

Dundee Township
(Located within the State of Illinois)

Comprehensive Annual Financial Report

February 29, 2016

**Dundee Township
Comprehensive Annual Financial Report
February 29, 2016**

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To the Board of Trustees of
Dundee Township
Dundee, Illinois

Independent Auditor's Report

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Dundee Township, Illinois, as of and for the year ended February 29, 2016, 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.

Dundee Township
Statement of Net Position - Modified Cash Basis
February 29, 2016

	Assets	<u>Governmental Activities</u>
Current Assets:		
Cash and cash equivalents		\$ 4,017,403
Total current assets		<u>4,017,403</u>
Non-Current Assets:		
Capital assets: at cost or estimated cost		
Land and buildings		23,768,822
Vehicles and equipment		2,469,550
Infrastructure		3,380,583
Less accumulated depreciation		<u>(2,612,700)</u>
Total capital assets		<u>27,006,255</u>
Total non-current assets		<u>27,006,255</u>
Total Assets		<u>\$ 31,023,658</u>
 Liabilities and Net Position 		
Current Liabilities:		
Current maturities on long-term debt		\$ <u>1,740,000</u>
Total current liabilities		<u>1,740,000</u>
Long-term debt, net of current maturities, less unamortized discount amount		<u>1,752,665</u>
Total liabilities		<u>3,492,665</u>
Net Position:		
Net investment in capital assets		23,513,590
Restricted		-
Unrestricted		<u>4,017,403</u>
Total net position		<u>27,530,993</u>
Total Liabilities and Net Position		<u>\$ 31,023,658</u>

The accompanying notes are an integral part of the financial statements.

Dundee Township
Statement of Activities - Modified Cash Basis
For the Year Ended February 29, 2016

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue and Changes in Net Position
General government activities	\$ 1,551,277	\$ 139,730	\$ 100	\$ -	\$ (1,411,447)
Health and welfare	106,294	-	-	-	(106,294)
Highway, streets, and bridges	772,115	-	-	-	(772,115)
Debt service	634	-	-	-	(634)
Interest on long-term debt, net of related interest income of \$383	65,164	-	-	-	(65,164)
Total Primary Government	\$ 2,495,484	\$ 139,730	\$ 100	\$ -	\$(2,355,654)
General Revenues:					
Property taxes					3,926,066
Replacement taxes					67,211
Interest income					2,344
Miscellaneous					210,745
Total General Revenues					4,206,366
Change in Net Position					1,850,712
Net Position - Beginning of Year					25,680,281
Net Position - End of Year					\$ 27,530,993

The accompanying notes are an integral part of the financial statements.

Dundee Township
Statement of Assets, Liabilities, and Fund Balances - Modified
Cash Basis - Governmental Funds
February 29, 2016

Assets	Town Fund	Road District Fund	Bond Debt Services	Total Non-Major Governmental Funds	Total Governmental Funds
Current Assets:					
Checking	65,305	-	-	121,448	186,753
Certificates of deposit and other short-term investments	2,498,941	535,095	236,652	559,962	3,830,650
Total current assets	<u>2,564,246</u>	<u>535,095</u>	<u>236,652</u>	<u>681,410</u>	<u>4,017,403</u>
Total Assets	<u>\$ 2,564,246</u>	<u>\$ 535,095</u>	<u>\$ 236,652</u>	<u>\$ 681,410</u>	<u>\$ 4,017,403</u>

Liabilities and Fund Balances

Liabilities:					
Total liabilities	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	535,095	236,652	681,410	1,453,157
Assigned	952,361	-	-	-	952,361
Unassigned	1,611,885	-	-	-	1,611,885
Total fund balances	<u>2,564,246</u>	<u>535,095</u>	<u>236,652</u>	<u>681,410</u>	<u>4,017,403</u>
Total Liabilities and Fund Balances	<u>\$ 2,564,246</u>	<u>\$ 535,095</u>	<u>\$ 236,652</u>	<u>\$ 681,410</u>	<u>\$ 4,017,403</u>

The accompanying notes are an integral part of the financial statements.

Dundee Township
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances -
Governmental Funds
For the Year Ended February 29, 2016

	Town Fund	Road District Fund	Bond Debt Service	Total	
				Non-Major Governmental Funds	Total Governmental Funds
Revenues Received:					
Property tax	\$ 956,798	\$ 714,480	\$ 1,788,863	\$ 465,925	\$ 3,926,066
Replacement tax	26,487	40,724	-	-	67,211
Interest income	1,490	387	384	467	2,728
Sale of lots and burial charges	-	-	-	139,730	139,730
Grants	100	-	-	-	100
Other	43,315	11,020	-	168,743	223,078
Total Revenues Received	1,028,190	766,611	1,789,247	774,865	4,358,913
Expenditures Disbursed:					
General Government:					
Personnel services	769,347	345,170	-	305,882	1,420,399
Contractual services	282,870	75,018	634	336,575	695,097
Commodities	27,609	257,609	-	13,563	298,781
Capital outlay and improvements	-	-	-	190,575	190,575
Debt service	-	-	1,790,548	-	1,790,548
Other	20,611	-	-	-	20,611
Total Expenditures Disbursed	1,100,437	677,797	1,791,182	846,595	4,416,011
Other Financing Sources (Uses):					
Transfers out	-	(5,000)	-	-	(5,000)
Transfers in	-	-	-	5,000	5,000
Total other financing sources (uses)	-	(5,000)	-	5,000	-
Net Change in Fund Balances	(72,247)	88,814	(1,935)	(66,730)	(57,098)
Fund Balances - Beginning of Year	2,636,493	451,281	238,587	748,140	4,074,501
Fund Balances - End of Year	\$ 2,564,246	\$ 540,095	\$ 236,652	\$ 681,410	\$ 4,017,403

The accompanying notes are an integral part of the financial statements.

Dundee Township
Reconciliation of Total Governmental Fund Balance -
Modified Cash Basis - to Net Position of Governmental Activities
February 29, 2016

Total Governmental Fund Balance	\$	4,017,403
Amounts reported in governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance.		27,006,255
Long-term liabilities, including bonds payable are not reported on the governmental fund statements		(3,505,000)
Bond discounts are reported in governmental funds as expenditures, however, in the Statement of Net Position the costs are accrued		<u>12,335</u>
Total Net Position	\$	<u><u>27,530,993</u></u>

The accompanying notes are an integral part of the financial statements.

Dundee Township
Reconciliation of the Statement of Revenues Received, Expenditures
Disbursed, and Changes in Fund Balance - Modified Cash Basis -
of Governmental Funds to the Statement of Activities
For the Year Ended February 29, 2016

Amounts reported in governmental activities in the statement
of net position are different because:

Net change in fund balances - total governmental funds	\$	(57,098)
Governmental funds report capital outlays as expenditures - \$419,608		
However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense (\$224,465). This is the amount by which capital outlays exceeded depreciation in the current period.		195,143
Amortization of bond premium is not revenue on the governmental fund statements		(12,333)
Principal payments on bonds are an expenditure on the government fund reports		1,725,000
Change in Net Position of Governmental Activities	\$	1,850,712

The accompanying notes are an integral part of the financial statements.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 1 – Summary of Significant Accounting Policies

Dundee Township, located in Kane County, was incorporated under the laws of the State of Illinois and operates under a Board of Trustees and a supervisor form of government. The Township provides the following as authorized: general assistance welfare programs, maintenance of highways and streets, public improvements, property assessing for tax purposes, and other programs funded by general administrative services. The accounting policies of Dundee Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant of the Township's accounting policies are described below:

Financial Reporting Entity

The Township's financial statements include all government activities, organizations, and functions for which the Board of Trustees (the "Board") has oversight responsibility. Therefore, they include all the funds of the Township whose expenditures are approved by the Board.

The Township has developed criteria to determine whether organizations with separate governing boards meet the criteria of a component unit. The criteria include whether the potential component unit is legally separate and whether the Township is financially accountable for the organization. The Road District is included in the Township's financial statements as a blended component unit as a result of the interdependency of these units of government.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the activities of the primary government – Dundee Township.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identified activity are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Property tax and replacement taxes are reported as general revenue.

Separate financial statements are provided for governmental funds. Major governmental funds are reported as separate columns in the fund financial statements. Some individual funds presented may not meet the minimum criteria for mandatory major fund reporting in some years. Dundee Township has elected to report these funds to enhance consistency from year to year.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenditures. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the Township:

Government Funds

General Fund – The General Fund is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Cemetery Fund – The Cemetery Fund is used to account for the operations of the township cemeteries.

General Assistance – The General Assistance Fund is used to account for the cost of providing general, emergency, and disaster welfare for the Township's residents. Funding is provided by a specific annual property tax levy.

Road and Bridge – The Road and Bridge Fund is used to account for the cost of maintaining the public roadways within the Township. Funding is provided primarily by a specific annual property tax levy and the Township's share of state replacement taxes. This fund consists of four separate funds: a General fund; an Insurance fund; an IMRF; and a Building and Equipment fund.

Illinois Municipal Retirement Fund (IMRF) – The IMRF Fund is used to account for the proceeds of a specific annual property tax levy used to pay the cost of the general Township's share of contribution to the IMRF.

Bond Debt Service Fund – The Bond Debt Service Fund is used to account for the payment of the Township's bonded debt.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Township does not hold any fiduciary funds.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All of the Township's funds are accounted for using the modified cash basis method of accounting. Township revenues are recognized when they are received. Expenditures are recognized only when paid. Modified cash basis reporting is a comprehensive basis of accounting other than generally accepted accounting principles. Interfund activity has been eliminated on the government wide statements.

Budgets and Budgetary Accounting

The Township's budget is prepared on the cash basis of accounting. The Township board adopts an annual budget for all the Funds. All annual appropriations lapse at fiscal year end. The budget amounts included in the financial statements are the final adopted budget, including any amendments.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, gains, and expenses during the reported period. Actual results could differ from these estimates.

Implementation of GASB 68

Effective February 29, 2016, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement amends the requirements in Statement No. 27 *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50. *Pension Disclosures*.

Program Revenue

The Township receives program revenues in the form of charges for cemetery burial services.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when acquired. Investments presented are stated at market value.

Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the government-wide fund statements. Capital assets are defined by the Township as assets with an individual cost of more than \$5,000 and a useful life in excess of 2 years. These assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method with useful lives of 3 to 50 years.

Depreciation expense as reflected in the statements of activities for the year ended February 29, 2016 was \$224,465.

Fund Balance

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes, either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Trustees through a resolution are classified as committed fund balances. Amounts that are constrained by the Board of Trustees' intent to be used for specific purposes through a resolution, but are neither restricted nor committed, are classified as assigned fund balances. Negative fund balance in governmental funds, after determining the fund balance classifications described above, is reported as unassigned fund balance.

The Township's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Township considers committed funds to be expended first followed by assigned and then unassigned funds.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 2 – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on the last Thursday in December and are generally due and payable on or before June 1 and September 1. All unpaid taxes become delinquent on June 2 and September 2. The County bills and collects property taxes and then distributes funds to the Township. Property taxes are recognized when received. Levies from 2014 are included in revenues.

Note 3 – Deposits

The following is a summary of cash and cash equivalents. Dundee Township places funds in checking, certificates of deposit and money market accounts at local banks and deposits in the “The Illinois Funds” which are legally authorized investments.

The General Assembly of Illinois created the first local government investment pool in 1975 so committees statewide could invest their money together to earn greater returns. That pool is called “The Illinois Funds”. The Illinois Funds accounts comply with the Public Funds Investment Act, 30 ILCS 235. The Illinois Funds program complies with Illinois law and, in the case of the Money Market Fund, is limited to US Treasury backed investments. The Illinois Funds perfects collateral on investments in the aggregate and, in the case of certificates of deposit, perfected collateral is on amounts in excess of the Federal Deposit Insurance Corporation (FDIC) limits. The Illinois Funds has earned the highest Standard & Poor’s rating of AAAM.

Insured:	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC	\$ 250,000	\$ 250,000
Collateral held by the government, or its agents in the government's name	2,214,978	2,175,785
The Illinois Funds	<u>1,676,618</u>	<u>1,591,618</u>
	<u>\$ 4,141,596</u>	<u>\$ 4,017,403</u>

At year end, all of the cash balance was insured by the FDIC or bank collateral.

Note 4 – Motor Fuel Tax Funds

Every year the Township receives an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the state to Kane County where it is held for pending projects approved by the Dundee Township’s Highway Commissioner. When the projects are approved by management, payment and accounting for the projects are done through Kane County. These funds are not reflected in the financial statements of the Township.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the fiscal year:

	<u>March 1,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions /</u> <u>Retirement</u>	<u>February 28,</u> <u>2016</u>
Non-Depreciable Capital Assets				
Land	\$ 22,479,292	\$ -	\$ -	\$ 22,479,292
Total non-depreciable capital assets	<u>22,479,292</u>	<u>-</u>	<u>-</u>	<u>22,479,292</u>
Depreciable Capital Assets				
Building and improvements	1,289,530	-	-	1,289,530
Vehicles and equipment	2,323,096	192,193	(45,740)	2,469,549
Infrastructure	3,153,168	227,415	-	3,380,583
Total depreciable capital assets	<u>6,765,794</u>	<u>419,608</u>	<u>(45,740)</u>	<u>7,139,662</u>
Less Accumulated Depreciation	<u>(2,433,974)</u>	<u>(224,465)</u>	<u>45,740</u>	<u>(2,612,699)</u>
Total accumulated depreciation	<u>(2,433,974)</u>	<u>(224,465)</u>	<u>45,740</u>	<u>(2,612,699)</u>
Governmental Activities: Net Capital Assets	<u>\$ 26,811,112</u>	<u>\$ 195,143</u>	<u>\$ -</u>	<u>\$ 27,006,255</u>

As indicated in Note 1, the capital assets are reflected on the government-wide statement of assets as non-current assets. Depreciation of \$224,465 was charged to the Township's general government expense function and the depreciation is reflected as expenditure in the government-wide statement of activities. Capital asset additions for the year ended February 28, 2016 of \$419,608 are reflected as capital outlays in the statement of revenues, expenditures and changes in fund balance.

Note 6 – Illinois Municipal Retirement Fund – Defined Benefit Pension Plan

IMRF Plan Description

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

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 6 – Illinois Municipal Retirement Fund – Defined Benefit Pension Plan (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). The Township participates in the Regular Plan.

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

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

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

Employees Covered by Benefit Terms

As of February 29, 2016, the following employees were covered by benefit terms:

Retirees and beneficiaries currently receiving benefits	20
Inactive, non-retired members	15
Active plan members	21
Total	<u>56</u>

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 6 -- Illinois Municipal Retirement Fund – Defined Benefit Pension Plan (continued)

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5 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 Township's annual contribution rate for calendar year 2015 was 11.13 percent. For the fiscal year ended February 29, 2016, the Township contributed \$118,914 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

Actuarial Cost method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.49%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (Base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied fro non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 6 – Illinois Municipal Retirement Fund – Defined Benefit Pension Plan (continued)

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund annual actuarial valuation report.

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 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)), and the resulting single discount rate is 7.49%.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 6 – Illinois Municipal Retirement Fund – Defined Benefit Pension Plan (continued)

Changes in the Net Pension Liability

	Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 4,703,805	\$ 4,369,548	\$ 334,257
Changes for the year:			
Service Cost	110,399	-	110,399
Interest on the Total Pension Liability	349,133	-	349,133
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(50,499)	-	(50,499)
Changes of Assumptions	5,380	-	5,380
Contributions - Employer	-	115,442	(115,442)
Contributions - Employees	-	46,675	(46,675)
Net Investment Income	-	21,734	(21,734)
Benefit Payments, including Refunds of Employee Contributions	(207,800)	(207,800)	-
Other (Net Transfer)	-	32,905	(32,905)
Net Changes	<u>206,613</u>	<u>8,956</u>	<u>197,657</u>
Balances at December 31, 2015	<u>\$ 4,910,418</u>	<u>\$ 4,378,504</u>	<u>\$ 531,914</u>

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

The following present the plan's net pension liability calculated using a Single Discount Rate of 7.49 percent as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Lower (6.49%)	Current Discount (7.49%)	1% Higher (8.49%)
Total Pension Liability	\$ 5,487,551	\$ 4,910,418	\$ 4,426,840
Plan Fiduciary Net Position	<u>4,378,504</u>	<u>4,378,504</u>	<u>4,378,504</u>
Net Pension Liability/(Asset)	<u>\$ 1,109,047</u>	<u>\$ 531,914</u>	<u>\$ 48,336</u>

Note 7 – Deferred Compensation Plan

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

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 7 – Deferred Compensation Plan (continued)

The Township funds all amounts of compensation deferred under the Plan, at the direction of the covered employee, through investments in annuity contracts and mutual funds.

The Township has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Under provision of the Small Business Job Protection Act of 1996, assets of Internal Revenue Code Section 457 plans must be held in a trust for the exclusive benefit of the employees and beneficiaries. Accordingly, assets of 457 plans are no longer solely the property of the employer, subject only to claims of the employees creditors.

Note 8 – General Obligation Bond Issue – Open Space

In April 2005 Dundee Township issued \$14,810,000 of open space general obligation refunding bonds, series 2005. The proceeds from these refunding bonds were temporarily invested in U.S. government securities but during December of 2007 the refunding bond proceeds were used to refund the open space general obligation bonds, series 1997.

The interest earned in the bond fund was \$383 for the year ended February 29, 2016. In the accompanying statement of activities (page 4), this interest is netted as a reduction of Debt Service Expenditures. The 2007 bonds were issued at a premium of \$799,412. This premium was being amortized over 15 years, but was accelerated due to refunding that took place in the previous fiscal year. Amortization of \$12,333 is included as income in the accompanying financial statements.

During the fiscal year 2014, The Township refinanced the 2005 Series bond. The amount of the refinance totaled \$6,910,000. Of that amount, \$6,873,000 was put into escrow to repay the bonds when they are due. Underwriter discount totaled \$37,000. There was an estimated economic gain of \$102,000.

The new refunding bonds bear interest and start maturing on December 1 as follows:

December 1,	<u>Principal Due</u>	<u>Interest Due</u>
2016 \$	1,740,000	\$ 50,885
2017	1,752,665	30,005
Total \$	<u>3,492,665</u>	<u>\$ 80,890</u>

A summary of the bond activity for the year ended February 29, 2016 is as follows:

	<u>Bond Activity</u>
March 1, 2015	\$ 5,230,000
Principal payments	<u>(1,725,000)</u>
February 29, 2016	<u>\$ 3,505,000</u>

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 8 – General Obligation Bond Issue – Open Space (continued)

The debt service due on these bonds will be financed by a levy on property within the Township. The property taxes collected on this levy will be used to pay the annual interest and principal due on these bonds.

Note 9 – Projects and Programs

Program Name: Ride in Kane

Program Description: After a PACE funded, township wide bus program called Dial A Ride ceased to operate under the Dundee Township Park District, the Township and Park District, under the name of The Dundee Partners, joined a county based consortium of public and private agencies called Ride In Kane (RIK). RIK has received and continues to receive a series of federal transportation grants to provide transportation to seniors and disabled residents in the Township. The RIK program is now administered by AID, The Association for Individual Development, which administers the grant funding and acts as a Fiscal Agent for the grant. Ride In Kane contracts with PACE to provide rides for eligible residents and to manage a call center that dispatches Pace lift-equipped buses and other service provider vehicles for demand response, curb-to-curb transportation for seniors and the disabled. Due to the popularity of the program and a reduction in partner funding, Dundee Township has a long waiting list for persons who need this service.

Program Timing: Launched on February 15, 2008 and is currently on going.

Dundee Township is responsible for providing a grant obtained from PACE each year and contracting with its partners for additional funds to match a state and federal grant and program administration and registration. The PACE grant is awarded each year and varies according to PACE funding availability.

Note 10 – Leasing Activities

Dundee Township's leasing activities are accounted in the General Fund and consist of the leasing of one house on farmland located on Binnie Road. The lease of the house located at 37W888 Binnie Road is maintained on a month by month basis. Rental income for the location totaled \$26,400 for the fiscal year ended February 29, 2016.

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 and natural disasters for which the Township carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Dundee Township
Notes to Financial Statements
February 29, 2016

Note 12 – Legal Compliance and Accountability

Illinois townships have no debt limit for bonds. The debt limit obligations, other than bonds are 2.875% of the Township's equalized assessed valuation.

Legal Debt Margin

Assessed Valuation – 2014 Tax Levy	<u>\$ 1,360,334,324</u>
Statutory Limit – 2.875% of Assessed Valuation (70 ILCS 705/12)	<u>39,109,612</u>
Legal Debt Margin	<u>\$ 39,109,612</u>

The Township is within the Legal Debt Margin issued by the state.

Note 13 – Date of Management's Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events required to be disclosed.

Other Information

Dundee Township
General Town Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenues Received:				
Tax levy	\$ 922,000	\$ 922,000	\$ 956,798	\$ 34,798
State replacement tax	25,000	25,000	26,487	1,487
Interest income	801	801	1,490	689
Open space rental	16,000	16,000	26,650	10,650
Open space grants	15,000	15,000	100	(14,900)
Other	50,613	50,613	16,665	(33,948)
Total revenues received	<u>1,029,414</u>	<u>1,029,414</u>	<u>1,028,190</u>	<u>(1,224)</u>
Expenditures Disbursed:				
Personnel services:				
Salaries of elected officials:				
Highway commissioner	36,500	36,500	36,500	-
Supervisor	46,000	46,000	46,000	-
Supervisor-road and bridge treasurer	1,000	1,000	1,000	-
Assistant supervisor	50,000	50,600	50,432	168
Assessor	73,000	75,900	75,808	92
Town clerk	3,000	3,000	3,000	-
Board of trustees	9,000	9,000	8,235	765
Open space	72,700	72,700	69,667	3,033
Total salaries of elected officials	<u>291,200</u>	<u>294,700</u>	<u>290,642</u>	<u>4,058</u>
Supervisors office:				
IMRF and social security	60,400	64,525	62,985	1,540
Insurance-health	61,200	61,200	39,926	21,274
Unemployment insurance	600	600	282	318
Retiree health care coverage	9,600	9,600	8,712	888
Total supervisors office	<u>131,800</u>	<u>135,925</u>	<u>111,905</u>	<u>24,020</u>
Assessors office:				
Deputy assessors	231,000	231,000	229,823	1,177
IMRF and social security	42,950	45,650	45,167	483
Insurance-health	51,000	48,300	31,066	17,234
Unemployment insurance	800	800	706	94
Total assessors office	<u>325,750</u>	<u>325,750</u>	<u>306,762</u>	<u>18,988</u>
Clerks office:				
Clerical salary	5,000	275	-	275
Total clerks office	<u>5,000</u>	<u>275</u>	<u>-</u>	<u>275</u>
Open space:				
Salary	45,001	45,501	42,706	2,795
IMRF and social security	8,800	8,800	7,530	1,270
Insurance-health	10,200	10,200	9,538	662
Unemployment insurance	400	400	264	136
Total open space	<u>64,401</u>	<u>64,901</u>	<u>60,038</u>	<u>4,863</u>
Total personnel services	<u>818,151</u>	<u>821,551</u>	<u>769,347</u>	<u>52,204</u>

(continued)

Dundee Township
General Town Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Contractual Services:				
Supervisors office:				
Garbage disposal	\$ 1	\$ 1	\$ -	\$ 1
Risk management	8,500	8,500	8,434	66.00
Telephone	8,000	8,000	5,191	2,809
Utilities	16,000	16,000	4,362	11,638
Travel	1,000	1,000	795	205
Training	12,000	9,100	369	8,731
Postage	1,000	1,000	189	811
Printing and professional services	2,000	2,000	356	1,644
Audit	15,500	15,350	12,700	2,650
Legal and other professional services	30,501	35,501	32,733	2,768
Dues	4,000	4,000	2,625	1,375
Service charges	1,000	1,150	1,140	10.00
Maintenance	22,001	22,001	15,423	6,578
Social services grants	108,000	123,000	86,918	36,082
Condo association fees	9,600	9,600	6,471	3,129
Rental	1,000	1,000	773.00	227
Total supervisors office	<u>240,103</u>	<u>257,203</u>	<u>178,479</u>	<u>78,724</u>
Assessors office:				
Risk management	5,000	5,000	4,000	1,000.00
Maintenance	1,650	1,650	1,385	265
Telephone	6,000	6,000	4,297	1,703
Travel	3,700	2,100	1,462	638
Training	5,000	7,250	7,181	69
Postage	400	400	343	57
Printing and publishing	1,800	1,800	1,290	510
Legal and other professional services	25,500	25,500	20,948	4,552
Dues	750	1,350	1,222	128
Rental	1	1	-	1
Contract help	1	1	-	1
Total assessors office	<u>49,802</u>	<u>51,052</u>	<u>42,128</u>	<u>8,924</u>
Clerks office:				
Telephone	1,400	1,400	-	1,400
Maintenance-equipment	100	100	-	100
Rental	250	250	-	250
Travel	150	150	-	150
Training	250	250	178.00	72
Postage	150	150	140.00	10
Printing and publishing	200	200	199	1
Dues	50	50	30	20.00
Legal	250	250	-	250
Total clerks office	<u>2,800</u>	<u>2,800</u>	<u>547</u>	<u>2,253</u>

(continued)

Dundee Township
General Town Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Open space:				
Garbage disposal	\$ 2,000	\$ 2,000	\$ 1,843	\$ 157
Travel	500	500	0	500
Postage	200	200	0	200
Printing and publishing	6,000	6,000	490	5,510
Audit	1,500	1,500	0	1,500
Legal and other professional services	3,500	6,500	4,575	1,925
Training	2,000	2,000	1,165	835
Restoration projects	69,000	73,500	24,141	49,359
Maintenance	36,000	36,000	21,948	14,052
Telephone	1,000	1,000	253.00	747
Mosquito abatement	1	1	-	1
Risk management	6,000	6,000	5,750	250.00
Rental	1,000	1,000	202	798
Dues	1,500	1,500	1,349	151
Service charges	300	300	-	300
Grant writer	1	1	-	1
Ice and snow removal	500	500	-	500
Total open space	<u>131,002</u>	<u>138,502</u>	<u>61,716</u>	<u>76,786</u>
 Total contractual services	 <u>423,707</u>	 <u>449,557</u>	 <u>282,870</u>	 <u>166,687</u>
 Commodities:				
Supervisors office:				
Office supplies	1,500	1,500	1,464	36
Operating supplies	1,000	1,000	855	145
Publications	50	50	-	50
Total supervisors office	<u>2,550</u>	<u>2,550</u>	<u>2,319</u>	<u>231</u>
 Assessors office:				
Office supplies	1,500	1,500	1,481	19
Publications	8,000	8,000	5,940	2,060
Total assessors office	<u>9,500</u>	<u>9,500</u>	<u>7,421</u>	<u>2,079</u>
 Clerks office:				
Office supplies	600	600	510	90
Publications	1	1	-	1
Total clerks office	<u>601</u>	<u>601</u>	<u>510</u>	<u>91</u>
 Open space:				
Operating expenses	15,000	15,000	13,982	1,018
Office supplies	50	50	22	28
Publications	200	200	-	200
Gas and oil	5,000	5,000	3,355	1,645
Total open space	<u>20,250</u>	<u>20,250</u>	<u>17,359</u>	<u>2,891</u>
 Total commodities	 <u>32,901</u>	 <u>32,901</u>	 <u>27,609</u>	 <u>5,292</u>

(continued)

**Dundee Township
General Town Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016**

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Other:				
Supervisors office:				
Contingencies	\$ 20,000	\$ -	\$ -	\$ 0
Miscellaneous	3	3	-	3
Capital outlay-land	1	1	-	1
Capital outlay-building	25,000	25,000	269	24,731
Capital outlay-equipment	25,000	25,000	1,831	23,169
Improvements other than building	1,000	1,000	-	1,000
Capital expense fund	1	1	-	1
Total supervisors office	<u>71,005</u>	<u>51,005</u>	<u>2,100</u>	<u>48,905</u>
Assessors office:				
Contingencies	3,000	1,650	-	1,650
Miscellaneous	2	2	-	2
Capital outlay-equipment	1,201	1,301	1,294	7
Total assessors office	<u>4,203</u>	<u>2,953</u>	<u>1,294</u>	<u>1,659</u>
Clerks office:				
Contingencies	150	150	-	150
Miscellaneous	1,000	1,000	26	974
Capital outlay-equipment	2,000	2,000	-	2,000
Total clerks office	<u>3,150</u>	<u>3,150</u>	<u>26</u>	<u>3,124</u>
Open spaces:				
Land acquisition	1	1	-	1
Capital outlay-equipment	4,000	4,000	1,374	2,626
Capital outlay-buildings	1	1	-	1
Capital outlay-vehicle	5,000	5,000	0	5,000
Real estate tax	16,500	16,500	15,817	683
Contingencies	15,000	7,000	-	7,000
Improvements other than buildings	1	1	-	1
Capital expense fund	1	1	-	1
Total open spaces	<u>40,504</u>	<u>32,504</u>	<u>17,191</u>	<u>15,313</u>
Total other	<u>118,862</u>	<u>89,612</u>	<u>20,611</u>	<u>69,001</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures disbursed	<u>1,393,621</u>	<u>1,393,621</u>	<u>1,100,437</u>	<u>293,184</u>
Excess (Deficiency) of Revenues Over expenditures	<u>(364,207)</u>	<u>(364,207)</u>	<u>(72,247)</u>	<u>(291,960)</u>
Other Financing Sources (Uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (364,207)</u>	<u>\$ (364,207)</u>	<u>(72,247)</u>	<u>\$ (291,960)</u>
Fund Balance - Beginning of Year			<u>2,636,493</u>	
Fund Balance - End of Year			<u>\$ 2,564,246</u>	

Dundee Township
Road and Bridge - General Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenues Received:				
Tax levy	\$ 695,000	\$ 695,000	\$ 714,480	\$ 19,480
Material-services	1	1	-	(1)
Interest income	900	900	387	(513)
State replacement tax	15,000	15,000	40,724	25,724
Other	2,006	2,006	11,020	9,014
Total revenues	<u>712,907</u>	<u>712,907</u>	<u>766,611</u>	<u>53,704</u>
Expenditures Disbursed:				
Personal services:				
Salaries	310,787	310,787	310,838	(51)
IMRF and social security	3	3	-	3
Insurance-health	45,900	45,900	34,332	11,568
Total personal services	<u>356,690</u>	<u>356,690</u>	<u>345,170</u>	<u>11,520</u>
Contractual services:				
Maintenance-building	10,000	10,000	9,020	980
Maintenance-vehicles	20,000	20,000	12,494	7,506
Maintenance-equipment	20,000	20,000	16,670	3,330
Maintenance-grounds	2,000	2,000	1,067	933
Service charges	100	100	-	100
Risk management	5,000	5,000	-	5,000
Telephone	6,200	6,200	4,290	1,910
Utilities	5,000	6,200	5,517	683
Rental	2,000	2,000	111	1,889
Travel	300	300	80	220
Training	2,200	2,200	1,304	896
Postage	250	250	245	5
Printing and publishing	700	700	250	450
Legal services and other professional services	8,100	12,100	10,419	1,681
Engineering services	3,000	3,000	3,000	-
Garbage disposal	2,000	2,000	1,368	632
Dues	450	450	175	275
Snow and ice removal	6,500	6,500	6,450	50
Uniforms	2,900	2,900	2,558	342
Total contractual services	<u>96,700</u>	<u>101,900</u>	<u>75,018</u>	<u>26,882</u>
Commodities:				
Office supplies	2,000	2,000	866	1,134
Gasoline and oil	40,000	30,000	21,655	8,345
Publications	1	1	-	1
Operating supplies	9,000	9,000	7,673	1,327
Infrastructure	220,000	230,000	227,415	2,585
Non-dedicated roads	1	1	-	1
Total commodities	<u>271,002</u>	<u>271,002</u>	<u>257,609</u>	<u>13,393</u>

(continued)

Dundee Township
Road and Bridge - General Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Other:				
Judgment/claims	\$ 1	\$ 1	\$ -	\$ 1
Miscellaneous	500	500	-	500
Contingencies	12,000	6,800	5,000	1,800
Capital outlay-land	1	1	-	1
Capital outlay-buildings	1	1	-	1
Capital outlay-vehicles	1	1	-	1
Capital outlay-equipment	1	1	-	1
Improvements other than buildings	1	1	-	1
Total other	<u>12,506</u>	<u>7,306</u>	<u>5,000.00</u>	<u>2,306</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures disbursed	<u>736,898</u>	<u>736,898</u>	<u>682,797</u>	<u>54,101</u>
Excess (Deficiency) of Revenues Over expenditures	<u>(23,991)</u>	<u>(23,991)</u>	<u>83,814</u>	<u>107,805</u>
Other Financing Sources (Uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (23,991)</u>	<u>\$ (23,991)</u>	<u>83,814</u>	<u>\$ 107,805</u>
Fund Balance - Beginning of Year			<u>451,281</u>	
Fund Balance - End of Year			<u>\$ 535,095</u>	

Dundee Township
Bond Debt Service Fund
Schedule of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balances - Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Revenues Received:				
Tax levy	\$ 1,790,550	\$ 1,790,550	\$ 1,788,863	\$ (1,687)
Interest income	500	500	384	(116)
Other	5	5	-	(5)
Total revenues received	<u>1,791,055</u>	<u>1,791,055</u>	<u>1,789,247</u>	<u>(1,808)</u>
Expenditures Disbursed:				
Contractual services:				
Bank charges	600	700	634	66
Total contractual services	<u>600</u>	<u>700</u>	<u>634</u>	<u>66</u>
Other:				
Miscellaneous	100,002	100,002	-	100,002
Bond principal payments	1,746,000	1,746,000	1,725,000	21,000
Interest expense	80,000	79,900	65,548	14,352
Total other	<u>1,926,002</u>	<u>1,925,902</u>	<u>1,790,548</u>	<u>135,354</u>
Capital outlay	-	-	-	-
Total expenditures disbursed	<u>1,926,602</u>	<u>1,926,602</u>	<u>1,791,182</u>	<u>135,420</u>
Excess (Deficiency) of Revenues Over expenditures	<u>(135,547)</u>	<u>(135,547)</u>	<u>(1,935)</u>	<u>133,612</u>
Other Financing Sources (Uses):				
Bond sale proceeds	1	1	-	(1)
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ (135,546)</u>	<u>\$ (135,546)</u>	<u>(1,935)</u>	<u>\$ 133,611</u>
Fund Balance - Beginning of Year			<u>238,587</u>	
Fund Balance - End of Year			<u>\$ 236,652</u>	

Dundee Township
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios -
Illinois Municipal Retirement Fund
For the Year Ended February 29, 2016

Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2005
Total Pension Liability										
Service cost	\$ 110,399	-	-	-	-	-	-	-	-	-
Interest on the total pension liability	349,133	-	-	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(50,499)	-	-	-	-	-	-	-	-	-
Assumption changes	5,380	-	-	-	-	-	-	-	-	-
Benefit payments and refunds	(207,800)	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	206,613	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	4,703,805	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 4,910,418	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer contributions	\$ 115,442	-	-	-	-	-	-	-	-	-
Employee contributions	46,675	-	-	-	-	-	-	-	-	-
Pension plan net investment income	21,734	-	-	-	-	-	-	-	-	-
Benefit payments and refunds	(207,800)	-	-	-	-	-	-	-	-	-
Other	32,905	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	8,956	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	4,369,548	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 4,378,504	-	-	-	-	-	-	-	-	-
Net Pension Liability/(Asset) - Ending (a) - (b)	531,914	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.17%	-	-	-	-	-	-	-	-	-
Covered Valuation Payroll	\$ 1,037,209	-	-	-	-	-	-	-	-	-
Net Pension Liability as a Percentage of Covered Valuation Payroll	51.28%	-	-	-	-	-	-	-	-	-

**Dundee Township
Multiyear Schedule of Contributions -
Illinois Municipal Retirement Fund
For the Year Ended February 29, 2016**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution*</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 115,441	\$ 115,442	\$ (1)	\$ 1,037,209	11.13%

* Estimated based on contribution rate of 11.13% and covered valuation payroll of \$1,037,209.

Dundee Township
Notes to Other Information
February 29, 2016

Note 3 – Pension Plan (continued)

<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Supplementary Information

Dundee Township
Combining Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
Non-Major Funds
February 29, 2016

Assets	Governmental Funds							Total
	General Assistance Fund	Cemetery Fund	IMRF Fund	Road and Bridge Building Fund	Road and Bridge IMRF Fund	Road and Bridge Insurance Fund		
Current Assets:								
Checking	\$ 3,658	\$ -	\$ -	\$ 88,234	\$ -	\$ 29,556	\$ -	\$ 121,448
Certificates of deposit and other short-term investments	107,356	418,472	-	1,013	32,310	811	-	559,962
Total current assets	<u>111,014</u>	<u>418,472</u>	<u>-</u>	<u>89,247</u>	<u>32,310</u>	<u>30,367</u>	<u>-</u>	<u>681,410</u>
Total Assets	\$ <u>111,014</u>	\$ <u>418,472</u>	\$ <u>-</u>	\$ <u>89,247</u>	\$ <u>32,310</u>	\$ <u>30,367</u>	\$ <u>-</u>	\$ <u>681,410</u>
Liabilities and Fund Balances								
Liabilities:								
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	111,014	418,472	-	89,247	32,310	30,367	-	681,410
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>111,014</u>	<u>418,472</u>	<u>-</u>	<u>89,247</u>	<u>32,310</u>	<u>30,367</u>	<u>-</u>	<u>681,410</u>
Total Liabilities and Fund Balances	\$ <u>111,014</u>	\$ <u>418,472</u>	\$ <u>-</u>	\$ <u>89,247</u>	\$ <u>32,310</u>	\$ <u>30,367</u>	\$ <u>-</u>	\$ <u>681,410</u>

Dundee Township
Combining Statement of Revenues Received,
Expenditures Disbursed, and Changes in Fund Balances - Modified Cash Basis
Non-Major Funds
For the Year Ended February 29, 2016

	Governmental Funds							Total
	General Assistance Fund	Cemetery Fund	IMRF Fund	Road and Bridge Building Fund	Road and Bridge IMRF Fund	Road and Bridge Insurance Fund		
Revenues Received:								
Tax levy	\$ 85,425	\$ 180,000	\$ -	\$ 102,869	\$ 60,510	\$ 37,121	\$	465,925
State replacement tax	-	-	-	-	-	-	-	-
Interest income	72	351	-	26	11	7	-	467
Sale of lots and burial charges	-	139,730	-	-	-	-	-	139,730
Material service	-	-	-	-	-	-	-	-
Other	-	8,671	160,072	-	-	-	-	168,743
Total revenues received	<u>85,497</u>	<u>328,752</u>	<u>160,072</u>	<u>102,895</u>	<u>60,521</u>	<u>37,128</u>		<u>774,865</u>
Expenditures Disbursed:								
General Government:								
Personnel services	18,205	234,937	-	-	52,000	740	-	305,882
Contractual services	88,089	56,716	160,072	-	-	31,698	-	336,575
Commodities	-	13,563	-	-	-	-	-	13,563
Capital outlay	-	102,638	-	87,937	-	-	-	190,575
Debt service	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total expenditures disbursed	<u>106,294</u>	<u>407,854</u>	<u>160,072</u>	<u>87,937</u>	<u>52,000</u>	<u>32,438</u>		<u>846,595</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	5,000	-	-	5,000
Sale of equipment	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	<u>5,000</u>	-	-	<u>5,000</u>
Net Change in Fund Balances	(20,797)	(79,102)	-	14,958	13,521	4,690		(66,730)
Fund Balances, Beginning of Year	131,811	497,574	-	74,289	18,789	25,677		748,140
Fund Balances, End of Year	\$ 111,014	\$ 418,472	\$ -	\$ 89,247	\$ 32,310	\$ 30,367	\$	\$ 681,410

**Dundee Township
Cemetery Fund**
**Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis**
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenues Received:				
Tax levy	\$ 180,000	\$ 180,000	\$ 180,000	\$ -
Interest income	200	200	351	151
Sale of lots and burial changes	132,000	132,000	139,730	7,730
Other	10,806	10,806	8,671	(2,135)
Total revenues received	<u>323,006</u>	<u>323,006</u>	<u>328,752</u>	<u>5,746</u>
Expenditures Disbursed:				
Personal services:				
Salaries	182,580	182,580	173,184	9,396
IMRF and social security	36,392	36,392	32,082	4,310
Unemployment insurance	750	750	422	328
Insurance-health	38,556	38,556	29,249	9,307
Total personal services	<u>258,278</u>	<u>258,278</u>	<u>234,937</u>	<u>23,341</u>
Contractual services:				
Rental	200	200	-	200
Travel	50	50	-	50
Maintenance-building	6,000	6,000	2,629	3,371
Maintenance-vehicles	3,000	3,000	1,161	1,839
Maintenance-equipment	4,000	4,000	3,508	492
Maintenance-grounds	10,000	10,000	7,586	2,414
Maintenance-tree trimming	22,000	22,000	21,124	876
Risk management	8,500	8,500	7,750	750
Training	2,000	2,000	349	1,651
Telephone	1,800	1,800	1,784	16
Utilities	7,000	7,000	4,510	2,490
Postage	100	100	50	50
Printing and publication	500	500	-	500
Engineering and services	3,000	3,000	2,000	1,000
Legal fees	1,000	1,000	-	1,000
Other professional services	2,500	2,500	2,277	223
Garbage disposal	2,500	2,500	1,963	537
Service charges	100	100	-	100
Dues	100	100	25	75
Total contractual services	<u>74,350</u>	<u>74,350</u>	<u>56,716</u>	<u>17,634</u>
Commodities:				
Office supplies	300	300	244	56
Gasoline and oil	16,000	16,000	9,632	6,368
Publications	1	4,000	-	4,000
Operating supplies	4,000	4,000	1,274	2,726
Trees and plants	3,000	-	-	-
Wreaths	4,000	3,000	2,413	587
Total commodities	<u>27,301</u>	<u>27,300</u>	<u>13,563</u>	<u>13,737</u>
Other:				
Judgments/claims	1	1	-	1
Miscellaneous	300	300	-	300
Real estate tax	600	800	-	800
Contingencies	5,000	4,800	-	4,800
Total other	<u>5,901</u>	<u>5,901</u>	<u>-</u>	<u>5,901</u>

(Continued)

**Dundee Township
Cemetery Fund**
**Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis**
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Capital Outlay:				
Capital outlay-equipment	\$ 12,000	\$ 97,000	\$ 96,904	\$ 96
Improvements other than buildings	<u>150,000</u>	<u>65,000</u>	<u>5,734</u>	<u>59,266</u>
Total capital outlay	<u>162,000</u>	<u>162,000</u>	<u>102,638</u>	<u>59,362</u>
 Total expenditures disbursed	 <u>527,830</u>	 <u>527,829</u>	 <u>407,854</u>	 <u>119,975</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(204,824)</u>	 <u>(204,823)</u>	 <u>(79,102)</u>	 <u>125,721</u>
 Other Financing Sources (Uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	 <u>\$ (204,824)</u>	 <u>\$ (204,823)</u>	 <u>(79,102)</u>	 <u>\$ 125,721</u>
 Fund Balance - Beginning of Year			 <u>497,574</u>	
 Fund Balance - End of Year			 <u>\$ 418,472</u>	

**Dundee Township
General Assistance Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016**

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenues Received:				
Tax levy	\$ 103,905	\$ 103,905	\$ 85,425	\$ (18,480)
Interest income	50	50	72	22
Other	5,003	5,003	-	(5,003)
Total revenues received	<u>108,958</u>	<u>108,958</u>	<u>85,497</u>	<u>(23,461)</u>
Expenditures Disbursed:				
Personal services:				
Salaries	20,000	20,000	15,195	4,805
IMRF and social security	3,500	3,500	2,845	655
Unemployment insurance	200	200	165	35
Insurance-health	10,200	10,200	-	10,200
Total personal services	<u>33,900</u>	<u>33,900</u>	<u>18,205</u>	<u>15,695</u>
Contractual services:				
Travel	500	500	371	129
Training	500	500	207	293
Postage	100	100	-	100
Printing and publishing	500	500	-	500
Professional services	1	1	-	1
Dues	25	25	-	25
Service charges	250	250	-	250
General assistance-all services	55,000	55,000	43,899	11,101
Risk management	2,800	2,800	2,650	150
Emergency services-all services	64,000	64,000	40,962	23,038
Maintenance	1	1	-	1
Total contractual services	<u>123,677</u>	<u>123,677</u>	<u>88,089</u>	<u>35,588</u>
Commodities:				
Office supplies	250	250	-	250
Publications	50	50	-	50
Total commodities	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Other:				
Judgments/claims	1	1	-	1
Miscellaneous	150	150	-	150
Contingencies	7,500	7,500	-	7,500
Total other	<u>7,651</u>	<u>7,651</u>	<u>-</u>	<u>7,651</u>
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
 Total expenditures disbursed	 <u>165,529</u>	 <u>165,529</u>	 <u>106,294</u>	 <u>59,235</u>

(continued)

Dundee Township
General Assistance Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(56,571)</u>	\$ <u>(56,571)</u>	\$ <u>(20,797)</u>	\$ <u>35,774</u>
Other Financing Sources (Uses): Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(56,571)</u></u>	\$ <u><u>(56,571)</u></u>	<u><u>(20,797)</u></u>	\$ <u><u>35,774</u></u>
Fund Balance - Beginning of Year			<u>131,811</u>	
Fund Balance - End of Year			\$ <u><u>111,014</u></u>	

Dundee Township
Road and Bridge - Insurance Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Revenues Received:				
Tax levy	\$ 36,000	\$ 36,000	\$ 37,121	\$ 1,121
Interest income	15	15	7	(8)
Other	-	-	-	-
Total revenues received	<u>36,015</u>	<u>36,015</u>	<u>37,128</u>	<u>1,113</u>
Expenditures Disbursed:				
Unemployment insurance	1,000	1,000	740	260
Risk management	35,000	35,000	31,698	3,302
Contingency	900	900	-	900
Bank charges	100	100	-	100
Total expenditures disbursed	<u>37,000</u>	<u>37,000</u>	<u>32,438</u>	<u>4,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(985)</u>	<u>(985)</u>	<u>4,690</u>	<u>5,675</u>
Other Financing Sources (Uses):				
Operating transfers in	1	1	-	(1)
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Net Change in Fund Balance	<u>\$ (984)</u>	<u>\$ (984)</u>	<u>4,690</u>	<u>\$ 5,674</u>
Fund Balance - Beginning of Year			<u>25,677</u>	
Fund Balance - End of Year			<u>\$ 30,367</u>	

Dundee Township
Road and Bridge - Illinois Municipal Retirement and Social Security Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Revenues Received:				
Tax levy	\$ 59,000	\$ 59,000	\$ 60,510	\$ 1,510
Interest income	60	60	11	(49)
Total revenues received	<u>59,060</u>	<u>59,060</u>	<u>60,521</u>	<u>1,461</u>
Expenditures Disbursed:				
IMRF	38,000	38,000	30,798	7,202
Social security	25,000	25,000	21,202	3,798
Bank charges	100	100	-	100
Contingency	10,000	10,000	-	10,000
Total expenditures disbursed	<u>73,100</u>	<u>73,100</u>	<u>52,000</u>	<u>21,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,040)</u>	<u>(14,040)</u>	<u>8,521</u>	<u>22,561</u>
Other Financing Sources (Uses):				
Transfers in	-	-	5,000	5,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	<u>\$ (14,040)</u>	<u>\$ (14,040)</u>	<u>13,521</u>	<u>\$ 27,561</u>
Fund Balance - Beginning of Year			<u>18,789</u>	
Fund Balance - End of Year			<u>\$ 32,310</u>	

Dundee Township
Road and Bridge - Building and Equipment Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance -
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2016

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenues Received:				
Tax levy	\$ 99,300	\$ 99,300	\$ 102,869	\$ 3,569
Interest income	20	20	26	6
Other	2	2	-	(2)
Total revenues received	<u>99,322</u>	<u>99,322</u>	<u>102,895</u>	<u>3,573</u>
Expenditures Disbursed:				
Capital outlay-buildings	1	1	-	1
Capital outlay-vehicles	46,000	36,000	30,797	5,203
Capital outlay-equipment	56,000	66,000	57,140	8,860
Capital outlay-land	1	1	-	1
Contingency	12,319	12,319	-	12,319
Bank charges	1	1	-	1
Total expenditures disbursed	<u>114,322</u>	<u>114,322</u>	<u>87,937</u>	<u>26,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>14,958</u>	<u>29,958</u>
Other Financing Sources (Uses):				
Operating transfers out	(1)	(1)	-	(1)
Operating transfers in	1	1	-	1
Sale of equipment	15,000	15,000	-	15,000
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>14,958</u>	<u>\$ 14,958</u>
Fund Balance - Beginning of Year			<u>74,289</u>	
Fund Balance - End of Year			<u>\$ 89,247</u>	

Dundee Township
Schedule of Interest Income by Fund
February 29, 2016

	<u>Interest on Cash and Investments</u>	<u>Interest on Taxes Kane County</u>	<u>Total</u>
Primary Government:			
Town fund	\$ 1,484	\$ 6	\$ 1,490
Bond debt service	373	11	384
Cemetery fund	350	1	351
General assistance fund	71	1	72
Total primary government	<u>2,278</u>	<u>19</u>	<u>2,297</u>
Component Units:			
Road and bridge fund	383	4	387
Building and equipment fund	25	1	26
Road and bridge - insurance fund	7	-	7
Road and bridge - IMRF and social security fund	<u>11</u>	<u>-</u>	<u>11</u>
Total component units	<u>426</u>	<u>5</u>	<u>431</u>
Total Primary Government and Component Units	<u>\$ 2,704</u>	<u>\$ 24</u>	<u>\$ 2,728</u>

Additional Supplementary Information

Dundee Township
Illinois Municipal Retirement Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Modified Cash Basis
For the Year Ended February 29, 2016

	<u>Actual</u>
Revenues Received:	
Transfers from other funds:	
Road and bridge fund	\$ 26,752
General assistance fund	1,520
Town fund	114,953
Cemetery fund	16,847
Open space acquisition fund	-
Total revenues received	160,072
Expenditures Disbursed:	
Transfer to town fund	-
Bank charges	-
Payment to Illinois Municipal Retirement Fund	160,072
Total expenditures disbursed	160,072
Net Change in Fund Balance	-
Fund Balance - Beginning of Year	-
Fund Balance - End of Year	\$ -

Dundee Township
Additional Supplementary Information
February 29, 2016

Detailed Overlapping Bonded Debt

(As of January 1, 2016)

	Outstanding Debt	Applicable to Township Percent	Amount
Schools:			
Barrington District Number 220	\$ 114,975,000	2.25%	\$ 2,586,938
Community Unit School District Number 300(3)	464,149,031	51.74%	240,150,709
Consolidated Unit School District Number 46 (3)	414,154,841	0.32%	1,325,295
Elgin Community College District 509 (1) (2) (3)	43,417,281	13.34%	5,791,865
Harper Community College District 512 (2)	131,315,000	0.34%	446,471
Total Schools			250,301,278
Other Taxing Districts:			
Kane County (1)	39,127,000	12.69%	4,965,216
Kane County Forest Preserve District	212,626,190	12.69%	26,982,264
Village of Algonquin	15,837,542	23.84%	3,775,670
Village of Carpentersville	6,535,000	100.00%	6,535,000
Village of West Dundee	13,213,000	100.00%	13,213,000
City of Elgin	40,667,470	7.60%	3,090,728
Village of Gilberts	61,323,094	8.54%	5,236,992
Village of Hoffman Estates	69,415,000	0.05%	34,708
Dundee Township Park District	912,370	100.00%	912,370
Total Other Taxing Districts			64,745,948
Total School and Overlapping Bond Debt			\$ 315,047,226

Source: Kane County Clerk

(1) Includes that portion of the Public Building Commission's outstanding bonds that applies to the District and is payable from lease agreements secured by ad valorem taxes on all taxable property in the District.

(2) Excludes principal amounts of outstanding General Obligations (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

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Statement of Bonded Indebtedness

	Amount Applicable	Equalized Assessed	Full Actual	Per Capita (2007 Pop. 65,303)
Township EAV of Taxable Property, 2014	\$1,360,334,324	100%	103%	\$ 21,545
Estimated Actual Value, 2015	1,444,634,987	97%	100%	20,831
 Total Direct Bonded Debt	-	0%	0%	-
 Overlapping Bonded Debt:				
Schools	250,301,278	17.79%	18.40%	3,833
All other taxing districts	64,745,948	4.60%	4.76%	991
Total Overlapping Bonded Debt	315,047,226	22.39%	23.16%	4,824
 Total Direct and Overlapping Bonded Debt	<u>\$ 315,047,226</u>	<u>22.39%</u>	<u>23.16%</u>	<u>\$ 4,824</u>

Property Assessment and Tax Information

For the 2014 levy year, the Township's EAV was comprised of 64.58% residential, 15.91% industrial, 19.13% commercial, and .38% farm.

Township Equalized Assessed Valuation By Levy Year

	2011	2012	2013	2014	2015
Residential	\$ 1,165,369,955	\$ 1,025,097,839	\$ 917,820,081	\$ 878,482,045	\$ 922,255,130
Farm	6,639,266	5,924,314	5,274,640	5,184,103	5,325,431
Commercial	328,957,434	310,939,261	271,653,080	260,292,155	268,851,912
Industrial	235,569,828	227,662,458	212,229,100	216,376,021	248,202,514
Total	<u>\$ 1,736,536,483</u>	<u>\$ 1,569,623,872</u>	<u>\$ 1,406,976,901</u>	<u>\$ 1,360,334,324</u>	<u>\$ 1,444,634,987</u>

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Tax Rates

	2011	2012	2013	2014	2015
Town Fund	0.0708	0.0705	0.0814	0.0862	0.0846
General Assistance	0.0068	0.0068	0.0078	0.0083	0.0064
Bonds & Interest	0.1177	0.1369	0.1284	0.0133	0.1254
Road & Bridge Fund	0.0850	0.0847	0.0978	0.1035	0.0997
Road & Bridge Insurance	0.0024	0.0023	0.0027	0.0029	0.0028
Road & Bridge Social Security	0.0013	0.0015	0.0017	0.0018	0.0018
Road & Bridge IMRF	0.0014	0.0017	0.0020	0.0029	0.0028
Road & Bridge Building & Equipment	0.0077	0.0071	0.0082	0.0080	0.0077
Total Township	0.2931	0.3115	0.3300	0.2269	0.3312
Kane County	0.3994	0.4335	0.4623	0.4684	0.4479
Kane County FPD	0.2588	0.2689	0.3014	0.3101	0.2920
Dundee Township Park District	0.4611	0.6069	0.7110	0.7363	0.6963
Village of Carpentersville	1.9580	2.2956	2.6664	2.9407	2.9252
Fox River Valley Public Library	0.1945	0.1925	0.2376	0.2569	0.2563
Carpentersville Fire Protection District	0.6369	0.6746	0.7032	0.7360	0.7414
School District Number 300	5.7066	5.9850	7.0099	7.2464	7.3547
Community College District 509	0.5036	0.5763	0.6135	0.6706	0.6260
Total Rates from Other Taxing Districts	10.1189	11.0333	12.7053	13.3654	13.3398
Total Tax Rates	10.4120	11.3448	13.0353	13.5923	13.6710

Source: Kane County Clerk

Township Tax Extensions and Collections

Levy Year	Coll. Year	Taxes Extended	Collections ⁽¹⁾	
			Amount	Percent
2010	2011	\$3,042,571.82	\$3,033,431.91	99.70%
2011	2012	3,176,536.22	3,160,934.36	99.51%
2012	2013	3,317,393.45	3,241,436.89	97.71%
2013	2014	3,000,283.16	2,982,486.90	99.41%
2014	2015	3,051,813.49	3,011,082.89	98.67%

Source: Kane County Clerk

(1) Includes taxes paid under protest but not distributed to the township, protest and back tax distributions, forfeiture distributions and proceeds from county sales of property.

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Major Township Taxpayers

<u>Taxpayer Name⁽¹⁾</u>	<u>Business/Service</u>	<u>Based upon 2015 EAV</u>
Simon/Chelsea Chicago Development LLC	Commercial Property	\$ 50,483,727
Liberty Illinois LP	Industrial Property	37,777,668
V V2/Geneva Commons LP	Commercial Property	34,415,407
Toyota Motor Sales USA Inc	Industrial Property	29,795,276
Q Center LLC	Commercial Property	16,165,049
Algonquin Commons LLC	Commercial Property	16,031,158
John B Sanfilippo & Son Inc	Industrial Property	15,916,743
Spring Hill Mall LLC	Commercial Property	15,874,067
AMLI AT St Charles LLC	Commercial Property	13,327,010
Regency Canterfield LLC	Commercial Property	13,054,489
Total		<u>\$ 242,840,594</u>

Source: Kane County Clerk

- (1) Effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2015 EAV is the most current available.

Property Tax Assessment, Levy, and Collection Procedures

The following is a summary of property tax assessment, levy, and collection procedures for Kane County, Illinois (the "County").

The Supervisor of Assessments supervises the assessment of all real property and railroad property not used for transportation purposes. These valuations are subject to appeal by the taxpayer to the County Board of Review and the State of Illinois Property Tax Appeal Board and then to equalization by the Illinois Department of Revenue. Real estate sales ratio studies conducted annually by the Illinois Department of Revenue provide the foundation of inter-county equalization by means of multipliers assigned to each county. The multiplier (also known as the "equalization factor") is applied to all assessments in the County to adjust such assessment by a given percentage in order to bring the County level toward the statutory standard of 33 1/3% of fair market value. The multiplier applied to levy year 2011, 2012, 2013, and 2014 assessments in Kane County was 1.0.

Railroad real properties used for transportation purposes, private car lines, pollution control equipment, and capital stock are assessed by the Illinois Department of Revenue which certifies these valuations to the County Clerk. These assessments are not subject to revision by the equalization factor.

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The equalized assessed valuation is subject to local taxing body tax rates. The County Clerk computes all tax rates and ensures that the rate of any taxing body does not exceed that authorized by law.

Abatements are factored into the final determination of tax rates. After receipt of the tax levies of each taxing body in the County, the County Clerk extends the taxes for each parcel of taxable property, which amount constitutes property taxes payable for each such parcel.

All taxable property in the County is reassessed every four years. The past calendar year of 2014 was a reassessment year for the County. Between these quadrennial assessments, the Township Assessor has the authority to revalue those properties whose condition has altered significantly since the last assessment and any other properties which may be incorrectly assessed.

Taxes not paid when due are subject to a penalty rate of 1 1/2% per month until paid. Unpaid property taxes constitute a valid lien against the property on which the tax is levied.

Property taxes in the County are collected by the Treasurer of the County, who distributes to the Township its share of collections. Taxes levied for expenditure in any year become due and payable in the following year. For example, taxes levied by the Township for the levy year 2014 become due and payable in calendar 2015. Real estate taxes are, by statute, payable in two installments during the year (June and September), whereas State-assessed taxes are payable in one lump sum.

Exemptions

Certain statutory exemptions provide for reductions in assessed valuation or equalized assessed valuation or limit increases in assessed valuation to qualifying taxpayers. The Annual Homestead Exemption provides that the equalized assessed valuation for certain property owned and used exclusively for residential purposes may be reduced for each year by the amount of any increase over the 1977 equalized assessed valuation, up to a maximum reduction of \$6,000. A Homestead Improvement Exemption allows owners of single family residences to make up to \$75,000 in home improvements without increasing the assessed valuation of their property for at least four (4) years.

The Homestead Exemption for Senior Citizens permits the assessor annually to reduce the equalized assessed valuation by \$5,000 on the residence of persons 65 or older in counties with 3,000,000 or more inhabitants, and \$2,500 in all other counties for those who apply and qualify. A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$40,000 or less from 1999 through 2004, or annual incomes of \$45,000 or less in 2005, annual incomes of \$50,000 or less in 2006, or annual incomes of \$55,000 or less in 2007 and taxable years thereafter. The Homestead Exemption for Disabled Veterans exempts, on an annual basis, up to \$5,000 of the equalized assessed value from the property for a veteran with at least a 75% service connected disability, or \$2,500 of equalized assessed value from the property for a veteran with at least 50%, but less than 75%. The Homeowner Exemption for Long-term Properties allows certain longtime homeowners in established neighborhoods facing a dramatic rise in property taxes attributable to gentrification to exempt from property tax an amount equal to the current equalized assessed valuation for an eligible property which exceeds the sum of: (i) the equalized assessed valuation for the year prior to reassessment, plus (ii) the prior year equalized assessed valuation

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multiplied by a factor equal to 150% of the average assessment increase for the most current reassessment. In addition, certain property is exempt from taxation on the basis of ownership and/or use such as public parks, not-for-profit and public schools, churches, and not-for-profit and public hospitals.

Illinois Property Tax Extension Limitation Act

On July 25, 1991, the Governor signed into law Public Act 87-17 entitled the Property Tax Extension Limitation Act (the "Act"). The Act limits the growth in the amount of property taxes extended for collection by the Township to (i) the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Act) for the twelve month calendar year preceding the levy year, or (ii) the rate of increase approved by voters at a referendum. Among other specific exceptions, levies for debt service on general obligation bonds that were approved by referendum are excluded from such limits. The limitations of the Act are not applicable to any levy or extension for the payment of the Bonds.

Financial Information

Budgeting

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

The Township Supervisor presents the budget to the Township Board, which then reviews the budget in a public meeting. At that meeting, the various departments, including the Township Assessor, the Township Clerk, and the Township Highway Commissioner, describe and answer questions about their respective budget requests. The Township Board approves the budget after the public meeting. The budget is managed by the Township Supervisor and Township Clerk, with monthly approvals of bills and checks by the Township Board.

Investment Policy

Under the Township's investment policy and in accordance with Illinois law, the Township is restricted to investing only in the following types of instruments:

- (1) U.S. Government obligations guaranteed by the United States.
- (2) Interest bearing savings accounts, certificates of deposit, and time deposits insured by the Federal Deposit Insurance Corporation or fully collateralized.
- (3) Municipal bonds or tax anticipation warrants issued by the Township. All cash accounts, money market accounts and certificates of deposit are covered by federal depository insurance or collateralized by securities held by the Township's Agents in the Township's name. See the audited financial statements for more detail.

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Financial Reports

The Township's financial statements are audited annually by certified public accountants. The Township's financial statements are completed on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Summary Financial Information

The audited financial statements of the Township should be read in its entirety in connection with the other, supplementary and additional supplementary information. This Summary of Financial Information is qualified in its entirety by reference to the audited financial statements of the Township for the fiscal years ended February 28, 2005 through February 29, 2016, copies of which are available upon request from the Township. Audits for future years will also be available from the Township upon request.

Operating Budget Summary

The Township has several funds which are primarily financed with property taxes. Property taxes represent approximately 91.50 percent of the Township's revenues. The Township's operational funds include the Town Fund (General Fund), Open Space – Debt Repayment Fund, Cemetery Fund, General Assistance Fund, Road & Bridge General Fund, Road & Bridge Insurance Fund, Road & Bridge Retirement/Social Security Fund, and Road & Bridge Building & Equipment Fund. There is also a Township Fund for the Illinois Municipal Retirement Fund (IMRF) which is collected and passed on to the state agency. The following table summarizes the Township's operating funds for the three years ending February 29, 2016 and February 28, 2015 and 2014:

Year Ending February 29, 2016

	2016	2015	2014
Income	\$ 4,358,913	\$ 4,280,517	\$ 4,504,037
Expenditure	4,421,011	4,338,698	5,193,958
Other Financing Sources	5,000	27,278	18,671
Annual Surplus/(Deficiency)	(57,098)	(30,903)	(671,250)

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The following tables summarize the Township's revenue sources and expenditures for the fiscal year ended February 29, 2016.

Revenue Categories
Year Ending February 29, 2016

	Amount	Percent
Property Tax Levy	\$ 3,926,066	90.07%
Personal Property		
Replacement Tax (PPRT)	67,211	1.54%
Interest Income	2,728	0.06%
Sale of Cemetery Lots		
and Burial Charges	139,730	3.21%
Other	223,178	5.12%
Total	\$ 4,358,913	100.00%

Expenditure Categories
Year Ending February 29, 2016

	Amount	Percent
Personnel Services	\$ 1,420,399	32.14%
Commodities	695,097	15.72%
Contractual Services	296,368	6.70%
Capital Outlay and Improvement	190,575	4.31%
Bond Principal and Interest		
(For The Prior Bonds)	1,790,548	40.50%
Other	28,024	0.63%
Total	\$ 4,421,011	100%

Request for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Dundee Township, 611 E. Main Street Suite 201, Dundee, Illinois 60118.