



**CRETE TOWNSHIP
CRETE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2018



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CRETE TOWNSHIP
CRETE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	9
Notes to Financial Statements	10-26
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Town Fund	27
Road and Bridge Fund.....	28
General Assistance Fund	29
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	30
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	31
Notes to Required Supplementary Information	32

CRETE TOWNSHIP
CRETE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	34
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Town Insurance Fund	35
Town Retirement Fund.....	36
Road and Bridge Insurance Fund	37
Road and Bridge Retirement Fund	38
SUPPLEMENTARY INFORMATION	
Schedule of Tax Data.....	39

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Crete Township
Crete, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crete Township, Crete, Illinois (the Township) as of and for the year ended March 31, 2018, and the related notes to financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Crete Township, Crete, Illinois, as of March 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Standards Accounting Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements and schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on this.

Sikich LLP

Naperville, Illinois
August 31, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

CRETE TOWNSHIP
CRETE, ILLINOIS

STATEMENT OF NET POSITION

March 31, 2018

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,471,719
Receivables, net of allowance	
Property taxes	2,165,264
Other	152
Prepaid insurance	23,267
Capital assets (net of accumulated depreciation)	<u>5,713,445</u>
 Total assets	 <u>9,373,847</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	<u>159,127</u>
 Total deferred outflows of resources	 <u>159,127</u>
 Total assets and deferred outflows of resources	 <u>9,532,974</u>
LIABILITIES	
Accounts payable	36,608
Accrued health insurance	49,199
Accrued employee benefits	15,466
Noncurrent liabilities	
Due within one year	109,425
Due in more than one year	<u>257,078</u>
 Total liabilities	 <u>467,776</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	391,913
Deferred property taxes	<u>2,165,264</u>
 Total deferred inflows of resources	 <u>2,557,177</u>
 Total liabilities and deferred inflows of resources	 <u>3,024,953</u>
NET POSITION	
Net investment in capital assets	5,512,277
Restricted for	
Road and bridge	183,968
General assistance	125,259
Liability insurance	23,160
Employee retirement	104,514
Unrestricted	<u>558,843</u>
 TOTAL NET POSITION	 <u><u>\$ 6,508,021</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2018

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
		Primary Governmental Activities		
Governmental Activities				
General government	\$ 686,338	\$ 75	\$ -	\$ -
Road and bridge	867,813	23,265	-	-
General assistance	15,705	-	-	-
Interest	4,769	-	-	-
Total governmental activities	1,574,625	23,340	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,574,625	\$ 23,340	\$ -	\$ -
		General revenues		
		Taxes		
		Property		2,143,292
		Replacement		42,911
		Other governmental		10,006
		Investment income		4,441
		Miscellaneous		10,126
		Total		2,210,776
		CHANGE IN NET POSITION		659,491
		NET POSITION, APRIL 1		5,848,530
		NET POSITION, MARCH 31		\$ 6,508,021

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2018

	General Town	Road and Bridge	General Assistance	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 990,549	\$ 228,237	\$ 125,259	\$ 127,674	\$ 1,471,719
Receivables					
Property taxes	631,890	1,245,420	38,487	249,467	2,165,264
Other	152	-	-	-	152
Prepaid items	8,268	-	-	14,999	23,267
Due from other funds	-	21,013	-		21,013
TOTAL ASSETS	\$ 1,630,859	\$ 1,494,670	\$ 163,746	\$ 392,140	\$ 3,681,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 9,858	\$ 26,750	\$ -	\$ -	\$ 36,608
Accrued health insurance	15,230	33,969	-	-	49,199
Accrued employee benefits	10,903	4,563	-	-	15,466
Due to other funds	-	-	-	21,013	21,013
Total liabilities	35,991	65,282	-	21,013	122,286
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	631,890	1,245,420	38,487	249,467	2,165,264
Total deferred inflows of resources	631,890	1,245,420	38,487	249,467	2,165,264
Total liabilities and deferred inflows of resources	667,881	1,310,702	38,487	270,480	2,287,550
FUND BALANCES					
Nonspendable - prepaid items	8,268	-	-	14,999	23,267
Restricted for					
Road and bridge	-	183,968	-	-	183,968
General assistance	-	-	125,259	-	125,259
Liability insurance	-	-	-	23,160	23,160
Employee retirement	-	-	-	104,514	104,514
Unrestricted					
Unassigned (deficit)	954,710	-	-	(21,013)	933,697
Total fund balances	962,978	183,968	125,259	121,660	1,393,865
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,630,859	\$ 1,494,670	\$ 163,746	\$ 392,140	\$ 3,681,415

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

March 31, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,393,865
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	5,713,445
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(232,786)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Notes payable	(201,168)
Compensated absences payable	(79,284)
IMRF net pension liability	<u>(86,051)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 6,508,021</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended March 31, 2018

	General Town	Road and Bridge	General Assistance	Nonmajor Governmental	Total
REVENUES					
Property taxes	\$ 638,988	\$ 1,255,669	\$ 47,670	\$ 200,965	\$ 2,143,292
Personal property replacement taxes	13,880	29,031	-	-	42,911
Intergovernmental	-	10,006	-	-	10,006
Fines and fees	-	8,606	-	-	8,606
Investment income	2,892	1,049	237	263	4,441
Miscellaneous	425	17,705	-	6,730	24,860
Total revenues	656,185	1,322,066	47,907	207,958	2,234,116
EXPENDITURES					
Current					
General government	647,701	-	-	86,144	733,845
Road and bridge	-	1,302,549	-	134,258	1,436,807
General assistance	-	-	15,705	-	15,705
Debt service					
Principal	-	56,074	-	-	56,074
Interest	-	4,769	-	-	4,769
Capital outlay	17,316	165,704	-	-	183,020
Total expenditures	665,017	1,529,096	15,705	220,402	2,430,220
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,832)	(207,030)	32,202	(12,444)	(196,104)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	12,057	-	-	12,057
Note proceeds	-	199,323	-	-	199,323
Total other financing sources (uses)	-	211,380	-	-	211,380
NET CHANGE IN FUND BALANCES	(8,832)	4,350	32,202	(12,444)	15,276
FUND BALANCES, APRIL 1	971,810	179,618	93,057	134,104	1,378,589
FUND BALANCES, MARCH 31	\$ 962,978	\$ 183,968	\$ 125,259	\$ 121,660	\$ 1,393,865

See accompanying notes to financial statements.

CRETE TOWNSHIP
CRETE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 15,276
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	829,561
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(207,143)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows and inflows of resources is not a source or use of a financial resources	160,234
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	56,074
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase in principal outstanding in the statement of position	(199,323)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Increase in compensated absences	<u>4,812</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 659,491</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

Crete Township (the Township) is duly organized and existing under the provisions of the laws of the State of Illinois and is operating under the provisions of the Township Code of the State of Illinois. The Township was incorporated on April 2, 1850. The Township is governed by an elected Board of a Township Supervisor and four Township Trustees. The Township includes all funds of its governmental operations based on financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Township, as there are no other organizations for which it has financial accountability.

The accounting policies and financial statements of the Township conform to accounting principles generally accepted in the United States of America and applicable to governments (herein referred to generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

b. Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into the following category: governmental.

Governmental funds are used to account for the Township's general activities. The General Town Fund is the primary operating fund; accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Township. The effect of material interfund activity has been eliminated from these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The General Town Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those accounted for in another fund.

The Road and Bridge Fund, a special revenue fund, accounts for the revenues and expenditures restricted to financing the maintenance and construction of the Township's roads and bridges.

The General Assistance Fund, a special revenue fund, is used to account for the tax levy revenue and the related home relief and general assistance program. The General Assistance Fund does not meet the criteria for major fund presentation; however, the Township has elected to report it as such.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports unearned and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Township before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability and deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

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.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Township does not have investments valued at fair value.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (the current portion of interfund loans), or “advances to/from other funds” (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds are offset by a nonspendable fund balance account to indicate that they are not available for appropriation and are not expendable available resources.

g. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items. Prepaid items are recorded as expenditures when consumed rather than when purchased.

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements. The Township defines capital assets as assets with an initial cost of more than \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend assets’ lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method, over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements	20
Equipment	5-20
Infrastructure - roads	40
Infrastructure - other	30-50

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Principal payments on long-term debt are recorded as expenditures in the fund financial statements but as a reduction of a liability on the government-wide statements.

j. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Township.

Committed fund balance, if any, is constrained by formal actions of the Township's Board of Trustees, which is considered the Township's highest level of decision-making authority. Formal actions include ordinances approved by the Township's Board of Trustees. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Township's Supervisor. Any residual fund balance of the General Town Fund and any deficit fund balances in other governmental funds are reported as unassigned.

The Township's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Township considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the book value of capital assets, less any long-term debt principal outstanding issued to construct or acquire the capital assets.

k. Deferred Outflows/Inflows of Resources

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Deferred Outflows/Inflows of Resources (Continued)

(expense/expenditure) until then. 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Township's investment policy authorizes the Township to invest in any investment authorized by statutes. Statutes authorize the Township to invest in the following:

- Bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Savings accounts, certificates of deposit, time accounts or other investments constituting direct obligations of a bank as defined by the Illinois Banking Act.
- Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States of America. Share accounts and share certificates of a credit union chartered under the laws of the State of Illinois or United States of America, provided the principal office of the credit union is located within the State of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA). Investments may be made only in financial institutions which are insured by either the Federal Deposit Insurance Corporation or other applicable law for credit unions.

2. DEPOSITS AND INVESTMENTS (Continued)

- Short-term obligations (maturing within 180 days of date of purchase) of corporations with assets exceeding \$500,000,000. Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the Township's funds available for investment and cannot exceed 10% of the corporation's outstanding obligation.
- Money market mutual funds, registered under the Investment Company Act of 1940, which invest only in bonds, notes, certificates of indebtedness, Treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations.
- Repurchase agreements of government securities subject to the Government Securities Act of 1986.
- The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized with collateral held by the Federal Reserve Bank, the Township's agent or by the trust department or escrow agent of the pledging institution, as evidenced by a written collateral agreement.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

Investments with maturities of one year or more from the date of purchase are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase are stated at amortized cost. All other investments, which do not consider market rates, are stated at cost. Investment income has been allocated to each fund based on investments held by the fund.

The Township limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in short-term deposits.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Township limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Unless matched to a specific cash flow, the Township does not invest operating funds in securities maturing more than three years from the date of purchase.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Township will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Township's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party custodian approved by the Township Supervisor and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Township has too high a percentage of their investments invested in one type of investment. The Township's investment policy requires diversification of investment to avoid unreasonable risk.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Township:

- The property tax lien date is January 1.
- Property taxes are due to the County Collector in two installments, June 1 and September 1.
- Property taxes for 2017 were levied in December 2017 and are normally received monthly beginning in June and generally ending by November 2018.
- The 2018 tax levy has not been recorded as a receivable at March 31, 2018, as the tax attached as a lien on property as of January 1, 2018; however, the tax will not be levied until December 2018 and, accordingly, is not measurable at March 31, 2018.

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2018 was as follows:

	Balances April 1	Increases	Decreases	Balances March 31
GOVERNMENTAL ACTIVITIES				
Capital assets being depreciated				
Buildings	\$ 1,283,609	\$ 16,580	\$ -	\$ 1,300,189
Equipment	898,446	147,064	-	1,045,510
Infrastructure	4,960,226	665,917	-	5,626,143
Total capital assets being depreciated	<u>7,142,281</u>	<u>829,561</u>	<u>-</u>	<u>7,971,842</u>
Less accumulated depreciation for				
Buildings	623,146	26,433	-	649,579
Equipment	555,489	56,704	-	612,193
Infrastructure	872,619	124,006	-	996,625
Total accumulated depreciation	<u>2,051,254</u>	<u>207,143</u>	<u>-</u>	<u>2,258,397</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>\$ 5,091,027</u>	<u>\$ 622,418</u>	<u>\$ -</u>	<u>\$ 5,713,445</u>

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 26,433
Road and bridge	<u>180,710</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 207,143</u>

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

Changes in governmental long-term liabilities of the Township for the year ended March 31, 2018 are as follows:

	Balances April 1	Increases	Decreases	Balances March 31	Current Portion
Notes payable					
2015 International Truck	\$ 57,919	\$ -	\$ 28,569	\$ 29,350	\$ 29,350
2017 Promissory Loan #1	-	138,744	19,146	119,598	33,663
2017 Promissory Loan #2	-	60,579	8,359	52,220	14,698
Total notes payable	57,919	199,323	56,074	201,168	77,711
Other liabilities					
Compensated absences	84,096	-	4,812	79,284	31,714
Net pension liability - IMRF	420,299	-	334,248	86,051	-
Total other liabilities	504,395	-	339,060	165,335	31,714
TOTAL	\$ 562,314	\$ 199,323	\$ 395,134	\$ 366,503	\$ 109,425

The notes payable are retired by the Road and Bridge Fund. The compensated absences and net pension liability have historically been repaid by the General Town and Road and Bridge Funds.

b. Debt Service Requirements to Maturity

The annual requirements to amortize to maturity the notes payable outstanding as of March 31, 2018 are as follows:

Year Ending March 31,	Principal	Interest
2019	\$ 77,711	\$ 5,300
2020	49,932	3,272
2021	51,553	1,650
2022	21,972	197
TOTAL	\$ 201,168	\$ 10,419

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Notes Payable

The assets acquired through notes payable for governmental activities are as follows:

Equipment	\$ 259,861
Less accumulated depreciation	<u>(45,119)</u>
TOTAL	<u>\$ 214,742</u>

6. RISK MANAGEMENT

The Township is exposed to various risks of loss related to litigation; theft; destruction of assets; errors; injuries of employees; or natural disasters. The Township maintains coverage for its general liability; property; casualty; workers' compensation; and health through its participation in a pool.

The Township is a member of the Town Organization Intergovernmental Risk Management Agency (TOIRMA). TOIRMA is a public entity risk pool operating as a common risk management and insurance program for member townships in Illinois. The Township pays an annual premium to TOIRMA for its general insurance coverage.

The agreement for the formation of TOIRMA provides that TOIRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$5,000,000 for general liability and \$3,000,000 for workers' compensation for each insured event. In the event that member premiums in any claim year are not sufficient to cover claims incurred during that period, each participant in the pool would be assessed an additional premium to cover such losses. The Township is not aware of any additional premiums due to TOIRMA for prior claim years at March 31, 2018. Settled claims have not exceeded coverage for the current or prior two fiscal years.

The Township participates in the Intergovernmental Personnel Benefit Cooperative (IPBC) as a member of the Eastern Will County Benefit Cooperative Subpool. IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. The Township does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES

a. Interfund Receivables/Payables

Individual fund interfund receivables/payables as of March 31, 2018 are as follows:

Receivable Fund	Payable Fund	Amount
Road & Bridge	Road & Bridge Insurance	\$ 21,013
TOTAL		<u>\$ 21,013</u>

The purposes of the due to/due from other funds are as follows:

- \$21,013 due from Road & Bridge Insurance Fund to the Road & Bridge Fund to eliminate a deficit cash position. Repayment is expected within one year.

8. EMPLOYEE RETIREMENT SYSTEMS

The Township contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2017 (plan measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>14</u>
 TOTAL	 <u><u>32</u></u>

Benefits Provided

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Township is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2017 was 14.33% of covered payroll.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Township's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 3,079,795	\$ 2,659,496	\$ 420,299
Changes for the period			
Service cost	60,950	-	60,950
Interest	227,834	-	227,834
Difference between expected and actual experience	78,062	-	78,062
Changes in assumptions	(95,916)	-	(95,916)
Employer contributions	-	81,238	(81,238)
Employee contributions	-	26,886	(26,886)
Net investment income	-	465,239	(465,239)
Benefit payments and refunds	(144,955)	(144,955)	-
Other (net transfer)	-	31,815	(31,815)
Net changes	125,975	460,223	(334,248)
BALANCES AT DECEMBER 31, 2017	\$ 3,205,770	\$ 3,119,719	\$ 86,051

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended March 31, 2018, the Township recognized pension expense of \$(79,201).

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At March 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,933	\$ 100,742
Changes in assumption	868	78,399
Net difference between projected and actual earnings on pension plan investments	80,953	212,772
Contributions made subsequent to the measurement date	17,373	-
TOTAL	<u>\$ 159,127</u>	<u>\$ 391,913</u>

\$17,373 contributed following the measurement date of December 31, 2017 will be recognized as pension expense during the fiscal year March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending March 31,</u>	
2019	\$ (107,711)
2020	(32,479)
2021	(55,506)
2022	(54,463)
2023	-
Thereafter	-
TOTAL	<u>\$ (250,159)</u>

CRETE TOWNSHIP
CRETE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Township calculated using the discount rate of 7.50% as well as what the Township's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 433,408	\$ 86,051	\$ (203,089)

9. OTHER POSTEMPLOYMENT BENEFITS

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statues, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Township's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township had no former employees for whom the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL TOWN FUND

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 642,145	\$ 638,988
Replacement taxes	14,600	13,880
Investment income	1,250	2,892
Miscellaneous income	51,075	425
	709,070	656,185
EXPENDITURES		
Current		
General government		
Administration		
Salaries and employee benefits	277,408	279,287
Maintenance service	19,500	13,604
Professional service	166,495	104,372
Supplies	5,500	4,899
	468,903	402,162
Assessor		
Salaries and employee benefits	137,749	150,331
Professional service	55,100	39,767
Supplies	5,000	2,377
	197,849	192,475
	56,500	53,064
	105,000	-
	828,252	647,701
	40,200	17,316
	868,452	665,017
NET CHANGE IN FUND BALANCE	\$ (159,382)	(8,832)
FUND BALANCE, APRIL 1		971,810
FUND BALANCE, MARCH 31		\$ 962,978

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 1,280,000	\$ 1,255,669
Replacement taxes	30,000	29,031
Intergovernmental	26,000	10,006
Fines and fees		
Road fines	4,000	2,756
Culvert fees	1,500	5,850
Investment income	275	1,049
Miscellaneous income	79,500	17,705
	1,421,275	1,322,066
EXPENDITURES		
Current		
Road and bridge		
Administration		
Contractual services	19,300	17,922
Commodities	2,000	773
Travel expense	600	-
Miscellaneous expenses	8,200	10,298
Total administration	30,100	28,993
Road maintenance		
Personnel	456,500	408,060
Contractual services	912,756	754,009
Commodities	113,000	111,487
Total road maintenance	1,482,256	1,273,556
Contingencies	10,000	-
Total road and bridge	1,522,356	1,302,549
Capital outlay	20,500	165,704
Debt service		
Principal	65,538	56,074
Interest	-	4,769
Total debt services	65,538	60,843
Total expenditures	1,608,394	1,529,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(187,119)	(207,030)
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of capital assets	7,500	12,057
Note proceeds	-	199,323
Total other financing sources (uses)	7,500	211,380
NET CHANGE IN FUND BALANCE	\$ (179,619)	4,350
FUND BALANCE, APRIL 1		179,618
FUND BALANCE, MARCH 31		\$ 183,968

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 47,905	\$ 47,670
Investment income	50	237
	47,955	47,907
Total revenues	47,955	47,907
EXPENDITURES		
Current		
General assistance		
Emergency/general assistance	30,909	8,336
Insurance	2,100	2,015
Legal services	1,500	-
Miscellaneous expenses	10,000	5,354
	44,509	15,705
Total general assistance	44,509	15,705
Total expenditures	44,509	15,705
NET CHANGE IN FUND BALANCE	\$ 3,446	32,202
FUND BALANCE, APRIL 1		93,057
FUND BALANCE, MARCH 31		\$ 125,259

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDED MARCH 31,	2018	2017	2016
Actuarially determined contribution	\$ 81,033	\$ 67,854	\$ 59,747
Contributions in relation to the actuarially determined contribution	81,033	67,854	59,747
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 567,048	\$ 528,474	\$ 517,294
Contributions as a percentage of covered-employee payroll	14.29%	12.84%	11.55%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2016. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017***	2016**	2015*
TOTAL PENSION LIABILITY			
Service cost	\$ 60,950	\$ 55,350	\$ 60,176
Interest	227,834	224,047	233,438
Changes of benefit terms	-	-	-
Differences between expected and actual experience	78,062	(87,745)	(257,683)
Changes of assumptions	(95,916)	(10,998)	3,562
Benefit payments, including refunds of member contributions	(144,955)	(144,957)	(172,260)
Net change in total pension liability	125,975	35,697	(132,767)
Total pension liability - beginning	3,079,795	3,044,098	3,176,865
TOTAL PENSION LIABILITY - ENDING	\$ 3,205,770	\$ 3,079,795	\$ 3,044,098
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 81,238	\$ 66,166	\$ 62,126
Contributions - member	26,886	24,098	23,489
Net investment income	465,239	181,417	13,826
Benefit payments, including refunds of member contributions	(144,955)	(144,957)	(172,260)
Other	31,815	(71,325)	(131,689)
Net change in plan fiduciary net position	460,223	55,399	(204,508)
Plan fiduciary net position - beginning	2,659,496	2,604,097	2,808,605
PLAN FIDUCIARY NET POSITION - ENDING	\$ 3,119,719	\$ 2,659,496	\$ 2,604,097
EMPLOYER'S NET PENSION LIABILITY	\$ 86,051	\$ 420,299	\$ 440,001
Plan fiduciary net position as a percentage of the total pension liability	97.32%	86.35%	85.55%
Covered-employee payroll	\$ 567,048	\$ 528,474	\$ 517,294
Employer's net pension liability as a percentage of covered-employee payroll	15.18%	79.53%	85.06%

*Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

**Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

***There were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2018

BUDGET

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

1. The Township Supervisor submits to the Township Board of Trustees a proposed combined budget and appropriation for the fiscal year. The budget includes proposed expenditures and the means of financing them for all general and special revenue funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The budget may be amended by the Township Board of Trustees through the same process used to adopt the original budget.
5. Expenditures may not legally exceed budgeted appropriations at the function level. All annual appropriations lapse at fiscal year end.

Township budgets are prepared on a basis of accounting consistent with GAAP. There were no budget amendments during the year.

The Township Retirement Fund's actual expenditures exceeded the budgeted expenditures by \$7,066.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

**CRETE TOWNSHIP
CRETE, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2018

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
ASSETS					
Cash	\$ 23,160	\$ 74,403	\$ -	\$ 30,111	\$ 127,674
Property tax receivable, net	34,988	58,431	81,173	74,875	249,467
Prepaid insurance	4,950	-	10,049	-	14,999
TOTAL ASSETS	\$ 63,098	\$ 132,834	\$ 91,222	\$ 104,986	\$ 392,140
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 21,013	\$ -	\$ 21,013
Total liabilities	-	-	21,013	-	21,013
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	34,988	58,431	81,173	74,875	249,467
Total deferred inflows of resources	34,988	58,431	81,173	74,875	249,467
Total liabilities and deferred inflows of resources	34,988	58,431	102,186	74,875	270,480
FUND BALANCES					
Nonspendable - prepaid items	4,950	-	10,049	-	14,999
Restricted for liability insurance	23,160	-	-	-	23,160
Restricted for employee retirement	-	74,403	-	30,111	104,514
Unrestricted/Unassigned (deficit)	-	-	(21,013)	-	(21,013)
Total fund balances	28,110	74,403	(10,964)	30,111	121,660
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,098	\$ 132,834	\$ 91,222	\$ 104,986	\$ 392,140

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended March 31, 2018

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
REVENUES					
Property taxes	\$ 35,051	\$ 55,031	\$ 33,686	\$ 77,197	\$ 200,965
Investment income	36	190	(54)	91	263
Miscellaneous	2,221	-	4,509	-	6,730
Total revenues	37,308	55,221	38,141	77,288	207,958
EXPENDITURES					
General government	29,733	56,411	-	-	86,144
Road and bridge	-	-	60,780	73,478	134,258
Total expenditures	29,733	56,411	60,780	73,478	220,402
NET CHANGE IN FUND BALANCES	7,575	(1,190)	(22,639)	3,810	(12,444)
FUND BALANCES, APRIL 1	20,535	75,593	11,675	26,301	134,104
FUND BALANCES (DEFICIT), MARCH 31	\$ 28,110	\$ 74,403	\$ (10,964)	\$ 30,111	\$ 121,660

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOWN INSURANCE FUND**

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 35,225	\$ 35,051
Investment income	10	36
Miscellaneous	1,500	2,221
	<hr/>	<hr/>
Total revenues	36,735	37,308
	<hr/>	<hr/>
EXPENDITURES		
General government		
Liability insurance	32,000	29,733
	<hr/>	<hr/>
Total expenditures	32,000	29,733
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 4,735</u>	7,575
FUND BALANCE, APRIL 1		<hr/> 20,535
FUND BALANCE, MARCH 31		<hr/> <u>\$ 28,110</u>

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOWN RETIREMENT FUND

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 55,303	\$ 55,031
Investment income	-	190
	<hr/>	<hr/>
Total revenues	55,303	55,221
	<hr/>	<hr/>
EXPENDITURES		
General government		
FICA	21,939	22,109
Illinois Municipal Retirement Fund	27,406	34,302
	<hr/>	<hr/>
Total expenditures	49,345	56,411
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 5,958</u>	(1,190)
FUND BALANCE, APRIL 1		<hr/> 75,593
FUND BALANCE, MARCH 31		<hr/> <u>\$ 74,403</u>

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE INSURANCE FUND

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 33,816	\$ 33,686
Investment income	-	(54)
Miscellaneous	4,000	4,509
	37,816	38,141
EXPENDITURES		
Road and bridge		
Unemployment compensation	500	484
Liability insurance	61,000	60,296
	61,500	60,780
NET CHANGE IN FUND BALANCE	\$ (23,684)	(22,639)
FUND BALANCE, APRIL 1		11,675
FUND BALANCE (DEFICIT), MARCH 31		\$ (10,964)

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE RETIREMENT FUND**

For the Year Ended March 31, 2018

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 77,494	\$ 77,197
Investment income	-	91
	77,494	77,288
EXPENDITURES		
Road and bridge		
FICA	30,102	26,748
Illinois Municipal Retirement Fund	50,000	46,730
	80,102	73,478
NET CHANGE IN FUND BALANCE	\$ (2,608)	3,810
FUND BALANCE, APRIL 1		26,301
FUND BALANCE, MARCH 31		\$ 30,111

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF TAX DATA

For the Last Five Levy Years

	Levy Year				
	2017	2016	2015	2014	2013
ASSESSED VALUATION	\$ 353,417,943	\$ 352,245,649	\$ 346,024,721	\$ 353,488,428	\$ 373,204,923
TAX RATES BY FUND					
General	0.2073	0.2080	0.2123	0.2086	0.1943
General assistance	0.0110	0.0136	0.0147	0.0144	0.0136
Road district*	0.4006	0.3894	0.3925	0.3846	0.3588
TOTAL TAX RATES BY FUND	0.6189	0.6110	0.5119	0.4997	0.4658
TAX EXTENSIONS BY FUND					
General	\$ 732,635	\$ 732,668	\$ 734,610	\$ 737,376	\$ 725,137
General assistance	38,876	47,905	50,866	50,902	50,756
Road district*	1,415,624	1,371,810	1,358,295	1,359,635	1,339,061
TOTAL TAX EXTENSIONS BY FUND	\$ 2,187,135	\$ 2,152,383	\$ 2,143,771	\$ 2,147,913	\$ 2,114,954
TAX COLLECTIONS - ALL FUNDS					
Levy collections through year end	\$ -	\$ 2,143,291	\$ 2,125,998	\$ 2,136,440	\$ 2,106,071
PERCENT COLLECTED	0.00%	99.58%	99.17%	99.47%	99.58%

* Road district amounts and rates are net of municipal distribution.

(See independent auditor's report.)