



**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

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FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

For the Year Ended March 31, 2022



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**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Town Supervisor  
Members of the Board of Trustees  
Belvidere Township  
Belvidere, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belvidere Township, Belvidere, Illinois (the Township) as of and for the year ended March 31, 2022, and the related notes to financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Belvidere Township, Belvidere, Illinois, as of March 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 the 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 these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **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 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 risks 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 the 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 the 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in 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

**BELVIDERE TOWNSHIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
March 31, 2022

Belvidere Township (the "Township") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Township's financial activity, (3) identify changes in the Township's financial position (its ability to address subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Township's financial statements (beginning on page 4).

**USING THIS ANNUAL FINANCIAL REPORT**

The Annual Financial Report (AFR) presents two types of financial statements, each representing a different view of the Township's finances. The focus of the financial statements is on both the Township as a whole (government-wide) and on the major individual funds. Together these financial statements allow the user to address relevant questions, provide a broader basis for comparison (year to year or government to government) and enhance the level of the Township's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 4-5) are designed to be corporate-like in that governmental activities are consolidated into columns that add to a total for the Primary Government. The Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Township. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 5) is focused on both the gross and net cost of various activities that are supported by the Township's general tax revenue and other resources. This statement is intended to summarize and simplify the user's analysis of the cost of various government services.

The Governmental Activities reflect the Township's basic services; general government, highways and streets and welfare. Property taxes finance the majority of these activities. The Township does not have any business-type operations.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major Funds, rather than fund types.

BELVIDERE TOWNSHIP, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1 reflects the Statement of Net Position.

**Table 1**  
**Statement of Net Position**  
**March 31, 2021 and 2022**

	<b>2021</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and investments	\$ 9,090,392	\$ 10,310,373
Property taxes receivable	2,460,439	2,504,649
Accrued interest receivable	12,933	14,417
Net pension asset	614,751	1,076,762
Capital assets		
Not being depreciated	600,583	600,583
Depreciated, net of accumulated depreciation	4,164,697	3,556,299
<b>Total assets</b>	<b>16,943,795</b>	<b>18,063,083</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	91,368	43,904
Total deferred outflows of resources	91,368	43,904
<b>Total assets and deferred outflows of resources</b>	<b>17,035,163</b>	<b>18,106,987</b>
<b>LIABILITIES</b>		
Accounts payable	-	95,407
Non-current liabilities		
Due within one year	3,399	4,281
Due in more than one year	7,931	8,692
<b>Total liabilities</b>	<b>11,330</b>	<b>108,380</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension items - IMRF	369,277	617,041
Deferred property tax revenue	2,460,439	2,504,649
Total deferred inflows of resources	2,829,716	3,121,690
<b>Total liabilities and deferred inflows of resources</b>	<b>2,841,046</b>	<b>3,230,070</b>
<b>NET POSITION</b>		
Net investment in capital assets	4,765,280	4,156,882
Restricted for		
Specific purposes	7,403,782	8,267,876
Unrestricted	2,025,055	2,452,159
<b>TOTAL NET POSITION</b>	<b>\$ 14,194,117</b>	<b>\$ 14,876,917</b>

BELVIDERE TOWNSHIP, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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For more detailed information see the Statement of Activities (page 5).

**Normal Impacts**

There are six basic impacts on revenues and expenses as reflected below.

**Revenues:**

**Increase in Township property tax levy** – Chapter 60 of the Illinois Statutes (60 ILCS 1/80-40) gives the Township authority to levy taxes on taxable property within the Township in order to raise funds to defray expenses. Property taxes are a significant source of revenue for the Township. In 1995, however, the Illinois Legislature limited the Township's ability to levy property taxes by passing the Property Tax Extension Limitation Law (35 ILCS 200/18-185 et seq.) (PTELL). PTELL limits the increase in property tax that the Township may levy. The increase is limited to 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year whichever is less. A higher property tax may be levied if the community experiences new construction, mergers, or consolidations or voters approve a higher tax rate by referendum.

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** - Certain recurring revenues (revenue from intergovernmental agreements or state and federal agencies) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distort the impact on year-to-year comparisons.

**Market Impacts on Investment Income** – the Township's investments are managed using a shorter maturity than many governments, which may result in lower interest income due to the market stability of shorter-term options.

**Expenses:**

**Increase in Authorized Personnel** – Changes in service demand may cause the Township Board to increase or decrease the budget for personnel.

**Salary Increases (annual adjustments and merit)** – The Township strives to achieve a competitive salary range position in the marketplace in order to attract and retain the highest quality human and intellectual resources.

**Inflation** – While overall inflation appears to be reasonably modest, the Township is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

BELVIDERE TOWNSHIP, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 3 highlights the General (Town) Fund Budget for the year FY 2022.

**Table 3  
 General (Town) Fund  
 Budgetary Highlights**

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 915,000	\$ 953,681
Investment Income	1,000	(1,554)
Miscellaneous	-	32,364
<b>Total Revenues</b>	<b>916,000</b>	<b>984,491</b>
<b>EXPENDITURES</b>		
Current	2,543,345	716,233
Capital Outlay	75,000	6,294
<b>Total Expenditures</b>	<b>\$ 2,618,345</b>	<b>722,527</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ 261,964</b>

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide Statement of Net Position. The Township's capital asset policy defines capital assets as either: 1) individual equipment with an initial, individual cost meeting the capitalization threshold and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. At the end of fiscal year 2022, the Township has a combined total of capital assets of \$4,156,882 invested in land, building, improvements, machinery and equipment. For more detailed information see Note #4 (page 19).

**Economic Factors**

The Township's composition is primarily residential with a smaller commercial component. The property tax revenue derived from the current housing stock is fairly stable. The commercial component includes vehicle sales, and miscellaneous food and other retail. Because the majority of revenue collected by the Township is based on property taxes, short-term fluctuations in the economy have not severely impact the Township's revenue flow.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Bill Robertson, Belvidere Township, 8200 Fairgrounds Road, Belvidere, Illinois 61008.



**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2022

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating	Primary
			Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 663,488	\$ -	\$ -	\$ (663,488)
Highways and streets	1,227,634	39,273	-	(1,188,361)
Welfare	55,136	-	-	(55,136)
Total governmental activities	1,946,258	39,273	-	(1,906,985)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,946,258</b>	<b>\$ 39,273</b>	<b>\$ -</b>	<b>\$ (1,906,985)</b>
		General revenues		
		Taxes		
		Property		2,198,951
		Replacement		315,396
		Investment income		21,038
		Miscellaneous		32,364
		Gain on sale of asset		22,036
		Total		2,589,785
		CHANGE IN NET POSITION		682,800
		NET POSITION, APRIL 1		14,194,117
		NET POSITION, MARCH 31		\$ 14,876,917

See accompanying notes to financial statements.

<b>Permanent Road</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 1,858,374	\$ 2,467,199	\$ 10,310,373
462,303	293,936	2,504,649
788	1,811	14,417
<u>\$ 2,321,465</u>	<u>\$ 2,762,946</u>	<u>\$ 12,829,439</u>
\$ 5,899	\$ -	\$ 95,407
5,899	-	95,407
462,303	293,936	2,504,649
462,303	293,936	2,504,649
1,853,263	-	5,798,866
-	1,013,072	1,013,072
-	204,219	204,219
-	395,385	395,385
-	395,503	395,503
-	460,831	460,831
-	-	1,959,303
-	-	2,204
<u>1,853,263</u>	<u>2,469,010</u>	<u>10,229,383</u>
<u>\$ 2,321,465</u>	<u>\$ 2,762,946</u>	<u>\$ 12,829,439</u>

See accompanying notes to financial statements.

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

March 31, 2022

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 10,229,383</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	4,156,882
Net pension assets are not financial resources and are not reported in governmental funds	1,076,762
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	43,904
Deferred inflows of resources	(617,041)
Some liabilities reported in the governmental activities do not require the use of current financial resources, and, therefore are not reported as liabilities in the governmental funds	
Compensated absences	<u>(12,973)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 14,876,917</u></u></b>

See accompanying notes to financial statements.

<b>Permanent Road</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 448,534	\$ 337,627	\$ 2,514,347
-	4,916	39,273
3,352	5,162	21,038
-	-	32,364
<u>451,886</u>	<u>347,705</u>	<u>2,607,022</u>
-	91,120	711,211
49,595	26,456	685,082
-	40,905	63,905
-	21,018	42,802
<u>49,595</u>	<u>179,499</u>	<u>1,503,000</u>
<u>402,291</u>	<u>168,206</u>	<u>1,104,022</u>
-	13,200	22,036
402,291	181,406	1,126,058
1,450,972	2,287,604	9,103,325
<u>\$ 1,853,263</u>	<u>\$ 2,469,010</u>	<u>\$ 10,229,383</u>

See accompanying notes to financial statements.

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Belvidere Township, Belvidere, Illinois (the Township) operates under a Board of Trustees form of government and provides the following services: highway and street maintenance and improvements, health and social services, culture and recreation, and general government services.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

a. Reporting Entity

The Township is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Township (the primary government). There are no component units included in the Township's reporting entity.

b. Basis of Presentation - Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into the following category: governmental.

Governmental funds are used to account for the Township's general activities. The General (Town) Fund is the primary operating fund; accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes.

**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Donations are not susceptible to accrual because generally they are not measurable until received in cash.

The Township reports unearned/unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Township before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Township has a legal claim to the resources, the liability or deferred inflow for unearned/unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash consists of demand deposits. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The Township categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Township held no investments to measure at fair value at March 31, 2022.

**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on refunding is reported as a deferred outflow of resources.

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 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 expenditures.

j. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or internally restricted via enabling legislation. Committed fund balance is constrained by formal actions of the Township's Board of Trustees, which is considered the Township's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance has been deleted to the Township Supervisor by the Township Board of Trustees. Any residual fund balance in the General (Town) Fund or deficit fund balance in any governmental fund is reported as unassigned.

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

The Township has not established fund balance reserve policies for their governmental funds.



**2. DEPOSITS AND INVESTMENTS (Continued)**

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance. At year end, the entire bank balance of deposits was covered by either federal depository insurance or collateral held by a third party in the name of the Township.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Township limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Township's investment policy does not address credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Township will not be able to recover the value of its investments that are in possession of an outside party. The Township's investment policy does not address custodial credit risk.

Concentration of credit risk is the risk that the Township has a high percentage of its investments invested in one type of investment. The Township's investment policy requires diversification of investments as appropriate to the nature, purpose, and amount of funds within the investment portfolio with a view towards safety of principal and overall return on investment.

**3. RECEIVABLES - TAXES**

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2022 and are payable in two installments, on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. Any tax collections remitted to the Township within 60 days subsequent to March 31, 2022 are recorded as property tax revenues.

The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2022, has not been recorded as a receivable as of March 31, 2022, as the tax has not yet been levied by the Township and will not be levied until December 2022 and, therefore, the levy is not measurable at March 31, 2022.

**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. 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; employees' health; and natural disasters.

The Township is a member of Town Organization Intergovernmental Risk Management Agency (TOIRMA). TOIRMA is a public entity risk pool operating as a common risk management and insurance program for member townships in Illinois. The Township pays an annual premium to TOIRMA for its general insurance coverage including property and casualty, workers' compensation, and other risks of loss. The agreement for the formation of TOIRMA provides that TOIRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000 for general liability and \$1,000 for workers' compensation for each insured event. In the event that member premiums in any claim year are not sufficient to cover claims incurred during that period, then each participant in the pool would be assessed an additional premium to cover such losses. The Township is not aware of any additional premiums due to TOIRMA for prior claim years at March 31, 2022. In addition, the Township purchases third party indemnity insurance for employee health insurance coverage.

**6. LONG-TERM DEBT**

a. Changes in Long-Term Liabilities

	Balances April 1	Additions	Reductions/ Refundings	Balances March 31	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Compensated absences	\$ 11,330	\$ 1,643	\$ -	\$ 12,973	\$ 4,281
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,330	\$ 1,643	\$ -	\$ 12,973	\$ 4,281

**7. DEFINED BENEFIT PENSION PLAN**

The Township contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or [www.imrf.org](http://www.imrf.org).

**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Township is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended March 31, 2022, was 6.15% of covered payroll.

*Actuarial Assumptions*

The Township's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled 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. 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. 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.

**BELVIDERE TOWNSHIP**  
**BELVIDERE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended March 31, 2022, the Township recognized pension expense of \$(577,292).

At March 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 39,390	\$ -
Assumption changes	-	8,649
Contributions made after measurement date	4,514	-
Net difference between projected and actual earnings on pension plan investments	-	608,392
<b>TOTAL</b>	<b>\$ 43,904</b>	<b>\$ 617,041</b>

\$4,514 reported as deferred outflows of resources related to pensions resulting from township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending March 31, 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:

<u>Year Ending March 31,</u>	
2023	\$ (109,857)
2024	(224,703)
2025	(151,046)
2026	<u>(92,045)</u>
<b>TOTAL</b>	<b>\$ (577,651)</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ROAD AND BRIDGE FUND**

For the Year Ended March 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 651,480	\$ 638,879	\$ (12,601)
Replacement taxes	50,000	134,541	84,541
Reimbursements/county fines	5,000	34,357	29,357
Investment income	1,000	7,217	6,217
	<hr/>	<hr/>	<hr/>
Total revenues	707,480	814,994	107,514
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Road and bridge			
Administrative			
Supplies	10,000	10,939	939
Insurance	160,000	120,061	(39,939)
Legal	50,000	-	(50,000)
Street expenditures			
Salaries	260,000	160,623	(99,377)
Oiling and blacktopping	905,000	-	(905,000)
Materials and supplies	350,000	184,667	(165,333)
Gas, oil, and fees	51,000	30,565	(20,435)
Machine rental	6,000	1,005	(4,995)
Bridge maintenance	2,000	-	(2,000)
Equipment and maintenance	25,000	18,224	(6,776)
Building and maintenance	10,000	2,764	(7,236)
Design engineering	15,000	4,634	(10,366)
Miscellaneous	7,800	-	(7,800)
Capital outlay	130,000	15,490	(114,510)
Contingency	195,275	-	(195,275)
	<hr/>	<hr/>	<hr/>
Total expenditures	2,177,075	548,972	(1,628,103)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,469,595)	266,022	1,735,617
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of asset	-	8,836	8,836
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (1,469,595)</u>	274,858	<u>\$ 1,744,453</u>
FUND BALANCE, APRIL 1		<u>1,470,095</u>	
FUND BALANCE, MARCH 31		<u>\$ 1,744,953</u>	

(See independent auditor's report.)

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PERMANENT ROAD FUND**

For the Year Ended March 31, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 455,000	\$ 448,534	\$ (6,466)
Investment income	1,000	3,352	2,352
Total revenues	456,000	451,886	(4,114)
<b>EXPENDITURES</b>			
Road and bridge			
Road improvements	1,830,000	49,595	(1,780,405)
Contingency	76,728	-	(76,728)
Total expenditures	1,906,728	49,595	(1,857,133)
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (1,450,728)</u></b>	<b>402,291</b>	<b><u>\$ 1,853,019</u></b>
<b>FUND BALANCE, APRIL 1</b>		<u>1,450,972</u>	
<b>FUND BALANCE, MARCH 31</b>		<u><u>\$ 1,853,263</u></u>	

(See independent auditor's report.)

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 65,477	\$ 66,941	\$ 69,105	\$ 64,980	\$ 64,299	\$ 63,058	\$ 53,188
Interest	221,628	229,686	236,010	242,907	246,476	260,061	263,890
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(19,851)	(37,976)	52,915	(35,307)	122,575	16,845	26,552
Changes in assumptions	3,310	(3,319)	(101,192)	84,598	-	(22,553)	-
Benefit payments, including refunds of member contributions	(125,001)	(194,546)	(157,810)	(167,832)	(224,032)	(266,660)	(252,656)
Net change in total pension liability	145,563	60,786	99,028	189,346	209,318	50,751	90,974
Total pension liability - beginning	2,984,808	3,130,371	3,191,157	3,290,185	3,479,531	3,688,849	3,739,600
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 3,130,371</b>	<b>\$ 3,191,157</b>	<b>\$ 3,290,185</b>	<b>\$ 3,479,531</b>	<b>\$ 3,688,849</b>	<b>\$ 3,739,600</b>	<b>\$ 3,830,574</b>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 47,474	\$ 50,085	\$ 48,010	\$ 44,812	\$ 29,450	\$ 36,273	\$ 48,238
Contributions - member	26,245	26,895	27,279	27,931	25,291	24,695	23,281
Net investment income	15,616	213,635	556,720	(217,683)	644,777	574,357	768,121
Benefit payments, including refunds of member contributions	(125,001)	(194,546)	(157,810)	(167,832)	(224,032)	(266,660)	(252,656)
Other (net transfer)	(34,303)	68,907	(77,025)	64,404	58,468	59,174	(33,999)
Net change in plan fiduciary net position	(69,969)	164,976	397,174	(248,368)	533,954	427,839	552,985
Plan fiduciary net position - beginning	3,148,745	3,078,776	3,243,752	3,640,926	3,392,558	3,926,512	4,354,351
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 3,078,776</b>	<b>\$ 3,243,752</b>	<b>\$ 3,640,926</b>	<b>\$ 3,392,558</b>	<b>\$ 3,926,512</b>	<b>\$ 4,354,351</b>	<b>\$ 4,907,336</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 51,595</b>	<b>\$ (52,595)</b>	<b>\$ (350,741)</b>	<b>\$ 86,973</b>	<b>\$ (237,663)</b>	<b>\$ (614,751)</b>	<b>\$ (1,076,762)</b>



**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2022

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**BUDGET**

The Township annually adopts a budget following the required public notice and hearing for all funds and appropriates the amount deemed necessary for each of the different Township activities. The budget may be amended during the year utilizing similar statutorily prescribed procedures and time limitations. There were no budget amendments for the year ended March 31, 2022. Encumbrances are not recognized on the budget and appropriations lapse at year end.

Budget amounts included in the financial statements represent the Township's appropriations for the year ended March 31, 2022, which was adopted on April 27, 2021.

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

**NONMAJOR GOVERNMENTAL FUNDS**

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended March 31, 2022

	General Insurance	General Assistance	Social Security	Illinois Municipal Retirement	Machinery and Housing	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Taxes						
Property taxes	\$ 28,495	\$ 23,765	\$ 52,204	\$ 66,452	\$ 114,361	\$ 285,277
Replacement taxes	-	34,266	-	18,084	-	52,350
Reimbursements	4,916	-	-	-	-	4,916
Investment income	463	944	1,014	683	2,058	5,162
Total revenues	33,874	58,975	53,218	85,219	116,419	347,705
<b>EXPENDITURES</b>						
Current						
General government	32,825	-	29,513	28,782	-	91,120
Road and bridge	270	-	12,891	12,572	723	26,456
Welfare	-	36,218	2,373	2,314	-	40,905
Capital outlay	-	-	-	-	21,018	21,018
Total expenditures	33,095	36,218	44,777	43,668	21,741	179,499
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	779	22,757	8,441	41,551	94,678	168,206
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital asset	-	-	-	-	13,200	13,200
<b>NET CHANGE IN FUND BALANCES</b>	779	22,757	8,441	41,551	107,878	181,406
<b>FUND BALANCES, APRIL 1</b>	203,440	372,628	387,062	419,280	905,194	2,287,604
<b>FUND BALANCES, MARCH 31</b>	\$ 204,219	\$ 395,385	\$ 395,503	\$ 460,831	\$ 1,013,072	\$ 2,469,010

(See independent auditor's report.)

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL INSURANCE FUND

For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 30,000	\$ 28,495	\$ (1,505)
Reimbursements	-	4,916	4,916
Investment income	500	463	(37)
Total revenues	30,500	33,874	3,374
<b>EXPENDITURES</b>			
General government			
Insurance	150,000	32,825	(117,175)
Miscellaneous	58,768	-	(58,768)
Road and bridge			
Unemployment	25,000	270	(24,730)
Total expenditures	233,768	33,095	(200,673)
NET CHANGE IN FUND BALANCE	\$ (203,268)	779	\$ 204,047
FUND BALANCE, APRIL 1		203,440	
FUND BALANCE, MARCH 31		\$ 204,219	

(See independent auditor's report.)

**BELVIDERE TOWNSHIP  
BELVIDERE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SOCIAL SECURITY FUND**

For the Year Ended March 31, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 55,000	\$ 52,204	\$ (2,796)
Investment income	-	1,014	1,014
Total revenues	55,000	53,218	(1,782)
<b>EXPENDITURES</b>			
General government	291,300	29,513	(261,787)
Road and bridge	127,242	12,891	(114,351)
Welfare	23,424	2,373	(21,051)
Total expenditures	441,966	44,777	(397,189)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (386,966)</u>	8,441	<u>\$ 395,407</u>
<b>FUND BALANCE, APRIL 1</b>		<u>387,062</u>	
<b>FUND BALANCE, MARCH 31</b>		<u>\$ 395,503</u>	

(See independent auditor's report.)

**SUPPLEMENTAL DATA**

	*For the Tax Year						
	2021	2020	2019	2018	2017	2016	2015
<b>TAX COLLECTIONS - ALL FUNDS</b>							
General (Town)	N/A	\$ 825,130	\$ 780,913	\$ 736,106	\$ 744,252	\$ 709,727	\$ 724,819
Special Revenue Funds							
Road and Bridge	N/A	901,824	873,697	839,779	841,177	829,655	828,865
General Assistance	N/A	23,764	35,409	39,870	39,964	34,989	34,790
Illinois Municipal Retirement	N/A	66,448	69,783	79,844	84,960	84,988	77,498
General Liability	N/A	28,493	27,946	5,993	1,017	1,033	1,025
Machinery and Housing	N/A	114,356	117,541	129,739	142,569	148,963	186,758
Permanent Road	N/A	448,534	426,251	416,754	356,321	321,891	279,625
Joint Bridge	N/A	1,085	1,092	1,045	1,068	1,033	1,071
Social Security	N/A	52,201	53,931	74,841	84,960	84,988	84,438

**LEVY COLLECTIONS THROUGH MARCH 31**

N/A	\$	2,461,835	\$	2,386,563	\$	2,323,971	\$	2,296,288	\$	2,217,267	\$	2,218,889
N/A		100.06%		99.56%		99.81%		99.90%		99.96%		99.86%

**PERCENT COLLECTED**

\*Property taxes are levied in December for collection in the following year (e.g., taxes levied in December 2020 are collected during the fiscal year ended March 31, 2022).

N/A - Not available

(See independent auditor's report.)