

**PRAIRIE DU LONG TOWNSHIP**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED FEBRUARY 28, 2019**



PRAIRIE DU LONG TOWNSHIP

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# MOORE & SIMONIN, P.C.

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## Independent Auditor's Report

Mr. John Kaiser, Supervisor  
Prairie Du Long Township  
New Athens, Illinois

We have audited the accompanying financial statements of **Prairie Du Long Township**, as of and for the year ended February 28, 2019, 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 the modified cash basis of accounting described in Note 1, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion 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 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of **Prairie Du Long Township**, as of February 28, 2019, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting described in Note. 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Prairie Du Long Township's** basic financial statements. The supplementary information and other information on pages 16-18 and 19-25, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Prairie Du Long Township** has not prepared a Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

**MOORE & SIMONIN, P.C.**  
Belleville, IL  
July 31, 2019



PRAIRIE DU LONG TOWNSHIP  
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
 February 28, 2019

	Primary Government -----
ASSETS	
Cash	\$615,800
Capital assets, net of accumulated depreciation	144,095 -----
 TOTAL ASSETS	 \$759,895 =====
 NET POSITION	
Invested in capital assets, net of related debt	\$144,095
Restricted	282,682
Unrestricted	333,118 -----
 TOTAL NET POSITION	 \$759,895 =====

See accompanying notes to the basic financial statements.



PRAIRIE DU LONG TOWNSHIP  
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 For the Year Ended February 28, 2019

	Expenses	Charges for Services	Net (Expense) Revenue and Change in Net Assets Total
	-----	-----	-----
<b>FUNCTIONS/PROGRAMS</b>			
<b>Governmental Activities:</b>			
General government	\$ 53,535	\$ 945	(\$ 52,590)
Streets	217,528	0	( 217,528)
General assistance	0	0	0
Retirement	9,766	0	( 9,766)
Insurance	5,463	0	( 5,463)
Bridges	0	0	0
	-----	-----	-----
Total Government	\$286,292	\$ 945	(\$285,347)
	=====	=====	-----
 <b>General Revenues:</b>			
Taxes			\$285,186
Intergovernmental			45,149
Investment income			2,199
Other			4,449
			-----
Total General Revenues			\$336,983
			-----
<b>CHANGE IN NET POSITION</b>			\$ 51,636
Net Position - Beginning			708,259
			-----
<b>NET POSITION - ENDING</b>			\$759,895
			=====

See accompanying notes to the basic financial statements.



PRAIRIE DU LONG TOWNSHIP  
 BALANCE SHEET - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 February 28, 2019

	General	Permanent Road	Road & Bridge	Motor Fuel Tax	General Assistance	Other Governmental	Total Governmental
<b>ASSETS</b>							
Cash	\$ 111,323	\$ 61,309	\$ 161,555	\$ 97,607	\$ 65,523	\$ 118,483	\$ 615,800
Interfund loans	0	0	0	0	0	1,069	1,069
<b>TOTAL ASSETS</b>	<u>\$ 111,323</u>	<u>\$ 61,309</u>	<u>\$ 161,555</u>	<u>\$ 97,607</u>	<u>\$ 65,523</u>	<u>\$ 119,552</u>	<u>\$ 616,869</u>
<b>LIABILITIES</b>							
Interfund loans	\$ 534	\$ 535	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,069
Taxes withheld	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<u>\$ 534</u>	<u>\$ 535</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,069</u>
<b>FUND BALANCES</b>							
Unassigned	\$ 110,789	\$ 60,774	\$ 161,555	\$ 0	\$ 0	\$ 0	\$ 333,118
Restricted	0	0	0	97,607	65,523	119,552	282,682
<b>Total Fund Balances</b>	<u>\$ 110,789</u>	<u>\$ 60,774</u>	<u>\$ 161,555</u>	<u>\$ 97,607</u>	<u>\$ 65,523</u>	<u>\$ 119,552</u>	<u>\$ 615,800</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 111,323</u>	<u>\$ 61,309</u>	<u>\$ 161,555</u>	<u>\$ 97,607</u>	<u>\$ 65,523</u>	<u>\$ 119,552</u>	<u>\$ 615,800</u>
Reconciliation to Statement of Net Assets:							
Amounts reported for governmental activities in the Statement of Net Assets are different because:							
Capital assets used in governmental activities of \$487,592, net of accumulated depreciation of							144,095
\$343,497 and related debt of \$0, are not financial resources and, therefore, are not reported in the funds.							-----
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>							<u>\$ 759,895</u>

See accompanying notes to the basic financial statements.



PRAIRIE DU LONG TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS

For the Year Ended February 28, 2019

	General Fund	Permanent Road Fund	Road & Bridge Fund	Motor Fuel Tax Fund	General Assistance Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 52,828	\$ 110,555	\$ 70,829	\$ 0	\$ 7,547	\$ 43,427	\$ 285,186
Intergovernmental	2,878	0	4,354	37,917	0	0	45,149
Investment income	147	102	259	1,391	93	207	2,199
Other	5,029	0	0	0	0	600	5,629
<b>Total Revenues</b>	<b>\$ 60,882</b>	<b>\$ 110,657</b>	<b>\$ 75,442</b>	<b>\$ 39,308</b>	<b>\$ 7,640</b>	<b>\$ 44,234</b>	<b>\$ 338,163</b>
<b>EXPENDITURES</b>							
Current:							
Administration	\$ 44,316	0	\$ 3,042	0	\$ 1,345	\$ 3,550	\$ 52,253
Road maintenance	0	110,145	74,021	23,345	0	0	207,511
Bridge maintenance	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	37,000	37,000
Retirement	0	0	0	0	0	9,766	9,766
Insurance	0	0	0	0	0	5,463	5,463
Home relief	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 44,316</b>	<b>\$ 110,145</b>	<b>\$ 77,063</b>	<b>\$ 23,345</b>	<b>\$ 1,345</b>	<b>\$ 55,779</b>	<b>\$ 311,993</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 16,566</b>	<b>\$ 512</b>	<b>(\$ 1,621)</b>	<b>\$ 15,963</b>	<b>\$ 6,295</b>	<b>(\$ 11,545)</b>	<b>\$ 26,170</b>
Fund Balances - Beginning	94,222	60,262	163,176	81,644	59,228	131,097	589,629
<b>FUND BALANCES - ENDING</b>	<b>\$ 110,788</b>	<b>\$ 60,774</b>	<b>\$ 161,555</b>	<b>\$ 97,607</b>	<b>\$ 65,523</b>	<b>\$ 119,552</b>	<b>\$ 615,799</b>

Reconciliation to the Statement of Activities:

Net Change in fund balances - Total governmental funds:

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation

expense to allocate those expenditures over the life of the assets:

Capital asset purchase capitalized

Depreciation expense

\$ 26,170

37,000  
( 11,534)

\$ 51,636

**CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**

See accompanying notes to the basic financial statements.



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS  
February 28, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable in the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. FINANCIAL REPORTING ENTITY**

The Township's financial reporting entity is composed of the following:

Primary Government: Prairie Du Long Township

In determining the financial reporting entity, the Township complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

**B. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity 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 that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Township has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.



PRAIRIE DU LONG TOWNSHIP  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 February 28, 2019

The funds of the financial reporting entity are described below:

**Governmental Funds**

**General Fund**

The General Fund is the primary operating fund of the Township and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specific purposes or designated to finance particular functions or activities of the Township. The reporting entity includes the following special revenue funds, some of which are reported as major funds:

<i>Fund</i>	<i>Brief Description</i>
-----	-----
General Assistance Fund	Accounts for revenues/expenses for public assistance.
Road & Bridge Fund	Accounts for revenues/expenses related to road maintenance.
Bridge Construction Fund	Accounts for revenues/expenses related to bridge construction.
IMRF Fund	Accounts for revenues/expenses related to retirement payments.
Building & Equipment Fund	Accounts for revenues/expenses related to acquisition/maintenance of equipment.
Insurance Fund	Accounts for revenues/expenses related to risk management.
Audit Fund	Accounts for revenues/expenses related to audit.
Permanent Road Fund	Accounts for revenues/expenses related to road maintenance.
Social Security Fund	Accounts for revenues/expenses related to social security.
Motor Fuel Tax Fund	Accounts for revenues/expenses related to road maintenance. These funds are administered by St. Clair County.



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS  
February 28, 2019

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

**D. ASSETS, LIABILITIES, AND EQUITY**

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS  
February 28, 2019

**CAPITAL ASSETS**

The Township's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation were appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements**

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to March 1, 2009. Prior to March 1, 2009, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since March 1, 2009 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions 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. A capitalization threshold of \$10,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years
Utility property and improvements	10-50 years
Infrastructure	25-50 years

**Fund Financial Statements**

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**EQUITY CLASSIFICATION**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets- Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS  
February 28, 2019

It is the Township's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance.

**E. REVENUES, EXPENDITURES, AND EXPENSES**

**PROGRAM REVENUES**

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Township's taxpayers are reported as program revenues. The Township has the following program revenues in each activity:

General Government	Rent
Road & Bridge	Sale of supplies and services.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

**FUND FINANCIAL STATEMENTS**

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans-Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

**G. USE OF ESTIMATES**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Township requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the Township and its component units are subject to various federal, state, and local laws and contractual regulations. We found no instances of noncompliance considered material to the financial statements.



PRAIRIE DU LONG TOWNSHIP  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 February 28, 2019

**NOTE 3 - DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**A. CASH AND INVESTMENTS**

CUSTODIAL CREDIT RISK-DEPOSITS

At February 28, 2019, the carrying amount of the Township's deposits was \$615,800. The bank balance was \$616,655. Of this amount, \$250,000 is covered by depository insurance. The balance is collateralized by securities pledged to the Township by their depository.

**B. RESTRICTED FUNDS**

The Township levies special taxes to pay its IMRF, audit and insurance obligations. At February 28, 2019, taxes collected for these purposes exceeded related expenditures by \$45,070, \$3,415, and \$23,288, respectively. As a result, fund balance is restricted by \$71,773.

**C. CAPITAL ASSETS**

Capital asset activity, resulting from modified cash basis transactions, for the year ended February 28, 2019 was as follows:

	Balance 3/01/18	Additions	Balance 2/28/19
	-----	-----	-----
Buildings	\$ 59,334	\$ 0	\$ 59,334
Machinery & equipment	391,258	0	391,258
Infrastructure	0	37,000	37,000
	-----	-----	-----
Total	\$450,592	\$ 37,000	\$487,592
	-----	-----	-----
Less: Accumulated depreciation for:			
Buildings	\$ 20,631	\$ 1,749	\$ 22,380
Machinery & equipment	297,165	23,952	321,117
	-----	-----	-----
Total accumulated depreciation	\$317,796	\$ 25,701	\$343,497
	-----	-----	-----
Governmental activities capital assets, net	\$132,796	\$ 11,299	\$144,095
	=====	=====	=====

Depreciation expense was charged to functions as follows in the Statement of Activities:

General government	\$ 1,282
Streets and public works	10,017
	-----
	\$ 11,299
	=====



PRAIRIE DU LONG TOWNSHIP  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 February 28, 2019

**NOTE 4 - PENSION PLAN**

*Plan Description.* The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multi-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). The report is available on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2018 was 19.48 percent. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2018 was \$4,628. (If you made an additional payment toward your unfunded amount, add this payment to your monthly contributions, based on payroll and recalculate the percentage of APC contributed.)

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/18	\$ 4,628	100%	\$ 0*
12/31/17	\$ 6,971	100%	\$ 0*
12/31/16	\$ 7,871	100%	\$ 0*
12/31/15	\$ 7,618	100%	\$ 0*

\*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

The required contribution for 2018 was determined as part of the December 31, 2016, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2016, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2016 is being amortized as a level percentage of projected payroll on an open 25 year basis.

*Funded Status and Funding Progress.* As of December 31, 2018, the most recent actuarial valuation date, the Regular plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$49,200 and the actuarial value of assets was \$4,316, resulting in an underfunded actuarial accrued liability (UAAL) of \$53,516. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$23,760 and the ratio of the UAAL to the covered payroll was 225 percent.



PRAIRIE DU LONG TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 February 28, 2019

The schedule of funding progress, presented as other information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 5 - TAX LEVIES**

Tax levy information for the 2016, 2017 and 2018 tax years are as follows:

	2016	2017	2018
	-----	-----	-----
Assessed Valuation	\$63,801,199	\$66,370,146	\$70,055,586
	=====	=====	=====
Tax Rates -			
General	.0830	.0798	.0756
General Assistance	.0118	.0114	.0125
IMRF	.0165	.0182	.0099
Audit	.0042	.0044	.0065
Bridge	.0048	.0046	.0043
Building & equipment	.0236	.0227	.0215
Tort Liability	.0084	.0077	.0079
Social Security	.0067	.0080	.0101
Permanent Road	.1670	.1670	.1670
Road & Bridge	.1113	.1070	.1014

The levy was approved December 11, 2018. Taxes are payable July 1 and September 1, with distributions commencing 30 days thereafter.

All taxes included herein are from the 2017 levy.

**NOTE 6 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The Township manages these various risks of loss as follows:

<i>Type of Loss</i>	<i>Method Managed</i>	<i>Risk of Loss Retained</i>
-----	-----	-----
a. Torts, errors, and omissions	Purchased commercial insurance	None
b. Workers compensation, health and life	Purchased commercial insurance	None
c. Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS  
February 28, 2019

**NOTE 7 - DATE OF MANAGEMENT REVIEW**

Management has reviewed transactions through July 31, 2019 to determine if any activity merited inclusion in the report.



**SUPPLEMENTARY INFORMATION**



PRAIRIE DU LONG TOWNSHIP  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 GENERAL FUND  
 For the Year Ended February 28, 2019

	<u>Appropriation</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
BEGINNING BUDGETARY FUND BALANCE:	\$ 94,222	\$ 94,222	\$ 0
Resources (inflows):			
Taxes		52,828	52,828
Intergovernmental		2,878	2,878
Investment income		147	147
Other		5,029	5,029
	-----	-----	-----
Amounts Available for Appropriation	\$ 94,222	\$155,104	\$ 60,882
	-----	-----	-----
CHARGES TO APPROPRIATIONS (outflows):			
Administration			
Personnel	\$ 50,000	\$ 33,660	\$ 16,340
Contractual services	25,500	8,452	17,048
Commodities	4,000	2,204	1,796
Capital outlay	5,000	0	5,000
Other	0	0	0
Provision for contingencies	0	0	0
	-----	-----	-----
TOTAL CHARGES TO APPROPRIATIONS	\$ 84,500	\$ 44,316	\$ 40,184
	-----	-----	-----
ENDING BUDGETARY FUND BALANCE	\$ 9,722	\$110,788	\$101,066
	=====	=====	=====



PRAIRIE DU LONG TOWNSHIP  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 SPECIAL REVENUE FUNDS  
 For the Year Ended February 28, 2019

	Permanent Road Fund			Road & Bridge Fund			Motor Fuel Tax Fund			General Assistance Fund		
	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)
<b>BEGINNING BUDGETARY FUND BALANCE</b>	\$ 60,262	\$ 60,262	\$ 0	\$ 163,176	\$ 163,176	\$ 0	\$ 81,644	\$ 81,644	\$ 0	\$ 59,228	\$ 59,228	\$ 0
Resources (inflows):												
Taxes - Local		110,555	110,555	70,829	70,829	70,829	0	0	0	7,547	7,547	7,547
Intergovernmental		0	0	4,354	4,354	4,354	37,917	37,917	37,917	0	0	0
Investment income		102	102	259	259	259	1,391	1,391	1,391	93	93	93
Other		0	0	0	0	0	0	0	0	0	0	0
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	\$ 60,262	\$ 170,919	\$ 110,657	\$ 163,176	\$ 238,618	\$ 75,442	\$ 81,644	\$ 120,952	\$ 39,308	\$ 59,228	\$ 66,868	\$ 7,640
<b>CHARGES TO APPROPRIATIONS (outflows):</b>	\$ 0	\$ 0	\$ 0	\$ 3,042	\$ 3,042	\$ 8,958	\$ 0	\$ 0	\$ 0	\$ 61,000	\$ 1,345	\$ 59,655
General government		110,145	( 26,931)	52,678	52,678	138,223	0	23,345	( 23,345)	0	0	0
Road maintenance	83,214	0	0	0	0	0	0	0	0	0	0	0
Bridge maintenance	0	0	0	0	0	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	0
Equipment maintenance	0	0	0	21,343	21,343	3,657	0	0	0	0	0	0
Provision for contingencies	0	0	0	0	0	5,000	0	0	0	0	0	0
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	\$ 83,214	\$ 110,145	(\$ 26,931)	\$ 232,901	\$ 77,063	\$ 155,838	\$ 0	\$ 23,345	(\$ 23,345)	\$ 61,000	\$ 1,345	\$ 59,655
<b>ENDING BUDGETARY FUND BALANCE</b>	(\$ 22,952)	\$ 60,774	\$ 83,726	(\$ 69,725)	\$ 161,555	\$ 231,280	\$ 81,644	\$ 97,607	\$ 15,963	(\$ 1,772)	\$ 65,523	\$ 67,295



PRAIRIE DU LONG TOWNSHIP  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
February 28, 2019

**BUDGET LAW**

The Township prepares its annual operating budget under the provisions of the Municipal Budget Act (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to April 1, the Supervisor submits to the Trustees a proposed operating budget for the fiscal year commencing the prior March 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to May 1.
- c. Subsequent to the public hearings but no later than seven days prior to June 1, the budget is adopted by resolution of the Trustees.
- d. The adopted budget is filed with the County Clerk.

The legal level of control at which expenditures may not legally exceed appropriations is the object category level by department within a fund. The Budget Act recognizes the following object categories as the minimum legal level of control by department within a fund:

Personal Service  
Materials and Supplies  
Other Services and Charges  
Capital Outlay  
Interfund Transfers

All transfers of appropriations between departments and supplemental appropriations require Trustee approval.

**BASIS OF ACCOUNTING**

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.



**OTHER INFORMATION**



PRAIRIE DU LONG TOWNSHIP  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 February 28, 2019

Special Revenue Funds

	IMRF Fund	Audit Fund	Insurance Fund	Social Security Fund	Building & Equipment Fund
ASSETS					
Cash	\$ 44,001	\$ 3,415	\$ 23,288	\$ 17,439	\$ 29,143
Interfund loans	1,069	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 45,070</b>	<b>\$ 3,415</b>	<b>\$ 23,288</b>	<b>\$ 17,439</b>	<b>\$ 29,143</b>
 FUND BALANCES					
Reserved	\$ 45,070	\$ 3,415	\$ 23,288	\$ 17,439	\$ 29,143



PRAIRIE DU LONG TOWNSHIP  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS

February 28, 2019

	Special Revenue Funds -----	Total Nonmajor Governmental Funds -----
	Joint Bridge Fund -----	
ASSETS		
Cash	\$ 1,197	\$ 118,483
Interfund loans	0	1,069
	-----	-----
TOTAL ASSETS	\$ 1,197 =====	\$ 119,552 =====
FUND BALANCES		
Reserved	\$ 1,197 =====	\$ 119,552 =====



PRAIRIE DU LONG TOWNSHIP  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended February 28, 2019

	Special Revenue Funds						Total Nonmajor Governmental Funds
	IMRF Fund	Audit Fund	Insurance Fund	Social Security Fund	Building & Equipment Fund	Joint Bridge Fund	
REVENUES:							
Taxes - Local	\$ 12,048	\$ 2,913	\$ 5,097	\$ 5,296	\$ 15,028	\$ 3,045	\$ 43,427
Investment income	58	4	33	26	33	53	207
Intergovernmental	0	0	0	0	0	0	0
Other	0	0	0	0	600	0	600
Total Revenues	\$ 12,106	\$ 2,917	\$ 5,130	\$ 5,322	\$ 15,661	\$ 3,098	\$ 44,234
EXPENDITURES							
Current	\$ 4,458	\$ 0	\$ 0	\$ 5,308	\$ 0	\$ 0	\$ 9,766
Retirement	0	3,550	0	0	0	0	3,550
Administration	0	0	5,463	0	0	0	5,463
Insurance	0	0	0	0	0	37,000	37,000
Capital outlay	0	0	0	0	0	0	0
Road maintenance	0	0	0	0	0	0	0
Home relief	0	0	0	0	0	0	0
Total Expenditures	\$ 4,458	\$ 3,550	\$ 5,463	\$ 5,308	\$ 0	\$ 37,000	\$ 55,779
EXCESS OF REVENUES OVER EXPENDITURES	\$ 7,648	(\$ 633)	(\$ 333)	\$ 14	\$ 15,661	(\$ 33,902)	(\$ 11,545)
Fund Balances - Beginning	37,422	4,048	23,621	17,425	13,482	35,099	131,097
FUND BALANCES - ENDING	\$ 45,070	\$ 3,415	\$ 23,288	\$ 17,439	\$ 29,143	\$ 1,197	\$ 119,552



PRAIRIE DU LONG TOWNSHIP  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended February 28, 2019

	Special Revenue Funds					
	IMRF Fund			Audit Fund		
	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)
BEGINNING BUDGETARY FUND BALANCE	\$ 37,422	\$ 37,422	\$ 0	\$ 4,048	\$ 4,048	\$ 0
Resources (inflows):						
Taxes		12,048	12,048		2,913	2,913
Investment income		58	58		4	4
AMOUNTS AVAILABLE FOR APPROPRIATIONS	\$ 37,422	\$ 49,528	\$ 12,106	\$ 4,048	\$ 6,965	\$ 2,917
CHARGES TO APPROPRIATIONS (outflows):						
Retirement	\$ 45,997	\$ 4,458	\$ 41,539	\$ 0	\$ 0	\$ 0
Administration	0	0	0	9,547	3,550	5,997
Home relief	0	0	0	0	0	0
TOTAL CHARGES TO APPROPRIATIONS	\$ 45,997	\$ 4,458	\$ 41,539	\$ 9,547	\$ 3,550	\$ 5,997
ENDING BUDGETARY FUND BALANCE	(\$ 8,575)	\$ 45,070	\$ 53,645	(\$ 5,499)	\$ 3,415	\$ 8,914



BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended February 28, 2019

Special Revenue Funds

	Insurance Fund			Social Security Fund			Building & Equipment Fund			Variance Positive (Negative)
	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)	Appropriation	Actual	Variance Positive (Negative)	
BEGINNING BUDGETARY FUND BALANCE	\$ 23,621	\$ 23,621	\$ 0	\$ 17,425	\$ 17,425	\$ 0	\$ 13,482	\$ 13,482	\$ 0	
Resources (inflows):										
Taxes		5,097	5,097		5,296	5,296		15,028	15,028	
Investment income		33	33		26	26		33	33	
Other		0	0		0	0		600	600	
AMOUNTS AVAILABLE FOR APPROPRIATIONS	\$ 23,621	\$ 28,751	\$ 5,130	\$ 17,425	\$ 22,747	\$ 5,322	\$ 13,482	\$ 29,143	\$ 15,661	
CHARGES TO APPROPRIATIONS (outflows):										
Retirement	\$ 0	\$ 0	\$ 0	\$ 25,127	\$ 5,308	\$ 19,819	\$ 0	\$ 0	\$ 0	
Administration	38,621	5,463	33,158	0	0	0	0	0	0	
Home relief	0	0	0	0	0	0	0	0	0	
Capital outlay	0	0	0	0	0	0	28,481	0	28,481	
TOTAL CHARGES TO APPROPRIATIONS	\$ 38,621	\$ 5,463	\$ 33,158	\$ 25,127	\$ 5,308	\$ 19,819	\$ 28,481	\$ 28,481	\$ 28,481	
ENDING BUDGETARY FUND BALANCE	(\$ 15,000)	\$ 23,288	\$ 38,288	(\$ 7,702)	\$ 17,439	\$ 25,141	(\$ 14,999)	\$ 29,143	\$ 44,142	



PRAIRIE DU LONG TOWNSHIP  
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended February 28, 2019

	Special Revenue Funds		
	Joint Bridge Fund		
	Appropriation	Actual	Variance Positive (Negative)
BEGINNING BUDGETARY FUND BALANCE	\$ 35,099	\$ 35,099	\$ 0
Resources (inflows):			
Taxes		3,045	3,045
Investment income		53	53
Intergovernmental		0	0
	\$ 35,099	\$ 38,197	\$ 3,098
AMOUNTS AVAILABLE FOR APPROPRIATION			
CHARGES TO APPROPRIATIONS (outflows):			
Retirement	\$ 0	\$ 0	\$ 0
Administration	0	0	0
Home relief	0	0	0
Capital outlay	38,099	37,000	1,099
Road maintenance	0	0	0
	\$ 38,099	\$ 37,000	\$ 1,099
TOTAL CHARGES TO APPROPRIATIONS			
ENDING BUDGETARY FUND BALANCE	(\$ 3,000)	\$ 1,197	\$ 4,197



PRAIRIE DU LONG TOWNSHIP  
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/18	(\$ 4,316)	\$ 49,200	\$ 53,516	0.00	\$ 23,760	225.24%
12/31/17	\$ 80,758	\$154,385	\$ 73,627	52.31%	\$ 34,785	211.66%
12/31/16	\$ 60,993	\$130,246	\$ 69,253	46.83%	\$ 36,120	191.73%

On a market value basis, the actuarial value of assets as of December 31, 2018 is (\$15,909). On a market basis, the funded ratio would be 0.00%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Prairie du Long Township. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.