

# DeKalb Township DeKalb, Illinois

## Annual Financial Report

March 31, 2021



# DeKalb Township, Illinois

Year ended March 31, 2021

---

## Table of Contents

<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis</b>	3 - 7
<b>Financial Statements</b>	
Statement of Net Position	8
Statement of Activities	9
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14 - 29
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Other Financing Sources Compared with Budget:	
General Fund	30 - 31
General Assistance Fund	32 - 33
Road and Bridge Fund	34 - 35
Permanent Road Fund	36
Building and Equipment Fund	37
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios-IMRF	38
Multiyear Schedule of IMRF Contributions	39
Notes to Required Supplementary Information	40 - 41

## **Independent Auditor's Report**

To the Board of Trustees  
DeKalb Township, Illinois  
DeKalb, 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 DeKalb Township, Illinois, (the "Township") as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 circumstance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we 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 remaining aggregate fund information of DeKalb Township, Illinois, as of March 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, multiyear schedule of changes in net pension liability and related ratios-IMRF, and multiyear schedule of IMRF contributions 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.

*Wipfli LLP*

Rockford, Illinois  
September 10, 2021

## **Management's Discussion and Analysis**

# DeKalb Township, Illinois

## Management’s Discussion and Analysis

---

Our discussion and analysis of DeKalb Township’s (the “Township”) financial performance provides an overview of the Township activities for the fiscal year ended March 31, 2021. Please read it in conjunction with the Township’s financial statements.

### **Financial Highlights**

- The Statement of Activities reflects an overall decrease in the Township's net position totaling \$91,907.
- DeKalb Township's General Town Fund beginning balance as of April 1, 2020 was \$995,491. The revenue during the fiscal year April 1, 2020 thru March 31, 2021 was \$911,195 and the expenditures were \$817,602, which leaves a balance of \$1,089,084.
- DeKalb Township's General Assistance Fund beginning balance as of April 1, 2020 was \$404,673. The revenue during the fiscal year April 1, 2020 thru March 31, 2021 was \$244,921 and the expenditures were \$280,422 which leaves a balance of \$369,172.
- DeKalb Township's Road & Bridge Fund beginning balance as of April 1, 2020 was \$456,827. The revenue during the fiscal year April 1, 2020 thru March 31, 2021 was \$317,936 and the expenditures were \$547,109 which leaves a balance of \$227,654.
- DeKalb Township's Permanent Road Fund beginning balance as of April 1, 2020 was \$856,184. The revenue during the fiscal year April 1, 2020 thru March 31, 2021 was \$820,962 and the expenditures were \$809,657 which leaves a balance of \$867,489.
- DeKalb Township's Building & Equipment Fund beginning balance as of April 1, 2020 was \$220,486. The revenue and other financing sources during the fiscal year April 1, 2020 thru March 31, 2021 was \$92,573 and the expenditures were \$191,992 which leaves a balance of \$121,067.

### **Using this Annual Report**

This annual report consists of three parts – Independent Auditor’s Report, required supplementary information (RSI) which includes Management’s Discussion and Analysis (MD&A) (this section), and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Township.

The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township’s operations in more detail than the government-wide statements by providing information about the Township’s most significant funds.

MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

# DeKalb Township, Illinois

## Management’s Discussion and Analysis

---

### Government-wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long-term information about the Township's overall financial status, similar to a private sector business. In the government-wide financial statements the Township's activities are shown in one category - governmental activities. The Township's basic services are road maintenance, general assistance, and general government services. Current operations of these activities are largely financed with property taxes and state money, certain fees charged and interest.

The statement of net position presents information on all the Township's assets/deferred outflows and liabilities/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. To assess the overall health of the Township you need to consider additional non-financial factors such as the condition of the Township's buildings and facilities.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year compared to the prior year. The government-wide financial statements are prepared using the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenditures and liabilities are recognized when incurred.

### Condensed Statement of Net Position

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Current assets	\$5,824,540	\$ 5,926,884
Net pension asset	186,252	-
Capital assets (net)	<u>5,208,678</u>	<u>5,141,620</u>
Total assets	<u>11,219,470</u>	<u>11,068,504</u>
Deferred outflows of resources	199,788	196,191
Current liabilities	84,711	63,637
Net pension liability	-	56,937
Noncurrent liabilities	<u>19,030</u>	<u>13,897</u>
Total liabilities	<u>103,741</u>	<u>134,471</u>
Deferred inflows of resources	<u>3,113,676</u>	<u>2,836,476</u>
Net position:		
Invested in capital assets	5,208,678	5,141,620
Restricted	1,927,311	2,284,970
Unrestricted	<u>1,065,852</u>	<u>867,158</u>
Total net position	<u>\$ 8,201,841</u>	<u>\$ 11,419,258</u>

# DeKalb Township, Illinois

## Management's Discussion and Analysis

---

### Government-wide Financial Statements (Continued)

#### Condensed Statement of Activities

	<b><u>April 1, 2020 - March 31, 2021</u></b>	<b><u>April 1, 2019 - March 31, 2020</u></b>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<b><u>Revenues</u></b>		
Program revenues:		
Operating Grants and Contributions	\$ 3,854	\$ 23,107
Charges for services	600	2,785
General revenues:		
Property taxes	2,217,836	2,250,611
Personal property replacement taxes	111,475	124,760
Investment earnings	932	10,328
Miscellaneous	50,146	30,658
Gain on sale of capital assets	<u>2,813</u>	<u>63,000</u>
Total revenues	<u>2,387,656</u>	<u>2,505,249</u>
<b><u>Expenses</u></b>		
Program expenses:		
General government	579,001	734,004
Social services	461,760	403,297
Public works	<u>1,438,802</u>	<u>1,225,489</u>
Total expenses	<u>2,479,563</u>	<u>2,479,563</u>
Change in net position	<u>\$ (91,907)</u>	<u>\$ 142,459</u>

### Fund Financial Statements

The fund financial statements provide more detailed information about the Township's funds - not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs. State law requires some funds, while others are established to control and manage money for particular purposes or to show that the Township is properly using certain revenues.

# DeKalb Township, Illinois

## Management's Discussion and Analysis

---

### Fund Financial Statements (Continued)

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and the changes in fund balances for the five major funds.

The Township adopts annual budgets for all major governmental funds. Budgetary comparison information has been provided for the major governmental funds later in this report.

### Management's Analysis of the Township's Overall Financial Position and Results of Operations

The Statement of Activities reflects an overall decrease in the Township's net position totaling \$91,907. Revenues and expenses were comparable to the prior year.

### General Fund Budgetary Comparison

The Township adopted the budget in April 2020. The budget is prepared on the modified accrual basis of accounting. This is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. A deficit budget of \$539,293 in the General fund was approved and no amendments were made to the original budget. The actual results for the year show revenues to be \$93,593 over expenditures. Expenditures were \$595,691 under budget.

### General Assistance Fund Budgetary Comparison

A deficit budget of \$300,525 in the General Assistance fund was approved and no amendments were made to the original budget. The actual results for the year show revenues to be \$35,501 under expenditures. Expenditures were \$267,328 under budget.

### Road and Bridge Fund Budgetary Comparison

A deficit budget of \$368,389 in the Road & Bridge fund was approved and no amendments were made to the original budget. The actual results for the year show revenues to be \$229,173 under expenditures. Expenditures were \$147,452 under budget.

# DeKalb Township, Illinois

## Management's Discussion and Analysis

---

### **Permanent Road Fund Budgetary Comparison**

A deficit budget of \$850,089 in the Permanent Road fund was approved and no amendments were made to the original budget. The actual results for the year show revenues to be \$11,305 over expenditures. Expenditures were \$872,893 under budget.

### **Building & Equipment Fund Budgetary Comparison**

A deficit budget of \$149,806 in the Building & Equipment fund was approved and no amendments were made to the original budget. The actual results for the year show revenues to be \$99,419 under expenditures. Expenditures were \$95,008 under budget.

### **Capital assets**

During the year ended March 31, 2021, the Township purchased equipment in the amount of \$409,635. See Note 4 for information on Capital Assets.

### **Economic Factors and Next Year's Budget and Rates**

The Township receives most of its revenue from property taxes. The property tax base of the Township continues to remain stable, allowing the Township to budget consistently for fiscal year 2021-2022. With the exception of interest, revenues are generally not affected by economic factors.

### **Financial Contact**

DeKalb Township's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Township's finances and to demonstrate the Township's accountability. If you have any questions about the report or need additional financial information, please contact:

DeKalb Township  
2323 S. Fourth Street  
DeKalb, IL 60115

# **Basic Financial Statements**

# DeKalb Township, Illinois

## Statement of Net Position

March 31, 2021

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash	\$ 3,101,106
MFT held by DeKalb Co	416,823
Property tax receivable	2,306,611
Total current assets	5,824,540
Non-current assets:	
Net pension asset	186,252
Capital assets	
Land	314,638
Depreciated, net of accumulated depreciation	4,894,040
Total non-current assets	5,394,930
Total assets	11,219,470
<b>Deferred outflows of resources</b>	
Pension related	199,788
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	38,999
Contingent liabilities	12,000
Accrued payroll	33,712
Total current liabilities	84,711
Noncurrent liabilities:	
Compensated absences	19,030
Total noncurrent liabilities	19,030
Total liabilities	103,741
<b>Deferred inflows of resources</b>	
Pension related	390,242
Real estate taxes	2,306,611
Motor fuel taxes	416,823
Total deferred inflows of resources	3,113,676
<b>Net Position</b>	
Invested in capital assets	5,208,678
Restricted for General Assistance	369,172
Restricted for Road & Bridges	1,558,139
Unrestricted	1,065,852
Total net position	\$ 8,201,841

# DeKalb Township, Illinois

## Statement of Activities

For the Year ending March 31, 2021

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
General government	\$ 579,001	\$ -	\$ -	\$ (579,001)
Social services	461,760	600	3,854	(457,306)
Public works	1,438,802	-	-	(1,438,802)
Interest	-	-	-	-
Total governmental activities	\$ 2,479,563	\$ 600	\$ 3,854	(2,475,109)
General revenues:				
Taxes:				
Property taxes				2,217,836
Replacement taxes				111,475
Investment earnings				932
Miscellaneous				50,146
Gain on sale of capital assets				2,813
Total general revenues				2,383,202
Change in net position				(91,907)
Net position - beginning				8,293,748
Net position - ending				\$ 8,201,841

# DeKalb Township, Illinois

## Balance Sheet Governmental Funds

March 31, 2021

	General Fund	General Assistance Fund
<b>Assets</b>		
Cash	\$ 1,103,717	\$ 393,976
MFT held by DeKalb Co	-	-
Notes receivable	-	-
Property tax receivable	833,636	236,634
<b>Total assets</b>	<b>\$ 1,937,353</b>	<b>\$ 630,610</b>
<b>Liabilities</b>		
Accounts payable	\$ 6,000	\$ 3,854
Contingent liabilities	-	12,000
Accrued payroll	8,633	8,950
Deferred revenue:		
Real estate taxes	833,636	236,634
Motor fuel taxes	-	-
<b>Total liabilities</b>	<b>848,269</b>	<b>261,438</b>
<b>Fund Balances</b>		
Restricted	-	369,172
Unassigned	1,089,084	-
<b>Total fund balances</b>	<b>1,089,084</b>	<b>369,172</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,937,353</b>	<b>\$ 630,610</b>

Road and Bridge Fund	Permanent Road Fund	Building & Equipment Fund	Special Bridge Fund (Nonmajor)	Total Governmental Funds
\$ 243,214	\$ 885,083	\$ 133,187	\$ 341,929	\$ 3,101,106
-	416,823	-	-	416,823
-	-	-	-	-
320,706	813,303	102,332	-	2,306,611
<u>\$ 563,920</u>	<u>\$ 2,115,209</u>	<u>\$ 235,519</u>	<u>\$ 341,929</u>	<u>\$ 5,824,540</u>
\$ 10,842	\$ 6,183	\$ 12,120	\$ -	\$ 38,999
-	-	-	-	12,000
4,718	11,411	-	-	33,712
320,706	813,303	102,332	-	2,306,611
-	416,823	-	-	416,823
<u>336,266</u>	<u>1,247,720</u>	<u>114,452</u>	<u>-</u>	<u>2,808,145</u>
227,654	867,489	121,067	341,929	1,927,311
-	-	-	-	1,089,084
<u>227,654</u>	<u>867,489</u>	<u>121,067</u>	<u>341,929</u>	<u>3,016,395</u>
<u>\$ 563,920</u>	<u>\$ 2,115,209</u>	<u>\$ 235,519</u>	<u>\$ 341,929</u>	<u>\$ 5,824,540</u>

# DeKalb Township, Illinois

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

March 31, 2021

---

Total fund balances - governmental funds	\$ 3,016,395
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. This amount is the net book value of capital assets reported.	5,208,678
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred outflows related to pensions	199,788
Net pension asset (liability)	186,252
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities include:	
Compensated absences	(19,030)
Deferred inflows related to pensions	(390,242)
<hr/>	
Total net position of governmental activities	<u>\$ 8,201,841</u>

# DeKalb Township, Illinois

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year ending March 31, 2021

	General Fund	General Assistance Fund
<b>Revenues</b>		
Property taxes	\$ 867,575	\$ 233,744
Replacement taxes	37,318	-
Motor fuel tax	-	-
Interest income	316	114
SSI/State of Illinois	-	3,854
Miscellaneous	5,986	7,209
Total revenues	911,195	244,921
<b>Expenditures</b>		
Current:		
General government	614,958	-
Social services	202,382	280,422
Public works	-	-
Debt service	-	-
Capital outlay	262	-
Total expenditures	817,602	280,422
Excess (deficiency) of revenues over expenditures	93,593	(35,501)
<b>Other Financing Sources (Uses)</b>		
Sale of fixed assets	-	-
Total other financing sources and uses	-	-
Net change in fund balances	93,593	(35,501)
Fund balances - beginning	995,491	404,673
Fund balances - ending	\$ 1,089,084	\$ 369,172

Road and Bridge Fund	Permanent Road Fund	Building & Equipment Fund	Special Bridge Fund (Nonmajor)	Total Governmental Funds
\$ 214,562	\$ 820,676	\$ 81,279	\$ -	\$ 2,217,836
74,157	-	-	-	111,475
-	-	-	-	-
111	286	36	69	932
-	-	-	-	3,854
29,106	-	8,445	-	50,746
317,936	820,962	89,760	69	2,384,843
-	-	-	-	614,958
-	-	-	-	482,804
547,109	408,170	-	4,940	960,219
-	-	-	-	-
-	401,487	191,992	-	593,741
547,109	809,657	191,992	4,940	2,651,722
(229,173)	11,305	(102,232)	(4,871)	(266,879)
-	-	2,813	-	2,813
-	-	2,813	-	2,813
(229,173)	11,305	(99,419)	(4,871)	(264,066)
456,827	856,184	220,486	346,800	3,280,461
\$ 227,654	\$ 867,489	\$ 121,067	\$ 341,929	\$ 3,016,395

See accompanying notes to financial statements.

# DeKalb Township, Illinois

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year ending March 31, 2021

---

Net change in fund balances - Governmental funds	\$ (264,066)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capitalized fixed assets.	67,059
Some expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in net pension liability and deferred pension resources	110,234
Vacation pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation pay increased over the prior period.	(5,134)
<hr/>	
Change in net position - governmental activities	<u>\$ (91,907)</u>

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 1 Summary of Significant Accounting Policies

#### Introduction

The financial statements of DeKalb Township (the "Township") have been prepared in conformity with the accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Township are described below.

#### Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

#### Reporting entity

The Township is a township governed by an elected four-member Board of Trustees (Board). The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. In evaluating how to define the Township, for financial reporting purposes, the Township has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Township and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities.

The Township is considered to be a primary government, since it is legally separate and financially independent. This report includes all of the funds of the Township. It includes all activities considered to be part of (controlled by or dependent on) the Township as set forth under the GAAP criteria.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Reporting Entity (Continued)

Blended Component Unit - The Road District serves all the citizens of the Township and is governed by the Township Supervisor and Board of Trustees. The budget and appropriation ordinance is approved by the Township Board. The Road District is reported as a Special Revenue Fund.

#### Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### Basis of presentation – fund financial statements

The fund financial statements provide information about the Township's funds and blended component units. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental are reported as separate columns in the fund financial statements. The Township reports the following major governmental funds:

The *general fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *general assistance fund* is used for operating State mandated welfare for the community.

The *road and bridge fund* accounts for all activity related to the management of roads and bridges.

The *permanent road fund* accounts for all activity related to the maintenance of roads.

The *building and equipment fund* accounts for all activity related to the acquisition of buildings and equipment.

Under the Governmental Accounting Standards Board (GASB) issued Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the District may report any governmental or enterprise fund (but not internal service funds or fiduciary funds) as a major fund if the government's officials believe the fund is "particularly important to financial statement users". The District has chosen to include the Building and Equipment Fund as a major fund even though the fund calculations do not classify is as a major fund. The Township views this fund as particularly important to the financial users.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Basis of presentation – fund financial statements (continued)**

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

#### **Measurement focus and basis of accounting**

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Township gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Township considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Motor Fuel Taxes and Deferred Inflows**

The Township Highway Department receives a portion of motor fuel taxes from the State of Illinois Department of Transportation. In accordance with state statutes, this money is deposited with the County and recorded by the County in a Trust and Agency Fund. The Township, in conjunction with the County, utilizes these funds to finance repairs and maintenance of Township roads.

Motor fuel taxes spent in the current year are recorded as revenues and expenditures in the Road and Bridge Fund. However, these amounts are not shown in the budgetary comparison schedules as they are not budgeted for by the Township. Taxes not yet received are recorded as accounts receivable and deferred inflows and are available for future periods to finance repairs and maintenance of Township roads.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **Assets, liabilities, and net position/fund balance**

##### ***Cash and cash equivalents***

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Township is authorized to invest in funds according to Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act.

##### ***Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, except for buildings and infrastructure assets, are defined by the Township as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. For building assets, the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$10,000 are reported as capital assets. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Capital assets (continued)

The Township has elected to report only prospective infrastructure assets. Infrastructure includes only those assets put in place after May 1, 2004. As the Township constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	40
Building improvement	20
Infrastructure	40
Road improvements	10
Equipment	7
Vehicles under 13,000 gross weight	5
Vehicles over 13,000 gross weight	7
Tools and appliances	5

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. At this time, the Township has only one item that qualifies for reporting in this category. The deferred outflows of resources represent the Township's pension amounts related to the Illinois Municipal Retirement Fund.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Township has three items that qualify for reporting in this category. The Township defers the 2020 property tax levy to be recognized as revenue in fiscal year 2022, the motor fuel taxes held by the County that have not been expended, and the pension amounts related to the Illinois Municipal Retirement Fund.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***Net position flow assumption***

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Township's policy to consider restricted to have been depleted before unrestricted is applied.

#### ***Fund balance flow assumptions***

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The board of trustees (board) has authorized the township supervisor to assign fund balance. The board may also assign

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### ***Revenues and expenditures/expenses***

##### *Program revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### *Property taxes*

Property tax revenues represent the revenues primarily generated by the 2019 property tax levy. The 2019 and 2020 levies were passed by the Board on December 11, 2019, and December 9, 2020, respectively. Since the 2020 property tax levy is levied to finance the operations of fiscal year 2022, the 2020 property tax is recorded as a receivable and the 2020 property tax revenue is unavailable. Property taxes attach as an enforceable lien on property as of January 1 and are generally payable in two installments in June and September. The Township receives significant distributions of tax receipts within one month of these due dates.

### **Note 2 Stewardship, Compliance and Accountability**

#### **Violations of legal or contractual provisions**

No funds exceeded their budget for the year ended March 31, 2021.

#### **Deficit fund equity**

At March 31, 2021, no funds had a deficit fund balance.

# DeKalb Township, Illinois

## Notes to Financial Statements

### Note 3 Cash Deposits with Financial Institutions

**Custodial credit risk-deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2021, the Township’s bank balance was \$3,211,334 and \$0 of that amount was exposed to custodial credit risk because that portion of the balance exceeded the insured or collateralized amounts with securities held by the pledging or financial institution’s trust department or agent in the Township’s name.

### Note 4 Capital Assets

The governmental activities capital asset activity for the year ended March 31, 2021 is as follows:

	Balance April 1, 2020	Additions	Deletions	Balance March 31, 2021
Capital assets not being depreciated:				
Land	<u>\$ 249,300</u>	<u>\$ 65,338</u>	<u>\$ -</u>	<u>\$ 314,638</u>
Capital assets being depreciated:				
Infrastructure	5,097,338	-	-	5,097,338
Buildings	974,824	14,657	-	989,481
Equipment	<u>1,512,921</u>	<u>329,640</u>	<u>21,250</u>	<u>1,821,311</u>
 Total capital assets being depreciated	 <u>7,585,083</u>	 <u>344,297</u>	 <u>21,250</u>	 <u>7,908,130</u>
Less accumulated depreciation for:				
Infrastructure	1,513,792	150,569	-	1,664,361
Buildings	166,987	25,420	-	192,407
Equipment	<u>1,011,984</u>	<u>158,702</u>	<u>13,364</u>	<u>1,157,322</u>
 Total accumulated depreciation	 <u>2,692,763</u>	 <u>334,691</u>	 <u>13,364</u>	 <u>3,014,090</u>
 Total capital assets being depreciated, net	 <u>4,892,320</u>	 <u>9,606</u>	 <u>7,886</u>	 <u>4,894,040</u>
 Governmental activity capital assets, net	 <u>\$ 5,141,620</u>	 <u>\$74,944</u>	 <u>\$7,886</u>	 <u>\$5,208,678</u>

Depreciation expense was charged to function/programs of the primary government as follows:

General government	\$19,007
Road and bridge	<u>315,684</u>
Total	<u>\$334,691</u>

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 5 Pension Plan

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

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

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

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

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

**Employees Covered by the Benefit Terms** - At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active employees	10
<hr/> Total	<hr/> 21

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 5 Pension Plan (Continued)

**Contributions** - Employees are required to contribute 4.5% of their annual pay as set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2020 was 7.34%. For fiscal year ended March 31, 2021, the employer contributed \$45,832 to the plan. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF 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.
- 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 of the period 2017 to 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 unadjusted) 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.
- 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:

# DeKalb Township, Illinois

## Notes to Financial Statements

---

**Note 5 Pension Plan (Continued)**

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
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%	

**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%.

# DeKalb Township, Illinois

## Notes to Financial Statements

### Note 5 Pension Plan (Continued)

Changes in Net Pension Liability (Asset)	Increase Total Pension Liability	(Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance January 1, 2020	\$3,134,343	\$3,077,406	\$ 56,937
Service costs	56,788	-	56,788
Interest on total pension liability	222,083	-	222,083
Difference between expected and actual experience	58,153	-	58,153
Changes in assumptions	(16,169)	-	(16,169)
Employer contributions	-	45,661	(45,661)
Employee contributions	-	30,708	(30,708)
Net investment income	-	462,240	(462,240)
Benefit payments – net of refunds	(199,046)	(199,046)	-
Other changes	-	25,435	(25,435)
<b>Net changes</b>	<b>121,809</b>	<b>364,998</b>	<b>(243,189)</b>
<b>Balances as of December 31, 2020</b>	<b>\$3,256,152</b>	<b>\$3,442,404</b>	<b>\$(186,252)</b>

**Sensitivity of the Township’s proportionate share of the net pension liability to changes in the discount rate** - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Township’s proportionate share of the net pension liability (asset)	\$192,278	\$(186,252)	\$(491,231)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended March 31, 2021, the Township had a pension expense (income) of \$(64,231). At March 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# DeKalb Township, Illinois

## Notes to Financial Statements

---

**Note 5 Pension Plan (Continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 146,176	\$ 38,765
Changes in assumptions	41,436	50,885
Net difference between projected and actual earnings	-	300,592
Employer contributions subsequent to the measurement date	12,176	-
<b>Total</b>	<b>\$ 199,788</b>	<b>\$ 390,242</b>

The Township reported \$12,176 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Net Deferred Inflows of Resources</b>
2022	\$(69,928)
2023	(16,713)
2024	(85,172)
2025	(39,701)
2026	6,620
Thereafter	2,264

**Note 6 Risk Management**

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the Township purchases insurance coverage through the Township Officials of Illinois Risk Management Association (TOIRMA). The amounts of settlements have not exceeded insurance coverage for any of the past three years.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### Note 7 Fund Balances

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

#### Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The Township has no nonspendable fund balances at year end.

#### Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has the following balances that are restricted at year end by law through constitutional provision or enabling legislation:

a.	General Assistance Fund	\$ 369,172
b.	Road and Bridge Fund	227,654
c.	Permanent Road Fund	867,489
d.	Building & Equipment Fund	121,067
e.	Special Bridge Fund	<u>341,929</u>
	Total	<u>\$1,927,311</u>

#### Committed Fund Balance

The Township commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The Township has no balances that are committed at year end.

#### Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the Township’s intent to be used for a specific purpose but are neither restricted nor committed. Intent may be expressed by the Township’s Board of Trustees to assign amounts to be used for specific purposes. The Township has no balances that are assigned at year end.

#### Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund totaling \$1,089,084.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 7 Fund Balances (Continued)**

#### Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

### **Note 8 Contingencies**

From time to time, the Township is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Township's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Township's financial position or results of operations. The Township has \$12,000 of contingent liabilities at March, 31, 2021.

### **Note 9 Risks and Uncertainties**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Virus Crisis (CV19 Crisis). The long-term impact of the CV19 Township on the District cannot be reasonably estimated at this time.

### **Note 10 Pending Accounting Pronouncements**

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The Township has not determined the effect of this Statement.

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by the issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Township has not determined the effect of this Statement.

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The Township has not determined the effect of this Statement.

# DeKalb Township, Illinois

## Notes to Financial Statements

---

### **Note 10 Pending Accounting Pronouncements (Continued)**

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. The Township has not determined the effect of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Township has not determined the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Township has not determined the effect of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, amends GASB Statements Nos. 14 and 84, and a suppression of GASB Statement No.32, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of GASB Statement No. 84 applies, and this statement clarifies that GASB Statement No. 84 should applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if GASB Statement No. 84 has been implemented. The Township has not determined the effect of this Statement.

## **Required Supplementary Information**

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures and Other Financing Sources Compared with Budget General Fund For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property tax	\$ 844,000	\$ 867,575	\$ 23,575
Replacement tax	25,000	37,318	12,318
Interest income	500	316	(184)
Toirma dividend	1,000	1,624	624
Miscellaneous	3,500	4,362	862
<b>Total revenues</b>	<b>\$ 874,000</b>	<b>\$ 911,195</b>	<b>\$ 37,195</b>
<b>Expenditures</b>			
Administration:			
Salaries	\$ 318,808	\$ 258,463	\$ (60,345)
Janitorial	10,000	9,195	(805)
Health insurance	78,000	43,204	(34,796)
Unemployment insurance	2,500	218	(2,282)
Social security	19,000	16,457	(2,543)
Medicare	5,000	3,867	(1,133)
IMRF	31,185	17,082	(14,103)
Accounting	4,500	4,050	(450)
Legal services	22,000	21,157	(843)
Postage	2,000	1,144	(856)
Telephone	4,800	4,474	(326)
Publishing	8,000	800	(7,200)
Printing	3,000	-	(3,000)
Subscriptions	1,500	1,500	-
Travel-supervisor	10,000	75	(9,925)
Insurance	15,000	11,619	(3,381)
Utilities	15,000	13,171	(1,829)
Dues-town	6,500	3,236	(3,264)
Equipment maintenance	2,750	2,122	(628)
Building maintenance	5,000	3,386	(1,614)
Office supplies	6,000	3,311	(2,689)
Operating expense	5,000	3,156	(1,844)
Office equipment	20,000	16,323	(3,677)
Community center	70,000	10,000	(60,000)
Equipment leasing	650	75	(575)
Internet	7,000	9,567	2,567
IT/security	25,000	1,877	(23,123)
Social media	2,750	190	(2,560)
Emergency relief	10,000	6,126	(3,874)
Community affairs	20,000	3,000	(17,000)
<b>Total administration</b>	<b>730,943</b>	<b>468,845</b>	<b>(262,098)</b>

# DeKalb Township, Illinois

Schedule of Revenues, Expenditures and Other Financing Sources  
 Compared with Budget  
 General Fund (Continued)  
 For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Expenditures (Continued)</b>			
Assessor:			
Salaries	144,500	85,131	(59,369)
Social security	8,500	5,278	(3,222)
Medicare	2,100	1,234	(866)
IMRF	11,000	6,301	(4,699)
Health insurance	36,000	17,090	(18,910)
Unemployment insurance	900	400	(500)
Equipment maintenance	1,000	270	(730)
Postage	300	18	(282)
Telephone	4,500	3,506	(994)
Printing	800	-	(800)
Dues	350	50	(300)
Training	6,000	1,234	(4,766)
Legal services	3,000	3,000	-
Appraisal fee	2,700	-	(2,700)
Software licensing	7,200	6,875	(325)
Office supplies	1,700	29	(1,671)
Operating supplies	1,400	12	(1,388)
Office equipment	1,500	407	(1,093)
Office furniture	2,000	-	(2,000)
Computer hardware	2,800	2,985	185
Computer software	1,000	(3,485)	(4,485)
Miscellaneous	1,000	440	(560)
Internet access fees	550	417	(133)
IT services/security	11,000	3,351	(7,649)
Website	1,200	320	(880)
<b>Total assessor</b>	<b>253,000</b>	<b>134,863</b>	<b>(118,137)</b>
Social services	117,750	87,750	(30,000)
County Home	6,000	6,000	-
Cemeteries	188,600	108,632	(79,968)
Capital improvements	67,000	262	(66,738)
Contingency	50,000	11,250	(38,750)
<b>Total expenditures</b>	<b>\$ 1,413,293</b>	<b>\$ 817,602</b>	<b>\$ (595,691)</b>

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures, and Other Financing Sources Compared with Budget General Assistance Fund For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property tax	\$ 236,000	\$ 233,744	\$ (2,256)
Interest income	725	114	(611)
SSI/State of Illinois	10,000	3,854	(6,146)
Miscellaneous	500	7,209	6,709
<b>Total revenues</b>	<b>\$ 247,225</b>	<b>\$ 244,921</b>	<b>\$ (2,304)</b>
<b>Expenditures</b>			
Administration:			
Salaries	\$ 115,000	\$ 120,318	\$ 5,318
Social security	7,500	6,845	(655)
Medicare	1,800	1,800	-
IMRF	12,500	9,563	(2,937)
Health insurance	28,000	38,150	10,150
Unemployment insurance	600	444	(156)
Workers compensation	3,000	-	(3,000)
Equipment maintenance and supplies	3,000	2,760	(240)
Publishing/subscriptions	600	476	(124)
Printing	3,000	502	(2,498)
Postage	2,750	1,658	(1,092)
Legal services	5,000	14,040	9,040
Travel/training	1,000	140	(860)
Office supplies	3,500	2,285	(1,215)
Operating supplies	4,000	3,391	(609)
Equipment, software upgrade	5,000	492	(4,508)
Visual GA	5,000	2,800	(2,200)
<b>Total administration</b>	<b>201,250</b>	<b>205,664</b>	<b>4,414</b>

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures, and Other Financing Sources Compared with Budget General Assistance Fund (Continued) For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Expenditures (Continued)</b>			
Services:			
Aid and welfare services	50,000	-	(50,000)
Food pantry and emergency food service	70,000	36,000	(34,000)
<b>Total services</b>	<b>120,000</b>	<b>36,000</b>	<b>(84,000)</b>
Home relief:			
Medical/doctor	11,000	-	(11,000)
Hospital service/in-patient	10,000	-	(10,000)
Hospital service/out-patient	10,000	-	(10,000)
Pharmaceutical supplies	20,000	-	(20,000)
Dental service	1,000	-	(1,000)
M.A.C.I.-medical catastrophic	3,500	2,360	(1,140)
Other medical services	3,000	-	(3,000)
Flat grant expense	117,500	30,952	(86,548)
Emergency assistance	22,500	-	(22,500)
Transient assistance	1,000	-	(1,000)
Miscellaneous	2,000	2,511	511
<b>Total home relief</b>	<b>201,500</b>	<b>35,823</b>	<b>(165,677)</b>
<b>Contingency</b>	<b>25,000</b>	<b>2,935</b>	<b>(22,065)</b>
<b>Total expenditures</b>	<b>\$ 547,750</b>	<b>\$ 280,422</b>	<b>\$ (267,328)</b>

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures, and Other Financing Sources Compared with Budget Road and Bridge Fund For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property tax	\$ 193,797	\$ 214,562	\$ 20,765
Replacement tax	91,800	74,157	(17,643)
Interest income	1,575	111	(1,464)
Toirma dividend	500	8,658	8,158
Miscellaneous	38,500	20,448	(18,052)
<b>Total revenues</b>	<b>\$ 326,172</b>	<b>\$ 317,936</b>	<b>\$ (8,236)</b>
<b>Expenditures</b>			
Administration:			
Salaries-secretary	\$ 25,000	\$ 20,499	\$ (4,501)
Salaries - road crew	29,000	41,938	12,938
Social security	3,000	3,268	268
Medicare	850	809	(41)
IMRF	3,500	3,351	(149)
Health insurance	11,500	14,910	3,410
Unemployment insurance	150	102	(48)
Accounting	4,500	4,050	(450)
Legal services	65,000	15,010	(49,990)
Postage	625	347	(278)
Telephone	2,400	1,990	(410)
Publishing/printing	500	250	(250)
Training-road commissioner	3,300	446	(2,854)
Insurance	16,500	13,640	(2,860)
Utilities	3,100	3,348	248
Dues-road commissioner	500	460	(40)
Personal property	39,500	34,568	(4,932)
Internet	500	420	(80)
Website	15,500	3,868	(11,632)
Office supplies	6,000	3,873	(2,127)
Operating expense	1,800	(217)	(2,017)
<b>Total administration</b>	<b>232,725</b>	<b>166,930</b>	<b>(65,795)</b>

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures, and Other Financing Sources Compared with Budget Road and Bridge Fund (Continued) For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b><i>Expenditures (Continued)</i></b>			
Maintenance and commodities:			
Building maintenance services	35,000	38,891	3,891
Equipment maintenance, repair, parts	45,000	70,660	25,660
Shop supplies	23,000	32,452	9,452
Small tools	12,000	2,986	(9,014)
<hr/>			
Total maintenance and commodities	115,000	144,989	29,989
<hr/>			
Miscellaneous	17,000	14,878	(2,122)
Capital improvements	300,000	220,312	(79,688)
Contingency	29,836	-	(29,836)
<hr/>			
Total expenditures	\$ 694,561	\$ 547,109	\$ (147,452)

# DeKalb Township, Illinois

Schedule of Revenues, Expenditures, and Other Financing Sources  
 Compared with Budget  
 Permanent Road Fund  
 For the Year ending March 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property tax	\$ 824,961	\$ 820,676	\$ (4,285)
Interest income	2,800	286	(2,514)
Miscellaneous	4,700	-	(4,700)
<b>Total revenues</b>	<b>\$ 832,461</b>	<b>\$ 820,962</b>	<b>\$ (11,499)</b>
<b>Expenditures</b>			
Maintenance:			
Salaries-road crew	\$ 179,000	\$ 145,837	\$ (33,163)
Social security	10,750	8,556	(2,194)
Medicare	2,400	1,945	(455)
IMRF	14,000	10,594	(3,406)
Health insurance	54,000	38,288	(15,712)
Unemployment insurance	400	501	101
Road maintenance	200,000	74,026	(125,974)
Engineering services	70,000	21,934	(48,066)
Rental	15,000	10,447	(4,553)
Road lighting	7,500	7,275	(225)
Contract labor	10,000	688	(9,312)
Crack filling	30,000	18,877	(11,123)
Fill dirt	1,500	-	(1,500)
Seal coats and overlays	821,000	444,784	(376,216)
Equipment fuel	32,000	23,014	(8,986)
Right of way	150,000	-	(150,000)
Miscellaneous	20,000	2,891	(17,109)
Contingency	65,000	-	(65,000)
<b>Total maintenance</b>	<b>\$ 1,682,550</b>	<b>\$ 809,657</b>	<b>\$ (872,893)</b>

# DeKalb Township, Illinois

## Schedule of Revenues, Expenditures, and Other Financing Sources Compared with Budget Building and Equipment Fund For the Year ending March 31, 2021

---

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property tax	\$ 81,694	\$ 81,279	\$ (415)
Interest income	400	36	(364)
Miscellaneous	55,100	8,445	(46,655)
Total revenues	\$ 137,194	\$ 89,760	\$ (47,434)
<b>Expenditures</b>			
Capital outlay	\$ 287,000	\$ 191,992	\$ (95,008)
Total expenditures	\$ 287,000	\$ 191,992	\$ (95,008)
<b>Other Financing Sources (Uses)</b>			
Sale of fixed assets	\$ -	\$ 2,813	\$ 2,813

# DeKalb Township, Illinois

## Required Supplementary Information Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund (IMRF) Last 10 Calendar Years (schedule to be built prospectively from 2015)

	2020	2019	2018	2017	2016	2015
Calendar year ending December 31,						
Total pension liability:						
Service cost	\$ 56,788	\$58,565	\$52,203	\$53,639	\$54,348	\$48,783
Interest on the total pension liability	222,083	217,224	199,622	202,894	195,932	186,900
Benefit changes	0	0	0	0	0	0
Difference between expected and actual experience	58,153	(2,528)	192,566	(58,275)	(37,091)	(5,216)
Assumption changes	(16,169)	0	80,783	(90,262)	(3,312)	3,238
Benefit payments and refunds	(199,046)	(211,668)	(175,889)	(125,922)	(114,440)	(110,716)
Net change in total pension liability	121,809	61,593	349,285	(17,926)	95,437	122,989
Total pension liability - beginning	3,134,343	3,072,750	2,723,465	2,741,391	2,645,954	2,522,965
Total pension liability - ending (a)	\$3,256,152	\$3,134,343	\$3,072,750	\$2,723,465	\$2,741,391	\$2,645,954
Plan fiduciary net position:						
Employer contributions	\$ 45,661	\$ 28,535	\$49,316	\$46,180	\$51,386	\$46,486
Employee contributions	30,708	27,854	27,031	23,941	24,470	24,573
Pension plan net investment income	462,240	542,626	(168,569)	455,598	169,476	12,217
Benefit payments and refunds	(199,046)	(211,668)	(175,889)	(125,922)	(114,440)	(110,716)
Other	25,435	(111,468)	124,954	(34,577)	21,479	(8,711)
Net change in plan fiduciary net position	364,998	275,879	(143,157)	365,220	152,371	(36,151)
Plan fiduciary net position - beginning	3,077,406	2,801,527	2,944,684	2,579,464	2,427,093	2,463,244
Plan fiduciary net position - ending (b)	\$3,442,404	\$3,077,406	\$2,801,527	\$2,944,684	\$2,579,464	\$2,427,093
Net pension liability(asset) - Ending (a) - (b)	(186,252)	56,937	271,223	(221,219)	161,927	218,861
Plan fiduciary net position as a percentage of total pension liability	105.72%	98.18%	91.17%	108.12%	94.09%	91.73%
Covered valuation payroll	622,084	618,982	600,693	532,030	543,776	536,798
Net pension liability as a percentage of covered valuation payroll	-29.94%	9.20%	45.15%	-41.58%	29.78%	40.77%

The Township implemented GASB Statement No. 68 in March 2016.

# DeKalb Township, Illinois

## Required Supplementary Information

March 31, 2021

---

**Illinois Municipal Retirement Fund (IMRF)  
Multiyear Schedule of Contributions  
Last 10 Fiscal Years**

---

<b>Fiscal Year Ending March 31,</b>	<b>Actuarially Determined Contribution*</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution As a % of Covered Valuation Payroll</b>
2021	\$45,832	\$45,832	\$ 0	\$613,633	7.47%
2020	\$32,993	\$32,993	\$ 0	\$618,827	5.33%
2019	\$44,866	\$44,866	\$ 0	\$618,259	7.26%
2018	\$46,753	\$46,753	\$ 0	\$546,539	8.55%
2017	\$44,692	\$44,692	\$ 0	\$468,373	9.54%
2016	\$48,435	\$48,435	\$ 0	\$540,495	9.02%

\*Estimated based on 7.85% 2021 calendar year contribution rate, 7.34% 2020 calendar year contribution rate, and cover valuation payroll of \$613,633.

The Township implemented GASB Statement No. 68 in March 2016.



