



**CRETE TOWNSHIP
CRETE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2020



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CRETE, ILLINOIS
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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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, 2020, 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, 2020, 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 Accounting Standards 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
September 18, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF NET POSITION

March 31, 2020

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,627,579
Receivables, net of allowance	
Property taxes	2,267,177
Other	3,049
Prepaid insurance	23,267
Capital assets (net of accumulated depreciation)	<u>6,371,324</u>
 Total assets	 <u>10,292,396</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	<u>131,893</u>
 Total deferred outflows of resources	 <u>131,893</u>
 Total assets and deferred outflows of resources	 <u>10,424,289</u>
LIABILITIES	
Accounts payable	27,252
Accrued health insurance	295
Noncurrent liabilities	
Due within one year	116,149
Due in more than one year	<u>408,313</u>
 Total liabilities	 <u>552,009</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	171,916
Deferred property taxes	<u>2,267,177</u>
 Total deferred inflows of resources	 <u>2,439,093</u>
 Total liabilities and deferred inflows of resources	 <u>2,991,102</u>
NET POSITION	
Net investment in capital assets	6,201,730
Restricted for	
Road and bridge	282,824
General assistance	146,065
Liability insurance	78,249
Employee retirement	161,595
Unrestricted	<u>562,724</u>
 TOTAL NET POSITION	 <u><u>\$ 7,433,187</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2020

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	\$ 814,587	\$ 19,773	\$ -	\$ -	\$ (794,814)
Road and bridge	1,178,937	25,597	-	-	(1,153,340)
General assistance	23,875	-	-	-	(23,875)
Interest	6,313	-	-	-	(6,313)
Total governmental activities	2,023,712	45,370	-	-	(1,978,342)
TOTAL PRIMARY GOVERNMENT	\$ 2,023,712	\$ 45,370	\$ -	\$ -	(1,978,342)
		General revenues			
		Taxes			
		Property		2,236,664	
		Replacement		53,688	
		Investment income		18,731	
		Gain on sale of capital assets		21,286	
		Miscellaneous		48,472	
		Total		2,378,841	
		CHANGE IN NET POSITION			400,499
		NET POSITION, APRIL 1			7,032,688
		NET POSITION, MARCH 31			\$ 7,433,187

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2020

	General Town	Road and Bridge	General Assistance	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 963,657	\$ 293,012	\$ 146,065	\$ 224,845	\$ 1,627,579
Receivables					
Property taxes	700,389	1,313,424	17,988	235,376	2,267,177
Other	3,049	-	-	-	3,049
Prepaid items	8,268	-	-	14,999	23,267
TOTAL ASSETS	\$ 1,675,363	\$ 1,606,436	\$ 164,053	\$ 475,220	\$ 3,921,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 17,064	\$ 10,188	\$ -	\$ -	\$ 27,252
Accrued health insurance	295	-	-	-	295
Total liabilities	17,359	10,188	-	-	27,547
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	700,389	1,313,424	17,988	235,376	2,267,177
Total deferred inflows of resources	700,389	1,313,424	17,988	235,376	2,267,177
Total liabilities and deferred inflows of resources	717,748	1,323,612	17,988	235,376	2,294,724
FUND BALANCES					
Nonspendable - prepaid items	8,268	-	-	14,999	23,267
Restricted for					
Road and bridge	-	282,824	-	-	282,824
General assistance	-	-	146,065	-	146,065
Liability insurance	-	-	-	63,250	63,250
Employee retirement	-	-	-	161,595	161,595
Committed					
Capital improvements	525,485	-	-	-	525,485
Unrestricted					
Assigned for future capital projects	-	-	-	-	-
Unassigned	423,862	-	-	-	423,862
Total fund balances	957,615	282,824	146,065	239,844	1,626,348
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,675,363	\$ 1,606,436	\$ 164,053	\$ 475,220	\$ 3,921,072

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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,626,348
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	6,371,324
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	(40,023)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Notes payable	(169,594)
Compensated absences payable	(91,354)
IMRF net pension liability	<u>(263,514)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 7,433,187</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, 2020

	General Town	Road and Bridge	General Assistance	Nonmajor Governmental	Total
REVENUES					
Property taxes	\$ 685,761	\$ 1,284,036	\$ 19,626	\$ 247,241	\$ 2,236,664
Personal property replacement taxes	17,366	36,322	-	-	53,688
Fines and fees	-	6,745	-	-	6,745
Investment income	14,176	2,536	807	1,212	18,731
Miscellaneous	30,522	42,335	-	14,240	87,097
Total revenues	747,825	1,371,974	20,433	262,693	2,402,925
EXPENDITURES					
Current					
General government	695,024	-	-	79,497	774,521
Road and bridge	-	1,097,104	-	123,893	1,220,997
General assistance	-	-	23,875	-	23,875
Debt service					
Principal	-	69,620	-	-	69,620
Interest	-	6,314	-	-	6,314
Capital outlay	16,897	128,933	-	-	145,830
Total expenditures	711,921	1,301,971	23,875	203,390	2,241,157
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	35,904	70,003	(3,442)	59,303	161,768
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of notes payable	-	115,758	-	-	115,758
Proceeds from sale of capital assets	-	21,286	-	-	21,286
Total other financing sources (uses)	-	137,044	-	-	137,044
NET CHANGE IN FUND BALANCES	35,904	207,047	(3,442)	59,303	298,812
FUND BALANCES, APRIL 1	921,711	75,777	149,507	180,541	1,327,536
FUND BALANCES, MARCH 31	\$ 957,615	\$ 282,824	\$ 146,065	\$ 239,844	\$ 1,626,348

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 298,812
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	486,343
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	(279,780)
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	(56,860)
The issuance of long-term debt is reported as a revenue when due in governmental funds but as a increase in principal outstanding in the statement of activities	(115,758)
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	69,621
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>(1,879)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 400,499</u></u>

See accompanying notes to financial statements.

**CRETE TOWNSHIP
CRETE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

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.

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 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.

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.
- 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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

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.

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 2019 were levied in December 2019 and are normally received monthly beginning in June and generally ending by November 2020.
- The 2020 tax levy has not been recorded as a receivable at March 31, 2020, as the tax attached as a lien on property as of January 1, 2020; however, the tax will not be levied until December 2020 and, accordingly, is not measurable at March 31, 2020.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2020 was as follows:

	Balances			Balances
	April 1,	Increases	Decreases	March 31
	As Restated			
GOVERNMENTAL ACTIVITIES				
Capital assets being depreciated				
Buildings	\$ 1,319,025	\$ -	\$ -	\$ 1,319,025
Equipment	1,136,867	122,102	-	1,258,969
Infrastructure	6,301,145	364,241	-	6,665,386
Total capital assets being depreciated	<u>8,757,037</u>	<u>486,343</u>	<u>-</u>	<u>9,243,380</u>
Less accumulated depreciation for				
Buildings	676,012	28,181	-	704,193
Equipment	719,989	84,964	-	804,953
Infrastructure	1,196,275	166,635	-	1,362,910
Total accumulated depreciation	<u>2,592,276</u>	<u>279,780</u>	<u>-</u>	<u>2,872,056</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	<u>\$ 6,164,761</u>	<u>\$ 206,563</u>	<u>\$ -</u>	<u>\$ 6,371,324</u>

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

GOVERNMENTAL ACTIVITIES		
General government		\$ 28,181
Road and bridge		251,599
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 279,780</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, 2020 are as follows:

	Balances	Increases	Decreases	Balances	Current
	April 1			March 31	Portion
Notes payable					
Direct Placement Debt					
2017 Promissory Loan #1	\$ 85,935	\$ -	\$ 34,756	\$ 51,179	\$ 35,885
2017 Promissory Loan #2	37,522	-	15,176	22,346	15,668
2019 Promissory Loan #1	-	49,300	10,630	38,670	12,037
2019 Promissory Loan #2	-	33,650	4,587	29,063	8,110
2019 Promissory Loan #3	-	32,808	4,472	28,336	7,907
Total notes payable	<u>123,457</u>	<u>115,758</u>	<u>69,621</u>	<u>169,594</u>	<u>79,607</u>

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

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

	Balances April 1	Increases	Decreases	Balances March 31	Current Portion
Other liabilities					
Compensated absences	\$ 89,476	\$ 37,668	\$ 35,790	\$ 91,354	\$ 36,542
Net pension liability - IMRF	552,235	-	288,721	263,514	-
Total other liabilities	641,711	37,668	324,511	354,868	36,542
TOTAL	\$ 765,168	\$ 153,426	\$ 394,132	\$ 524,462	\$ 116,149

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, 2020 are as follows:

Year Ending March 31,	Principal	Interest
2021	\$ 79,607	\$ 4,937
2022	51,139	2,000
2023	30,326	1,014
2024	8,522	86
TOTAL	\$ 169,594	\$ 8,037

c. Notes Payable

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

Equipment	\$ 375,319
Less accumulated depreciation	<u>(121,453)</u>
TOTAL	<u>\$ 253,866</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, 2020. 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.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Plan Membership

At December 31, 2019 (plan measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>14</u>
 TOTAL	 <u><u>33</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.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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 March 31, 2020 was 9.17% of covered payroll.

Actuarial Assumptions

The Township's net pension liability was measured as of December 31, 2019 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, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair 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.

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 7.25%. 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.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 3,498,190	\$ 2,945,955	\$ 552,235
Changes for the period			
Service cost	63,361	-	63,361
Interest	249,645	-	249,645
Difference between expected and actual experience	56,779	-	56,779
Changes in assumptions	-	-	-
Employer contributions	-	61,350	(61,350)
Employee contributions	-	34,346	(34,346)
Net investment income	-	557,255	(557,255)
Benefit payments and refunds	(172,985)	(172,985)	-
Other (net transfer)	-	5,555	(5,555)
Net changes	196,800	485,521	(288,721)
BALANCES AT DECEMBER 31, 2019	\$ 3,694,990	\$ 3,431,476	\$ 263,514

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, 2020, the Township recognized pension expense of \$138,766.

At March 31, 2020, 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	\$ 88,035	\$ -
Changes in assumption	26,469	29,091
Net difference between projected and actual earnings on pension plan investments	-	142,825
Contributions made subsequent to the measurement date	17,389	-
	<u>17,389</u>	<u>-</u>
TOTAL	<u><u>\$ 131,893</u></u>	<u><u>\$ 171,916</u></u>

\$17,389 contributed following the measurement date of December 31, 2019 will be recognized as pension expense during the fiscal year March 31, 2021. 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</u> <u>March 31,</u>	
2021	\$ 23,019
2022	(27,062)
2023	15,885
2024	(69,254)
Thereafter	<u>-</u>
TOTAL	<u><u>\$ (57,412)</u></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 (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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 692,373	\$ 263,514	\$ (92,837)

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Township provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Township and can be amended by the Township through its personnel manual. The plan does not issue a separate report. The activity of the plan is reported in the Township's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Benefits Provided

The Township provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Township's retirement plan or meet COBRA requirements.

All health care benefits are provided through the Township's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility township sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. Retirees pay the full premium to continue in the plan; however, the premium is a blended premium, not an age adjusted premium, which creates an implicit benefit as defined by GASB Statement No. 75.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Total OPEB Liability

Based on the size of the Township, the number of active plan members, the lack of any retirees participating in the plan and comparison of actuarial valuations for similar entities with similar benefits, the Township's total OPEB liability as of March 31, 2020 is immaterial and, therefore, not recorded by the Township and no further disclosure is deemed necessary.

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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 689,705	\$ 685,761
Replacement taxes	12,500	17,366
Investment income	3,500	14,176
Miscellaneous income	10,000	30,522
	715,705	747,825
EXPENDITURES		
Current		
General government		
Administration		
Salaries and employee benefits	291,824	297,769
Maintenance service	22,500	21,172
Professional service	109,100	61,079
Miscellaneous	34,100	22,969
Supplies	5,750	8,319
	463,274	411,308
Assessor		
Salaries and employee benefits	188,091	179,794
Maintenance service	1,000	-
Professional service	32,100	25,778
Supplies	3,000	1,009
	224,191	206,581
Social services	103,000	77,135
	50,000	-
Contingencies		
	840,465	695,024
Capital outlay	59,500	16,897
	899,965	711,921
	899,965	711,921
NET CHANGE IN FUND BALANCE	\$ (184,260)	35,904
FUND BALANCE, APRIL 1		921,711
FUND BALANCE, MARCH 31		\$ 957,615

(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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 1,291,128	\$ 1,284,036
Replacement taxes	27,000	36,322
Fines and fees		
Road fines	2,800	3,945
Culvert fees	1,000	2,800
Investment income	500	2,536
Miscellaneous income	16,000	42,335
	<u>1,338,428</u>	<u>1,371,974</u>
EXPENDITURES		
Current		
Road and bridge		
Administration		
Contractual services	14,900	8,372
Commodities	3,500	3,014
Miscellaneous expenses	11,000	9,225
	<u>29,400</u>	<u>20,611</u>
Road maintenance		
Personnel	492,100	455,007
Contractual services	663,115	503,389
Commodities	111,000	118,097
	<u>1,266,215</u>	<u>1,076,493</u>
Contingencies	10,000	-
	<u>1,305,615</u>	<u>1,097,104</u>
Capital outlay	13,350	128,933
Debt service		
Principal	110,240	69,620
Interest	-	6,314
	<u>110,240</u>	<u>75,934</u>
	<u>1,429,205</u>	<u>1,301,971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(90,777)</u>	<u>70,003</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from the issuance notes payable	-	115,758
Proceeds from sale of capital assets	15,000	21,286
	<u>15,000</u>	<u>137,044</u>
NET CHANGE IN FUND BALANCE	<u>\$ (75,777)</u>	<u>207,047</u>
FUND BALANCE, APRIL 1		<u>75,777</u>
FUND BALANCE, MARCH 31		<u>\$ 282,824</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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 19,738	\$ 19,626
Investment income	5	807
	19,743	20,433
EXPENDITURES		
Current		
General assistance		
Emergency/general assistance	35,000	9,267
Insurance	-	2,015
Legal services	2,500	-
Senior services	-	2,500
Miscellaneous expenses	15,000	10,093
	52,500	23,875
Total general assistance	52,500	23,875
Total expenditures	52,500	23,875
NET CHANGE IN FUND BALANCE	\$ (32,757)	(3,442)
FUND BALANCE, APRIL 1		149,507
FUND BALANCE, MARCH 31		\$ 146,065

(See independent auditor's report.)

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED MARCH 31,	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 62,005	\$ 65,690	\$ 81,033	\$ 67,854	\$ 59,747
Contributions in relation to the actuarially determined contribution	62,005	65,690	81,033	67,854	59,747
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 675,846	\$ 568,747	\$ 567,048	\$ 528,474	\$ 517,294
Contributions as a percentage of covered payroll	9.17%	11.55%	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, 2019. 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 24 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 Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2019	2018***	2017**	2016*	2015
TOTAL PENSION LIABILITY					
Service cost	\$ 63,361	\$ 52,892	\$ 60,950	\$ 55,350	\$ 60,176
Interest	249,645	235,995	227,834	224,047	233,438
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	56,779	84,281	78,062	(87,745)	(257,683)
Changes of assumptions	-	90,479	(95,916)	(10,998)	3,562
Benefit payments, including refunds of member contributions	(172,985)	(171,227)	(144,955)	(144,957)	(172,260)
Net change in total pension liability	196,800	292,420	125,975	35,697	(132,767)
Total pension liability - beginning	3,498,190	3,205,770	3,079,795	3,044,098	3,176,865
TOTAL PENSION LIABILITY - ENDING	\$ 3,694,990	\$ 3,498,190	\$ 3,205,770	\$ 3,079,795	\$ 3,044,098
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 61,350	\$ 65,690	\$ 81,238	\$ 66,166	\$ 62,126
Contributions - member	34,346	25,594	26,886	24,098	23,489
Net investment income	557,255	(164,287)	465,239	181,417	13,826
Benefit payments, including refunds of member contributions	(172,985)	(171,227)	144,955	(144,957)	(172,260)
Other	5,555	70,466	31,815	(71,325)	(131,689)
Net change in plan fiduciary net position	485,521	(173,764)	460,223	55,399	(204,508)
Plan fiduciary net position - beginning	2,945,955	3,119,719	2,659,496	2,604,097	2,808,605
PLAN FIDUCIARY NET POSITION - ENDING	\$ 3,431,476	\$ 2,945,955	\$ 3,119,719	\$ 2,659,496	\$ 2,604,097
EMPLOYER'S NET PENSION LIABILITY					
Plan fiduciary net position as a percentage of the total pension liability	92.87%	84.21%	97.32%	86.35%	85.55%
Covered payroll	\$ 624,754	\$ 568,747	\$ 567,048	\$ 528,474	\$ 517,294
Employer's net pension liability as a percentage of covered payroll	42.18%	97.10%	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, 2020

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.

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

NONMAJOR GOVERNMENTAL FUNDS

**CRETE TOWNSHIP
CRETE, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

March 31, 2020

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
	\$	\$	\$	\$	
ASSETS					
Cash	\$ 43,417	\$ 94,406	\$ 19,833	\$ 67,189	\$ 224,845
Property tax receivable, net	34,828	55,878	65,446	79,224	235,376
Prepaid insurance	4,950	-	10,049	-	14,999
TOTAL ASSETS	\$ 83,195	\$ 150,284	\$ 95,328	\$ 146,413	\$ 475,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	34,828	55,878	65,446	79,224	235,376
Total deferred inflows of resources	34,828	55,878	65,446	79,224	235,376
Total liabilities and deferred inflows of resources	34,828	55,878	65,446	79,224	235,376
FUND BALANCES					
Nonspendable - prepaid items	4,950	-	10,049	-	14,999
Restricted for liability insurance	43,417	-	19,833	-	63,250
Restricted for employee retirement	-	94,406	-	67,189	161,595
Total fund balances	48,367	94,406	29,882	67,189	239,844
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 83,195	\$ 150,284	\$ 95,328	\$ 146,413	\$ 475,220

(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, 2020

	Special Revenue				Total
	Township		Road and Bridge		
	Town Insurance	Town Retirement	Road and Bridge Insurance	Road and Bridge Retirement	
REVENUES					
Property taxes	\$ 34,722	\$ 57,744	\$ 61,910	\$ 92,865	\$ 247,241
Investment income	182	635	-	395	1,212
Miscellaneous	5,044	-	9,196	-	14,240
Total revenues	39,948	58,379	71,106	93,260	262,693
EXPENDITURES					
General government	29,697	49,800	-	-	79,497
Road and bridge	-	-	60,295	63,598	123,893
Total expenditures	29,697	49,800	60,295	63,598	203,390
NET CHANGE IN FUND BALANCES	10,251	8,579	10,811	29,662	59,303
FUND BALANCES, APRIL 1	38,116	85,827	19,071	37,527	180,541
FUND BALANCES, MARCH 31	\$ 48,367	\$ 94,406	\$ 29,882	\$ 67,189	\$ 239,844

(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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 34,922	\$ 34,722
Investment income	100	182
Miscellaneous	1,500	5,044
		<hr/>
Total revenues	36,522	39,948
		<hr/>
EXPENDITURES		
General government		
Liability insurance	37,500	29,697
		<hr/>
Total expenditures	37,500	29,697
		<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (978)</u>	10,251
FUND BALANCE, APRIL 1		<hr/> 38,116
FUND BALANCE, MARCH 31		<hr/> <u>\$ 48,367</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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 58,076	\$ 57,744
Investment income	500	635
	<hr/>	<hr/>
Total revenues	58,576	58,379
	<hr/>	<hr/>
EXPENDITURES		
General government		
FICA	23,221	23,495
Illinois Municipal Retirement Fund	27,500	26,305
	<hr/>	<hr/>
Total expenditures	50,721	49,800
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 7,855	8,579
	<hr/>	<hr/>
FUND BALANCE, APRIL 1		85,827
		<hr/>
FUND BALANCE, MARCH 31		\$ 94,406
		<hr/> <hr/>

(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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 62,252	\$ 61,910
Investment income	-	-
Miscellaneous	-	9,196
	62,252	71,106
Total revenues	62,252	71,106
EXPENDITURES		
Road and bridge		
Unemployment compensation	500	-
Liability insurance	61,000	60,295
	61,500	60,295
Total expenditures	61,500	60,295
NET CHANGE IN FUND BALANCE	\$ 752	10,811
FUND BALANCE, APRIL 1		19,071
FUND BALANCE, MARCH 31		\$ 29,882

(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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 93,378	\$ 92,865
Investment income	-	395
		<hr/>
Total revenues	93,378	93,260
		<hr/>
EXPENDITURES		
Road and bridge		
FICA	30,218	27,898
Illinois Municipal Retirement Fund	51,390	35,700
		<hr/>
Total expenditures	81,608	63,598
		<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 11,770</u>	29,662
FUND BALANCE, APRIL 1		<hr/> 37,527
FUND BALANCE, MARCH 31		<hr/> <u>\$ 67,189</u>

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**CRETE TOWNSHIP
CRETE, ILLINOIS**

SCHEDULE OF TAX DATA

For the Last Six Levy Years

	Levy Year					
	2019	2018	2017	2016	2015	2014
ASSESSED VALUATION	\$ 386,592,051	\$ 379,584,224	\$ 353,417,943	\$ 352,245,649	\$ 346,024,721	\$ 353,488,428
TAX RATES BY FUND						
General	0.2067	0.2062	0.2073	0.2080	0.2123	0.2086
General assistance	0.0047	0.0052	0.0110	0.0136	0.0147	0.0144
Road district*	0.3807	0.3811	0.4006	0.3894	0.3925	0.3846
TOTAL TAX RATES BY FUND	0.5921	0.5925	0.6189	0.6110	0.5119	0.4997
TAX EXTENSIONS BY FUND						
General	\$ 799,086	\$ 782,703	\$ 732,635	\$ 732,668	\$ 734,610	\$ 737,376
General assistance	18,170	19,738	38,876	47,905	50,866	50,902
Road district*	1,471,566	1,446,758	1,415,624	1,371,810	1,358,295	1,359,635
TOTAL TAX EXTENSIONS BY FUND	\$ 2,288,822	\$ 2,249,199	\$ 2,187,135	\$ 2,152,383	\$ 2,143,771	\$ 2,147,913
TAX COLLECTIONS - ALL FUNDS						
Levy collections through year end	\$ -	\$ 2,236,664	\$ 2,173,721	\$ 2,143,291	\$ 2,125,998	\$ 2,136,440
PERCENT COLLECTED	0.00%	99.44%	99.39%	99.58%	99.17%	99.47%

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