

**CRETE TOWNSHIP
CRETE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended
March 31, 2016



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CRETE, ILLINOIS
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Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2016, 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, 2016, 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.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to these matters.

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 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 30, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF NET POSITION

March 31, 2016

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,648,771
Receivables, net	
Property taxes	2,122,333
Grants	2,153
Prepaid insurance	39,139
Capital assets (net of accumulated depreciation)	4,272,987
Total assets	8,085,383
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	169,311
Total deferred outflows of resources	169,311
Total assets and deferred outflows of resources	8,254,694
LIABILITIES	
Accounts payable	123,063
Accrued employee benefits	10,499
Noncurrent liabilities	
Due within one year	57,905
Due in more than one year	543,063
Total liabilities	734,530
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	192,717
Deferred property taxes	2,122,333
Total deferred inflows of resources	2,315,050
Total liabilities and deferred inflows of resources	3,049,580
NET POSITION	
Net investment in capital assets	4,187,259
Restricted for	
Road and bridge	464,774
General assistance	72,768
Liability insurance	41,344
Employee retirement	103,200
Unrestricted	335,769
TOTAL NET POSITION	\$ 5,205,114

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2016

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
PRIMARY GOVERNMENT					
Governmental Activities					
General government	\$ 752,386	\$ 75	\$ -	\$ -	\$ (752,311)
Road and bridge	976,024	20,359	-	54,200	(901,465)
General assistance	47,903	-	-	-	(47,903)
Interest	2,739	-	-	-	(2,739)
Total governmental activities	<u>1,779,052</u>	<u>20,434</u>	<u>-</u>	<u>54,200</u>	<u>(1,704,418)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,779,052</u>	<u>\$ 20,434</u>	<u>\$ -</u>	<u>\$ 54,200</u>	<u>(1,704,418)</u>
			General revenues		
			Taxes		
			Property		2,136,440
			Replacement		49,152
			Investment income		2,836
			Miscellaneous		43,791
			Total		<u>2,232,219</u>
			CHANGE IN NET POSITION		<u>527,801</u>
			NET POSITION, APRIL 1		5,016,076
			Change in accounting principle		<u>(338,763)</u>
			NET POSITION, APRIL 1, RESTATED		<u>4,677,313</u>
			NET POSITION, MARCH 31		<u>\$ 5,205,114</u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2016

	<u>General Town</u>	<u>Road and Bridge</u>	<u>General Assistance</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 881,126	\$ 549,943	\$ 72,768	\$ 144,934	\$ 1,648,771
Receivables					
Property taxes	638,883	1,260,441	50,357	172,652	2,122,333
Other	2,110	43	-	-	2,153
Prepaid items	23,838	-	-	15,301	39,139
TOTAL ASSETS	\$ 1,545,957	\$ 1,810,427	\$ 123,125	\$ 332,887	\$ 3,812,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 37,461	\$ 85,212	\$ -	\$ 390	\$ 123,063
Accrued employee benefits	10,499	-	-	-	10,499
Total liabilities	47,960	85,212	-	390	133,562
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	638,883	1,260,441	50,357	172,652	2,122,333
Total deferred inflows of resources	638,883	1,260,441	50,357	172,652	2,122,333
Total liabilities and deferred inflows of resources	686,843	1,345,653	50,357	173,042	2,255,895
FUND BALANCES					
Nonspendable - prepaid items	23,838	-	-	15,301	39,139
Restricted for					
Road and bridge	-	464,774	-	-	464,774
General assistance	-	-	72,768	-	72,768
Liability insurance	-	-	-	41,344	41,344
Employee retirement	-	-	-	103,200	103,200
Unrestricted					
Unassigned	835,276	-	-	-	835,276
Total fund balances	859,114	464,774	72,768	159,845	1,556,501
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,545,957	\$ 1,810,427	\$ 123,125	\$ 332,887	\$ 3,812,396

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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,556,501
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	4,272,987
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	(23,406)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Notes payable	(85,728)
Compensated absences payable	(75,239)
IMRF net pension obligation	(440,001)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 5,205,114</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, 2016

	General Town	Road and Bridge	General Assistance	Nonmajor Governmental	Total
REVENUES					
Property taxes	\$ 643,248	\$ 1,230,917	\$ 50,616	\$ 211,659	\$ 2,136,440
Personal property replacement taxes	15,898	33,254	-	-	49,152
Intergovernmental	-	54,200	-	-	54,200
Fines and fees	-	5,937	-	-	5,937
Investment income	1,723	905	51	157	2,836
Miscellaneous	376	57,912	-	-	58,288
Total revenues	661,245	1,383,125	50,667	211,816	2,306,853
EXPENDITURES					
Current					
General government	608,015	-	-	75,078	683,093
Road and bridge	-	1,066,954	-	120,107	1,187,061
General assistance	-	-	47,903	-	47,903
Debt service					
Principal	-	27,069	-	-	27,069
Interest	-	2,739	-	-	2,739
Capital outlay	1,942	6,500	-	-	8,442
Total expenditures	609,957	1,103,262	47,903	195,185	1,956,307
NET CHANGE IN FUND BALANCES	51,288	279,863	2,764	16,631	350,546
FUND BALANCES, APRIL 1	807,826	184,911	70,004	143,214	1,205,955
FUND BALANCES, MARCH 31	\$ 859,114	\$ 464,774	\$ 72,768	\$ 159,845	\$ 1,556,501

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 350,546
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	457,111
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	(198,965)
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	(113,268)
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	27,069
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 Decrease in compensated absences	<u>5,308</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 527,801</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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 and account groups 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.

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

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 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.

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."

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Receivables and Payables (Continued)

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 estimated fair 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

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, which is considered the Township's highest level of decision-making authority. Formal actions include ordinances approved by the Township's Board. 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

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

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 and 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.

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

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.
- Illinois Funds, Illinois Institutional Investment Trust and the Illinois Metropolitan Investment Fund. The Illinois Treasurer's Office has regulatory oversight for Illinois Funds.

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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

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.

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 2015 were levied on December 9, 2015 and are normally received monthly beginning in June and generally ending by November 2016.
- The 2016 tax levy has not been recorded as a receivable at March 31, 2016, as the tax attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at March 31, 2016.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2016 was as follows:

	Balances April 1	Increases	Decreases	Balances March 31
GOVERNMENTAL ACTIVITIES				
Capital assets being depreciated				
Buildings	\$ 1,283,609	\$ -	\$ -	\$ 1,283,609
Equipment	898,446	-	-	898,446
Infrastructure	3,484,225	457,111	-	3,941,336
Total capital assets being depreciated	<u>5,666,280</u>	<u>457,111</u>	<u>-</u>	<u>6,123,391</u>
Less accumulated depreciation for				
Buildings	570,279	26,434	-	596,713
Equipment	405,607	73,998	-	479,605
Infrastructure	675,553	98,533	-	774,086
Total accumulated depreciation	<u>1,651,439</u>	<u>198,965</u>	<u>-</u>	<u>1,805,404</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>\$ 4,014,841</u>	<u>\$ 258,146</u>	<u>\$ -</u>	<u>\$ 4,272,987</u>

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

GOVERNMENTAL ACTIVITIES		
General government		\$ 26,434
Road and bridge		<u>172,531</u>
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 198,965</u>

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, 2016 are as follows:

	Balances April 1, Restated	Increases	Decreases	Balances March 31	Current Portion
Notes payable					
2015 International Truck	\$ 112,797	\$ -	\$ 27,069	\$ 85,728	\$ 27,809
Total notes payable	<u>112,797</u>	<u>-</u>	<u>27,069</u>	<u>85,728</u>	<u>27,809</u>
Other liabilities					
Compensated absences	80,547	27,011	32,319	75,239	30,096
Net pension liability - IMRF	368,260	71,741	-	440,001	-
Total other liabilities	<u>448,807</u>	<u>98,752</u>	<u>32,319</u>	<u>515,240</u>	<u>30,096</u>
TOTAL	<u>\$ 561,604</u>	<u>\$ 98,752</u>	<u>\$ 59,388</u>	<u>\$ 600,968</u>	<u>\$ 57,905</u>

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

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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.

As discussed in Note 9, beginning balances were restated to record the opening net pension liability amounts for the Illinois Municipal Retirement Fund.

b. Debt Service Requirements to Maturity

The annual requirements to amortize to maturity the notes payable outstanding as of March 31, 2016 are as follows:

Fiscal Year Ending March 31,	Principal	Interest
2017	\$ 27,809	\$ 1,999
2018	28,569	1,239
2019	29,350	457
TOTAL	<u>\$ 85,728</u>	<u>\$ 3,695</u>

c. Notes Payable

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

Equipment	\$ 112,797
Less accumulated depreciation	<u>(22,559)</u>
TOTAL	<u><u>\$ 90,238</u></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.

6. RISK MANAGEMENT (Continued)

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, 2016. 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.

7. 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.

Plan Administration

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

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund

Plan Administration (Continued)

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.

Plan Membership

At December 31, 2015 (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	4
Active employees	<u>13</u>
 TOTAL	 <u><u>30</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.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.5% 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, 2015 was 12.01% of covered payroll.

Actuarial Assumptions

The Township's net pension liability was measured as of December 31, 2015 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, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
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-2014 (base year 2014). 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-2014 (base year 2014). 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-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.47%. 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 not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 3,176,865	\$ 2,808,605	\$ 368,260
Changes for the period			
Service cost	60,176	-	60,176
Interest	233,438	-	233,438
Difference between expected and actual experience	(257,683)	-	(257,683)
Changes in assumptions	3,562	-	3,562
Employer contributions	-	62,126	(62,126)
Employee contributions	-	23,489	(23,489)
Net investment income	-	13,826	(13,826)
Benefit payments and refunds	(172,260)	(172,260)	-
Other (net transfer)	-	(131,689)	131,689
Net changes	(132,767)	(204,508)	71,741
BALANCES AT DECEMBER 31, 2015	\$ 3,044,098	\$ 2,604,097	\$ 440,001

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

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended March 31, 2016, the Township recognized pension expense of \$173,014.

At March 31, 2016, 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	\$ -	\$ 192,717
Changes in assumption	2,664	-
Net difference between projected and actual earnings on pension plan investments	150,906	-
Contributions made subsequent to the measurement date	15,741	-
	<hr/>	<hr/>
TOTAL	\$ 169,311	\$ 192,717

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>	
2017	\$ (10,601)
2018	(26,342)
2019	(24,191)
2020	37,728
2021	-
Thereafter	-
	<hr/>
TOTAL	<u>\$ (23,406)</u>

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Township calculated using the discount rate of 7.47% as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net pension liability	\$ 827,493	\$ 440,001	\$ 122,932

8. 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, 2016.

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

9. CHANGE IN ACCOUNTING PRINCIPLE

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To write-off the IMRF net pension obligation	\$ 11,376
To record the IMRF net pension liability	(368,260)
To record the IMRF deferred outflows of resources	<u>18,121</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	<u>\$ (338,763)</u>

With the implementation of GASB Statements No. 68 and No. 71, the Township is required to retroactively record the net pension liability, write-off the net pension obligation and record deferred outflows of resources for contributions subsequent to the measurement date.

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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 627,478	\$ 643,248
Replacement taxes	14,500	15,898
Investment income	2,500	1,723
Miscellaneous income	2,650	376
	647,128	661,245
EXPENDITURES		
Current		
General government		
Administration		
Salaries and employee benefits	260,459	248,253
Maintenance service	55,897	14,251
Professional service	103,875	85,821
Supplies	5,500	4,256
	425,731	352,581
Assessor		
Salaries and employee benefits	166,684	128,475
Professional service	44,390	41,042
Supplies	5,000	3,337
	216,074	172,854
Social services	50,000	82,580
Contingencies	85,000	-
	776,805	608,015
Capital outlay	60,000	1,942
	836,805	609,957
NET CHANGE IN FUND BALANCE	\$ (189,677)	51,288
FUND BALANCE, APRIL 1		807,826
FUND BALANCE, MARCH 31		\$ 859,114

(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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 1,237,328	\$ 1,230,917
Replacement taxes	27,000	33,254
Intergovernmental	129,900	54,200
Fines and fees		
Road fines	3,500	5,237
Culvert fees	1,400	700
Investment income	1,200	905
Miscellaneous income	44,500	57,912
	1,444,828	1,383,125
EXPENDITURES		
Current		
Road and bridge		
Administration		
Contractual services	20,800	14,824
Commodities	4,000	1,246
Travel expense	600	80
Miscellaneous expenses	8,000	8,836
	33,400	24,986
Road maintenance		
Personnel	439,125	358,886
Contractual services	819,321	548,590
Commodities	298,000	134,492
	1,556,446	1,041,968
Contingencies		
	3,500	-
	1,593,346	1,066,954
Capital outlay		
	6,500	6,500
Debt service		
Principal	29,802	27,069
Interest	-	2,739
	29,802	29,808
Total expenditures		
	1,629,648	1,103,262
NET CHANGE IN FUND BALANCE	<u>\$ (184,820)</u>	279,863
FUND BALANCE, APRIL 1		184,911
FUND BALANCE, MARCH 31		<u>\$ 464,774</u>

(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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 50,902	\$ 50,616
Investment income	150	51
	51,052	50,667
EXPENDITURES		
Current		
General assistance		
Emergency/General assistance	55,000	41,640
Insurance	2,100	2,015
Legal services	1,600	-
Miscellaneous expenses	2,500	4,248
	61,200	47,903
Total general assistance	61,200	47,903
Total expenditures	61,200	47,903
NET CHANGE IN FUND BALANCE	\$ (10,148)	2,764
FUND BALANCE, APRIL 1		70,004
FUND BALANCE, MARCH 31		\$ 72,768

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

March 31, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 59,747
Contributions in relation to the actuarially determined contribution	<u>59,747</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 517,294
Contributions as a percentage of covered-employee payroll	11.55%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013. 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 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

(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

March 31, 2016

	2015*
TOTAL PENSION LIABILITY	
Service cost	\$ 60,176
Interest	233,438
Changes of benefit terms	-
Differences between expected and actual experience	(257,683)
Changes of assumptions	3,562
Benefit payments, including refunds of member contributions	(172,260)
Net change in total pension liability	(132,767)
Total pension liability - beginning	3,176,865
TOTAL PENSION LIABILITY - ENDING	\$ 3,044,098
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 62,126
Contributions - member	23,489
Net investment income	13,826
Benefit payments, including refunds of member contributions	(172,260)
Other	(131,689)
Net change in plan fiduciary net position	(204,508)
Plan fiduciary net position - beginning	2,808,605
PLAN FIDUCIARY NET POSITION - ENDING	\$ 2,604,097
EMPLOYER'S NET PENSION LIABILITY	\$ 440,001
Plan fiduciary net position as a percentage of the total pension liability	85.5%
Covered-employee payroll	\$ 517,294
Employer's net pension liability as a percentage of covered-employee payroll	85.1%

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

* IMRF's measurement date is December 31, 2015; therefore information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2016

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 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 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 generally accepted accounting principles. There were no budget amendments during the year.

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

NONMAJOR GOVERNMENTAL FUNDS

**CRETE TOWNSHIP
CRETE, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2016

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
ASSETS					
Cash	\$ 10,470	\$ 67,407	\$ 31,264	\$ 35,793	\$ 144,934
Property tax receivable, net	32,886	55,495	26,720	57,551	172,652
Prepaid insurance	5,051	-	10,250	-	15,301
TOTAL ASSETS	\$ 48,407	\$ 122,902	\$ 68,234	\$ 93,344	\$ 332,887
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 390	\$ -	\$ 390
Total liabilities	-	-	390	-	390
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	32,886	55,495	26,720	57,551	172,652
Total deferred inflows of resources	32,886	55,495	26,720	57,551	172,652
Total liabilities and deferred inflows of resources	32,886	55,495	27,110	57,551	173,042
FUND BALANCES					
Nonspendable - prepaid items	5,051	-	10,250	-	15,301
Restricted for liability insurance	10,470	-	30,874	-	41,344
Restricted for employee retirement	-	67,407	-	35,793	103,200
Total fund balances	15,521	67,407	41,124	35,793	159,845
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 48,407	\$ 122,902	\$ 68,234	\$ 93,344	\$ 332,887

(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, 2016

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
REVENUES					
Property taxes	\$ 30,581	\$ 59,404	\$ 28,133	\$ 93,541	\$ 211,659
Investment income	8	67	70	12	157
Total revenues	30,589	59,471	28,203	93,553	211,816
EXPENDITURES					
General government	30,305	44,773	-	-	75,078
Road and bridge	-	-	61,919	58,188	120,107
Total expenditures	30,305	44,773	61,919	58,188	195,185
NET CHANGE IN FUND BALANCES	284	14,698	(33,716)	35,365	16,631
FUND BALANCES, APRIL 1	15,237	52,709	74,840	428	143,214
FUND BALANCES, MARCH 31	\$ 15,521	\$ 67,407	\$ 41,124	\$ 35,793	\$ 159,845

(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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 29,831	\$ 30,581
Investment income	25	8
	<hr/>	<hr/>
Total revenues	29,856	30,589
	<hr/>	<hr/>
EXPENDITURES		
General government		
Liability insurance	32,000	30,305
	<hr/>	<hr/>
Total expenditures	32,000	30,305
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (2,144)</u>	284
FUND BALANCE, APRIL 1		<hr/> 15,237
FUND BALANCE, MARCH 31		<hr/> <u>\$ 15,521</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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 55,653	\$ 59,404
Investment income	132	67
	55,785	59,471
Total revenues	55,785	59,471
EXPENDITURES		
General government		
FICA	21,922	20,441
Illinois Municipal Retirement Fund	29,168	24,332
	51,090	44,773
Total expenditures	51,090	44,773
NET CHANGE IN FUND BALANCE	\$ 4,695	14,698
FUND BALANCE, APRIL 1		52,709
FUND BALANCE, MARCH 31		\$ 67,407

(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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 28,279	\$ 28,133
Investment income	-	70
	28,279	28,203
Total revenues	28,279	28,203
EXPENDITURES		
Road and bridge		
Unemployment compensation	2,000	390
Liability insurance	65,000	61,529
	67,000	61,919
Total expenditures	67,000	61,919
NET CHANGE IN FUND BALANCE	\$ (38,721)	(33,716)
FUND BALANCE, APRIL 1		74,840
FUND BALANCE, MARCH 31		\$ 41,124

(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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 94,028	\$ 93,541
Investment income	-	12
	94,028	93,553
EXPENDITURES		
Road and bridge		
Bank service charge	-	30
FICA	28,621	22,743
Illinois Municipal Retirement Fund	44,932	35,415
	73,553	58,188
NET CHANGE IN FUND BALANCE	\$ 20,475	35,365
FUND BALANCE, APRIL 1		428
FUND BALANCE, MARCH 31		\$ 35,793

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF TAX DATA

For the Last Five Levy Years

	Levy Year				
	2015	2014	2013	2012	2011
ASSESSED VALUATION	\$ 346,024,721	\$ 353,488,428	\$ 373,204,923	\$ 413,505,384	\$ 461,134,834
TAX RATES BY FUND					
General	0.2123	0.2086	0.1943	0.1702	0.1743
General assistance	0.0147	0.0144	0.0136	0.0115	0.0099
Road district*	0.2849	0.2767	0.2579	0.2319	0.2005
TOTAL TAX RATES BY FUND	0.5119	0.4997	0.4658	0.4136	0.3847
TAX EXTENSIONS BY FUND					
General	\$ 734,610	\$ 737,376	\$ 725,137	\$ 703,786	\$ 711,531
General assistance	50,866	50,902	50,756	47,553	45,652
Road district*	1,358,295	1,359,635	1,339,061	1,319,380	1,273,245
TOTAL TAX EXTENSIONS BY FUND	\$ 2,143,771	\$ 2,147,913	\$ 2,114,954	\$ 2,070,719	\$ 2,030,428
TAX COLLECTIONS - ALL FUNDS					
Levy collections through year end	\$ -	\$ 2,136,440	\$ 2,106,071	\$ 2,061,713	\$ 2,015,177
PERCENT COLLECTED	0.00%	99.47%	99.58%	99.57%	99.25%

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

(See independent auditor's report.)