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***NEW TRIER TOWNSHIP
COOK COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
FEBRUARY 28, 2022***

eder, casella & co

NEW TRIER TOWNSHIP
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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Board of Trustees
New Trier Township
Winnetka, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

New Trier Township

as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of New Trier Township as of February 28, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Trier Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 New Trier Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Trier Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 25, 2022

REQUIRED SUPPLEMENTAL INFORMATION

NEW TRIER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022

As management of New Trier Township (Township), we offer the readers of the Township's statements this narrative discussion and analysis of its financial activities of the Township for the fiscal year ended February 28, 2022.

FINANCIAL HIGHLIGHTS

- At February 28, 2022, the assets and deferred inflows of resources of the Township exceeded its liabilities and deferred inflows of resources by \$1,624,928 (net position). Of this amount, \$348,828 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The total net position for the Township increased by \$175,082.
- At February 28, 2022, the Township's governmental funds reported combined ending fund balances of \$1,427,413, a decrease of \$20,284 in comparison with the prior year. Of this amount, \$5,679 is nonspendable, \$945,325 is restricted, \$54,935 is assigned for different funds and projects, and \$421,474 is available for spending at the Township's discretion (unassigned fund balance).
- At February 28, 2022, the fund balance for the Town Fund was \$426,270, of which \$421,474 was unassigned. Unassigned fund balance represents 15% of total Town Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements include 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.

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.

The Statement of Net Position presents information on all of the Township's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the Township's financial position is improving or deteriorating when comparing year to year results.

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 as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and other governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, directly funded community services, community assistance and services, and assessor. The Township does not conduct any business-type activities.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the Town Fund and General Assistance Fund, both of which are considered to be major funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township's fiduciary funds include the Angel and Courier Funds.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Township's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The Township adopts an annual appropriated budget for all its governmental funds. A budgetary comparison has been provided for the Major Funds to demonstrate compliance with this appropriation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,624,928 at February 28, 2022.

A portion of the Township's net position (20%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, office equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Township has no debt related to capital asset investments. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

New Trier Township's Statement of Net Position

	Governmental Activities	
	2/28/2022	2/28/2021
Assets		
Current and Other Assets	\$ 4,621,401	\$ 4,584,271
IMRF Net Pension Asset	196,727	-
Capital Assets	330,775	346,551
Total Assets	\$ 5,148,903	\$ 4,930,822
Deferred Outflows		
Deferred Employer Pension Contributions	\$ 8,179	\$ 9,311
Total Deferred Outflows of Resources	\$ 8,179	\$ 9,311
Total Assets and Deferred Outflows	\$ 5,157,082	\$ 4,940,133
Liabilities		
Accounts Payable	\$ -	\$ 6,588
Net Pension Liability	-	\$ 111,665
Other Long-Term Liabilities	3,567	6,965
Total Liabilities	\$ 3,567	\$ 125,218
Deferred Inflows		
Deferred Inflows - IMRF	\$ 334,599	\$ 235,083
Unavailable Revenue - Property Taxes	3,193,988	3,129,986
Total Deferred Outflows of Resources	\$ 3,528,587	\$ 3,365,069
Total Liabilities and Deferred Inflows	\$ 3,532,154	\$ 3,490,287
Net Position		
Invested in Capital Assets, Net of Debt	\$ 330,775	\$ 346,551
Restricted	945,325	908,260
Unrestricted	348,828	195,035
Total Net Position	\$ 1,624,928	\$ 1,449,846

An additional portion of the Township's net position (58%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$348,828, may be used to meet the Township's ongoing obligations to citizens and creditors.

At February 28, 2022, the Township is able to report positive balances in all three categories of net position.

The Township's net position increased by \$175,082 during the year ended February 28, 2022.

Governmental activities - Governmental activities increased the Township's net position by \$175,082. Key elements of this increase are as follows:

New Trier Township's Changes in Net Assets

	Governmental Activities	
	2/28/2022	2/28/2021
Revenues		
Program Revenues		
Charges for Services	\$ 6,440	\$ 560
General Revenues		
Property Taxes	3,095,292	3,007,761
Replacement Taxes	76,813	40,144
Earnings on Investments	2,598	5,746
Miscellaneous Revenue	3,270	2,998
Total Revenues	\$ 3,184,413	\$ 3,057,209
Expenses		
Administration*	\$ 424,466	\$ 523,348
Program Services	1,767,347	1,706,029
Project Funds	318,033	315,924
Operations Support	142,200	168,042
Building/Town Hall Expenses	90,115	101,827
Health and Welfare	267,170	263,520
Total Expenses	\$ 3,009,331	\$ 3,078,690
Increase (Decrease) in Net Position	\$ 175,082	\$ (21,481)
Net Position - Beginning	1,449,846	1,471,327
Net Position - Ending	\$ 1,624,928	\$ 1,449,846

*For the year ended February 28, 2022, administration included the cost of providing facilities (building/town hall expenses) for program services. Amounts for operations support and project funds were included in administration and program services.

The most significant change for revenue was the increase in property taxes due to the increase in the 2020 tax levy. The most significant change for expenses was the decrease in administration due to decreased IMRF pension expenses related to the IMRF Net Pension Asset.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - 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 the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for spending.

At February 28, 2022, the Township's governmental funds had combined ending fund balances of \$1,427,413, a decrease of \$20,284 in comparison with the prior year. Of this amount, \$421,474 constitutes unassigned fund balance, which is available for spending at the Township's discretion.

The Town Fund is the chief operating fund of the Township. At February 28, 2022, fund balance in the Town fund was \$426,270, a decrease of \$58,660 in comparison with the prior year.

The General Assistance Fund is used to account for revenues restricted for general assistance expenditures. At February 28, 2022, fund balance in the General Assistance Fund was \$1,001,143, an increase of \$38,376 in comparison with the prior year. The increase was greater than last year and that is due to a greater amount of property taxes being received.

TOWN FUND BUDGETARY HIGHLIGHTS

The budget was not amended during the year ended February 28, 2022; therefore, the amounts shown as original and final are the same.

Significant differences between the budgeted amounts and actual amounts are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$17,244 (unfavorable) and was primarily due to less than anticipated property tax revenue.
- The difference between the estimated expenditures and the actual expenditures was \$497,458 (favorable) and was primarily due to less than anticipated expenditures for programs and services, project funds, operations support and building/town hall expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Township's investment in capital assets for its governmental activities as of February 28, 2022 amounts to \$330,775 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office furniture and equipment, and computers. Major capital asset events during the year ended February 28, 2022 included the following:

- Lenovo laptop and desktop computer for \$1,852
- Conference call technology for \$2,348

New Trier Township's Capital Assets at Year-End (Net of Depreciation)

	<u>2/28/2022</u>	<u>2/28/2021</u>
Land, Buildings, and Equipment		
Land	\$ 8,500	\$ 8,500
Buildings and Building Improvements	309,238	326,421
Furniture and Equipment	13,037	11,630
	<u>\$ 330,775</u>	<u>\$ 346,551</u>

For more detail on the Township's capital assets, see Note 3 in the Notes to the Financial Statements.

The Township currently does not have any outstanding debt at February 28, 2022.

ECONOMIC FACTORS

Because the Township depends heavily on property tax revenues, economic factors have not materially affected its revenues. The New Trier Township Board of Trustees considered various factors in the preparation of the appropriation ordinance for the Township which was adopted for the 2023 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Township's citizens, taxpayers and creditors with a general overview of New Trier Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township's Administrator at (847) 446-8202.

BASIC FINANCIAL STATEMENTS

NEW TRIER TOWNSHIP
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
FEBRUARY 28, 2022

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash	\$ 1,981,095
Receivables	
Property Taxes, Net of Allowance of \$48,639	2,630,665
Replacement Taxes	3,962
Prepaid Items	5,679
Net Pension Asset - IMRF	196,727
Capital Assets	
Land	8,500
Buildings and Equipment, Net	322,275
Total Assets	<u>\$ 5,148,903</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - IMRF	<u>\$ 8,179</u>
Total Deferred Outflows of Resources	<u>\$ 8,179</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,157,082</u>
LIABILITIES	
Non-Current Liabilities	
Due in More Than One Year	<u>\$ 3,567</u>
Total Liabilities	<u>\$ 3,567</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Property Taxes	\$ 3,193,988
Deferred Inflows - IMRF	334,599
Total Deferred Inflows of Resources	<u>\$ 3,528,587</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 3,532,154</u>
NET POSITION	
Investment in Capital Assets	\$ 330,775
Restricted for:	
General Assistance	945,325
Unrestricted	348,828
Total Net Position	<u><u>\$ 1,624,928</u></u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FEBRUARY 28, 2022

Functions/Programs	Expenses	Charges for Services	Net (Expenses) and Changes in Net Position
Governmental Activities			
Administration	\$ 424,466	\$ 6,440	\$ (418,026)
Programs and Services	1,767,347	-	(1,767,347)
Project Funds	318,033	-	(318,033)
Operations Support	142,200	-	(142,200)
Building/Town Hall Expenses	90,115	-	(90,115)
Health and Welfare	267,170	-	(267,170)
Total Governmental Activities	\$ 3,009,331	\$ 6,440	\$ (3,002,891)
	General Revenues		
			\$ 3,095,292
			76,813
			2,598
			3,270
			\$ 3,177,973
			Change in Net Position \$ 175,082
			Net Position - Beginning 1,449,846
			Net Position - Ending \$ 1,624,928

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 FEBRUARY 28, 2022

	Town Fund	General Assistance Fund	Total Governmental Funds
ASSETS			
Cash	\$ 906,949	\$ 1,074,146	\$ 1,981,095
Receivables			
Property Taxes, Net of Allowance of \$48,639	2,294,061	336,604	2,630,665
Replacement Taxes	3,962	-	3,962
Prepaid Items	4,796	883	5,679
Total Assets	\$ 3,209,768	\$ 1,411,633	\$ 4,621,401
LIABILITIES			
	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 2,783,498	\$ 410,490	\$ 3,193,988
FUND BALANCES			
Non-Spendable			
Prepaid Items	\$ 4,796	\$ 883	\$ 5,679
Restricted			
General Assistance	-	945,325	945,325
Assigned			
General Assistance	-	54,935	54,935
Unrestricted	421,474	-	421,474
Total Fund Balances	\$ 426,270	\$ 1,001,143	\$ 1,427,413
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,209,768	\$ 1,411,633	\$ 4,621,401

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 FEBRUARY 28, 2022

Fund Balances of the Governmental Funds \$ 1,427,413

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 funds.

Capital Assets	\$ 665,513	
Accumulated Depreciation	<u>(334,738)</u>	
		330,775

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	\$ (3,567)	
Net Pension Asset - IMRF	<u>196,727</u>	
		193,160

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds

Deferred Outflows - IMRF	\$ 8,179	
Deferred Inflows - IMRF	<u>(334,599)</u>	
		<u>(326,420)</u>

Net Position of Governmental Activities \$ 1,624,928

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FEBRUARY 28, 2022

	Town Fund	General Assistance Fund	Total Governmental Funds
REVENUES			
Property Taxes	\$ 2,689,022	\$ 406,270	\$ 3,095,292
Replacement Taxes	76,813	-	76,813
Interest	1,287	1,311	2,598
Other Revenue	9,710	-	9,710
Total Revenue	<u>\$ 2,776,832</u>	<u>\$ 407,581</u>	<u>\$ 3,184,413</u>
EXPENDITURES			
Current Operating			
Administration	\$ 513,597	\$ 102,035	\$ 615,632
Programs and Services	1,767,347	-	1,767,347
Project Funds	318,033	-	318,033
Operations Support	142,200	-	142,200
Building/Town Hall Expenses	90,115	-	90,115
Health and Welfare	-	267,170	267,170
Capital Outlay	4,200	-	4,200
Total Expenditures	<u>\$ 2,835,492</u>	<u>\$ 369,205</u>	<u>\$ 3,204,697</u>
NET CHANGES IN FUND BALNCES	\$ (58,660)	\$ 38,376	\$ (20,284)
FUND BALANCES - BEGINNING	<u>484,930</u>	<u>962,767</u>	<u>1,447,697</u>
FUND BALANCES - ENDING	<u>\$ 426,270</u>	<u>\$ 1,001,143</u>	<u>\$ 1,427,413</u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED FEBRUARY 28, 2022

Net Change in Fund Balances - Governmental Funds \$ (20,284)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, they are capitalized and depreciated over their estimated useful lives. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlays	\$ 4,200	
Depreciation	<u>(19,976)</u>	(15,776)

Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	\$ 3,398	
Pension Revenue/(Expense) - IMRF	<u>150,057</u>	153,455

Employer pension contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension Liability on the government-wide financial statements.

IMRF Contributions		<u>57,687</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 175,082</u></u>
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See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 FEBRUARY 28, 2022

	Angel Fund, Inc.	Courier, Inc.	Totals
Assets			
Cash	\$ 285,372	\$ 459	\$ 285,831
Total Current Assets	\$ 285,372	\$ 459	\$ 285,831
Net Position			
Held For Their Intended Purposes	\$ 285,372	\$ 459	\$ 285,831
Total Net Position	\$ 285,372	\$ 459	\$ 285,831

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FEBRUARY 28, 2022

	Angel Fund, Inc.	Courier, Inc.	Totals
Additions			
Contributions			
General Public	\$ 85,866	\$ -	\$ 85,866
New Trier Township	-	9,500	9,500
Total Additions	<u>\$ 85,866</u>	<u>\$ 9,500</u>	<u>\$ 95,366</u>
Deductions			
Health and Welfare			
Housing Assistance	\$ 51,224	\$ -	\$ 51,224
Utilities	2,348	-	2,348
Meals	635	-	635
Health Care/Medication	2,475	-	2,475
Mailing Costs			
Postage	-	9,500	9,500
Total Deductions	<u>\$ 56,682</u>	<u>\$ 9,500</u>	<u>\$ 66,182</u>
Change in Net Position	\$ 29,184	\$ -	\$ 29,184
Net Position - Beginning	<u>256,188</u>	<u>459</u>	<u>256,647</u>
Net Position - Ending	<u><u>\$ 285,372</u></u>	<u><u>\$ 459</u></u>	<u><u>\$ 285,831</u></u>

See accompanying Notes to Financial Statements.

NEW TRIER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Located in the Northeast corner of Cook County, Illinois, New Trier Township is a local unit of government established in 1850 to serve, at that time, its 473 residents. Today the Township serves approximately 56,000 residents. From its beginning, New Trier has been a fractional township. It deviates from the standard six miles in each direction because part of the Township is in Lake Michigan. The Township covers approximately 17 square miles. Included in its borders are the villages of Wilmette, Kenilworth, Winnetka, and Glencoe, plus portions of Glenview and Northfield.

New Trier Township's (Township) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies are established in GAAP and used by the Township are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Township. Component units are legally separate entities for which the Township (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Township's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Township. Using these criteria, the Township has no component units. In addition, the Township is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements - Government-wide Financial Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund (reporting the Township's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Township as governmental activities. The Township does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, replacement tax, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, directly funded community services, community assistance and services, assessor). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

NOTES TO FINANCIAL STATEMENTS (Continued)

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Township had no operating or capital grants for the year ended February 28, 2022.

The net costs (by function) are normally covered by general revenue (property taxes, replacement tax, unrestricted investment earnings, etc.).

The Township does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The Township electively made all funds major funds.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. The Township reports these major governmental funds:

1. The Town Fund is the Township's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
2. The General Assistance Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for various services provided to lower income residents.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

The Township maintains two Fiduciary Funds. These funds are held on behalf of legally separate entities.

Angel Fund, Inc. - This fund provides emergency assistance to pay for food, shelter, utilities, clothing, medical care, and other necessities of local residents in need.

Courier, Inc. - This fund provides for postage costs related to the Township's newspaper.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The Township reports unavailable revenue on its governmental funds Balance Sheet. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. At February 28, 2022, the Township had \$3,193,988 of unavailable revenue from property taxes.

E. *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Separate bank accounts are maintained for all Township funds. Occasionally, certain cash accounts may incur overdrafts (deficits) in an account. None of the Township's bank accounts had a cash overdraft at February 28, 2022.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

State statutes authorize the Township to invest in bank certificates of deposit, obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurers Investment Pool known as The Illinois Funds.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the governmental-wide and the fund financial statements.

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures.

NOTES TO FINANCIAL STATEMENTS (Continued)

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets, which include land, land improvements, buildings, building improvements, furniture, equipment and, if applicable, construction in progress, are reported in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Building Improvements	15-50
Furniture and Equipment	5-20
Computer	5

The Township does not depreciate land or construction in progress.

J. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflow of resources represents a consumption of net position that applies to a future period and thereafter will *not* be recognized as an outflow of resources until then. Deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will *not* be recognized as an inflow of resources until that time.

K. *Compensated Absences*

The Township's employees are compensated for certain vacation, sick time, holidays, and personal leave. Employees are expected to take vacations within the fiscal year and may not carry over more than five vacation days to the following year. Sick leave does accumulate, but is not paid on retirement or termination. Accordingly, the Township records and accrues liability for only the carryover vacation days as compensated absences. At February 28, 2022, this amount was \$3,567. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and is reported as a reconciling item between the fund and government-wide presentations.

L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other

NOTES TO FINANCIAL STATEMENTS (Continued)

financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. *Governmental Fund Balances*

Governmental fund balances are divided between non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in the following hierarchy based on spending constraints:

- **Restricted** - Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- **Committed** - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- **Assigned** - Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the Town Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the Town Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the Town Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Township itself.
- **Unassigned** - Unassigned fund balance is the residual classification for the Town Fund. This classification represents the Town Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the Town Fund.

The Township permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

N. *Property Tax Calendar and Revenues*

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax is levied the following December and billed to property owners early in the next year. The tax levy is payable in two installments. The first installment is generally due about March 1 and the second about August 1. The billings are considered past due after the respective tax payment due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

The Township must file its tax levy ordinance with the Cook County Clerk by the last Tuesday in December of each year. The Board of Trustees approved its 2021 tax levy resolution on December 14, 2021. Taxes levied are subject to the statutory tax rate limit in the various operating funds subject to change only upon approval of the Township's voters. In addition, New Trier is subject to the Property Tax Extension Limitation Act, which, in general, limits the increase in the amount of taxes to be

NOTES TO FINANCIAL STATEMENTS (Continued)

extended to the lesser of 5% or the percentage increase in the Consumer Price Index for the year preceding the levy. If the Township had a general obligation bond issue outstanding, the bond issue levies would be exempt from this limitation. The same exemption would apply to referendum approved increases.

All property taxes are collected by the Cook County Treasurer who remits to the Township its share of the collections. Most property taxes are normally received by the Township within 60 days of the respective installment due date.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured and collateralized by securities held in the Township's name.

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Interest Rate Risk. The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific types of investment instruments. See Note 1E for types allowable under state law.

Concentration of Credit Risk. The Township places no limit on the amount the Township may invest in any one investment instrument.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's custodial credit risk policy requires collateral for any deposits in excess of insured amounts. At February 28, 2022, the Township's bank balance for Angel Fund was undercollateralized by \$39,572.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2022 is shown below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Assets Not Being Depreciated				
Land	\$ 8,500	\$ -	\$ -	\$ 8,500
Assets Being Depreciated:				
Buildings and Building Improvements	\$ 585,274	\$ -	\$ -	\$ 585,274
Furniture and Equipment	67,539	4,200	-	71,739
	<u>\$ 652,813</u>	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ 657,013</u>
Less: Accumulated Depreciation For:				
Buildings and Building Improvements	\$ 258,853	\$ 17,183	\$ -	\$ 276,036
Furniture and Equipment	55,909	2,793	-	58,702
	<u>\$ 314,762</u>	<u>\$ 19,976</u>	<u>\$ -</u>	<u>\$ 334,738</u>
Net Governmental Assets Being Depreciated	<u>\$ 338,051</u>	<u>\$ (15,776)</u>	<u>\$ -</u>	<u>\$ 322,275</u>
Net Governmental Assets	<u>\$ 346,551</u>	<u>\$ (15,776)</u>	<u>\$ -</u>	<u>\$ 330,775</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation expense of \$19,976 is charged 100% to the Administration function.

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended February 28, 2022 was as follows:

	Balance 3/1/2021	Additions	Subtractions	Balance 2/28/2022	Amounts Due Within One Year
Governmental Activities:					
Other Long-Term Obligations					
Compensated Absences	\$ 6,965	\$ 3,567	\$ 6,965	\$ 3,567	\$ 3,567
Total Long-Term Obligations	\$ 6,965	\$ 3,567	\$ 6,965	\$ 3,567	\$ 3,567

NOTE 5 - INTERFUND BALANCE

There were no interfund balances at February 28, 2022.

NOTE 6 - DEFICIT FUND BALANCE

There were no funds which reflected a deficit fund balance as of February 28, 2022.

NOTE 7 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2020 tax levies. A summary of the assessed valuations, rates, and extensions for the years 2021, 2020, and 2019 follows:

TAX YEAR	2021		2020		2019	
ASSESSED VALUATION	5,209,263,747 *		\$5,209,263,747		\$5,220,270,921	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate	0.0523	\$ 2,825,886	0.0523	\$ 2,760,910	0.0509	\$ 2,662,338
General Assistance	0.0080	416,741	0.008	416,741	0.0075	417,622
	0.0603	\$ 3,242,627	0.0603	\$ 3,177,651	0.0584	\$ 3,079,960

* At the time of the report, Cook County had not yet released the 2021 Assessed Valuation and rates. The 2021 Cook County Extension amounts were based on the Tax Year 2021 Levy Edit Report.

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 28, 2022, no fund had expenditures that exceeded the budget.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund

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 Annual Comprehensive 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 ten 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 ten 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

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members and Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	6
	<hr/>
	21
	<hr/>

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% 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 Township's annual contribution rates for calendar years 2021 and 2022 were 14.93% and 11.79%, respectively. For the fiscal year ended February 28, 2022, the Township contributed \$57,687 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 components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2021, and a measurement date as of December 31, 2021, calculated in accordance with GASB Statement No. 68, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Total Pension Liability	\$ 2,090,707
IMRF Fiduciary Net Pension	2,287,434
Township's Net Pension Liability	(196,727)
IMRF Fiduciary Net Pension as a Percentage of the Total Pension Liability	109.41%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used.

Long-Term Expected Rate of Return

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, 2021:

Asset Class	Target Allocation	Projected Return
Equities	39%	1.90%
International Equities	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternatives	10%	
Private Equity		5.50%
Hedge Funds		N/A
Commodities		1.70%
Cash Equivalents	1%	-0.90%
	100.0%	

NOTES TO FINANCIAL STATEMENTS (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balances at December 31, 2020	\$ 2,139,145	\$ 2,027,480	\$ 111,665
Changes for the year:			
Service Cost	\$ 36,623	\$ -	\$ 36,623
Interest on the Total Pension Liability	153,032	-	153,032
Differences Between Expected and Actual Experience of the Total Pension Liability	(144,757)	-	(144,757)
Contributions - Employer	-	58,820	(58,820)
Contributions - Employee	-	17,729	(17,729)
Net Investment Income	-	341,624	(341,624)
Benefit Payments, including Refunds of Employee Contributions	(93,336)	(93,336)	-
Other (Net Transfer)	-	(64,883)	64,883
Net Changes	\$ (48,438)	\$ 259,954	\$ (308,392)
Balances at December 31, 2021	\$ 2,090,707	\$ 2,287,434	\$ (196,727)

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 7.25%, 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 than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 14,528	\$ (196,727)	\$ (368,704)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended February 28, 2022, the Township recognized pension income of \$150,057. At February 28, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences Between Expected and Actual Experience	\$ -	\$ 58,643	\$ (58,643)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	275,956	(275,956)
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	\$ -	\$ 334,599	\$ (334,599)
Pension Contributions Made Subsequent to the Measurement Date	8,179	-	8,179
Total Deferred Amounts Related to Pensions	<u>\$ 8,179</u>	<u>\$ 334,599</u>	<u>\$ (326,420)</u>

\$8,179 reported as deferred outflows of resources related to pensions resulting from the Township’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended February 28, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2022	\$ (119,394)
2023	(107,585)
2024	(68,100)
2025	(39,520)
2026	-
Thereafter	-
Total	<u>\$ (334,599)</u>

B. Social Security

Employees not qualifying for coverage under the Teachers’ Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Township paid the total required contribution for the current fiscal year.

NOTE 10 - INTERFUND TRANSFERS

The were no interfund transfers made for the year ended February 28, 2022.

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 is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), a joint risk management pool of townships through which property, general liability, automobile liability, uninsured motorists, underinsured motorists, public officials and employees liability, employee benefits liability, and workers’ compensation and employers’ liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Township and TOIRMA is governed by a contract and by-laws that have been adopted by resolution of each unit’s governing body. The Township is contractually obligated to make all annual and supplementary contributions for TOIRMA, to report claims on a timely basis, cooperate with TOIRMA, its claims administrator, and attorneys in claims investigation and settlement,

NOTES TO FINANCIAL STATEMENTS (Continued)

and to follow risk management procedures as outlined by TOIRMA. Members have a contractual obligation to fund any deficit of TOIRMA attributable to a membership year during which they were a member.

TOIRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. TOIRMA also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

For each of the past three years, the Township has had no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Township is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended February 28, 2022, there were no significant adjustments in premiums based on actual experience.

NOTE 12 - LEGAL DEBT MARGIN

The Illinois Compiled Statutes limits the amount of indebtedness to 2.875% of the most recent available equalized assessed valuation (EAV) of the Township.

2020 Assessed Valuation	\$ 5,209,263,747
	<u>2.875%</u>
Debt Margin	\$ 149,766,333
Current Debt	-
Remaining Debt Margin	<u>\$ 149,766,333</u>

The 2021 assessed valuation was not yet available at the time of the report.

NOTE 13 - CONTINGENCIES

The Township is not aware of any litigation which might have a material adverse effect on the Township's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

NEW TRIER TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 28, 2022

	<u>2/28/2022*</u>	<u>2/28/2021*</u>	<u>2/29/2020*</u>	<u>2/28/2019*</u>	<u>2/28/2018*</u>	<u>2/28/2017*</u>	<u>2/29/2016*</u>
TOTAL PENSION LIABILITY							
Service Cost	\$ 36,623	\$ 37,384	\$ 36,651	\$ 34,533	\$ 36,400	\$ 39,235	\$ 34,653
Interest on the Total Pension Liability	153,032	158,599	154,493	149,891	150,115	151,867	147,412
Difference Between Expected and Actual Experience	(144,757)	(154,084)	(15,977)	16,505	2,295	(97,062)	1,074
Changes in Assumptions	-	(14,391)	-	52,332	(68,894)	(36,020)	(4,374)
Benefit Payments, Including Refunds of Member Contributions	(93,336)	(114,478)	(123,323)	(120,545)	(123,399)	(130,433)	(121,144)
Net Change in Total Pension Liability	<u>\$ (48,438)</u>	<u>\$ (86,970)</u>	<u>\$ 51,844</u>	<u>\$ 132,716</u>	<u>\$ (3,483)</u>	<u>\$ (72,413)</u>	<u>\$ 57,621</u>
Total Pension Liability - Beginning	<u>2,139,145</u>	<u>2,226,115</u>	<u>2,174,271</u>	<u>2,041,555</u>	<u>2,045,038</u>	<u>2,117,451</u>	<u>2,059,830</u>
Total Pension Liability - Ending	<u>\$ 2,090,707</u>	<u>\$ 2,139,145</u>	<u>\$ 2,226,115</u>	<u>\$ 2,174,271</u>	<u>\$ 2,041,555</u>	<u>\$ 2,045,038</u>	<u>\$ 2,117,451</u>
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 58,820	\$ 59,185	\$ 51,306	\$ 56,174	\$ 52,648	\$ 57,901	\$ 44,738
Contributions - Member	17,729	16,772	16,386	16,060	15,680	14,957	15,092
Net Investment Income	341,624	275,328	313,939	(103,995)	288,636	109,827	8,145
Benefit Payments, Including Refunds of Member Contributions	(93,336)	(114,478)	(123,323)	(120,545)	(123,399)	(130,433)	(121,144)
Other (Net Transfer)	(64,883)	(110,184)	15,535	38,858	(53,162)	(124,599)	25,860
Net Change in Plan Fiduciary Net Position	<u>\$ 259,954</u>	<u>\$ 126,623</u>	<u>\$ 273,843</u>	<u>\$ (113,448)</u>	<u>\$ 180,403</u>	<u>\$ (72,347)</u>	<u>\$ (27,309)</u>
Plan Net Position - Beginning	<u>2,027,480</u>	<u>1,900,857</u>	<u>1,627,014</u>	<u>1,740,462</u>	<u>1,560,059</u>	<u>1,632,406</u>	<u>1,659,715</u>
Plan Net Position - Ending	<u>\$ 2,287,434</u>	<u>\$ 2,027,480</u>	<u>\$ 1,900,857</u>	<u>\$ 1,627,014</u>	<u>\$ 1,740,462</u>	<u>\$ 1,560,059</u>	<u>\$ 1,632,406</u>
Township's Net Pension Liability	<u>\$ (196,727)</u>	<u>\$ 111,665</u>	<u>\$ 325,258</u>	<u>\$ 547,257</u>	<u>\$ 301,093</u>	<u>\$ 484,979</u>	<u>\$ 485,045</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.41%	94.78%	85.39%	74.83%	85.25%	76.29%	77.09%
Covered Payroll	\$ 393,962	\$ 372,702	\$ 364,129	\$ 356,887	\$ 348,434	\$ 332,387	\$ 335,374
Employer's Net Pension Liability as a Percentage of Covered Payroll	-49.94%	29.96%	89.32%	153.34%	86.41%	145.91%	144.63%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
FEBRUARY 28, 2022

	2/28/2022*	2/28/2021*	2/29/2020*	2/28/2019*	2/28/2018*	2/28/2017*	2/29/2016*
Actuarially-Determined Contribution	\$ 58,819	\$ 59,185	\$ 51,306	\$ 56,174	\$ 52,648	\$ 57,902	\$ 44,739
Contributions in Relation to Actuarially-Determined Contribution	58,820	59,185	51,306	56,174	52,648	57,901	44,738
Contribution Deficiency/(Excess)	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Covered Payroll	\$ 400,972	\$ 374,174	\$ 365,341	\$ 358,073	\$ 348,434	\$ 332,387	\$ 335,374
Contributions as a Percentage of Covered Payroll	14.67%	15.82%	14.04%	15.69%	15.11%	17.42%	13.34%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2021 Contribution Rate *

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 22-year closed period

Asset Valuation Method: 5-year smoothed market; 20%

Wage Growth: 3.25%

Price Inflation: 2.50%, approximate; no explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - TOWN FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2022

	Budgeted Amounts Original and Final	Actual
REVENUES		
Property Taxes	\$ 2,733,177	\$ 2,689,022
Replacement Taxes	45,000	76,813
Interest	5,000	1,287
Passport Fees	8,000	6,440
Miscellaneous	2,899	3,270
Total Revenues	\$ 2,794,076	\$ 2,776,832
EXPENDITURES		
Programs and Services		
Agency Programs		
Agency Oversight Committee	\$ 435,000	\$ 420,498
Money Follows the Person Committee	705,000	694,998
Mental Health Committee	509,000	521,496
Child Care Services	145,000	124,299
Transportation Services	36,000	6,056
Total Programs and Services	\$ 1,830,000	\$ 1,767,347
Project Funds		
Projects of Township Significance	\$ 495,100	\$ 287,200
Other Projects	45,000	30,833
Total Project Funds	\$ 540,100	\$ 318,033
Operations Support		
Meetings Expenses	\$ 8,350	\$ 2,781
Contractual Services	248,000	129,503
Commodities	14,000	9,343
Other Expenses	18,700	573
Total Operations Support	\$ 289,050	\$ 142,200
Building/Town Hall Expenses	\$ 171,600	\$ 90,115
Administration		
Personnel	\$ 459,200	\$ 470,764
Elected Officials Compensation	43,000	42,833
Total Administration	\$ 502,200	\$ 513,597
Miscellaneous Expense	\$ 1,000	\$ -
Capital Outlay	\$ -	\$ 4,200
Total Expenditures	\$ 3,332,950	\$ 2,835,492
Net Change in Fund Balance	\$ (538,874)	\$ (58,660)
Fund Balance - Beginning		484,930
Fund Balance - Ending		\$ 426,270

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2022

	Budgeted Amounts Original & Final	Actual
REVENUES		
Property Taxes	\$ 417,622	\$ 406,270
Interest	5,000	1,311
Total Revenues	\$ 422,622	\$ 407,581
EXPENDITURES		
Administration		
Personnel		
Salaries	\$ 68,000	\$ 68,000
IMRF and Social Security	17,800	17,800
Health Insurance	14,800	14,800
Office Expense	2,500	1,435
	\$ 103,100	\$ 102,035
Health and Welfare		
Access to Care	\$ 1,500	\$ -
Home Relief	60,000	33,783
Emergency Assistance	195,000	157,097
Outpatient Services	10,000	-
Hospitalization	25,000	-
Hospitalization Insurance	3,500	2,650
Food Pantry	100,000	73,640
Town Fund Support Projects	5,000	-
	\$ 400,000	\$ 267,170
Total Expenditures	\$ 503,100	\$ 369,205
Net Change in Fund Balance	\$ (80,478)	\$ 38,376
Fund Balance - Beginning		962,767
Fund Balance - Ending		\$ 1,001,143

See Accompanying Independent Auditor's Report

NEW TRIER TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FEBRUARY 28, 2022

NOTE 1 - BUDGETARY PROCESS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

On or before May 31 of each year, the Township must adopt a budget and appropriation ordinance. The budget was approved by the Township Board on May 25, 2021. The appropriated budget is prepared by fund, function, and object. Transfers from one budget line item to another requires approval of the Township Board of Trustees. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriation) is the fund level. The Township Board of Trustees authorized several line item transfers during the year which did not affect the total appropriated for any fund.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 28, 2022, no fund had expenditures that exceeded the budget.

OTHER SUPPLEMENTAL INFORMATION

NEW TRIER TOWNSHIP
 SCHEDULE OF COMPARATIVE PROPERTY TAX DATA BY TAX LEVY YEAR
 FEBRUARY 28, 2022

	2011	2012	2013	2014	2015
Assessed Valuation	\$ 4,946,850,035	\$ 4,594,620,759	\$ 4,151,248,889	\$ 4,200,978,633	\$ 4,074,925,201
Tax Rates					
Town Fund	0.0420	0.0470	0.0054	0.0547	0.0058
General Assistance Fund	0.0050	0.0060	0.0007	0.0070	0.0008
Final Rate	0.0470	0.0530	0.0061	0.0617	0.0066
Tax Extension					
Town Fund	\$ 2,077,677	\$ 2,159,472	\$ 2,241,674	\$ 2,310,538	\$ 2,363,457
General Assistance	247,343	275,677	290,587	294,069	325,994
	\$ 2,325,020	\$ 2,435,149	\$ 2,532,261	\$ 2,604,607	\$ 2,689,451
Tax Collections					
Town Fund	\$ 2,035,053	\$ 2,120,642	\$ 2,186,738	\$ 2,248,287	\$ 2,282,715
General Assistance	243,005	267,604	283,903	286,782	313,955
	\$ 2,278,058	\$ 2,388,246	\$ 2,470,641	\$ 2,535,069	\$ 2,596,670
Total Collections as a Percent of Total Tax Extended	97.98%	98.07%	97.57%	97.33%	96.55%
	2016	2017	2018	2019	2020
Assessed Valuation	\$ 4,987,013,488	\$ 5,097,426,797	\$ 4,920,927,052	\$ 5,220,270,921	\$ 5,209,264,747
Tax Rates					
Town Fund	0.0483	0.0497	0.0529	0.0509	0.0523
General Assistance Fund	0.0066	0.0070	0.0073	0.0075	0.0080
Final Rate	0.0549	0.0567	0.0602	0.0584	0.0603
Tax Extension					
Town Fund	\$ 2,443,637	\$ 2,548,713	\$ 2,608,091	\$ 2,662,338	\$ 2,760,910
General Assistance	349,091	356,820	393,674	417,622	416,741
	\$ 2,792,728	\$ 2,905,533	\$ 3,001,765	\$ 3,079,960	\$ 3,177,651
Tax Collections					
Town Fund	\$ 2,395,598	\$ 2,494,324	\$ 2,567,635	\$ 2,599,535	\$ 2,689,022
General Assistance	336,275	342,419	387,358	408,226	406,270
	\$ 2,731,873	\$ 2,836,743	\$ 2,954,993	\$ 3,007,761	\$ 3,095,292
Total Collections as a Percent of Total Tax Extended	97.82%	97.63%	98.44%	97.66%	97.41%

See Accompanying Independent Auditor's Report