

**Milton Township
Wheaton, Illinois**

Annual Financial Report

For the Year Ended
March 31, 2017

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MILTON TOWNSHIP
County of DuPage
1492 North Main Street
Wheaton, Illinois 60187

Telephone: (630) 668-1616
FAX: (630) 668-1608

O. Chris Heidorn, Supervisor
Gail P. Hinkle, Town Clerk
Sal Falbo, Trustee
Martin Keller, Trustee
David Molitor, Trustee
Yadav Nathwani, Trustee

General Background

Milton Township is a unit of local government established by statute in 1850 and is located in the center of DuPage County. It serves approximately 117,067 residents (according to 2010 Census figures) and is comprised of Wheaton, Glen Ellyn and a significant portion of South Carol Stream. Additionally, small parts of Lombard, Winfield, Downers Grove and Lisle lie within its 36 square mile borders as well as the significant areas of unincorporated land in between.

Like other Townships throughout the State of Illinois, Milton Township has three (3) mandated functions:

1. Assessment of all real properties within the Township for tax purposes by the Township Assessor;
2. Administration of General Assistance for the poor of the Township by the Supervisor of General Assistance; and
3. Maintenance of all Township roads by the Highway Commissioner.

In addition, Milton Township provides numerous other discretionary programs and services which benefit the residents of the Township. For detailed information regarding these other programs and services, please contact Township personnel at (630) 668-1616.

Governance

Town Board of Trustees

The primary governing unit of the Township is the Town Board of Trustees. The Trustees for the fiscal year were Salvatore Falbo, Martin Keller, Yadav Nathwani and David Molitor. In addition to special meetings and workshops, the Board meets monthly for its regular meetings on the second Tuesday of the month at 6:30 p.m. at the Township offices. The Township Supervisor is Chairman of the Board and a voting member. The Township Clerk is a non-voting member and keeps the minutes of the Board. The Board acts as the legislative branch of this government and is responsible for general policies outside the individual jurisdictions of the Assessor, Highway Commissioner and Supervisor of General Assistance. The Board passes all budgets of the Township as well as all tax levies.

Township Supervisor

O. Chris Heidorn is the Township Supervisor. The Supervisor is the chief executive officer of the Township and its treasurer. He also acts as Chairman of the Town Board, the ex-officio treasurer of the Road and Bridge Funds for the Highway Commissioner and is the *Supervisor of General Assistance*. His duties include the oversight of all discretionary programs and services.

Township Clerk

Gail P. Hinkle is the Milton Township Clerk. The Clerk is the keeper of the Township records and acts as Secretary of the Town Board. She keeps minutes of the regular and special Board meetings, as well as the Annual Town Meetings. She is responsible for the posting and publication of all legal notices and certifies all budgets and levies. She is the local election authority, Freedom of Information Officer for the Township and the ex-officio Clerk for the Highway Commissioner.

Township Assessor

Chris LeVan is the Township Assessor. The Assessor is responsible for the accurate and equitable valuation of all real estate in the Township for real estate tax purposes. The Assessor does not levy taxes. Taxes are levied by the numerous taxing bodies having jurisdiction that extends into the Township based upon a rate which they specify which is applied to the assessed valuation of the individual parcel of real property.

Highway Commissioner

Gary Muehlfelt is the Milton Township Highway Commissioner. The Highway Commissioner is responsible for the construction, improvement and maintenance of all Township roads and rights of way. That includes the maintenance of stormwater and drainage ditches, culverts, catch basins, and other accessory structures within the rights of way. At present, there are approximately 80 centerline miles of Township road under his authority. Snow plowing and de-icing of roads is also his responsibility.

Each of the foregoing elected officials is legally independent of the others and has his or her own specific statutory authority within their respective areas. On the other hand, all of the elected officials of Milton Township work closely with each other to provide the best service possible to the residents of Milton Township.

Taxing Authorities and Funds

Nine (9) specific taxing bodies collectively comprise the Township's levies, budgets and services: Town Fund (corporate), General Assistance Fund, Road and Bridge Fund, Permanent Road Fund, Highway Pension Fund, Highway Insurance Fund, Highway Social Security Fund, Special Police Fund and Mosquito Abatement District Fund.

The Town Fund, through its levy and budget, supports:

- All administration functions of the Township falling under the authority of the Supervisor or Clerk;
- All functions of the Assessor's office;
- Transportation assistance to seniors and disabled residents through the *Ride DuPage* Program;
- Youth services provided to low-income youth;

- Senior services through S.A.L.T. (Seniors And Law-enforcement Together) program; and
- Citizen Corps and Community Emergency Response Team (CERT) program.

The General Assistance Fund supports:

- State mandated financial assistance (general assistance) to low income individual residents who are not covered by the programs of the Social Security Administration or the Illinois Department of Human Services;
- Emergency Assistance, a one-time (maximum once per 12 month period) financial grant to low income residents to address critical basic needs, particularly to avoid eviction and cutoff of essential services such as gas and electric during temporary periods of financial hardship;

The Road and Bridge Fund, together with the Highway's subsidiary Funds, supports the functions of the Highway Commissioner:

- Paving, surface repair and maintenance of over 80 centerline miles of Township roads and rights of way;
- Snow removal and salting/de-icing of Township roads;
- Maintenance of storm water and drainage culverts and accessory structures located in Township rights of way;
- Mowing of rights of way not otherwise maintained as well as tree trimming;
- Removal of diseased trees (Emerald Ash Borer) in Township rights of way;
- Twice annual brush pickup;
- Of the Road & Bridge tax levy, fifty percent (50%) of the taxes levied against properties located within the corporate boundaries of any municipality are actually paid over to the municipal government by the County Treasurer and never become part of the Road & Bridge Fund.

The Special Police Fund supports:

- The provision of an additional three (3) Deputy Sheriffs to patrol the unincorporated areas of the Township not served by municipal police departments by contract with the DuPage County Sheriff;
- The areas served by this additional police protection comprise a special taxing district and only those areas served are subject to this tax levy.

The Mosquito Abatement Fund supports:

- Contracting for the control and abatement of larval and adult mosquitoes to reduce nuisance and minimize the transmission of vector borne arborviral diseases in the unincorporated areas of the Township not served by municipal mosquito abatement districts;
- Public education regarding prevention of and protection from West Nile Virus and other vector borne diseases;
- The areas served by this program comprise a special taxing district and only those areas served are subject to this tax levy.

Financial Highlights

Milton Township relies primarily on real estate taxes to fund its various operations. Like many other taxing bodies, it operates under the restrictions of the Property Tax Extension Limitation Law (PTELL), also known as "tax caps." This law limits the annual growth of its primary revenue source to the annual increase in the Consumer Price Index (CPI).

Prospective Actions

Management is keenly aware of its responsibilities to the taxpayers and residents of Milton Township. Government should live within its means and provide its services in the most cost effective way possible. The Board will continue to closely monitor expenses in all funds to realize the greatest savings possible.

Conclusion

This financial report is designed to provide the Township's citizens, taxpayers, government partners, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability and stewardship for the money it receives. If you have questions about this report or would like to obtain additional information, please contact the Township Supervisor or the Town Clerk at (630) 668-1616.

Respectfully,

A handwritten signature in black ink, appearing to read "O. Chris Heidorn", with a long horizontal flourish extending to the right.

O. Chris Heidorn
Milton Township Supervisor

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

**MIRIANI
&
ASSOCIATES, LTD.**

Accounting
Specialist
&
Financial
Management
Consultants

INDEPENDENT AUDITORS REPORT

The Honorable Supervisor
and Members of the Board of Trustees
Milton Township
Wheaton, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Milton Township, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, 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 Milton Township, Wheaton, Illinois, as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-11) and budgetary comparison information (beginning on page 37) 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 Milton Township basic financial statements. The combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical section 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 them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Township's basic financial statements for the year ended March 31, 2016, which are not presented with the accompanying financial statements. In our report dated September 7, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements as a whole. 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2016 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Miriani & Associates, LTD.

MIRIANI & ASSOCIATES, LTD.
August 26, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

As management of the Milton Township ("the Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2017. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Transmittal Letter (beginning on page i) and the Township's Financial Statements (beginning on page 12).

Historically, the primary focus of local government financial statements has been summarized by fund types on a current financial resource basis. Due to the requirement of Government Accounting Standards Board Statement No. 34, beginning in 2003 this approach was modified so that now the Township's financial statements present two kinds of statements, each with a different snapshot of the Township's finances. The focus of the new financial statements are on both the Township as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Township's accountability.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis, for State and Local Governments" issued June 1999. Certain comparative information between the current and prior year is required to be presented in the MD&A.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Township's financial statements beginning on page 12.

Financial Highlights

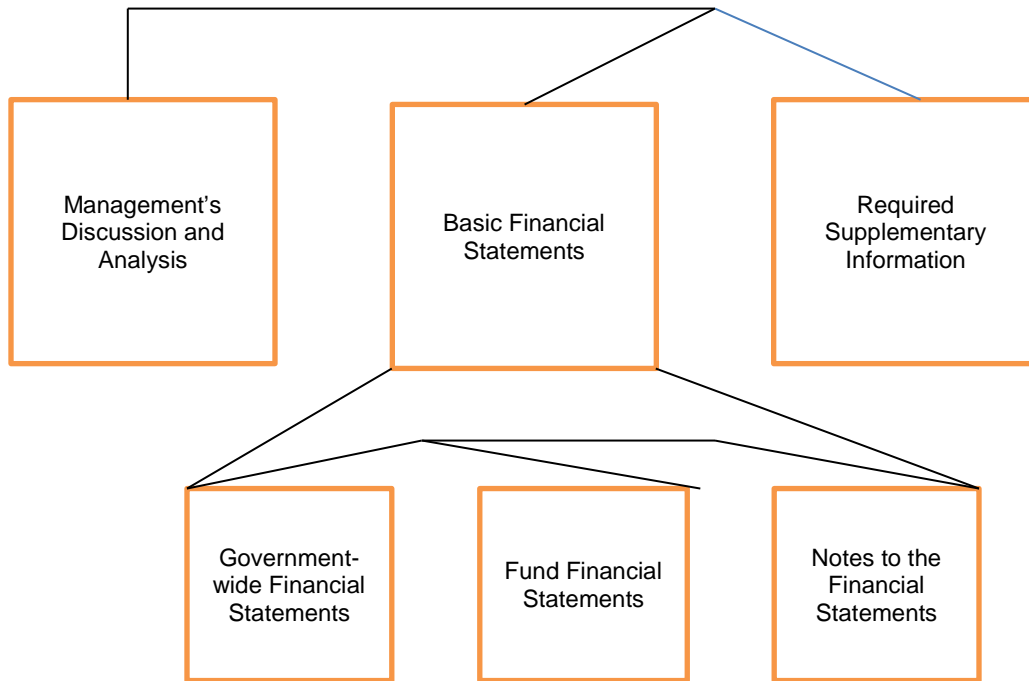
- The assets/deferred outflows of the Township exceeded liabilities/deferred inflows at March 31, 2017, by \$31,399,255. Of this amount, \$911,578 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's net position increased by \$928,512 from the fiscal year. Property taxes collected were \$4,820,580, compared to the prior year of \$4,649,608.
- At March 31, 2017, the Township's governmental funds reported combined fund balances of \$3,735,881, an increase of \$620,260.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following chart summarizes the Township's financial statements:

Organizational of Annual Financial Report



Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business. These statements include all assets and liabilities using the modified cash basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses activity when cash is received or paid and includes capital asset activity.

The statement of net position presents information on all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported when the cash transaction occurs, except for depreciation expense, which is recorded over the life of the capital assets.

The Governmental Activities reflect the Township's basic services, including administration, assessor's office, streets and highways, human services, general services, home relief and transportation. Property taxes and shared state taxes finance the majority of these services.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are classified as governmental funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the governmental-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. All of the Township's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for use. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between government funds and government activities.

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

The Township maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balances for the Town (Corporate) Fund, Road and Bridge Fund, and Permeant Road Fund all of which are considered to be major funds. Information from the Township's other governmental funds are combined into a single column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements (beginning on page 19).

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Township's progress in funding its obligation to provide pension benefits to its employees. Nonmajor fund information can be found immediately following the required supplementary information.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

The following table reflects the condensed Statement of Net Position:

	<u>2016</u>	<u>2017</u>
Assets		
Current Assets	\$ 8,072,687	\$ 8,878,184
Capital Assets	<u>27,427,381</u>	<u>27,768,936</u>
Total Assets	<u>35,500,068</u>	<u>36,647,120</u>
Deferred Outflows of Resources	<u>625,564</u>	<u>513,694</u>
Liabilities		
Current Liabilities	109,708	91,916
Non-Current Liabilities	<u>445,188</u>	<u>486,180</u>
Total Liabilities	<u>554,896</u>	<u>578,096</u>
Deferred Inflows of Resources	<u>5,099,993</u>	<u>5,183,463</u>
Net Position		
Net Investment in Capital Assets	27,427,381	27,768,936
Restricted	2,169,641	2,718,741
Unrestricted	<u>873,721</u>	<u>911,578</u>
Net Position	<u>\$ 30,470,743</u>	<u>\$ 31,399,255</u>

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the Township's case, assets/deferred outflows exceeded liabilities/deferred inflows by \$31,399,255. The largest part of the Township's net position reflects its investment in capital assets (land, buildings and improvements, infrastructure and vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

The following table reflects the condensed Statement of Activities:

	<u>2016</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Capital Grants & Contributions	\$ 145,050	\$ 139,895
General Revenues:		
Property Taxes	4,649,608	4,820,580
Other Taxes	189,959	199,544
Earnings on Investments	4,818	6,295
Other General Revenue	<u>142,494</u>	<u>53,942</u>
Total Revenues	<u>5,131,929</u>	<u>5,220,256</u>
Expenses:		
General Government	2,128,499	1,689,396
Highway & Streets	2,655,744	2,029,169
Public Safety	382,605	388,483
Health & Welfare	<u>216,394</u>	<u>184,696</u>
Total Expenses	<u>5,383,242</u>	<u>4,291,744</u>
Change in Financial Position	<u>\$ (251,313)</u>	<u>\$ 928,512</u>

Normal Impact on the Township's Revenue & Expenses

Economic conditions - this can reflect a declining, stable or growing economic environment and has a direct impact on property taxes, state replacement income tax, etc.

Changing patterns in intergovernmental and grant revenue - while certain recurring revenue (state shared revenue, etc.) may experience significant changes due to the economic environment, non-recurring or one-time grants are less predictable and often distort their impact on a year-to-year comparison.

Market impacts on investment income - market conditions may cause investment income to fluctuate.

Changes in authorized personnel - change in service demands (i.e. snow removal) may cause the Township to change staffing levels. Personnel costs are a significant operating cost for the Township.

Road and bridge maintenance - road projects are a significant cost to the Township. Projects are added and deleted in order to meet the changing needs within the Township.

Inflation - while overall inflation has been controlled in recent years, the Township is a major consumer of certain commodities such as fuel, supplies, etc.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Township's governmental funds reported combined ending fund balances of \$3,735,881 and a net increase of \$620,260.

TOWN (CORPORATE) FUND BUDGETARY HIGHLIGHTS

The following table reflects significant budgetary variances in the Corporate Fund:

	2017			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Corporate</u>				
Revenues:				
Property Taxes	\$ 2,052,241	\$ 2,052,241	\$ 2,048,671	\$ (3,570)
Replacement Taxes	90,000	90,000	108,206	18,206
Other	34,300	34,300	35,371	1,071
Total Revenue	<u>2,176,541</u>	<u>2,176,541</u>	<u>2,192,248</u>	<u>15,707</u>
Expenditures:				
Administration	904,268	897,768	771,266	126,502
Assessor's Office	829,080	829,080	736,631	92,449
Other	156,633	163,133	113,191	49,942
Total Expenditures	<u>1,889,981</u>	<u>1,889,981</u>	<u>1,621,088</u>	<u>268,893</u>
Excess (Deficiency) of Revenue over Expenditures	286,560	286,560	571,160	284,600
Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (213,440)</u>	<u>\$ (213,440)</u>	<u>\$ 71,160</u>	<u>\$ 284,600</u>

Detailed information on the Town Fund budget can be found beginning on page 37 of the basic financial statements.

Corporate Fund Budgetary Highlights

- Replacement Taxes – the Township received more taxes from the State of Illinois and is higher than budgeted.
- Administration – kept a close eye on expenses, building maintenance was less than expected.
- The Town Fund transferred \$500,000 to the Road & Bridge Fund to help cover future road projects and related costs.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

ROAD AND BRIDGE FUND BUDGETARY HIGHLIGHTS

The following table reflects significant budgetary variances in the Road and Bridge Fund:

	2017			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Road & Bridge Fund</u>				
Revenues:				
Property Taxes	\$ 1,461,248	\$ 1,461,248	\$ 1,448,149	\$ (13,099)
Replacement Taxes	69,675	69,675	91,338	21,663
Other	<u>47,300</u>	<u>47,300</u>	<u>51,766</u>	<u>4,466</u>
Total Revenue	<u>1,578,223</u>	<u>1,578,223</u>	<u>1,591,253</u>	<u>13,030</u>
Expenditures:				
Administration	309,920	284,020	277,997	6,023
Streets & Highway	<u>1,237,435</u>	<u>1,263,335</u>	<u>1,252,897</u>	<u>10,438</u>
Total Expenditures	<u>1,547,355</u>	<u>1,547,355</u>	<u>1,530,894</u>	<u>16,461</u>
Excess (Deficiency) of Revenue over Expenditures	30,868	30,868	60,359	29,491
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net Change in Fund Balance	<u>\$ 30,868</u>	<u>\$ 30,868</u>	<u>\$ 560,359</u>	<u>\$ 529,491</u>

Detailed information on the Road Fund budget can be found beginning on page 42 of the basic financial statements.

Road and Bridge Fund Budgetary Highlights

- Replacement Taxes – the Road & Bridge Fund received more taxes from the State of Illinois and is higher than budgeted.
- Streets & Highways – fuel costs and other related expenses were down.
- Road & Bridge Fund received a \$500,000 transfer from the Town Fund to help cover future road projects and related costs.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Activities Change in Capital Assets

	<u>March 31, 2016</u>	<u>Additions</u>	<u>Retirement</u>	<u>March 31, 2017</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Capital assets subject to depreciation				
Building & Improvements	1,303,277	7,280	-	1,310,557
Road Equipment	2,330,808	113,345	42,593	2,401,560
Infrastructure	41,732,886	820,865	-	42,553,751
Office	172,982	26,630	-	199,612
Total capital assets subject to depreciation	<u>45,539,953</u>	<u>968,120</u>	<u>42,593</u>	<u>46,465,480</u>
Less: Accumulated depreciation for:				
Building & Improvements	641,382	48,539	-	689,921
Road Equipment	1,618,584	138,291	42,593	1,714,282
Infrastructure	15,824,528	420,158	-	16,244,686
Office	88,078	19,577	-	107,655
Total accumulated depreciation	<u>18,172,572</u>	<u>626,565</u>	<u>42,593</u>	<u>18,756,544</u>
Net capital assets subject to depreciation	<u>27,367,381</u>	<u>341,555</u>	<u>-</u>	<u>27,708,936</u>
Net capital assets - Governmental activities	<u>\$ 27,427,381</u>	<u>\$ 341,555</u>	<u>\$ -</u>	<u>\$ 27,768,936</u>

The additions for fiscal year amounted to \$968,120. Below is a recap showing the additions to our Capital Assets:

Town

- No major purchases.

Highway

- Purchase of a 2017 Ford F550 XL 4X4
- Major road improvement project \$820,865

Detailed information on the Township's capital asset activity can be found in Note 7 on page 27 of the basic financial statements.

Debt Administration

At March 31, 2017, the Township had no outstanding long-term debt.

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
March 31, 2017

Financial Analysis of the District's Funds

Changes in Fund Balance - Governmental Funds

Governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,735,881. Of this year-end total, the corporate fund reported a fund balance of \$1,017,140. The remaining \$2,718,741 is restricted, assigned or unrestricted. The following is a summary of changes in fund balances for the year ended March 31, 2017:

<i>Governmental Funds</i>	<i>Fund Balance March 31, 2016</i>	<i>Increase (Decrease)</i>	<i>Fund Balance March 31, 2017</i>
<i>Corporate Fund</i>	\$ 945,980	\$ 71,160	\$ 1,017,140
<i>General Assistance</i>	356,521	(157,870)	198,651
<i>Road & Bridge Fund</i>	1,184,321	560,359	1,744,680
<i>Permanent Road Fund</i>	5,831	2,146	7,977
<i>Road IMRF</i>	40,844	14,087	54,931
<i>Road Social Security</i>	21,847	11,551	33,398
<i>Road Tort Liability</i>	38,035	23,829	61,864
<i>Mosquito Abatement Fund</i>	49,899	(1,813)	48,086
<i>Special Police</i>	145,842	(15,086)	130,756
<i>Motor Fuel Tax</i>	326,501	111,897	438,398
	<u>\$ 3,115,621</u>	<u>\$ 620,260</u>	<u>\$ 3,735,881</u>

ECONOMIC FACTORS

Property tax revenues are capped under State of Illinois rules for non-home rule communities like Townships. No additions to property tax revenues are allowed beyond the increase in the rate of inflation and a percentage factor for new construction.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Township's finances. Questions concerning this report or requests for additional financial information should be directed to Mr. Christopher Heidorn, Township Supervisor/Treasurer at the Township offices at 1492 North Main Street, Wheaton, IL 60187.

BASIC FINANCIAL STATEMENTS

Milton Township
Wheaton, Illinois
Statement of Net Position
March 31, 2017

	Governmental Activities
Assets	
Cash & Cash Equivalents	\$ 3,310,253
Cash Held by Other Governmental Units	438,398
Receivables:	
Property Taxes	5,050,387
Replacement Taxes	57,202
Prepaid Insurance	21,944
Capital Assets Not Being Depreciated	60,000
Capital Assets, Net of Accumulated Depreciation	<u>27,708,936</u>
Total Assets	<u>36,647,120</u>
Deferred Outflows of Resources	
Pension Items - IMRF	<u>513,694</u>
Total Deferred Outflows of Resources	<u>513,694</u>
Total Assets and Deferred Outflows of Resources	<u>37,160,814</u>
Liabilities	
Accounts Payable	37,334
Accrued Payroll	54,582
Long-Term Liabilities	
Due In More Than One Year	<u>486,180</u>
Total Liabilities	<u>578,096</u>
Deferred Inflows of Resources	
Deferred Property Tax Revenue	5,050,387
Pension Items - IMRF	<u>133,076</u>
Total Deferred Inflows of Resources	<u>5,183,463</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,761,559</u>
Net Position	
Net Investment in Capital Assets	27,768,936
Restricted For	
Maintenance of Roads	2,341,248
Public Safety	178,842
General Assistance	198,651
Unrestricted	<u>911,578</u>
Net Position	<u>\$ 31,399,255</u>

See accompanying notes to financial statements.

Milton Township
Wheaton, Illinois
Statement of Activities
Year Ended March 31, 2017

Functions/Program	Expenses	Program Revenues		Net (Expenses), Revenue and Changes in Net Position
		Charge for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 1,689,396	\$ -	\$ 27,998	\$ (1,661,398)
Highway & Street	2,029,169	-	111,897	(1,917,272)
Public Safety	388,483	-	-	(388,483)
Health & Welfare	184,696	-	-	(184,696)
Total Governmental Activities	<u>\$ 4,291,744</u>	<u>\$ -</u>	<u>\$ 139,895</u>	<u>(4,151,849)</u>
General Revenues				
Taxes				
Property				4,820,580
Replacement				199,544
Investment Income				6,295
Miscellaneous				<u>53,942</u>
Total General Revenue				<u>5,080,361</u>
Increase (Decrease) in Net Position				928,512
Net Position				
Beginning				<u>30,470,743</u>
Ending				<u>\$ 31,399,255</u>

See accompanying notes to financial statements.

Milton Township
Wheaton, Illinois
Balance Sheet - Governmental Funds
March 31, 2017

	Major Funds				Total Governmental Funds
	Corporate Fund	Road & Bridge Fund	Permanent Road Fund	Nonmajor Governmental Funds	
ASSETS					
Cash & Cash Equivalents	\$ 994,260	\$ 1,323,297	\$ 307,822	\$ 684,874	\$ 3,310,253
Cash Held by Other Governmental Units	-	-	-	438,398	438,398
Receivables:					
Property Taxes	1,876,176	1,409,918	910,224	854,069	5,050,387
Replacement Taxes	25,952	31,250	-	-	57,202
Prepaid Items	7,848	-	-	14,096	21,944
Due from Other Funds	-	470,743	-	-	470,743
Total Assets	<u>\$ 2,904,236</u>	<u>\$ 3,235,208</u>	<u>\$ 1,218,046</u>	<u>\$ 1,991,437</u>	<u>\$ 9,348,927</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 7,661	\$ 29,429	\$ -	\$ 244	\$ 37,334
Accrued Payroll	3,259	51,181	-	142	54,582
Due to Other Funds	-	-	299,845	170,898	470,743
Total Liabilities	<u>10,920</u>	<u>80,610</u>	<u>299,845</u>	<u>171,284</u>	<u>562,659</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	1,876,176	1,409,918	910,224	854,069	5,050,387
Total Deferred Inflows of Resources	<u>1,876,176</u>	<u>1,409,918</u>	<u>910,224</u>	<u>854,069</u>	<u>5,050,387</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,887,096</u>	<u>1,490,528</u>	<u>1,210,069</u>	<u>1,025,353</u>	<u>5,613,046</u>
Fund Balances					
Nonspendable					
Prepaid Insurance	7,848	-	-	14,096	21,944
Restricted					
Highway & Streets	-	1,744,680	7,977	574,495	2,327,152
Public Safety	-	-	-	178,842	178,842
General Assistance	-	-	-	198,651	198,651
Unrestricted					
Unassigned					
Corporate Fund	1,009,292	-	-	-	1,009,292
Total Fund Balances	<u>1,017,140</u>	<u>1,744,680</u>	<u>7,977</u>	<u>966,084</u>	<u>3,735,881</u>
Total Liabilities & Fund Balance	<u>\$ 2,904,236</u>	<u>\$ 3,235,208</u>	<u>\$ 1,218,046</u>	<u>\$ 1,991,437</u>	<u>\$ 9,348,927</u>

See accompanying notes to financial statements.

Milton Township

Wheaton, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balance -

Governmental Funds

For the Year Ended March 31, 2017

	Major Funds				Total Governmental Funds
	Corporate Fund	Road & Bridge Fund	Permanent Road Fund	Nonmajor Governmental Funds	
Revenue					
Property & Replacement Taxes	\$ 2,156,877	\$ 1,539,487	\$ 712,130	\$ 611,630	\$ 5,020,124
Intergovernmental Agreements	-	-	-	111,897	111,897
Investment Income	1,431	3,861	16	987	6,295
Miscellaneous	<u>33,940</u>	<u>47,905</u>	<u>-</u>	<u>95</u>	<u>81,940</u>
Total Revenue	<u>2,192,248</u>	<u>1,591,253</u>	<u>712,146</u>	<u>724,609</u>	<u>5,220,256</u>
Expenditures					
General Government	1,621,088	-	-	-	1,621,088
Public Safety	-	-	-	388,483	388,483
Highway & Street	-	1,530,894	710,000	164,835	2,405,729
Health & Welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,696</u>	<u>184,696</u>
Total Expenditures	<u>1,621,088</u>	<u>1,530,894</u>	<u>710,000</u>	<u>738,014</u>	<u>4,599,996</u>
Excess (Deficiency) of Revenue over Expenditures	<u>571,160</u>	<u>60,359</u>	<u>2,146</u>	<u>(13,405)</u>	<u>620,260</u>
Other Financing Sources (Uses)					
Transfers - In	-	500,000	-	-	500,000
Transfers - Out	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	71,160	560,359	2,146	(13,405)	620,260
Fund Balance					
Beginning	<u>945,980</u>	<u>1,184,321</u>	<u>5,831</u>	<u>979,489</u>	<u>3,115,621</u>
Ending	<u>\$ 1,017,140</u>	<u>\$ 1,744,680</u>	<u>\$ 7,977</u>	<u>\$ 966,084</u>	<u>\$ 3,735,881</u>

See accompanying notes to financial statements.

Milton Township
Wheaton, Illinois
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
March 31, 2017

Total Fund Balances - Governmental Funds	\$ 3,735,881
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.	27,768,936
Deferred outflow of resources related to pensions are not related to current financial resources and are not reported in the governmental funds	513,694
Deferred inflow of resources related to pensions are not related to current financial resources and are not reported in the governmental funds	(133,076)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities at year end consisted of:	
Net pension liability - IMRF	<u>(486,180)</u>
Net Position of Governmental Activities	<u>\$ 31,399,255</u>

See accompanying notes to financial statements.

Milton Township

Wheaton, Illinois

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

For the Year Ended March 31, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	620,260
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		968,121
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		(626,565)
The change in Illinois Municipal Retirement Fund net pension liability, deferred outflows and inflows of resources is not a source or use of a financial resource		<u>(33,304)</u>
Change in Net Position of Governmental Activities	\$	<u>928,512</u>

See accompanying notes to financial statements.

Milton Township
Wheaton, Illinois
Statement of Fiduciary Net Position
March 31, 2017

Assets	
Cash & Cash Equivalents	\$ <u>853,677</u>
Liabilities	
Cable TV Deposit Payable	\$ 20,340
Highway Escrow Accounts Payable	<u>833,337</u>
Total Liabilities	\$ <u>853,677</u>

See accompanying notes to financial statements.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Milton Township (the "Township") is a municipal corporation of the State of Illinois headquartered in the County of DuPage and duly chartered pursuant to Illinois statute in 1850.

The Township serves approximately 120,000 residents and is comprised of Wheaton, Glen Ellyn, and a significant portion of Carol Stream. Additionally, small parts of Lombard, Winfield, Downers Grove, Naperville, Glendale Heights and Lisle lie within its 36 square mile border.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as 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. The more significant of the Township's accounting policies are described below.

a. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the Township and any component units, entities for which the Township is considered to be financially accountable.

In conformity with GASB requirements, the Township's Road and Bridge Funds have been included as a blended component unit in the Township's basic financial statements. Although it is a separate legal entity, the Fund exists to provide benefits for the Township. Thus, the financial information has been blended within the Township's basic financial statements.

b. Government-Wide and Fund Financial Statements

GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented effective April 1, 2015.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Township does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

Fund Financial Statements - Financial statements of the Township are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements (Continued)

- Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

Separate financial statements are provided for the governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds

- **Town (General) Fund** – This is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Road and Bridge Fund** – The Road and Bridge Fund is used to account for all financial resources relating to the repair and maintenance of the Township's infrastructure.
- **Permanent Road Fund** – The Permanent Road Fund is used to account for all financial resources relating to the major road improvement and maintenance projects.

The other governmental funds of the Township account for property taxes and other resources, whose use is restricted to a particular purpose.

- **Special Revenue Funds** – The special revenue fund type is used to account for the proceeds of specific revenue sources (other than those accounted for in debt service) that are legally restricted to expenditures for specified purposes. These nonmajor funds consist of the General Assistance Fund, which accounts for costs relating to services provided to low-income residents, the Road and Bridge IMRF Fund, which accounts for the cost relating to employer IMRF contributions for Road and Bridge Fund employees, Road and Bridge Social Security Fund, which accounts for the cost relating to employer social security contributions for Road and Bridge Fund employee, and the Motor Fuel Tax Fund accounts for the Township's share of motor tax revenues.

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

In the Government-Wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement of focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance the Township's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The Township considers property taxes available if they are due and collected within 60 days in the year intended to finance. All other revenues are recognized when the cash is received. Expenditures are recorded when the related fund liability is incurred.

The Township reports deferred revenues on its Governmental Funds Balance Sheet. For governmental funds financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Township before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included in the Statement of Net Assets and the Statement of Activities presents increases and decreases in net total assets.

The measurement focus incorporates the current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from fund financial statements. The related expenditures are recognized in the fund financial statements when the liabilities are liquidated. Historically, the expenditures have been recorded to the general and special revenue funds.

d. Deposits and Investments

Investments of the Township's operating funds with maturities of one year or more from the date of purchase, other than non-negotiable certificates of deposit, are stated at fair value based on quoted market prices. Investments with maturities of one year or less from the date of purchase and non-negotiable certificates of deposit are stated at cost or 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. All investments of the fiduciary fund are reported at fair value.

e. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

f. Prepaid Expenses/Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/items.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets

In the government-wide financial statements, the Township has adopted a capitalization threshold of \$1,000 for individual equipment; \$10,000 for building and improvements; and \$50,000 for infrastructure assets. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Prior to June 1, 2004, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statement. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide financial statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is currently encouraged, but not required.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Machinery and Equipment	7 to 10 years
Vehicles	7 to 10 years
Infrastructure	15 to 50 years

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made.

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

h. Accumulated Vacation and Sick Pay

All full-time employees, those who work a minimum 35 hours per week, are eligible for paid vacation if they have completed one year of employment with the Township. Part-time employees are not entitled to paid vacation. Full-time employees earn benefits in varying annual amounts based on the table set forth below:

<u>Year of Service</u>	<u>Available Days</u>	<u>Monthly Accrual</u>
1 thru 4 years	10 working days	.83 days per month
5 thru 9 years	15 working days	1.25 days per month
10 or more years	20 working days	1.66 days per month

i. 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 (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Position and Fund Balance

Net position represents the difference between assets and liabilities. Net invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the statement of assets, liabilities and fund balances of the governmental funds include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because they are either (a) not spendable by form (i.e. inventory or prepaid amounts) or (b) legally or contractually required to be maintained intact.
- b) Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments, as well as, limitations imposed by law through constitutional provision or enabling legislation.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Township, the Board of Trustees is the highest level of decision making.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose nor has it adopted a specific policy granting members of management the authority to assign fund balance.

Unassigned fund balance is the total fund balance in the Corporate Fund in excess of nonspendable, restricted, committed, and assigned fund balance.

If an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Township will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The Township does not have a minimum fund balance policy.

k. 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 and liabilities 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.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Total Columns on Combined Statements

Total columns on the Combined Statements are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

m. Budgets and Budgetary Accounting

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

- The Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget (modified cash basis) includes proposed expenditures and the means of financing them.
- The budget is then approved by the Board and holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget.
- The final budget is passed by an appropriation ordinance. The tax levy ordinance is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.
- The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. No formal supplemental appropriation was made during the fiscal year. The Supervisor can approve expenditures that exceed any line item within the fund as long as the expenditures do not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.
- The legal budgetary authority lapses at the end of the fiscal year.

The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for the Corporate (Town), General Assistance, Road and Bridge, Permanent Road, Road and Bridge IMRF, Road and Bridge Social Security, Special Police and Mosquito Abatement.

No budget was adopted for the Motor Fuel Tax Fund, as those monies are controlled by DuPage County.

NOTE 2 - PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The taxes attach as an enforceable lien on property on January 1. The owner of real property on January 1 in any year is liable for taxes for the year. The Township has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the Township. Also, the Township is subject to the Property Tax Extension Limitation Act, which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the DuPage County Collector who remits to the Township its share of taxes collected. Taxes levied in one year become payable during the following year in two equal installments, on June 1 and on September 1. Taxes on railroad real property used for transportation purposes are payable in one installment on August 1. The Township generally receives the real estate taxes within 30 to 60 days of the due dates.

The Corporate, General Assistance and Road & Bridge Funds levy for the year 2016 are based upon an assessed valuation of \$4,643,999,983. The levy for Special Police is based on an assessed valuation of \$788,794,481. The Mosquito Fund is based on an assessed valuation of \$307,536,880.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 2 - PROPERTY TAXES (Continued)

The following are the tax rate limits permitted by Illinois statute and by local referendum and actual rates levied per \$100 of assessed valuation and the extensions produced there from:

Fund and/or purpose		Limit	Rate	Extension
Corporate	Township	None	0.0404	\$ 1,876,176
General Assistance	Township	0.1000	0.0053	246,132
* Road & Bridge	Road	0.9400	0.0506	1,409,918
Permanent Road	Road	0.2500	0.0196	910,224
Road IMRF Fund	Road	None	0.0014	65,016
Road Social Security Fund	Road	None	0.0011	51,084
Tort Liability Fund	Road	None	0.0021	97,524
Police District Fund	SP	None	0.0411	324,195
Special Police	MAD	0.1000	<u>0.0228</u>	<u>70,118</u>
			<u>0.1844</u>	<u>\$ 5,050,387</u>

(* Road & Bridge Fund shares property taxes with Villages located within the Township)

NOTE 3 - PERSONAL PROPERTY REPLACEMENT TAX

The Personal Property Replacement Tax represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

Revenues are collected by the State of Illinois under the replacement tax and are allocated and paid by the State eight times a year. The replacement tax law provides that monies received should be first applied toward payment of the proportionate share of the pension or retirement obligation which were previously levied on personal property. Remaining allocations are made at the discretion of the Board of Trustees.

NOTE 4 – CASH AND INVESTMENTS

At March 31, 2016, the Township had cash and investments on the financial statements consisting of the following:

	Governmental Funds	Fiduciary Fund	Total
Cash and Investments	<u>\$ 3,310,253</u>	<u>\$ 853,677</u>	<u>\$ 4,163,930</u>

Investments, if any, are recorded at cost. It is the policy of the Township to invest public funds in a manner that will provide the highest investment return with the maximum security while maintaining the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds.

Illinois statute authorizes the Township to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by federal depository insurance. The Township may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the 3 highest classifications by at least 2 standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 4 – CASH AND INVESTMENTS (Continued)

Investment Policy - Governmental Funds

The Township holds money market type investments and deposits with financial institutions, including certificate of deposits. As of March 31, 2017, the carrying amount of the Township's deposits for governmental funds totaled \$3,309,853 and the bank balances totaled \$3,541,140. The weighted-average maturity of these investments held by the Township is less than one (1) year.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Safety of principal is the foremost objective of the investment program. Investments of the Township shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires pledging of collateral for all bank balances in excess of the federal depository insurance, at an amount of not less than 110% of the fair market value of the funds secured. At year-end the entire amount of the governmental funds bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. At year-end the governmental funds did not hold any investments of this type.

Concentrations: This is a risk of loss attributed to the magnitude of the Township's investment in a single issuer. Although the Township's investment policy does not formally address this risk, it is the Township's practice to diversify its investments with various financial institutions.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES and TRANSFERS

Interfund receivables, payables are as follows:

Fund	Due to	Due From
Road & Bridge Fund	\$ 470,743	\$ -
Permanent Road Fund	-	299,845
Road IMRF Fund	-	61,687
Road Social Security Fund	-	48,981
Road Tort Liability Fund	-	60,230
	<u>\$ 470,743</u>	<u>\$ 470,743</u>

For the year ended March 31, 2017 transfers consisted of the following and will not be repaid:

Fund	From	To
Town Fund	\$ 500,000	\$ -
Road & Bridge Fund	-	500,000
	<u>\$ 500,000</u>	<u>\$ 500,000</u>

NOTE 6 – PERFORMANCE BONDS PAYABLE

The Township collects performance bonds from contractors who perform projects within the Township. The Township holds these funds in a separate account. Township will remit the bond to the contractor.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017 was as follows:

	<u>March 31, 2016</u>	<u>Additions</u>	<u>Retirement</u>	<u>March 31, 2017</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Capital assets subject to depreciation				
Building & Improvements	1,303,277	7,280	-	1,310,557
Road Equipment	2,330,808	113,345	42,593	2,401,560
Infrastructure	41,732,886	820,865	-	42,553,751
Office	172,982	26,630	-	199,612
Total capital assets subject to depreciation	<u>45,539,953</u>	<u>968,120</u>	<u>42,593</u>	<u>46,465,480</u>
Less: Accumulated depreciation for:				
Building & Improvements	641,382	48,539	-	689,921
Road Equipment	1,618,584	138,291	42,593	1,714,282
Infrastructure	15,824,528	420,158	-	16,244,686
Office	88,078	19,577	-	107,655
Total accumulated depreciation	<u>18,172,572</u>	<u>626,565</u>	<u>42,593</u>	<u>18,756,544</u>
Net capital assets subject to depreciation	<u>27,367,381</u>	<u>341,555</u>	<u>-</u>	<u>27,708,936</u>
Net capital assets - Governmental activities	<u>\$ 27,427,381</u>	<u>\$ 341,555</u>	<u>\$ -</u>	<u>\$ 27,768,936</u>

Total depreciation expense for governmental activities for the year ended March 31, 2017 was \$626,565 (\$61,635 Corporate Fund; \$564,930 Road Funds).

NOTE 8 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all governmental employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death or unforeseeable emergency.

The plan was converted to a trust in the name of the Township's fiduciary agent to comply with amendments to Section 457. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the Township is not required to report the assets and liabilities of the plan on its balance sheet unless it is acting as a fiduciary agent. The Township does not act as a fiduciary agent.

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 9 – DEFINED-BENEFIT PENSION PLAN

IMRF Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF (Regular Plan)
Retirees and Beneficiaries currently receiving benefits	42
Inactive Plan Members entitled to but not yet receiving benefits	20
Active Plan Members	25
Total	87

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 9 – DEFINED-BENEFIT PENSION PLAN (Continued)

Contributions

As set by statute, the Townships Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Townships' annual contribution rate for calendar year 2016 was 10.06%. For the calendar year 2016, the Township contributed \$155,254 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) 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). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 9 – DEFINED-BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Returns
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65%-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50% for the regular plan and 7.50% for the ECC plan, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

IMRF Regular Plan	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Total Pension Liability	\$ 12,144,506	\$ 10,792,564	\$ 9,676,278
Plan Fiduciary Net Position	<u>10,306,384</u>	<u>10,306,384</u>	<u>10,306,384</u>
Net Pension Liability (Asset)	<u>\$ 1,838,122</u>	<u>\$ 486,180</u>	<u>\$ (630,106)</u>

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 9 – DEFINED-BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

<u>IMRF Regular Plan</u>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A) - (B)
Balances at December 31, 2015	\$ 10,443,829	\$ 9,950,556	\$ 493,273
Changes for the year:			
Service Cost	150,574	-	150,574
Interest on the Total Pension Liability	769,225	-	769,225
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(60,342)	-	(60,342)
Changes of Assumptions	(12,546)	-	(12,546)
Contributions - Employer	-	155,254	(155,254)
Contributions - Employees	-	71,255	(71,255)
Net Investment Income	-	691,866	(691,866)
Benefit Payments, including Refunds of Employee Contributions	(498,176)	(498,176)	-
Administrative Expenses	-	-	-
Other (Net Transfer)	-	(64,371)	64,371
Net Changes	<u>348,735</u>	<u>355,828</u>	<u>(7,093)</u>
Balances at December 31, 2016	<u>\$ 10,792,564</u>	<u>\$ 10,306,384</u>	<u>\$ 486,180</u>

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

For the year ended December 31, 2016, the Township recognized pension expense of \$142,059. At December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 9 – DEFINED-BENEFIT PENSION PLAN (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
	<u> </u>	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 125,413	\$ (125,413)
Changes of assumptions	2,584	7,663	(5,079)
Net difference between projected and actual earnings on pension plan investments	<u>459,842</u>	<u>-</u>	<u>459,842</u>
Total Deferred Amounts to be recognized in pension expense in future periods	462,426	133,076	329,350
Pension Contributions made subsequent to the Measurement Date	<u>49,681</u>	<u>-</u>	<u>49,681</u>
Total Deferred Amounts Related to Pensions	<u>\$ 512,107</u>	<u>\$ 133,076</u>	<u>\$ 379,031</u>

Year Ending December 31,	Net Deferred Outflows of Resources
	<u> </u>
2017	\$ 36,154
2018	134,338
2019	150,494
2020	8,364
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 329,350</u>

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 10 – DEBT COMMITMENTS

At March 31, 2017 the Township had no outstanding debt.

NOTE 11 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical and other. Premiums have been recorded as expenditures in appropriate funds. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage during the year ended March 31, 2017.

NOTE 12 - DEFICIT FUND BALANCE

For the year ended March 31, 2017, none of the Township's funds had a deficit fund balance.

NOTE 13 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

For the year ended March 31, 2017, none of the Township's funds had an excess of actual expenditures over legally enacted budgeted amounts.

NOTE 14 - LEGAL DEBT MARGIN

Assessed Valuation (2016 tax levy)	<u>\$ 4,643,999,983</u>
Legal Debt Limits - 5.75% of Assessed Valuation	\$ 267,029,999
Outstanding Debt	<u>-</u>
Legal Debt Margin, March 31, 2017	<u>\$ 267,029,999</u>

Milton Township
Wheaton, Illinois
Notes to the Financial Statements
March 31, 2017

NOTE 15 - MOTOR FUEL TAX FUND

The Township receives an allotment of Motor Fuel Tax Fund from the State of Illinois. The allotment is paid directly to the DuPage County Treasurer. The Treasurer holds the funds and makes payments on approved road projects. The following is a summary of the activity of the Township's motor fuel tax allotment for the year ended March 31, 2017:

Balance, March 31, 2016	\$	326,501
Allotments received		109,955
Interest earned		1,942
Less: disbursements		<u>-</u>
Balance, March 31, 2017	\$	<u>438,398</u>

NOTE 16 - CONTINGENCIES

Per administration, several employees were terminated in January 2014 and filed complaints with the Equal Opportunity Commission ("EEOC") in June 2014. These complaints were dismissed in March 2015 by the EEOC. On June 17, 2015 these employees filed claims in Federal Court against Milton Township and its Assessor. It is the opinion of legal counsel that the Township and its Assessor are not liable in this matter. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

The other matters of material or pending litigation, claims, or assessments involving the Township were tax rate objections cases, wherein the petitioners object to the various tax levies of the Township for specific years. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

NOTE 17 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated events and transactions occurring after the balance sheet date through August 26, 2017, which is the date the financial statements were available to be used. Management has determined that none of the events occurring after the date of the balance sheet through the date of management's review substantially affect the amount and disclosure of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Milton Township
Wheaton, Illinois
Required Supplementary Information
For the Year Ended March 31, 2017

SCHEDULE OF EMPLOYER CONTRIBUTION
ILLINOIS MUNICIPAL RETIREMENT FUND

Calendar Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 148,843	\$ 155,254	\$ (6,411)	\$ 1,479,550	10.49%
2015	158,840	158,841	(1)	1,408,157	11.28%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actual cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset valuation method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information

For the Year Ended March 31, 2017

SCHEDULE OF CHANGE IN THE EMPLOYER'S NET PENSION LIABILITY and RELATED RATIOS ILLINOIS MUNICIPAL RETIREMENT FUND

	<u>12/31/2016</u>	<u>12/31/2015</u>
Total Pension Liability		
Service Costs	\$ 150,574	\$ 150,211
Interest	769,225	769,274
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(60,342)	(416,715)
Change of Assumptions	(12,546)	12,162
Benefit Payments, Including Refunds of Member Contributions	<u>(498,176)</u>	<u>(505,961)</u>
Net Change in Total Pension Liabilities	348,735	8,971
Total Pension Liability - Beginning	<u>10,443,829</u>	<u>10,434,858</u>
Total Pension Liability - Ending	<u>\$ 10,792,564</u>	<u>\$ 10,443,829</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 155,254	\$ 158,841
Contributions - Members	71,255	63,367
Contributions - Other	-	-
Net Investment Income	691,866	51,400
Benefit Payments, Including Refunds of Member Contributions	(498,176)	(505,961)
Administrative Expenses	-	-
Other (Net Transfers)	<u>(64,371)</u>	<u>(238,911)</u>
Net Change in Plan Net Position	355,828	(471,264)
Plan Net Position - Beginning	<u>9,950,556</u>	<u>10,421,820</u>
Plan Net Position - Ending	<u>\$ 10,306,384</u>	<u>\$ 9,950,556</u>
Employer's Net Pension Liability	<u>\$ 486,180</u>	<u>\$ 493,273</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>95.50%</u>	<u>95.28%</u>
Covered Payroll	<u>\$ 1,479,550</u>	<u>\$ 1,408,157</u>
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	<u>32.86%</u>	<u>35.03%</u>

(See independent auditor's report.)

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**COMBINING & INDIVIDUAL FUND
FINANCIAL STATEMENTS & SCHEDULES**

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MAJOR FUNDS

Corporate Fund (Town Fund) - to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Road & Bridge Fund - This fund accounts for taxes levied and expenditures incurred in maintaining highway and related structures.

Permanent Road Fund - This fund was established to account for taxes levied and expenditures for construction and maintenance of Township roads.

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Budgets and Budgetary Accounting

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

- The Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget (modified cash basis) includes proposed expenditures and the means of financing them.
- The budget is then approved by the Board and holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget.
- The final budget is passed by an appropriation ordinance. The tax levy ordinance is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.
- The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. No formal supplemental appropriation was made during the fiscal year. The Supervisor can approve expenditures that exceed any line item within the fund as long as the expenditures do not exceed appropriations. Thus, the legal level of budgetary control is determined by the fund.
- The legal budgetary authority lapses at the end of the fiscal year.

The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for the Corporate (Town), General Assistance, Road and Bridge, Permanent Road, Road and Bridge IMRF, Road and Bridge Social Security, Special Police and Mosquito Abatement.

No budget was adopted for the Motor Fuel Tax Fund, as those monies are controlled by DuPage County.

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Milton Township
Wheaton, Illinois
Required Supplementary Information - Corporate Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget
For the Year Ended March 31, 2017
With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property	\$ 2,052,241	\$ 2,052,241	\$ 2,048,671	\$ (3,570)	\$ 1,755,359
Replacement	90,000	90,000	108,206	18,206	103,009
Investment Income	300	300	1,431	1,131	1,258
Grants	30,000	30,000	27,998	(2,002)	34,345
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>5,942</u>	<u>1,942</u>	<u>-</u>
Total Revenues	<u>2,176,541</u>	<u>2,176,541</u>	<u>2,192,248</u>	<u>15,707</u>	<u>1,893,971</u>
Expenditures					
Current					
Administration	904,268	897,768	771,266	(126,502)	820,247
Assessor's Office	829,080	829,080	736,631	(92,449)	836,030
Cemetery/Weeks Park	30,000	35,500	26,904	(8,596)	23,999
Citizen's Corp Program	81,633	81,633	46,597	(35,036)	57,591
Social Services	<u>45,000</u>	<u>46,000</u>	<u>39,690</u>	<u>(6,310)</u>	<u>33,902</u>
Total Current Expenditures	<u>1,889,981</u>	<u>1,889,981</u>	<u>1,621,088</u>	<u>(268,893)</u>	<u>1,771,769</u>
Total Expenditures	<u>1,889,981</u>	<u>1,889,981</u>	<u>1,621,088</u>	<u>(268,893)</u>	<u>1,771,769</u>
Excess (Deficiency) of Revenue over Expenditures	<u>286,560</u>	<u>286,560</u>	<u>571,160</u>	<u>284,600</u>	<u>122,202</u>
Other Financing Sources (Uses)					
Transfers - Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (213,440)</u>	<u>\$ (213,440)</u>	71,160	<u>\$ 284,600</u>	122,202
Fund Balance at Beginning of Year			<u>945,980</u>		<u>823,778</u>
Fund Balance at End of Year			<u>\$ 1,017,140</u>		<u>\$ 945,980</u>

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Required Supplementary Information - Corporate Fund
Schedule of Expenses - Actual to Budget
For the Year Ended March 31, 2017
With Comparative Total for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
General Government					
Administration					
Salaries	\$ 483,959	\$ 483,959	\$ 456,564	\$ (27,395)	\$ 479,014
Health Insurance	139,500	129,800	109,273	(20,527)	129,012
Unemployment Insurance	9,000	9,500	9,216	(284)	10,063
Social Security/Medicare	37,023	37,023	34,606	(2,417)	37,598
I.M.R.F Expense	48,686	48,686	42,299	(6,387)	51,952
Building Maintenance Services	22,000	22,000	16,539	(5,461)	20,484
Equipment Maintenance Services	2,500	2,500	-	(2,500)	-
Accounting & Auditing	4,500	5,500	5,400	(100)	4,400
Legal	10,000	10,000	3,183	(6,817)	4,727
Postage	1,500	1,500	516	(984)	756
Telephone	4,000	4,000	2,623	(1,377)	3,112
Information Technology	10,000	10,000	7,025	(2,975)	8,456
Publishing & Printing	1,500	1,500	198	(1,302)	198
Dues & Subscriptions	3,000	3,500	3,439	(61)	2,896
Travel, Training & Meetings	4,000	4,000	3,141	(859)	2,192
Utilities	12,000	12,000	10,257	(1,743)	10,713
General Insurance	35,500	35,500	31,484	(4,016)	29,535
Payroll Services	4,000	4,000	3,492	(508)	3,599
Public Relations & Newsletter	10,000	10,000	-	(10,000)	-
Office & Operating Supplies	4,000	4,200	4,407	207	3,213
Copies Supplies	1,000	1,000	229	(771)	311
Contingencies	20,000	20,000	19,000	(1,000)	2,200
Petty Cash	100	100	-	(100)	-
Equipment Purchases	4,000	4,000	64	(3,936)	3,264
Building & Site Improvements	25,000	25,000	-	(25,000)	5,270
Dial-A-Ride Expenses	7,500	8,500	8,311	(189)	7,282
Total Administration	904,268	897,768	771,266	(126,502)	820,247

(Continued)

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Required Supplementary Information - Corporate Fund
Schedule of Expenses - Actual to Budget
For the Year Ended March 31, 2017
With Comparative Total for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Assessor's Office					
Salaries	422,580	422,580	394,239	(28,341)	418,036
Health Insurance	73,800	72,100	57,984	(14,116)	68,380
Unemployment Insurance	8,000	8,000	7,212	(788)	7,341
Workers Compensation Insurance	9,600	9,600	8,776	(824)	8,194
Social Security/Medicare	31,000	32,300	32,260	(40)	30,031
I.M.R.F. Expense	42,250	42,250	41,270	(980)	44,205
Maintenance Service	1,500	1,600	1,537	(63)	1,192
Other Contracted Services	122,000	122,000	107,705	(14,295)	143,570
Postage	1,000	1,000	105	(895)	238
Internet & Telephone	7,350	7,350	6,046	(1,304)	5,653
Dues & Subscriptions	4,000	4,000	3,560	(440)	3,592
Mileage Reimbursement	5,000	5,000	1,386	(3,614)	2,281
Meeting Expenses	12,000	12,000	9,625	(2,375)	6,470
Contracted Software	46,000	46,000	31,744	(14,256)	50,285
Office Supplies	6,000	6,000	4,291	(1,709)	3,496
Equipment	15,000	15,000	13,793	(1,207)	15,926
Computer Equipment	20,000	20,300	14,398	(5,902)	22,417
Miscellaneous Expenses	2,000	2,000	700	(1,300)	4,723
Total Assessor's Office	829,080	829,080	736,631	(92,449)	836,030

(Continued)

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Required Supplementary Information - Corporate Fund
Schedule of Expenses - Actual to Budget
For the Year Ended March 31, 2017
With Comparative Total for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Cemetery/Weeks Park					
Stipends for Board	3,000	3,000	-	(3,000)	87
Maintenance of Grounds	18,000	23,500	22,494	(1,006)	23,943
Public Events	6,000	6,000	5,302	(698)	-
Office Supplies	200	200	-	(200)	-
Fences	500	500	-	(500)	-
Markers, Gravestones, Etc.	800	800	-	(800)	-
Weed Ordinance Enforcement	1,500	1,500	(892)	(2,392)	(906)
Environmental Restoration	-	-	-	-	875
Total Cemetery/Weeks Park	30,000	35,500	26,904	(8,596)	23,999
Citizen's Corps Program					
Salaries Staff	25,500	25,500	21,021	(4,479)	21,829
Social Security	1,951	1,951	1,608	(343)	1,670
I.M.R.F. Expense	2,876	2,876	2,045	(831)	2,413
Unemployment Insurance	306	306	-	(306)	-
Telephone & Related	1,500	1,500	194	(1,306)	190
General Supplies & Promotions	4,500	4,500	2,522	(1,978)	48
Fuel, Oil & Miscellaneous	2,500	2,500	772	(1,728)	669
Office Supplies & Postage	1,500	1,500	501	(999)	993
CERT Supplies	20,000	20,000	12,446	(7,554)	15,119
CERT Advanced Training	20,000	20,000	5,488	(14,512)	14,394
Computer & Peripherals	1,000	1,000	-	(1,000)	266
Total Citizen's Corps Program	81,633	81,633	46,597	(35,036)	57,591
Social Services					
Scholarship & Grants	10,000	10,000	4,525	(5,475)	2,815
Salaries	9,690	9,690	9,057	(633)	7,500
Operating Expenses	25,310	26,310	26,108	(202)	23,587
Total Social Services	45,000	46,000	39,690	(6,310)	33,902
Total Expenditures	\$ 1,889,981	\$ 1,889,981	\$ 1,621,088	\$ (268,893)	\$ 1,771,769

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Road & Bridge Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Total for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
- Property Taxes	\$ 1,461,248	\$ 1,461,248	\$ 1,448,149	\$ (13,099)	\$ 1,534,978
- Replacement Taxes	69,675	69,675	91,338	21,663	86,950
Investment Income	2,300	2,300	3,861	1,561	2,795
Miscellaneous	45,000	45,000	47,905	2,905	142,494
Total Revenues	1,578,223	1,578,223	1,591,253	13,030	1,767,217
Expenditures					
Highway & Street					
Administrative					
Salaries	60,000	60,000	58,780	(1,220)	58,421
Health Insurance	189,720	163,720	161,959	(1,761)	183,256
Unemployment Insurance	9,000	10,200	10,085	(115)	10,151
Worker's Compensation Insurance	-	-	-	-	13,873
Information Technology	3,000	3,000	654	(2,346)	2,051
Accounting & Auditing	2,600	3,600	3,600	-	2,600
Legal & Other Professional Services	14,000	6,000	10,063	4,063	11,773
Postage	2,700	2,700	1,717	(983)	2,101
Telephone	10,000	14,200	14,231	31	10,015
Publishing	1,000	1,000	-	(1,000)	264
Printing	10,000	10,500	10,133	(367)	9,568
Travel Expenses	1,000	1,000	671	(329)	346
Training	1,200	1,200	565	(635)	590
Dues & Subscriptions	500	500	446	(54)	478
Drug & Alcohol Testing	900	900	211	(689)	652
Office Supplies	2,000	2,500	2,467	(33)	1,601
Miscellaneous Office Expenses	300	1,000	1,100	100	-
Equipment	2,000	2,000	1,315	(685)	1,075
Total Administrative	309,920	284,020	277,997	(6,023)	308,815

(Continued)

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Required Supplementary Information - Road & Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget
For the Year Ended March 31, 2017
With Comparative Total for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Expenditures (continued)					
Highway & Street					
Maintenance Division					
Salaries	500,000	480,000	485,938	5,938	494,853
Building Maintenance	11,000	6,000	5,505	(495)	41,891
Equipment Maintenance	17,000	17,000	15,518	(1,482)	14,304
Road Maintenance	90,000	125,500	125,415	(85)	85,006
Engineering	80,000	130,000	129,593	(407)	68,742
Utilities	10,000	10,000	8,523	(1,477)	8,237
Rentals	5,000	5,000	-	(5,000)	-
Striping of Roads	6,000	8,000	7,807	(193)	5,730
Tree Removal	25,000	25,000	24,052	(948)	135,986
Building Maintenance Supplies	1,500	2,700	2,684	(16)	1,970
Equipment Maintenance Supplies	40,000	40,000	38,162	(1,838)	36,069
Road Maintenance Supplies	100,000	89,000	101,483	12,483	82,482
Operating Supplies	-	-	(765)	(765)	765
JULIE Program	6,000	8,000	7,971	(29)	1,773
Small Tools	3,500	3,500	465	(3,035)	4,463
Contingencies	4,000	4,000	-	(4,000)	-
Automotive Fuel & Oil	40,000	33,000	30,410	(2,590)	33,431
Salt & Calcium Chloride	110,000	100,000	96,288	(3,712)	117,869
Building	10,000	16,100	16,100	-	2,900
Equipment Purchased	175,000	155,000	152,648	(2,352)	180,017
Sidewalk Program	3,000	3,000	5,100	2,100	1,050
Miscellaneous Expenses	435	2,535	-	(2,535)	-
Total Maintenance Division	<u>1,237,435</u>	<u>1,263,335</u>	<u>1,252,897</u>	<u>(10,438)</u>	<u>1,317,538</u>
Total Expenditures	<u>1,547,355</u>	<u>1,547,355</u>	<u>1,530,894</u>	<u>(16,461)</u>	<u>1,626,353</u>
Excess (Deficiency) of Revenue over Expenditures	<u>30,868</u>	<u>30,868</u>	<u>60,359</u>	<u>29,491</u>	<u>140,864</u>
Other Financing Sources (Uses)					
Transfers - In	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 30,868</u>	<u>\$ 30,868</u>	560,359	<u>\$ 529,491</u>	140,864
Fund Balance at Beginning of Year			<u>1,184,321</u>		<u>1,043,457</u>
Fund Balance at End of Year			<u>\$ 1,744,680</u>		<u>\$ 1,184,321</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Permanent Road Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 713,252	\$ 713,252	\$ 712,130	\$ (1,122)	\$ 467,787
Investment Income	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>41</u>
Total Revenues	<u>713,252</u>	<u>713,252</u>	<u>712,146</u>	<u>(1,106)</u>	<u>467,828</u>
Expenditures					
Road Maintenance Projects	<u>710,000</u>	<u>710,000</u>	<u>710,000</u>	<u>-</u>	<u>461,997</u>
Total Expenditures	<u>710,000</u>	<u>710,000</u>	<u>710,000</u>	<u>-</u>	<u>461,997</u>
Net Change in Fund Balance	<u>\$ 3,252</u>	<u>\$ 3,252</u>	2,146	<u>\$ (1,106)</u>	5,831
Fund Balance at Beginning of Year			<u>5,831</u>		<u>-</u>
Fund Balance at End of Year			<u>\$ 7,977</u>		<u>\$ 5,831</u>

(See independent auditor's report.)

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NON-MAJOR FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expended for particular purposes. The following funds are currently established:

General Assistance Fund - This fund accounts for taxes levied and expenditures incurred to provide benefits for needy residents.

Road & Bridge IMRF, Road & Bridge FICA Funds - These funds account for taxes levied and expenditures incurred to provide retirement benefits for Township employees.

Road Tort Liability Fund - This fund was established to account for taxes levied and expenditures incurred to provide insurance coverage to the Road District.

Mosquito Abatement Fund - The fund accounts for taxes levied and expenditures incurred to provide control and abatement of larval and adult mosquito to Township residents who are not within incorporated areas.

Special Police Fund - The fund accounts for taxes levied and expenditures incurred to provide public safety to Township residents who are not within incorporated areas.

Motor Fuel Tax Fund - The fund accounts for the Township's share of motor fuel tax revenue.

Milton Township
Wheaton, Illinois
Combining Balance Sheet
Non-major Funds
March 31, 2017 and 2016

	Special Revenue Funds						Totals		
	General Assistance Fund	Road IMRF Fund	Road Social Security Fund	Road Tort Liability Fund	Mosquito Abatement Fund	Police District Fund	Motor Fuel Tax Fund	2017	2016
Assets									
Cash & Cash Equivalents	\$ 199,037	\$ 116,618	\$ 82,379	\$ 107,998	\$ 48,086	\$ 130,756	\$ -	\$ 684,874	\$ 650,269
Cash Held by Other Governmental Units Receivables	-	-	-	-	-	-	438,398	438,398	326,501
Property Taxes	246,132	65,016	51,084	97,524	70,118	324,195	-	854,069	595,850
Prepaid Expenses	-	-	-	14,096	-	-	-	14,096	14,181
Due from Other Funds	-	-	-	-	-	-	-	-	11,966
Total Assets	\$ 445,169	\$ 181,634	\$ 133,463	\$ 219,618	\$ 118,204	\$ 454,951	\$ 438,398	\$ 991,437	\$ 598,767
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts Payable	\$ 244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244	\$ 3,214
Accrued Payroll & Compensated Absences Due to Other Funds	142	-	-	-	-	-	-	142	1,992
	-	61,687	48,981	60,230	-	-	-	170,898	18,222
Total Liabilities	386	61,687	48,981	60,230	-	-	-	171,284	23,428
Deferred Inflows of Resources									
Deferred Property Tax Revenue	246,132	65,016	51,084	97,524	70,118	324,195	-	854,069	595,850
Total Deferred Inflows of Resources	246,132	65,016	51,084	97,524	70,118	324,195	-	854,069	595,850
Total Liabilities & Deferred Inflows of Resources	246,518	126,703	100,065	157,754	70,118	324,195	-	1,025,353	619,278
Fund Balances									
Non Spendable Restricted	-	-	-	14,096	-	-	-	14,096	14,181
Maintenance of Roads	-	54,931	33,398	47,768	-	-	438,398	574,495	413,046
Public Safety	-	-	-	-	48,086	130,756	-	178,842	195,741
General Assistance	198,651	-	-	-	-	-	-	198,651	356,521
Total Fund Balances	198,651	54,931	33,398	61,864	48,086	130,756	438,398	966,094	979,489
Total Liabilities, Deferred Inflows of Resources & Fund Balance	\$ 445,169	\$ 181,634	\$ 133,463	\$ 219,618	\$ 118,204	\$ 454,951	\$ 438,398	\$ 991,437	\$ 598,767

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Non-major Funds
For the Year Ended March 31, 2017
With Comparative Totals for the Year Ended March 31, 2016

	Special Revenue Funds						Totals	
	General Assistance Fund	Road IMRF Fund	Road Social Security Fund	Road Tort Liability Fund	Mosquito Abatement Fund	Police District Fund	Motor Fuel Tax Fund	
Revenues								
Property & Replacement Taxes	\$ 26,169	\$ 65,537	\$ 52,429	\$ 96,118	\$ 67,221	\$ 304,156	\$ -	\$ 891,484
Intergovernmental Revenue	-	-	-	-	-	-	111,897	110,705
Investment Income	562	120	70	28	9	198	-	724
Miscellaneous	95	-	-	-	-	-	-	-
Total Revenues	<u>26,826</u>	<u>65,657</u>	<u>52,499</u>	<u>96,146</u>	<u>67,230</u>	<u>304,354</u>	<u>111,897</u>	<u>1,002,913</u>
Expenditures								
Public Safety	-	-	-	-	69,043	319,440	-	388,483
Highway & Street	-	51,570	40,948	72,317	-	-	-	160,724
Health & Welfare	184,696	-	-	-	-	-	-	216,394
Total Expenditures	<u>184,696</u>	<u>51,570</u>	<u>40,948</u>	<u>72,317</u>	<u>69,043</u>	<u>319,440</u>	<u>-</u>	<u>759,723</u>
Net Changes in Fund Balances	<u>(157,870)</u>	<u>14,087</u>	<u>11,551</u>	<u>23,829</u>	<u>(1,813)</u>	<u>(15,086)</u>	<u>111,897</u>	<u>243,190</u>
Fund Balance								
Beginning	356,521	40,844	21,847	38,035	49,899	145,842	326,501	736,299
Ending	<u>\$ 198,651</u>	<u>\$ 54,931</u>	<u>\$ 33,398</u>	<u>\$ 61,864</u>	<u>\$ 48,086</u>	<u>\$ 130,756</u>	<u>\$ 438,398</u>	<u>\$ 979,489</u>

(See independent auditor's report.)

Milton Township
Wheaton, Illinois
Required Supplementary Information - General Assistance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget
For the Year Ended March 31, 2017
With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 26,254	\$ 26,254	\$ 26,169	\$ (85)	\$ 277,132
Investment Income	40	40	562	522	349
Miscellaneous	-	-	95	95	-
Total Revenues	<u>26,294</u>	<u>26,294</u>	<u>26,826</u>	<u>532</u>	<u>277,481</u>
Expenditures					
Administrative					
Salaries	78,976	78,976	72,652	(6,324)	77,937
Health Insurance	42,000	42,000	38,307	(3,693)	42,861
Unemployment Insurance	1,800	1,800	1,381	(419)	1,506
Social Security/Medicare	6,042	6,042	5,573	(469)	5,406
I.M.R.F Expense	7,945	7,945	7,247	(698)	8,618
Equipment Maintenance Service	200	300	11,472	11,172	-
Fuel, Maintenance & Insurance	1,000	900	-	(900)	-
Legal	1	1	-	(1)	-
Postage	500	500	59	(441)	188
Telephone	3,700	3,700	2,511	(1,189)	3,623
Travel & Training	800	800	762	(38)	658
Office & Operating Supplies	1,000	1,000	794	(206)	936
Computer Software	1,500	1,500	1,200	(300)	-
Copies	1	1	-	(1)	-
Computer & Ink	880	880	153	(727)	1,585
Fax Machine	100	100	-	(100)	-
Miscellaneous	1	1	45	44	32
Total Administrative	<u>146,446</u>	<u>146,446</u>	<u>142,156</u>	<u>(4,290)</u>	<u>143,350</u>

(Continued)

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - General Assistance Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Services & Grants					
Physician Services	1	1	-	(1)	-
Hospital Services	1	1	-	(1)	-
Drugs	1	1	-	(1)	-
Other Medical	1	1	-	(1)	-
Funeral & Burial	1	1	-	(1)	-
Shelter	52,000	52,000	37,573	(14,427)	47,567
Utilities	20,000	20,000	-	(20,000)	10,904
Food	1,500	1,500	-	(1,500)	-
Travel/Gas	1	1	-	(1)	-
Clothing	1	1	-	(1)	-
Transients	1	1	-	(1)	-
Miscellaneous	1	1	-	(1)	-
Flat Grants	20,000	20,000	4,967	(15,033)	10,323
Medical, Drugs, & Dental	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>4,250</u>
Total Services & Grants	<u>113,509</u>	<u>113,509</u>	<u>42,540</u>	<u>(70,969)</u>	<u>73,044</u>
Total Expenditures	<u>259,955</u>	<u>259,955</u>	<u>184,696</u>	<u>(75,259)</u>	<u>216,394</u>
Net Change in Fund Balance	<u>\$ (233,661)</u>	<u>\$ (233,661)</u>	(157,870)	<u>\$ 75,791</u>	61,087
Fund Balance at Beginning of Year			<u>356,521</u>		<u>295,434</u>
Fund Balance at End of Year			<u>\$ 198,651</u>		<u>\$ 356,521</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Road IMRF Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 65,636	\$ 65,636	\$ 65,537	\$ (99)	\$ 101,143
Investment Income	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>	<u>82</u>
Total Revenues	<u>65,636</u>	<u>65,636</u>	<u>65,657</u>	<u>21</u>	<u>101,225</u>
Expenditures					
Employer IMRF Contributions	<u>65,000</u>	<u>65,000</u>	<u>51,570</u>	<u>(13,430)</u>	<u>60,381</u>
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>51,570</u>	<u>(13,430)</u>	<u>60,381</u>
Net Change in Fund Balance	<u>\$ 636</u>	<u>\$ 636</u>	14,087	<u>\$ 13,451</u>	40,844
Fund Balance at Beginning of Year			<u>40,844</u>		<u>-</u>
Fund Balance at End of Year			<u>\$ 54,931</u>		<u>\$ 40,844</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Road Social Security Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 52,509	\$ 52,509	\$ 52,429	\$ (80)	\$ 63,214
Investment Income	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>38</u>
Total Revenues	<u>52,509</u>	<u>52,509</u>	<u>52,499</u>	<u>(10)</u>	<u>63,252</u>
Expenditures					
Payroll Taxes	<u>48,000</u>	<u>48,000</u>	<u>40,948</u>	<u>(7,052)</u>	<u>41,405</u>
Total Expenditures	<u>48,000</u>	<u>48,000</u>	<u>40,948</u>	<u>(7,052)</u>	<u>41,405</u>
Net Change in Fund Balance	<u>\$ 4,509</u>	<u>\$ 4,509</u>	11,551	<u>\$ 7,042</u>	21,847
Fund Balance at Beginning of Year			<u>21,847</u>		<u>-</u>
Fund Balance at End of Year			<u>\$ 33,398</u>		<u>\$ 21,847</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Road Tort Liability Insurance

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 96,267	\$ 96,267	\$ 96,118	\$ (149)	\$ 96,929
Investment Income	-	-	28	28	44
Total Revenues	<u>96,267</u>	<u>96,267</u>	<u>96,146</u>	<u>(121)</u>	<u>96,973</u>
Expenditures					
Insurance Premiums	<u>95,000</u>	<u>95,000</u>	<u>72,317</u>	<u>(22,683)</u>	<u>58,938</u>
Total Expenditures	<u>95,000</u>	<u>95,000</u>	<u>72,317</u>	<u>(22,683)</u>	<u>58,938</u>
Net Change in Fund Balance	<u>\$ 1,267</u>	<u>\$ 1,267</u>	23,829	<u>\$ 22,562</u>	\$ 38,035
Fund Balance at Beginning of Year			<u>38,035</u>		<u>-</u>
Fund Balance at End of Year			<u>\$ 61,864</u>		<u>\$ 38,035</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Mosquito Abatement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 49,426	\$ 49,426	\$ 67,221	\$ 17,795	\$ 66,421
Investment Income	-	-	9	9	42
Total Revenues	<u>49,426</u>	<u>49,426</u>	<u>67,230</u>	<u>17,804</u>	<u>66,463</u>
Expenditures					
Mosquito Abatement Expenses	<u>75,000</u>	<u>75,000</u>	<u>69,043</u>	<u>(5,957)</u>	<u>59,443</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>69,043</u>	<u>(5,957)</u>	<u>59,443</u>
Net Change in Fund Balance	<u>\$ (25,574)</u>	<u>\$ (25,574)</u>	(1,813)	<u>\$ 23,761</u>	7,020
Fund Balance at Beginning of Year			<u>49,899</u>		<u>42,879</u>
Fund Balance at End of Year			<u>\$ 48,086</u>		<u>\$ 49,899</u>

(See independent auditor's report.)

Milton Township

Wheaton, Illinois

Required Supplementary Information - Special Police Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance -

Actual to Budget

For the Year Ended March 31, 2017

With Comparative Totals for the Year Ended March 31, 2016

	2017			Variance Over (Under)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$ 305,471	\$ 305,471	\$ 304,156	\$ (1,315)	\$ 286,645
Investment Income	<u>30</u>	<u>30</u>	<u>198</u>	<u>168</u>	<u>169</u>
Total Revenues	<u>305,501</u>	<u>305,501</u>	<u>304,354</u>	<u>(1,147)</u>	<u>286,814</u>
Expenditures					
Special Police Contract	318,683	318,683	318,684	1	322,620
Miscellaneous Expenses	500	500	35	(465)	-
Telephone	1,000	1,000	721	(279)	542
Contingencies	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
Total Expenditures	<u>321,183</u>	<u>321,183</u>	<u>319,440</u>	<u>(1,743)</u>	<u>323,162</u>
Net Change in Fund Balance	<u>\$ (15,682)</u>	<u>\$ (15,682)</u>	(15,086)	<u>\$ 596</u>	(36,348)
Fund Balance at Beginning of Year			<u>145,842</u>		<u>182,190</u>
Fund Balance at End of Year			<u>\$ 130,756</u>		<u>\$ 145,842</u>

(See independent auditor's report.)

STATISTICAL SECTION

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Milton Township

Wheaton, Illinois

Statistical Comparison of Property Taxes Levied

Tax Levy Years 2016-2011

March 31, 2017

	2016	2015	2014	2013	2012	2011
Assessed Valuations Township	\$ 4,643,999,983	\$ 4,375,781,424	\$ 4,219,533,140	\$ 4,266,386,181	\$ 4,446,142,089	\$ 4,747,517,999
Police District	\$ 788,794,481	\$ 752,393,277	\$ 758,301,725	\$ 758,782,655	\$ 790,518,583	\$ 846,615,636
Mosquito Abatement District	\$ 307,536,880	\$ 296,009,833	\$ 303,774,837	\$ 304,753,478	\$ 317,635,031	\$ 340,865,005
Tax Rates						
Town Fund	0.4040	0.0469	0.0418	0.0403	0.0377	0.0349
General Assistance Fund	0.0053	0.0006	0.0066	0.0065	0.0062	0.0057
Road & Bridge Fund	0.0506	0.0566	0.0620	0.0767	0.0720	0.0651
Permanent Road Fund	0.0196	0.0163	0.0111	-	-	-
Road IMRF Fund	0.0014	0.0015	0.0024	-	-	-
Road Social Security Fund	0.0011	0.0012	0.0015	-	-	-
Road Tort Liability	0.0021	0.0022	0.0023	-	-	-
Police District Fund	0.0411	0.0406	0.0379	0.0357	0.0323	0.0284
Mosquito Abatement Fund	0.0228	0.0229	0.0219	0.0212	0.0198	0.0182
Total Tax Rates	0.5480	0.1888	0.1875	0.1804	0.1680	0.1523
Tax Extension						
Town Fund	\$ 1,876,176	\$ 2,052,241	\$ 1,763,765	\$ 1,719,354	\$ 1,676,196	\$ 1,656,884
General Assistance Fund	246,132	26,255	278,489	277,315	275,661	270,609
Road & Bridge Fund *	1,409,918	1,238,346	1,569,666	1,636,159	1,600,611	1,545,317
Permanent Road Fund	910,224	713,252	468,368	-	-	-
Road IMRF Fund	65,016	65,637	101,269	-	-	-
Road Social Security Fund	51,084	52,509	63,293	-	-	-
Road Tort Liability	97,524	96,267	97,049	-	-	-
Police District Fund	324,195	305,472	287,396	270,685	255,338	240,439
Mosquito Abatement Fund	70,118	67,786	66,527	64,608	62,892	62,087
Total Tax Extension	\$ 5,050,387	\$ 4,617,765	\$ 4,695,822	\$ 3,968,121	\$ 3,870,698	\$ 3,775,336

* Road & Bridge tax levy is shared with the Village

(See independent auditor's report.)

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