	\$ -	\$ -	\$ 2,290	\$ 74,791	
Accrued payroll and withholdings	6,968	-	3,169	-	-	-	-	10,137	
Due to other funds	986	-	-	-	-	-	-	986	
Total Liabilities	27,516	-	23,514	32,594	-	-	2,290	85,914	
Deferred Inflows - Property Taxes	1,947,505	9,927	996,850	-	-	-	32,778	2,987,060	
Total Liabilities & Deferred Inflows	1,975,021	9,927	1,020,364	32,594	-	-	35,068	3,072,974	
Fund Balance	-	-	-	-	-	-	-	-	
Nonspendable	-	-	-	-	-	-	-	-	
Restricted	-	62,790	496,795	2,038,670	196,457	147	318,246	3,113,105	
Committed	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	
Unassigned	723,712	-	-	-	-	-	-	723,712	
Total Fund Balance	723,712	62,790	496,795	2,038,670	196,457	147	318,246	3,836,817	
Total Liabilities, Deferred Inflows & Fund Balance	\$ 2,698,733	\$ 72,717	\$ 1,517,159	\$ 2,071,264	\$ 196,457	\$ 147	\$ 353,314	\$ 6,909,791	

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Year Ended February 28, 2021

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total Governmental Fund Balances	\$ 3,836,817
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Amount net of depreciation	
Capital assets net of accumulated depreciation	33,334,263
Other employee benefit obligation accruals are not reported in funds.	(34,856)
Pension liabilities, deferred pension outflows and deferred pension inflows are not recorded in the fund statements but are included.	
Deferred IMRF pension (inflow)/outflow	(896,231)
Net pension (asset)/liability	506,499
Total Net Position of Governmental Activities	\$ 36,746,492

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

*Governmental Fund Types - Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended February 28, 2021*

	Town Fund	General Assistance	Road and Bridge Fund	Open Space Fund	Capital Projects	Motor Fuel Fund	Non-major Governmental Funds	Total
Revenues								
Property taxes	\$ 1,817,885	\$ 23,177	\$ 991,995	\$ -	\$ -	\$ -	\$ 72,551	\$ 2,905,608
Replacement taxes	92,430	27,270	58,533	-	-	-	-	178,233
Motor fuel tax	-	-	-	-	-	36,019	-	36,019
Administrative fees	435	-	-	-	-	-	-	435
TIF income	24,707	-	11,471	-	-	-	-	36,178
Interest income	2,694	-	787	1,800	180	-	-	5,461
Rentals	-	-	-	61,723	-	-	-	61,723
Other income	25,998	-	6,350	3,177	-	-	-	35,525
Intergovernmental agreements	-	-	8,809	-	-	-	-	8,809
Grants	-	-	120,000	-	-	-	-	120,000
Permits	-	-	2,220	-	-	-	-	2,220
Sale/surplus equipment	-	-	12,028	-	-	-	-	12,028
Total Revenues	1,964,149	50,447	1,212,193	66,700	180	36,019	72,551	3,402,239
Expenditures								
Administrative	1,434,837	-	-	-	-	-	50,505	1,485,342
Assessor	290,697	-	-	-	-	-	-	290,697
Social services	-	131,263	-	-	-	-	-	131,263
Road and bridge maintenance	-	-	1,547,385	-	-	73,772	-	1,621,157
Open space maintenance	-	-	-	249,430	-	-	-	249,430
Retirement contributions	-	-	-	-	-	-	153,870	153,870
Total Expenditures	1,725,534	131,263	1,547,385	249,430	-	73,772	204,375	3,931,759
Excess (Deficiency) of Revenue Over Expenditures	238,615	(80,816)	(335,192)	(182,730)	180	(37,753)	(131,824)	(529,520)
Other Financing Sources (Uses)								
Operating transfers in/(out)	(151,000)	85,000	(40,000)	-	-	-	106,000	-
Total Other Financing Sources (Uses)	(151,000)	85,000	(40,000)	-	-	-	106,000	-
Net Change in Fund Balance	87,615	4,184	(375,192)	(182,730)	180	(37,753)	(25,824)	(529,520)
Fund Balance								
Balance, Beginning of Year	636,097	58,606	871,987	2,221,400	196,277	37,900	344,070	4,366,337
Total Fund Balance	\$ 723,712	\$ 62,790	\$ 496,795	\$ 2,038,670	\$ 196,457	\$ 147	\$ 318,246	\$ 3,836,817

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Reconciliation of the Governmental Funds to the Statement of Activities

Year Ended February 28, 2021

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Net Change in Fund Balance	\$ (529,520)
-----------------------------------	---------------------

Governmental funds report capital outlays as expenditures;
however for the Statement of Activities the amounts are
capitalized and depreciation over their useful life.
(amount shown is net of depreciation)

Net capital asset additions	1,209,939
-----------------------------	-----------

Governmental funds do not report the changes of non-current
pension liabilities, deferred outflows or deferred inflows.

Pension expense	(447,321)
-----------------	-----------

Governmental funds do not report deferred compensation.	(10,354)
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Changes in Net Position Governmental Funds	<u>\$ 222,744</u>
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The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Fiduciary Fund - Statement of Net Position

February 28, 2021

Assets		
Cash		\$ 276,360
Accounts receivable		1,228
Total Assets		<u>277,588</u>
Liabilities		
Deposits payable		\$ 66,128
Held for indigent benefits		211,460
Total Liabilities		<u>277,588</u>

NOTES TO THE BASIC
FINANCIAL STATEMENTS

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Libertyville Township, Illinois (Township) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

REPORTING ENTITY –

The Township is located near the village of Libertyville, Illinois and is governed by a board. The Township is primarily funded through a tax levy, operating grants, fees, and charitable donations. Revenue is used to operate and staff the Township. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Township, the Road District is considered a blended component unit included in these financial statements. The Road District consists of five funds: Road & Bridge Fund, Road District Insurance Fund, Road District Social Security Fund, Road District Illinois Municipal Retirement Fund and Motor Fuel Tax Fund.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION –

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets, restricted net position; and unassigned net position.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Township patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgements are recorded only when payment is due.

Primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

The following fund types are used by the Township:

Governmental Funds

Town Fund – The Town Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The General Assistance, Road & Bridge, Road & Bridge IMRF, Road & Bridge Social Security, Road & Bridge Insurance, and Motor Fuel Tax Funds are all Special Revenue Funds.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Project Funds - This accounts for financial resources related to the construction of major capital projects or facilities. The Road & Bridge Repair & Maintenance is a capital project fund.

Fiduciary Funds – Fiduciary Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Gift Fund and Road Bond Fund are both Fiduciary Funds.

The Town Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund, while the Township Road & Bridge type funds accounts for the resources associated with taxes levied specifically for the maintenance of the Township's road and bridges. The Motor Fuel Tax Fund is administered by the county (all revenues are received and expenditures are paid by the county) on the Township's behalf.

FINANCIAL STATEMENT AMOUNTS –

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Township maintains a cash and investment pool which is available for use by the Town and General Assistance Funds.

The Township's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st. The 2020 Town Fund & Road & Bridge Fund levies were passed by the Board on November 19, 2020.

Capital Assets - Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	40-50 years
Land Improvements	5-40 years
Furniture and Equipment	5-40 years
Equipment and Vehicles	5-20 years
Infrastructure	50 years

Compensated Absences - (Vacation and Sick Leave) - It is not in the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The Township's policy is to permit employees to be paid out for current year unused vacation time upon leaving Township employment. A liability for these unpaid amounts are reported in the governmental funds only if they are likely to be paid within one year as for employee separation from service with the Township. The Town Fund or Permanent Hard Road Fund is typically used to liquidate these liabilities, relative to the employee's position.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, debt issued is reported as another financing source and payments are reported as debt service expenditures.

The Township has a pension plan covering substantially all the full time employees. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At February 28, 2021, unexpended appropriations of the budgetary funds (town fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2020-2021 appropriations ordinance was adopted on May 28, 2020 for all funds except the Motor Fuel Tax Fund, which is not required to adopt a budget.

FUND BALANCE CLASSIFICATION –

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Township has classified inventory as being Nonspendable.

Restricted –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned –

This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township Board or through the Township Board delegating this responsibility to the Township Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the Town Fund.

Unassigned –

This classification includes the residual fund balance for the Town Fund and the amount established for Minimum Funding which represents the portion of the Town Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

The Township would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

The classifications used in the government-wide financial statements are as follows:

Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Position - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Township's policy is to use restricted net position first, followed by unassigned, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Unassigned Net Position – all other net position is reported in this category.

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

GASB Statement No. 68 – In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

NOTE – 2 CASH AND INVESTMENTS

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits. The carrying cash balance of the Township is \$3,913,689 and the bank balance is \$3,981,380. Of the bank balance in the Township's name, \$250,000 is FDIC insured, \$3,731,380 is collateralized for the Township in the bank's trust department.

Interest Rate Risk – The Township limits its interest rate risk by having demand deposits.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE – 2 CASH AND INVESTMENTS (CONCLUDED)

Custodial Credit Risk – The Township limits its credit risk by holding its deposits in FDIC insured institutions with collateral backing its deposits.

Concentration of Credit Risk - The Township places no limit on the amount held in any one institution.

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

IMRF PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

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

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2020, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Memebers entitled to but not yet receiving benefits	14
Active Plan Members	13
Total	<u>61</u>

CONTRIBUTIONS

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2020 was 10.13%. For the fiscal year ended February 28, 2021, the Township's required contributed was \$86,055 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY

The Township's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	1%	0.70%
Total	100%	

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2020

Actuarial Valuation Date	12/31/2020	
Measurement Date of the Net Pension Liability	12/31/2020	
Fiscal Year End	2/28/2021	
Membership		
Number of		
- Retirees and Beneficiaries		34
- Inactive, Non-Retired Members		14
- Active Members		13
- Total		<u>61</u>
Covered Valuation Payroll (1)	\$	849,503
Net Pension Liability		
Total Pension Liability/(Asset)	\$	6,440,278
Plan Fiduciary Net Position		6,946,777
Net Pension Liability/(Asset)	\$	<u>(506,499)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		107.86%
Net Pension Liability as a Percentage of Covered Valuation Payroll		(59.62%)
Development of the Single Discount Rate as of December 31, 2020		
Long-Term Expected Rate of Investment Return		7.25%
Long-Term Municipal Bond Rate (2)		2.00%
Last year ending December 31 in the 2021 to 2120 projection period for which projected benefit payments are fully funded		2120
Resulting Single Discount Rate based on the above development		7.25%
Single Discount Rate calculated using December 31, 2019 Measurement Date		7.25%
Total Pension Expense/(Income)	\$	235,022
Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,519	\$ 245,245
Changes in assumptions	-	30,540
Net difference between projected and actual earnings on pension plan investments	326,277	954,242
Total	<u>\$ 333,796</u>	<u>\$ 1,230,027</u>

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 68.

(2) Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported to Fidelity Index's "20-Year Municipal Go AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2020

A. Total pension liability		
1. Service Cost	\$	87,412
2. Interest on the Total Pension Liability		482,600
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		(474,704)
5. Changes of assumptions		(59,114)
6. Benefit payments, including re funds of employee contributions		(417,528)
7. Net change in total pension liability		(381,334)
8. Total pension liability – beginning		6,821,612
9. Total pension liability – ending	\$	<u>6,440,278</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	86,055
2. Contributions – employee		38,228
3. Net investment income		990,663
4. Benefit payments, including re funds of employee contributions		(417,528)
5. Other (Net Transfer)		(480,665)
6. Net change in plan fiduciary net position		216,753
7. Plan fiduciary net position – beginning		6,730,024
8. Plan fiduciary net position – ending	\$	<u>6,946,777</u>
C. Net pension liability/(asset)	\$	<u>(506,499)</u>
D. Plan fiduciary net position as a percentage of the total pension liability		107.86%
E. Covered Valuation payroll	\$	849,503
F. Net pension liability as a percentage of covered valuation payroll		(59.62%)

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease <u>6.25%</u>	Current Single Discount Rate Assumption 7.25%	1% Increase <u>8.25%</u>
Total Pension Liability	\$ 7,099,165	\$ 6,440,278	\$ 5,919,793
Plan Fiduciary Net Position	6,946,777	6,946,777	6,946,777
Net Pension Liability/(Asset)	<u>\$ 152,388</u>	<u>\$ (506,499)</u>	<u>\$ (1,026,984)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

For the year ended February 28, 2021, the Township recognized pension expense of \$235,022. At February 28, 2021, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ 7,519	\$ 245,245
Changes of assumptions	-	30,540
Net difference between projected and actual earnings on pension plan investments	<u>326,277</u>	<u>954,242</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>333,796</u>	<u>1,230,027</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	25,293	-
Total Deferred Amounts Related to Pensions	<u>\$ 308,503</u>	<u>\$ 1,230,027</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ (447,265)
2021	(98,711)
2022	(244,097)
2023	(106,158)
2024	-
Thereafter	-
Total	<u>\$ (896,231)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate *

Valuation Date:

December 31, 2020

Notes

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

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based on 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes

There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 Illinois Municipal Retirement Fund annual actuarial valuation report.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 4 – CHANGES IN FIXED ASSETS

Fixed Assets	Balance	Increases	Decreases	Balance
	March 1, 2020			February 28, 2021
Land	\$ 26,039,057	\$ -	\$ -	\$ 26,039,057
Construction in progress	510,270	268,836	446,730	332,376
Buildings	2,422,547	206,187	-	2,628,734
Land improvements	6,832,561	720,505	-	7,553,066
Furniture and equipment	206,058	-	-	206,058
Equipment and vehicles	1,079,609	-	32,070	1,047,539
Infrastructure	2,360,454	861,382	-	3,221,836
Total Fixed Assets	39,450,556	2,056,910	478,800	41,028,666
Less: Accumulated				
Depreciation	7,326,232	400,241	32,070	7,694,403
Fixed Assets (Net)	\$ 32,124,324	\$ 1,656,669	\$ 446,730	\$ 33,334,263

Depreciation by Governmental Activity

General Government	\$ 244,699
Highways and streets	123,472
Total Governmental	
 Activities	\$ 368,171

NOTE 5 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6 – FUND BALANCES

As of these financial statements, the Township has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable –

Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted –

Amounts that can be spent only for specific purposes because of the Township Charter, Township Code, state or federal laws, or externally imposed conditions by grantors or creditors.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 6 – FUND BALANCES (CONCLUDED)

Committed –

Amounts that can be used only for specific purposes determined by a formal action by Township Board ordinance or resolution. This includes the budget reserve account.

Assigned –

Amounts that are designated by the Township manager for a specific purpose but are not spendable until a budget ordinance is passed by Township Board.

Unassigned –

All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet. As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted or the Assignment has been changed by the Township management. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Township has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has no items in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$3,883,291) reported in the governmental funds for unavailable revenues are from property taxes (\$2,987,060) and pension activity (\$896,231) to be received in the following year.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended February 28, 2021

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no other recognized or non-recognized subsequent events that have occurred between the fiscal year end and the date of this audit report requiring disclosure in the financial statements.

NOTE 9 – CONTINGENCIES

The Organization is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 1,852,286	\$ 1,852,286	\$ 1,817,885
Replacement taxes	25,000	25,000	92,430
Administrative fees	200	200	435
TIF surplus	15,000	15,000	24,707
Interest income	200	200	2,694
Other income	3,000	3,000	25,998
Total Revenues	1,895,686	1,895,686	1,964,149
Administration Supervisor Division			
Salary - supervisor	86,950	86,950	86,860
Salary - supervisor employees	323,000	323,000	307,386
Salary - road district treasurer	500	500	500
Salary - highway commissioner	86,950	86,950	86,860
Salary - assessor	95,565	95,565	95,168
Salary - clerk	25,743	25,743	25,716
Salary - trustees	16,800	16,800	15,050
Salary - seasonal employees	100	100	-
Health insurance - supervisor dept.	120,000	120,000	102,658
Health insurance - elected officials	95,000	95,000	93,324
Administrative - audit town	12,000	12,000	8,978
Community services support	100,000	100,000	104,200
Dues - subscriptions	3,800	3,800	4,104
Professional services	150,000	150,000	113,652
Transportation	5,000	5,000	770
Stormwater management (SMC)	24,000	24,000	27,125
Postage	3,000	3,000	2,459
Printing	2,500	2,500	2,429
Publishing - public notice	1,000	1,000	606
Services - building maintenance	15,000	15,000	10,660
Services - data	20,000	20,000	14,294
Services - mosquito abatement	36,000	36,000	33,330

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Administration			
Supervisor (Continued)			
Services - legal	\$ 10,000	\$ 10,000	\$ 3,955
Telephone	15,000	15,000	12,903
Travel - training	2,500	2,500	626
Utilities	20,000	20,000	16,150
Website/education/media	6,000	6,000	2,310
Leased office equipment	10,500	10,500	10,087
Supplies - office	6,000	6,000	5,299
Supplies - building	7,500	7,500	7,365
Supplies - equipment	4,000	4,000	1,428
Supplies - grounds	4,500	4,500	5,260
Supplies - vehicles	10,500	10,500	9,480
Supplies - uniform	4,000	4,000	3,791
Rental - equipment	200	200	6,484
Capital outlay - township grounds	240,000	240,000	201,626
Purchases - maintenance equipment	5,000	5,000	10,781
Purchases - data equipment	10,000	10,000	-
Contingencies/town or G.A. medical	25,000	25,000	-
Miscellaneous expense	1,500	1,500	1,163
Total Supervisor Division	1,605,108	1,605,108	1,434,837
Assessor's Division			
Salaries	200,000	200,000	153,333
Health insurance	110,000	110,000	99,956
Training - association fees	10,000	10,000	1,869
Computer programs - consulting	22,000	22,000	19,629
Dues - subscriptions	2,500	2,500	1,336
Professional services	7,000	7,000	-
Postage	200	200	-
Printing - publishing	1,000	1,000	-
Services - equipment	4,500	4,500	2,219
Services - legal	5,000	5,000	-
Services - terminal	10,000	10,000	3,725

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Administration			
Assessor (Concluded)			
Travel - assessor, deputies	\$ 2,400	\$ 2,400	\$ 868
Vehicle leases	3,400	3,400	3,347
Supplies - office	5,000	5,000	2,109
Supplies - vehicle	500	500	22
Capital outlay - equipment	6,000	6,000	2,284
Contingencies	1,000	1,000	-
Miscellaneous expense	1,000	1,000	-
Total Assessor Division	<u>391,500</u>	<u>391,500</u>	<u>290,697</u>
Total Town Fund Expenditures	<u>1,996,608</u>	<u>1,996,608</u>	<u>1,725,534</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(100,922)</u>	<u>(100,922)</u>	<u>238,615</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	<u>(211,000)</u>	<u>(211,000)</u>	<u>(151,000)</u>
Total Other Financing Sources (Uses)	<u>(211,000)</u>	<u>(211,000)</u>	<u>(151,000)</u>
Net Change in Fund Balance	<u>\$ (311,922)</u>	<u>\$ (311,922)</u>	<u>\$ 87,615</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road & Bridge Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 995,265	\$ 995,265	\$ 991,995
Replacement tax	10,000	10,000	58,533
Intergovernmental agreements	10,000	10,000	8,809
TIF income	1,500	1,500	11,471
Grants	100,000	100,000	120,000
Federal Reimbursement Grants	100,000	100,000	-
Permits	500	500	2,220
Interest income	1	1	787
Other income	3,500	3,500	6,350
Sale/surplus equipment	10,000	10,000	12,028
Total Revenues	1,230,766	1,230,766	1,212,193
Road & Bridge Fund Expenditures			
Salaries	118,000	118,000	91,518
Health insurance - road district	25,000	25,000	11,586
Training/professional development	1,500	1,500	310
Administrative - audit	5,000	5,000	5,000
Dues - subscriptions	750	750	160
Julie/USIC	1,000	1,000	669
Stormwater management (SMC)	1,000	1,000	-
Printing and publishing	500	500	-
Services - engineering	300,000	300,000	419,011
Services - equipment	20,000	20,000	-
Services - legal	8,000	8,000	1,620
Services - road	750,000	750,000	871,201
Services - sheriff traffic enforcement	10,000	10,000	5,040
Services - technology support	1,000	1,000	178
Telephone	6,500	6,500	5,615
Utilities	16,000	16,000	13,858
Supplies - office	1,500	1,500	353
Supplies - building	3,500	3,500	1,088
Supplies - equipment	65,000	65,000	842
Operating expense	1,000	1,000	121
Supplies - snow management	10,000	10,000	387

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road & Bridge Fund - Schedule of Revenues, Expenditures and Change in Fund Balance
- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Road & Bridge Fund Expenditures (Concluded)			
Supplies - vehicles/repairs	\$ 35,000	\$ 35,000	\$ 33,260
Uniforms	1,000	1,000	754
Purchases - vehicles	75,000	75,000	59,852
Capital outlay - bldg. & equipment	15,000	15,000	-
Miscellaneous expense	1,000	1,000	171
Municipal replacement tax	50,000	50,000	24,791
Total Road & Bridge Fund Expenditures	<u>1,522,250</u>	<u>1,522,250</u>	<u>1,547,385</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(291,484)</u>	<u>(291,484)</u>	<u>(335,192)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(40,000)</u>
Net Change in Fund Balance	<u>\$ (371,484)</u>	<u>\$ (371,484)</u>	<u>\$ (375,192)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

General Assistance Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 25,000	\$ 25,000	\$ 23,177
COVID grants	-	-	27,270
G.A. reimbursements	1	1	-
Interest income	30	30	-
Total Revenues	<u>25,031</u>	<u>25,031</u>	<u>50,447</u>
General Assistance Fund Expenditures			
Salaries - G.A. employees	75,000	75,000	49,009
Health insurance - G.A.	35,000	35,000	25,349
Administrative - audit	1,500	1,500	1,350
Catastrophic insurance	3,500	3,500	2,650
Travel - training	600	600	-
Miscellaneous expense	500	500	-
Visual G.A. software	1	1	-
COVID expenditures	-	-	17,063
Home relief	55,000	55,000	35,842
Total General Assistance Fund Expenditures	<u>171,101</u>	<u>171,101</u>	<u>131,263</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(146,070)</u>	<u>(146,070)</u>	<u>(80,816)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	-	-	85,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>85,000</u>
Net Change in Fund Balance	<u>\$ (146,070)</u>	<u>\$ (146,070)</u>	<u>\$ 4,184</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Open Space Fund - Schedule of Revenues, Expenditures and Change

in Fund Balance - Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Farm rental	\$ 30,000	\$ 30,000	\$ 61,723
Soccer complex repayment	10	10	-
Grants	1,000	1,000	-
Interest income	1	1	1,800
Other income	2	2	3,177
Total Revenues	<u>31,013</u>	<u>31,013</u>	<u>66,700</u>
Open Space Fund Expenditures			
Land management	200,000	200,000	178,580
Casey road land management	250,000	250,000	9,871
Rt. 45 wetland mitigation project	200,000	200,000	29,791
Publications - open space information	2,500	2,500	-
Publications - public notices	300	300	-
Volunteer support	1,500	1,500	829
Supplies - equipment	7,000	7,000	3,086
Supplies - herbicide	8,000	8,000	5,831
Supplies - landscape	15,500	15,500	8,966
Supplies - signage	5,000	5,000	1,923
Supplies - trails	19,000	19,000	3,586
Purchases - equipment	75,000	75,000	4,949
Purchases - office equipment	500	500	-
Contingencies	9,000	9,000	-
Miscellaneous expense	5,000	5,000	-
Tax payments - drainage	3,000	3,000	1,758
Tax payments - real estate	5,000	5,000	260
Total Open Space Fund Expenditures	<u>806,300</u>	<u>806,300</u>	<u>249,430</u>
Net Change in Fund Balance	<u><u>\$ (775,287)</u></u>	<u><u>\$ (775,287)</u></u>	<u><u>\$ (182,730)</u></u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Capital Projects Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Interest income	\$ 1	\$ 1	\$ 180
Total Revenues	<u>1</u>	<u>1</u>	<u>180</u>
Capital Projects Expenditures			
Miscellaneous expense	10	10	-
Total Capital Projects Expenditures	<u>10</u>	<u>10</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(9)</u>	<u>(9)</u>	<u>180</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	2,500	2,500	-
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,491</u>	<u>\$ 2,491</u>	<u>\$ 180</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Multi-year Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Calendar Years

(schedule to be built prospectively from 2015)

Calendar Year Ending	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	\$ 87,412	\$ 97,897	\$ 106,550	\$ 109,736	\$ 108,197	\$ 101,112				
Interest on the Total Pension Liability	482,600	460,463	443,842	443,618	427,335	406,947				
Benefit Changes	-	-	-	-	-	-				
Difference between Expected and Actual Experience	(474,704)	169,373	140,702	20,471	5,942	66,431				
Assumption Changes	(59,114)	-	145,218	(211,303)	(12,597)	6,106				
Benefit Payments and Refunds	(417,528)	(416,764)	(380,585)	(335,285)	(320,271)	(288,332)				
Net Change in Total Pension Liability	(381,334)	310,969	455,727	27,237	208,606	292,264				
Total Pension Liability - Beginning	6,821,612	6,510,643	6,054,916	6,027,679	5,819,073	5,526,809				
Total Pension Liability - Ending (a)	\$ 6,440,278	\$ 6,821,612	\$ 6,510,643	\$ 6,054,916	\$ 6,027,679	\$ 5,819,073				
Plan Fiduciary Net Position										
Employer Contributions	\$ 86,055	\$ 69,555	\$ 101,206	\$ 109,342	\$ 115,732	\$ 111,920				
Employee Contributions	38,228	40,438	42,763	45,266	43,508	42,252				
Pension Plan Net Investment Income	990,663	1,103,827	(353,027)	978,994	359,441	25,761				
Benefit Payments and Refunds	(417,528)	(416,764)	(380,585)	(335,285)	(320,271)	(288,332)				
Other	(480,665)	134,949	201,013	(71,495)	65,854	84,723				
Net Change in Plan Fiduciary Net Position	216,753	932,005	(388,630)	726,822	264,264	(23,676)				
Plan Fiduciary Net Position - Beginning	6,730,024	5,798,019	6,186,649	5,459,827	5,195,563	5,219,239				
Plan Fiduciary Net Position - Ending (b)	\$ 6,946,777	\$ 6,730,024	\$ 5,798,019	\$ 6,186,649	\$ 5,459,827	\$ 5,195,563				
Net Pension Liability/(Asset) - Ending (a) - (b)	(506,499)	91,588	712,624	(131,733)	567,852	623,510				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.86%	98.66%	89.05%	102.18%	90.58%	89.29%				
Covered Valuation Payroll	\$ 849,503	\$ 898,633	\$ 950,295	\$ 1,005,903	\$ 966,846	\$ 938,934				
Net Pension Liability as a Percentage of Covered Valuation Payroll	(59.62%)	10.19%	74.99%	(13.10%)	58.73%	66.41%				

LIBERTYVILLE TOWNSHIP, ILLINOIS
Multi-year Schedule of Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 111,921	\$ 111,920	\$ 1	\$ 938,934	11.92%
2016	\$ 115,731	\$ 115,732	\$ (1)	\$ 966,846	11.97%
2017	\$ 109,342	\$ 109,342	\$ -	\$ 1,005,903	10.87%
2018	\$ 101,206	\$ 101,206	\$ -	\$ 950,295	10.65%
2019	\$ 69,554	\$ 69,555	\$ (1)	\$ 898,633	7.74%
2020	\$ 86,055 *	\$ 86,055	\$ -	\$ 849,503	10.13%

* Estimated based on a contribution rate of 10.13% and covered valuation payroll of \$849,503.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information

Year Ended February 28, 2021

NOTE 1 - BUDGETARY INFORMATION

The accounting policies of Libertyville Township include the preparation of financial statements on the modified accrual basis of accounting. The Township also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Budgets are adopted at the function level in the Town Fund and total Town Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Township procedures in establishing the budgetary data reflected in the Town Fund Financial Statements are presented below:

1. Prior to May 1st the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding March 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to May 31st.
4. The Township Supervisor, in conjunction with the Township Board, is authorized to expend the unexpended balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The original budget was not amended during the fiscal year.
6. Formal budgetary integration is not employed as a management control device during the year for any fund.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information

Year Ended February 28, 2021

NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.
10. The budgets for Town Fund and Road & Bridge Fund were adopted on May 28, 2020.
11. The Motor Fuel Tax Fund is not required to adopt a budget and therefore is not included in the Budget and Actual Schedules.

OTHER SUPPLEMENTARY INFORMATION

LIBERTYVILLE TOWNSHIP, ILLINOIS

Combiting Balance Sheet - Non-Major Special Revenue Funds

February 28, 2021

Assets	Town Funds			Road and Bridge Funds			Total
	IMRF	Social Security	Insurance	IMRF	Social Security	Insurance	Non-Major Funds
Cash and cash equivalents	\$ 55,129	\$ 15,577	\$ 33,743	\$ -	\$ 8,827	\$ -	\$ 342,264
Property taxes receivable, current							
levy, net of 1% allowance for loss	9,927	9,927	9,927	999	999	999	32,778
Total Assets	\$ 65,056	\$ 25,504	\$ 43,670	\$ 999	\$ 9,826	\$ 999	\$ 375,042
Liabilities							
Cash overdraft	-	-	-	\$ 1,281	-	\$ 20,447	-
Accrued payroll withholdings	888	714	-	353	335	-	2,290
Total Liabilities	888	714	-	1,634	335	20,447	24,018
Deferred Inflows - Property Taxes	9,927	9,927	9,927	999	999	999	32,778
Total Liabilities & Deferred Inflows	10,815	10,641	9,927	2,633	1,334	21,446	56,796
Fund Balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	54,241	14,863	33,743	(1,634)	8,492	(20,447)	318,246
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	54,241	14,863	33,743	(1,634)	8,492	(20,447)	318,246
Total Liabilities, Deferred Inflows & Fund Balance	\$ 65,056	\$ 25,504	\$ 43,670	\$ 999	\$ 9,826	\$ 999	\$ 375,042

The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE TOWNSHIP, ILLINOIS

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Non-Major Special Revenue Funds
 Year Ended February 28, 2021

	Town Funds		Road and Bridge Funds				Total Non-Major Funds	
	IMRF	Social Security	Insurance	IMRF	Social Security	Insurance		Repairs
Revenue								
Property taxes	\$ 23,178	\$ 23,178	\$ 23,231	\$ 977	\$ 998	\$ 989	\$ -	\$ 72,551
Total Revenue	23,178	23,178	23,231	977	998	989	-	72,551
Expenditures								
Administrative	-	-	33,950	-	-	16,555	-	50,505
Retirement contributions	78,905	59,742	-	7,882	7,341	-	-	153,870
Total Expenditures	78,905	59,742	33,950	7,882	7,341	16,555	-	204,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,727)	(36,564)	(10,719)	(6,905)	(6,343)	(15,566)	-	(131,824)
Operational Transfers In/(Out)	35,000	25,000	6,000	10,000	10,000	20,000	-	106,000
Net Change in Fund Balance	(20,727)	(11,564)	(4,719)	3,095	3,657	4,434	-	(25,824)
Fund Balance								
Fund Balance, Beginning of Year	74,968	26,427	38,462	(4,729)	4,835	(24,881)	228,988	344,070
Total Fund Balance, End of Year	\$ 54,241	\$ 14,863	\$ 33,743	\$ (1,634)	\$ 8,492	\$ (20,447)	\$ 228,988	\$ 318,246

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town IMRF Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 25,000	\$ 25,000	\$ 23,178
Replacement tax	100	100	-
Total Revenues	<u>25,100</u>	<u>25,100</u>	<u>23,178</u>
Town IMRF Fund Expenditures			
IMRF expense - supervisor dept.	50,000	50,000	47,716
IMRF expense - elected officials	10,000	10,000	10,098
IMRF expense - assessors dept.	28,000	28,000	17,572
IMRF expense - G.A. dept	10,000	10,000	3,519
IMRF expense - open space dept.	1	1	-
Total Town IMRF Fund Expenditures	<u>98,001</u>	<u>98,001</u>	<u>78,905</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(72,901)</u>	<u>(72,901)</u>	<u>(55,727)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	65,000	65,000	35,000
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>65,000</u>	<u>35,000</u>
Net Change in Fund Balance	<u>\$ (7,901)</u>	<u>\$ (7,901)</u>	<u>\$ (20,727)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town Social Security Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 25,000	\$ 25,000	\$ 23,178
Replacement tax	100	100	-
Total Revenues	<u>25,100</u>	<u>25,100</u>	<u>23,178</u>
Town Social Security Fund Expenditures			
FICA/medicare - supervisors dept.	45,000	45,000	35,811
FICA/medicare - elected officials	7,500	7,500	7,748
FICA/medicare - assessors dept.	20,000	20,000	13,483
FICA/medicare - G.A. dept.	6,000	6,000	2,700
Contingencies	1	1	-
Total Town Social Security Fund Expenditures	<u>78,501</u>	<u>78,501</u>	<u>59,742</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(53,401)</u>	<u>(53,401)</u>	<u>(36,564)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	35,000	35,000	25,000
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>35,000</u>	<u>25,000</u>
Net Change in Fund Balance	<u>\$ (18,401)</u>	<u>\$ (18,401)</u>	<u>\$ (11,564)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Town Insurance Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Property taxes	\$ 25,000	\$ 25,000	\$ 23,231
Personal property replacement tax	1	1	-
Total Revenues	<u>25,001</u>	<u>25,001</u>	<u>23,231</u>
Town Insurance Fund Expenditures			
Administrative - audit	1,400	1,400	1,350
Insurance - general	35,000	35,000	26,079
Insurance - unemployment	2,500	2,500	6,521
Services - legal	1,000	1,000	-
Contingencies	1,000	1,000	-
Miscellaneous expense	1,000	1,000	-
Total Town Insurance Fund Expenditures	<u>41,900</u>	<u>41,900</u>	<u>33,950</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(16,899)</u>	<u>(16,899)</u>	<u>(10,719)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	5,000	5,000	6,000
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>6,000</u>
Net Change in Fund Balance	<u>\$ (11,899)</u>	<u>\$ (11,899)</u>	<u>\$ (4,719)</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road IMRF Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Property taxes	\$ 1,013	\$ 1,013	\$ 977
Total Revenues	<u>1,013</u>	<u>1,013</u>	<u>977</u>
Road IMRF Fund Expenditures			
IMRF expense	14,000	14,000	7,882
Miscellaneous expense	500	500	-
Total Road IMRF Fund Expenditures	<u>14,500</u>	<u>14,500</u>	<u>7,882</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(13,487)</u>	<u>(13,487)</u>	<u>(6,905)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	20,000	20,000	10,000
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ 6,513</u>	<u>\$ 6,513</u>	<u>\$ 3,095</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road Social Security Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property taxes	\$ 1,013	\$ 1,013	\$ 998
Total Revenues	<u>1,013</u>	<u>1,013</u>	<u>998</u>
Road Social Security Fund Expenditures			
FICA/medicare expense	10,000	10,000	7,341
Miscellaneous expense	500	500	-
Total Road Social Security Fund Expenditures	<u>10,500</u>	<u>10,500</u>	<u>7,341</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(9,487)</u>	<u>(9,487)</u>	<u>(6,343)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	20,000	20,000	10,000
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ 10,513</u>	<u>\$ 10,513</u>	<u>\$ 3,657</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road Insurance Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Property taxes	\$ 1,013	\$ 1,013	\$ 989
Total Revenues	<u>1,013</u>	<u>1,013</u>	<u>989</u>
Road Insurance Fund Expenditures			
Insurance - general	25,000	25,000	16,236
Insurance - unemployment	2,000	2,000	319
Miscellaneous expense	500	500	-
Total Road Insurance Fund Expenditures	<u>27,500</u>	<u>27,500</u>	<u>16,555</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(26,487)</u>	<u>(26,487)</u>	<u>(15,566)</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	40,000	40,000	20,000
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>20,000</u>
Net Change in Fund Balance	<u>\$ 13,513</u>	<u>\$ 13,513</u>	<u>\$ 4,434</u>

LIBERTYVILLE TOWNSHIP, ILLINOIS

Road & Bridge Repairs Fund - Schedule of Revenues, Expenditures and Change in Fund Balance

- Budget and Actual

Year Ended February 28, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Accrual Basis</u>
Revenues			
Interest income	\$ 10	\$ 10	\$ -
Total Revenues	<u>10</u>	<u>10</u>	<u>-</u>
Road Insurance Fund Expenditures			
Repairs	10	10	-
Bridge expense	20,000	20,000	-
Total Road Insurance Fund Expenditures	<u>20,010</u>	<u>20,010</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Other Financing Sources (Uses)			
Operating transfers in/(out)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (220,000)</u>	<u>\$ (220,000)</u>	<u>\$ -</u>