

TOWNSHIP OF RICH, ILLINOIS  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2010  
(With Comparative Totals For 2009)

TOWNSHIP OF RICH, ILLINOIS  
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MARCH 31, 2019

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Township Board of Trustees  
Township of Rich, Illinois  
22013 Governors Highway  
Richton Park, Illinois 60471

We have audited the accompanying basic financial statements as listed in the table of contents of the **TOWNSHIP OF RICH, ILLINOIS** ("Township") as of March 31, 2010, and for the year then ended. These basic financial statements are the responsibility of the Township's management. 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **TOWNSHIP**, as of March 31, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information as listed in the table of contents, including the combining, and individual fund statements, are presented for purposes of additional analysis and is not a required part of the basic financial statements of the **TOWNSHIP**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



July 15, 2010

## MANAGEMENT DISCUSSION AND ANALYSIS

The Township Supervisor, Town Clerk, Assessor, Highway Commissioner, Town Board of Trustees and employees present the readers of the Rich Township financial statements this discussion and analysis of the Township's financial activities for the fiscal year ending March 31, 2010. Please read it in conjunction with the auditor's opinion letter on page two and the Township's financial statements, which begin on page six.

### Financial Highlights

#### Town Fund:

Rich Township continued to implement an intergovernmental agreement with the Village of Park Forest to operate the "Jolly Trolley" paratransit service, which accounted for 29% of the 66,957 passengers transported during the year. Rich Township has been notified that it will receive a RTA grant to implement a scheduling software system using a Global Positioning System (GPS) to improve transportation efficiencies.

Rich Township will continue working with the Corporation National Service (CNS) as the sponsoring Agency for the Suburban Senior Companion Program in a multi-township area, which entails approximately 65 senior companions providing services to approximately 224 senior clients

The Assessor's office filed 675 Senior Freeze exemptions, 13 Senior Renewals, 66 Senior Prime exemptions (1<sup>st</sup> time filers), and 186 Homeowners Exemptions (1<sup>st</sup> time filers). The Assessor's office also filed 29 Senior Freeze, 22 Senior and 67 Homeowner Certificate of Error applications, which may result in refunds to taxpayers.

The Clerk's office issued 849 Cook County vehicle stickers to residents of the unincorporated area of the township, processed 106 applications for passports, registered 62 voters, assisted 135 residents in obtaining permanent disabled parking permits and issued 67 temporary disabled parking permits.

#### General Assistance Fund:

The year-to-date cumulative number of ongoing cases went from 163 at March 2009 to 132 at March 2010.

During the fiscal year, 150 households received emergency assistance of food, rent, mortgage and/or utility payments, up from 94 the year before; in part due to increased unemployment and home foreclosures.

The Rich Township Food pantry made distributions to a monthly average of 850 families, up from 800 families the year before.

#### Road and Bridge Fund:

The Road District continues to make various improvements. As in past years, we continue to install culverts as needed. The District continued to meet with the Cook County Department of Highways to work on drainage, signage, and general road safety issues.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 6 and 7) are collectively referred to as the government-wide financial statements. They provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances.

Fund financial statements start with the Balance Sheet – Governmental Funds on page eight. For governmental activities, these statements tell how the services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the township's most significant funds. An additional part of the basic financial statements are the notes to the financial statements (pages 11-18). This report also contains other supplementary information in addition to the basic financial statements.

### REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

#### Government-wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances in a manner similar to a private sector business. They are presented on the full accrual basis of accounting. All governmental and business-type activities are consolidated into columns which add to a total for the Township. The Statement of Net Assets on page six presents information on all of the Township's assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating. This statement combines current financial resources with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities on page seven is focused on both the gross and net cost of various activities (including governmental and business-type activities) which are supported by the Township's general taxes and other resources.

Governmental Activities reflect the Township's basic services including assistance to the poor and indigent, assistance in assessment of property values, maintenance and improvement of roads and bridges, and administration. Property taxes finance the majority of these services.

Business-type Activities reflect private sector type operations where the fee for service typically covers all or most all of the cost of operations including depreciation.

#### Fund Financial Statements:

The Governmental Major Fund presentation is prepared on a sources and uses of liquid resources basis. It is presented on the modified accrual basis of accounting. This is the manner in which the Budget and Appropriation Ordinance is typically developed. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance.

The Township of Rich Balance Sheet on page eight and the Township of Rich Statement of Revenues, Expenditures, and Changes in Fund Balances on page ten provide detailed information about the most significant funds: the Town Fund, the General Assistance Fund, and the Road District Fund. Most of the Township's basic services are reported in these fund and the balances left at year-end are available for spending.

These funds are reported using an accounting method called the "accrual basis" of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

## INFRASTRUCTURE ASSETS

Historically, a government's largest group of assets (buildings, equipment, vehicles, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. We must also depreciate these assets over their estimated useful lives.

## NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 11 – 18 of this report.

## OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budgetary information. Pages 19 – 21 are Statements of Revenues, Expenditures, and Changes in Fund Balances Compared to Budget for the year ended March 31, 2010 for the Town Fund, Road Fund, and General Assistance Fund. The Schedule of Tax Collections and Taxes Receivable for Year Ended March 31, 2010 is presented on page 22, a Schedule of Valuations, Rates and Extensions for Tax Levy Years – 1998 to 2008 is presented on page 23 and a Schedule for Retirement Fund Funding Progress is presented on page 24.

## CONCLUSION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives.

If anyone has any questions about this report or needs additional information, please contact me at Rich Township, 22013 Governors Hwy. Richton Park, IL 60471.

Respectfully submitted,

Al Riley  
Supervisor

**TOWNSHIP OF RICH**  
**STATEMENT OF NET ASSETS**  
**MARCH 31, 2010**  
**With Comparative Totals for 2009**

| <u>ASSETS</u>   | <u>Governmental Activities</u> |                        |
|---|--------------------------------|------------------------|
|   | <u>Total<br/>2010</u>          | <u>Total<br/>2009</u>  |
| Cash  | \$ 4,454,032                   | \$ 3,844,889           |
| Taxes Receivable  | 2,758,158                      | 2,832,968              |
| Other Receivables   | -                              | -                      |
| Prepaid Expenses  | 7,976                          | 7,976                  |
| Security Deposits   | 5,700                          | 5,700                  |
| Capital Assets  |                                |                        |
| Land  | 465,522                        | 465,522                |
| Other Capital Assets<br>Net of Depreciation                       | 1,229,489                      | 1,281,360              |
| <b>Total Assets</b>   | <u>\$ 8,920,877</u>            | <u>\$ 8,438,415</u>    |
| <u>LIABILITIES</u>  |                                |                        |
| Accounts Payable  | \$ 119,825                     | \$ 120,592             |
| Replacement Tax Payable   | 14,951                         | 16,418                 |
| Compensated Absences  | 443,501                        | 397,736                |
| Custodial Health Insurance Account                                | 50,721                         | 8,544                  |
| <b>Total Liabilities</b>  | <u>628,999</u>                 | <u>543,289</u>         |
| <u>NET ASSETS</u>   |                                |                        |
| Investment in Capital Assets, Net of Related Debt<br>Unrestricted | 1,695,011<br>6,596,867         | 1,746,882<br>6,148,244 |
| <b>Total Net Assets</b>   | <u>\$ 8,291,878</u>            | <u>\$ 7,895,126</u>    |

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF RICH, ILLINOIS  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED MARCH 31, 2010  
With Comparative Totals for 2009

| FUNCTIONS/PROGRAMS                  | PROGRAM REVENUES    |                      |                   | Net Revenue (Expense) |                         |
|-------------------------------------|---------------------|----------------------|-------------------|-----------------------|-------------------------|
|                                     | Expenses            | Charges For Services | Operating Grants  | Capital Grants        | Governmental Activities |
|                                     |                     |                      |                   |                       | Total 2010              |
|                                     |                     |                      |                   |                       | Total 2009              |
| <b>PRIMARY GOVERNMENT</b>           |                     |                      |                   |                       |                         |
| Town Administration                 | \$ (2,032,911)      | \$                   | 1,549             |                       | (1,798,022)             |
| Assessor's Department               | (236,263)           |                      |                   |                       | (241,210)               |
| Clerk's Department                  | (66,262)            | 1,871                |                   |                       | (62,059)                |
| Transportation                      | (1,008,418)         | 395,085              |                   |                       | (657,179)               |
| ESDA                                | (39,476)            |                      |                   |                       | (41,226)                |
| Youth & Family Services             | (41,876)            | 10,108               | -                 |                       | (46,027)                |
| Senior Services                     | (473,529)           | 87,111               | 303,702           |                       | (59,853)                |
| Pantry/Donations                    | (86,773)            | 85,088               |                   |                       | 27,178                  |
| Economic Development                | (7,540)             |                      |                   |                       | (4,510)                 |
| Old Plank Trail                     | (2,046)             |                      |                   |                       | (140)                   |
| Road Administration                 | (113,295)           |                      |                   |                       | (106,563)               |
| Road Expenses                       | (380,271)           | 1,915                |                   |                       | (416,799)               |
| General Assistance Admin.           | (138,364)           |                      |                   |                       | (138,931)               |
| Home Relief                         | (296,505)           |                      |                   |                       | (241,620)               |
| Unallocated Depreciation            | (106,160)           |                      |                   |                       | (101,821)               |
| <b>Total Primary Government</b>     | <b>\$ 5,029,691</b> | <b>\$ 581,178</b>    | <b>\$ 305,251</b> | <b>\$ -</b>           | <b>(3,888,783)</b>      |
| <b>General Revenues</b>             |                     |                      |                   |                       |                         |
| Property Taxes                      |                     |                      |                   | 4,385,864             | 4,095,683               |
| Personal Property Replacement Taxes |                     |                      |                   | 57,270                | 64,317                  |
| TIF Rebate                          |                     |                      |                   | 59,298                | 59,993                  |
| Interest on Investments             |                     |                      |                   | 26,420                | 45,537                  |
| Miscellaneous Income                |                     |                      |                   | 11,164                | 38,607                  |
| <b>Total General Revenues</b>       |                     |                      |                   | <b>4,540,015</b>      | <b>4,304,136</b>        |
| Change in Net Assets                |                     |                      |                   | 396,753               | 415,353                 |
| <b>Net Assets Beginning</b>         |                     |                      |                   | <b>7,895,126</b>      | <b>7,479,773</b>        |
| <b>Net Assets Ending</b>            |                     |                      |                   | <b>\$ 8,291,879</b>   | <b>\$ 7,895,126</b>     |

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF RICH, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**MARCH 31, 2010**  
**With Comparative Totals for 2009**

|  | Town<br>Fund        | Road<br>District<br>Fund | General<br>Assistance<br>Fund | Total<br>2010       | Total<br>2009       |
|--|---------------------|--------------------------|-------------------------------|---------------------|---------------------|
| <b><u>ASSETS</u></b>                         |                     |                          |                               |                     |                     |
| Cash   | \$ 3,649,888        | \$ 407,063               | \$ 397,081                    | \$ 4,454,032        | \$ 3,844,889        |
| Taxes Receivable                             | 2,307,725           | 237,314                  | 213,119                       | 2,758,158           | 2,832,968           |
| Prepaid Expenses                             | 4,387               | 3,589                    | -                             | 7,976               | 7,976               |
| Security Deposits                            | 5,700               | -                        | -                             | 5,700               | 5,700               |
| <b>Total Assets</b>                          | <b>\$ 5,967,700</b> | <b>\$ 647,966</b>        | <b>\$ 610,200</b>             | <b>\$ 7,225,866</b> | <b>\$ 6,691,533</b> |
| <b><u>LIABILITIES</u></b>                    |                     |                          |                               |                     |                     |
| Accounts Payable                             | \$ 104,752          | \$ 11,345                | \$ 3,729                      | \$ 119,825          | \$ 120,592          |
| Replacement Taxes Payable                    | -                   | 14,951                   | -                             | 14,951              | 16,418              |
| Compensated Absences                         | 413,434             | 19,365                   | 10,702                        | 443,501             | 397,736             |
| Custodial Health Insurance Account           | 50,721              | -                        | -                             | 50,721              | 8,544               |
| <b>Total Liabilities</b>                     | <b>568,907</b>      | <b>45,661</b>            | <b>14,430</b>                 | <b>628,999</b>      | <b>543,289</b>      |
| <b><u>FUND BALANCES</u></b>                  |                     |                          |                               |                     |                     |
| General Fund-Unreserved                      | 5,398,793           | -                        | -                             | 5,398,793           | 4,876,322           |
| Special Revenue Fund-Reserved                | -                   | 602,304                  | 595,770                       | 1,198,075           | 1,271,922           |
| <b>Total Fund Balances</b>                   | <b>5,398,793</b>    | <b>602,304</b>           | <b>595,770</b>                | <b>6,596,867</b>    | <b>6,148,244</b>    |
| <b>Total Liabilities &amp; Fund Balances</b> | <b>\$ 5,967,700</b> | <b>\$ 647,966</b>        | <b>\$ 610,200</b>             | <b>\$ 7,225,866</b> | <b>\$ 6,691,533</b> |

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF RICH, ILLINOIS  
RECONCILIATION OF TOTAL FUND BALANCE  
OF GOVERNMENT FUNDS TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
MARCH 31, 2010**

Total Fund Balance of Governmental Funds (page 8) \$6,596,867

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

Capital assets used in governmental activities are not  
financial resources and therefore are not reported  
in governmental funds. These assets consists of:

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Capital assets                |                    |                    |
| Land                          | 465,522            |                    |
| Buildings                     | 980,940            |                    |
| Improvements                  | 911,087            |                    |
| Equipment                     | 867,003            |                    |
| Less accumulated depreciation | <u>(1,529,541)</u> |                    |
| Net capital assets            |                    | <u>\$1,695,011</u> |

Net Assets of Governmental Activities (page 6) \$8,291,878

The notes to the financial statements are an integral part of this statement

**TOWNSHIP OF RICH, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEARS ENDED MARCH 31, 2010**  
**With Comparative Totals for 2009**

| <u>REVENUES</u>                     | Town<br>Fund | Road<br>District<br>Fund | General<br>Assistance<br>Fund | Total<br>2010 | Total<br>2009 |
|-------------------------------------|--------------|--------------------------|-------------------------------|---------------|---------------|
| Property Taxes                      | \$ 3,582,771 | \$ 467,259               | \$ 335,834                    | \$ 4,385,864  | \$ 4,095,683  |
| Personal Property Replacement Taxes | 25,902       | 31,368                   | -                             | 57,270        | 64,317        |
| TIF Rebate                          | 47,245       | 6,749                    | 5,303                         | 59,298        | 59,993        |
| Government Grants                   | 1,549        |                          |                               | 1,549         | 205,688       |
| Rental Income                       | 9,730        | -                        | -                             | 9,730         | 25,827        |
| In Home Services                    | 19,673       | -                        | -                             | 19,673        | 20,501        |
| Transportation Receipts             | 395,085      | -                        | -                             | 395,085       | 363,524       |
| Passport Sales                      | 1,871        | -                        | -                             | 1,871         | 3,308         |
| Youth & Family Services             | 10,108       | -                        | -                             | 10,108        | 22,087        |
| Senior Services                     | 361,410      | -                        | -                             | 361,410       | 346,079       |
| Donations                           | 85,088       | -                        | -                             | 85,088        | 101,629       |
| Interest on Investments             | 22,504       | 2,057                    | 1,859                         | 26,420        | 45,537        |
| Circuit Court Fees                  | -            | 1,915                    | -                             | 1,915         | 2,136         |
| Miscellaneous Income                | 8,820        | 450                      | 1,894                         | 11,164        | 38,607        |
| Total Revenues                      | 4,571,755    | 509,799                  | 344,889                       | 5,426,443     | 5,394,915     |
| <u>EXPENDITURES</u>                 |              |                          |                               |               |               |
| Administration                      | 2,032,910    | 113,295                  | 138,364                       | 2,284,570     | 2,245,298     |
| Assessor's Department               | 236,263      | -                        | -                             | 236,263       | 241,210       |
| Clerk's Department                  | 66,262       | -                        | -                             | 66,262        | 65,367        |
| Transportation                      | 1,008,418    | -                        | -                             | 1,008,418     | 1,020,704     |
| ESDA                                | 39,476       | -                        | -                             | 39,476        | 41,226        |
| Youth & Family Services             | 41,876       | -                        | -                             | 41,876        | 68,114        |
| Senior Services                     | 473,529      | -                        | -                             | 473,529       | 452,260       |
| Pantry/Donations                    | 86,773       | -                        | -                             | 86,773        | 74,452        |
| Economic Development                | 7,540        | -                        | -                             | 7,540         | 4,510         |
| Old Plank Road                      | 2,046        | -                        | -                             | 2,046         | 140           |
| Contingencies                       | 1            | -                        | -                             | 1             | 3,907         |
| Maintenance                         | -            | 380,271                  | -                             | 380,271       | 418,935       |
| Home Relief                         | -            | -                        | 296,505                       | 296,505       | 241,620       |
| Depreciation                        | 84,621       | 21,539                   | -                             | 106,160       | 101,821       |
| Total Expenditures                  | 4,079,716    | 515,105                  | 434,869                       | 5,029,691     | 4,979,563     |
| Excess Revenues over Expenditures   | 492,038      | (5,306)                  | (89,980)                      | 396,753       | 415,353       |
| Beginning Fund Balance              | 5,044,980    | 567,116                  | 685,750                       | 6,297,846     | 5,882,493     |
| Ending Fund Balance                 | \$ 5,537,018 | \$ 561,810               | \$ 595,770                    | \$ 6,694,598  | \$ 6,297,845  |

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010

**A. Summary of Significant Accounting Policies:**

(1) General Statement

The TOWNSHIP OF RICH, ILLINOIS (“Township”), chartered in 1850, operates under a Supervisor-Trustee form of government. The Township’s major operations are assessing and reviewing real estate values, maintenance and construction of Township roads, maintaining emergency service readiness, providing general assistance to the needy, providing services for senior citizens and youth, and general administration.

(2) Financial Reporting Entity

For financial reporting purposes, the Township includes all funds, account groups, agencies, boards and commissions that are controlled or dependent on the Township’s legislative or executive branches. Control or dependence on the Township was determined on the basis of budget adoption, taxing authority and operational independence.

The following entities are not included in this report because they are autonomous.

Village of Richton Park – A self supporting municipal government providing a multitude of services to residents of the municipality controlled by an independently elected board.

Rich Township School District 227 – A self supporting school government providing high school education to residents of the area controlled by an independently elected board.

(3) Basis of Presentation

The accounting policies of the Township conform to Generally Accepted Accounting Principles as applicable to governments. The following is a summary of the more significant policies used by the Township.

Government-wide and Fund Financial Statements:

The government-wide financial statements report information on all of the non-fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. Government 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 various funds are grouped into various generic fund types as follows:

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(Continued)

**A. Summary of Significant Accounting Policies (Continued):**

Governmental Fund Types:

*Town Fund* - The Town Fund is used to account for all revenue and expenditures of the general operations of the Township and those not accounted for in the other funds of the Township.

*Special Revenue Funds* - Special Revenue Funds are used to account for the revenue derived from specific resources. These resources are utilized to finance expenditures allowable either under local ordinance or state law. These include the Road District Fund and the General Assistance Fund.

(4) Basis of Accounting

The basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statement. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and available for use, defined as reasonably considered collectible within sixty (60) days. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

(5) Budgetary Data

The budget is prepared on the modified cash basis of accounting which is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes. There were no changes to the budget during the year.

(6) Cash and Investments

The Township of Rich held various types of cash deposits at March 31, 2010. Cash deposits, money markets and certificates of deposit are placed with various financial institutions. All deposits are in banks and savings and loans as authorized by the Illinois Revised Statutes, 1991 edition.

(7) Property Taxes

The Township annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Township Board. The property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The taxes attach as an enforceable lien on property on January 1.

The Township adopts its property tax levy by December of each year. The property taxes are billed and collected by the Cook County Treasurer who remits to the Township its share of taxes collected. Taxes levied in one year become payable during the following year in two installments, the first due prior to March 1 and the second due prior to September 1, or 30 days after the tax bills are mailed, whichever is later. The second installment is based on the current levy, assessment and equalization, and reflects any changes from the prior year in those factors. The Township typically receives the property taxes from the County within thirty to sixty days after the due dates.

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(Continued)

**A. Summary of Significant Accounting Policies (Continued):**

(8) Personal Property Replacement Taxes

Pursuant to the 1970 Illinois Constitution, all ad valorem personal property taxes in Illinois were abolished as of January 1, 1979. The constitutionality of this replacement tax was upheld by the Illinois Supreme Court on November 21, 1979.

The Personal Property Replacement Tax represents an additional income tax from corporations (including certain utilities) and trusts: a new income tax invested capital for public utilities providing gas, communication, electrical and water services. Revenues collected under the replacement tax are held in a special fund in the State Treasury called the Property Tax Replacement Fund. The monies are distributed to the Township in eight annual payments.

(9) Prepaid Expenses

Prepaid expenses are amounts paid during the current and deferred for expensing to future periods based on the expiration of time.

(10) Capital Assets

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are recorded at cost. The Township has a capitalization policy with a threshold for capitalization of \$2,500 for individual equipment, \$10,000 for buildings and improvements, and \$50,000 for infrastructure assets (roads, bridges, culverts, curbs, etc). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

| <u>Type of Asset</u>           | <u>Life in Years</u> |
|--------------------------------|----------------------|
| Equipment                      | 7                    |
| Vehicles (under 13,000 pounds) | 5                    |
| Vehicles (over 13,000 pounds)  | 7                    |
| Other Improvements             | 20                   |
| Buildings                      | 40                   |
| Road Improvements              | 10                   |
| New Infrastructure             | 40                   |

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(Continued)

A. Summary of Significant Accounting Policies (Continued):

(10) Capital Assets (Continued)

Capital asset activity for the year ended March 31, 2010 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>   | <u>Retirements</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|--------------------|---------------------------|
| <u>Governmental Activities</u>                  |                              |                    |                    |                           |
| Non Depreciable Assets                          |                              |                    |                    |                           |
| Land  | \$ 465,522                   |                    |                    | \$ 465,522                |
| Depreciable Assets                              |                              |                    |                    |                           |
| Buildings                                       | 980,940                      |                    |                    | 980,940                   |
| Improvements                                    | 856,799                      | 54,289             |                    | 911,088                   |
| Equipment                                       | <u>867,003</u>               |                    |                    | <u>867,003</u>            |
| Totals at Historical Cost                       | 3,170,264                    | 54,289             | -                  | 3,224,553                 |
| Less Accumulated Depreciation                   |                              |                    |                    |                           |
| Buildings                                       | (508,532)                    | (23,399)           |                    | (531,931)                 |
| Improvements                                    | (173,370)                    | (45,554)           |                    | (218,924)                 |
| Equipment                                       | <u>(741,389)</u>             | <u>(37,207)</u>    |                    | <u>(778,596)</u>          |
| Total Accumulated Depreciation                  | <u>(1,423,291)</u>           | <u>(106,160)</u>   | -                  | <u>(1,529,451)</u>        |
| Governmental Activities Capital<br>Assets - net | <u>\$ 1,746,973</u>          | <u>\$ (51,871)</u> | <u>\$ -</u>        | <u>\$ 1,695,102</u>       |

Depreciation expense was charged to governmental functions as follows:

|                            |                   |
|----------------------------|-------------------|
| ESDA                       | \$ 5,499          |
| Transportation             | 385               |
| Senior Services            | 29,107            |
| Pantry/Donations           | 1,200             |
| Road Administration        | 7,595             |
| Road Expense               | 35,296            |
| Unallocated                | 27,078            |
| Total Depreciation Expense | <u>\$ 106,160</u> |

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ENDED MARCH 31, 2010  
(Continued)

(11) Compensated Absences

Township employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned.

Vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds.

**B. Taxes Receivable**

Taxes receivable as of March 31, 2010 are as follows:

| Tax<br>Year | Town<br>Fund        | Road<br>District  | General<br>Assistance | Total               |
|-------------|---------------------|-------------------|-----------------------|---------------------|
| 2009        | \$ 1,901,875        | \$ 204,097        | \$ 189,175            | \$ 2,295,147        |
| 2008        | 405,850             | 33,217            | 23,944                | 463,011             |
|             | <u>\$ 2,307,725</u> | <u>\$ 237,314</u> | <u>\$ 213,119</u>     | <u>\$ 2,758,158</u> |

**C. Cash and Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial credit risk for cash deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. Neither the State nor the Township has a deposit policy for custodial credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure to the counterparty, the Township will not be able to recover the value of its investments or collateral securities in the possession of an outside party. State law does not require the collateralization of investments.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**D. Personal Property Replacement Taxes:**

As required by an amendment to the Personal Property Replacement Tax Act, the Road and Bridge Fund is required to distribute a proportionate share of the Personal Property Replacement Taxes collected to the Villages within the Township. The amount the Township is currently obligated to pay the Villages is estimated to be \$12,983. This amount is shown as "Replacement Tax Payable" on the balance sheet.

**E. Deferred Compensation:**

The employees of the Township have the option to participate in a single-employer Deferred Compensation Plans through payroll deductions

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ENDED MARCH 31, 2010  
(Continued)

**E. Deferred Compensation Continued:**

Participation in the plans is a voluntary election of the employee. There is no cost or liability to the Township. The Township does not administer the plans.

**F. Pension and Retirement Fund Commitments**

Illinois Municipal Retirement Fund:

Plan Description

Rich Township's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pub/pugs\\_homepage.htm](http://www.imrf.org/pub/pugs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500 Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The Township rate for calendar year 2009 was 9.64% of payroll. The Township contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis (overfunded liability amortized on an open basis). The amortization period at December 31, 2007 was 23 years.

For December 31, 2009 the Township's annual pension cost of \$194,214 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period with a 15% corridor. The assumptions used for the 2008 actuarial valuation were based on the 2002-2004 experience study.

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$2,973,747. On a market basis, the funded ratio would be 68.01%.

The actuarial assumptions used to determine the actuarial accrued liability for 2009 are based on the 2005-2007 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and earlier retirements are expected to occur.

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ENDED MARCH 31, 2009

**F. Pension and Retirement Fund Commitments (Continued):**

**Trend Information**

| Actuarial<br>Valuation<br>Date | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|--------------------------------|---------------------------------|-------------------------------------|------------------------------|
| 12/31/09                       | \$ 194,214                      | 100%                                | \$ -                         |
| 12/31/08                       | 184,913                         | 100%                                | -                            |
| 12/31/07                       | 161,053                         | 100%                                | -                            |
| 12/31/06                       | 171,769                         | 100%                                | -                            |
| 12/31/05                       | 154,323                         | 100%                                | -                            |
| 12/31/04                       | 14,266                          | 100%                                | -                            |
| 12/31/03                       | 100,516                         | 100%                                | -                            |
| 12/31/02                       | 100,697                         | 100%                                | -                            |
| 12/31/01                       | 98,310                          | 100%                                | -                            |
| 12/31/00                       | 106,685                         | 100%                                | -                            |

**G. "PACE" Grant**

The Suburban Bus Division of the Regional Transportation Authority awarded a Paratransit Grant to the Township of Rich commencing on August 1, 1985. This grant was to subsidize transportation to shopping and medical facilities within the Township and up to 10 miles outside the Township borders to medical facilities. Pace also subsidizes ridership to the CNN site in Park Forest. The grant provides reimbursement of actual costs after fares collected at the lesser of 75% of operating expenses or \$2.25 per one way trip. Total grant receipts from April 1, 2009 to March 31, 2010, were \$89,360 which included adjustments for operating hours. The grant is currently extended to December 2010.

Although the grant did not require a compliance audit we did review provisions of the grant to assure the Township was materially complying with them. The results of our review indicate that for items tested the Township of Rich complied with material terms and conditions of the grant. Furthermore, nothing came to our attention to indicate the Township of Rich had not complied with the significant compliance terms and conditions of this grant

Additional transportation services not funded by PACE includes Saturday services, PADS, and transportation of handicapped high school students to different job sites.

TOWNSHIP OF RICH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ENDED MARCH 31, 2009  
(Continued)

**H. Senior Companion Grant**

The Corporation For National and Community Service, a Division of the United States Department of Health and Human Services awarded a Senior Companion Program Suburban Cook County Grant to the Township of Rich commencing on July 1, 2005. This grant was to pay administrative and operational costs for a Senior Companion Program. The Township supervises 20 volunteer stations located in seven townships in suburban Cook County. Senior Companion volunteers, people age 60 and older, provide assistance and friendship to frail individuals who are homebound and, generally, living alone. Volunteers take care of simple chores, provide transportation to medical appointments, help buy groceries, provide respite care to worn-out caregivers, and offer contact to the outside world, enabling frail older Americans to continue to live in their own homes. Volunteers receive a \$2.65 hourly stipend, meal and travel reimbursement, insurance, a physical exam, and recognition.

The federal grant is for a one-year period from July 1, 2009 thru June 30, 2010 in the amount of \$378,352. Total federal grant receipts from July 1, 2008 to March 31, 2009 were \$329,621. During this period approximately 65 volunteers served approximately 214 clients. Senior Companions will provide approximately 65,000 hours of service and assistance annually to frail and elderly residents of Suburban Cook County.

Although the grant did not require a compliance audit we did review provisions of the grant to assure the Township was materially complying with them. The results of a review indicate that for items tested the Township of Rich complied with material terms and conditions of the grant. Furthermore, nothing came to our attentions to indicate the Township of Rich had not complied with significant compliance terms and conditions of this grant.

**I. Vacation, Personal, Sick Days and Major Medical Days**

The Township has three employee benefit leave plans. Vacation hours are earned in accordance with the number of hours worked per week and the number of years employed by the Township on a calendar year basis. Personal days and sick days are earned on the basis of average hours worked per week with an equivalent of 10 days allowed per employee per year, 6 of which are sick days, 4 are personal days. Any unused personal days are bought back at one-half pay at the end of the calendar year. Unused sick days are carried over year to year. Should employment terminate, the employee will be compensated for accumulated sick days at the rate of one-half pay. The Major Medical Days plan allows 4 days per year retroactive to each employee's date of employment and may be accumulated. These days may be added into years of service if employee retires while still employed by the Township. Earned and unused benefits at March 31, 2010 are:

|                         | Available                          |
|-------------------------|------------------------------------|
| Vacation Days*          | 872.29                             |
| Personal and Sick Days* | 1,078.23                           |
| Major Medical Days*     | 1,102.68                           |
|                         | 3,053.20 days    \$ <u>443,501</u> |

\*Maximum cost to the Township assuming all leave time requires continued employment and will be utilized. However, existing employees have always assumed absent employees' responsibilities to date.

**TOWNSHIP OF RICH, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**COMPARED TO BUDGET**  
**TOWN FUND**  
**FOR THE YEAR ENDED MARCH 31, 2010**

| <u>REVENUES</u>                     | <u>Actual</u>       | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> |
|-------------------------------------|---------------------|----------------------------|-------------------------|
| Property Taxes                      | \$ 3,582,771        | \$ 3,334,000               | \$ 3,334,000            |
| Personal Property Replacement Taxes | 25,902              | 35,000                     | 35,000                  |
| Government Grants                   | 1,549               | 350,000                    | 350,000                 |
| TIF Rebate                          | 47,245              | 50,000                     | 50,000                  |
| Rental Income                       | 9,730               | 28,000                     | 28,000                  |
| In Home Services                    | 19,673              | 25,000                     | 25,000                  |
| Transportation Receipts             | 395,085             | 400,000                    | 400,000                 |
| Passport Sales                      | 1,871               | 5,000                      | 5,000                   |
| Youth & Family Services             | 10,108              | 41,000                     | 41,000                  |
| Senior Services                     | 361,410             | 429,250                    | 429,250                 |
| Donations                           | 85,088              | 115,000                    | 115,000                 |
| Interest on Investments             | 22,504              | 96,025                     | 96,025                  |
| Miscellaneous Income                | 8,820               | -                          | -                       |
| Total Revenues                      | 4,571,755           | 4,908,275                  | 4,908,275               |
| <u>EXPENDITURES</u>                 |                     |                            |                         |
| Administration                      | 2,032,910           | 2,445,000                  | 2,431,500               |
| Assessor's Department               | 236,263             | 271,300                    | 271,300                 |
| Clerk's Department                  | 66,262              | 78,600                     | 78,600                  |
| Transportation                      | 1,008,418           | 1,183,000                  | 1,183,000               |
| ESDA                                | 39,476              | 86,765                     | 86,765                  |
| Youth & Family Services             | 41,876              | 130,710                    | 185,710                 |
| Senior Services                     | 473,529             | 596,500                    | 596,500                 |
| Pantry/Donations                    | 86,773              | 104,100                    | 104,100                 |
| Economic Development                | 7,540               | 10,000                     | 10,000                  |
| Old Plank Road                      | 2,046               | 20,500                     | 20,500                  |
| Contingencies                       | 1                   | 110,000                    | 68,400                  |
| Depreciation                        | 84,621              | -                          | -                       |
| Total Expenditures                  | 4,079,716           | 5,036,475                  | 5,036,375               |
| Excess Revenues over Expenditures   | 492,038             | (128,200)                  | (128,100)               |
| Beginning Fund Balance              | 5,044,980           | 5,046,286                  | 5,046,286               |
| Ending Fund Balance                 | <u>\$ 5,537,018</u> | <u>\$ 4,918,086</u>        | <u>\$ 4,918,186</u>     |

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF RICH, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**COMPARED TO BUDGET**  
**ROAD FUND**  
**FOR THE YEAR ENDED MARCH 31, 2010**

| <u>REVENUES</u>                     | <u>Actual</u>     | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> |
|-------------------------------------|-------------------|----------------------------|-------------------------|
| Property Taxes                      | \$ 467,259        | \$ 470,000                 | \$ 470,000              |
| Personal Property Replacement Taxes | 31,368            | 40,000                     | 40,000                  |
| TIF Rebate                          | 6,749             | 7,000                      | 7,000                   |
| Governmental Grants                 | -                 | 1,500                      | 1,500                   |
| Interest on Investments             | 2,057             | 7,005                      | 7,005                   |
| Circuit Court Fees                  | 1,915             | 2,500                      | 2,500                   |
| Miscellaneous Income                | 450               | 4,000                      | 4,000                   |
| Total Revenues                      | <u>509,799</u>    | <u>532,005</u>             | <u>532,005</u>          |
| <u>EXPENDITURES</u>                 |                   |                            |                         |
| Administration                      | 113,295           | 130,900                    | 130,900                 |
| Maintenance of Road                 | 292,887           | 408,250                    | 408,250                 |
| Maintenance of Building & Equipment | 45,447            | 45,000                     | 45,000                  |
| Purchase of Machinery               | 41,354            | 57,000                     | 65,000                  |
| Rental Expense                      | 584               | 2,000                      | 2,000                   |
| Contingencies                       | -                 | 15,000                     | 7,000                   |
| Depreciation                        | 21,539            | -                          | -                       |
| Total Expenditures                  | <u>515,105</u>    | <u>658,150</u>             | <u>658,150</u>          |
| Excess Revenues over Expenditures   | (5,306)           | (126,145)                  | (126,145)               |
| Beginning Fund Balance              | <u>567,116</u>    | <u>567,116</u>             | <u>567,116</u>          |
| Ending Fund Balance                 | <u>\$ 561,810</u> | <u>\$ 440,971</u>          | <u>\$ 440,971</u>       |

The notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF RICH, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**COMPARED TO BUDGET**  
**GENERAL ASSISTANCE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2020**

| <u>REVENUES</u>                   | Actual     | Original<br>Budget | Final<br>Budget |
|-----------------------------------|------------|--------------------|-----------------|
| Property Taxes                    | \$ 335,834 | \$ 374,307         | \$ 374,307      |
| TIF Rebate                        | 5,303      | 6,000              | 6,000           |
| Interest on Investments           | 1,859      | 7,810              | 7,810           |
| Miscellaneous Income              | 1,894      | 2,000              | 2,000           |
| Total Revenues                    | 344,889    | 390,117            | 390,117         |
| <u>EXPENDITURES</u>               |            |                    |                 |
| Administration                    | 138,364    | 174,250            | 165,250         |
| Contingencies                     | -          | 12,000             | 1,000           |
| Home Relief                       | 296,505    | 305,500            | 325,500         |
| Total Expenditures                | 434,869    | 491,750            | 491,750         |
| Excess Revenues over Expenditures | (89,980)   | (101,633)          | (101,633)       |
| Beginning Fund Balance            | 685,750    | 685,750            | 685,750         |
| Ending Fund Balance               | \$ 595,770 | \$ 584,117         | \$ 584,117      |

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF RICH  
 SCHEDULE OF TAX COLLECTIONS AND TAXES RECEIVABLE  
 YEAR ENDED MARCH 31, 2010

| TAX YEAR | TAX LEVY  | PRIOR COLLECTION | CURRENT COLLECTIONS (REFUNDS) | RESERVES AND WRITE OFFS | TOTAL COLLECTIONS RESERVES & W/O | PERCENT COLLECTED | GROSS RECEIVABLE 3/31/2009 |
|----------|-----------|------------------|-------------------------------|-------------------------|----------------------------------|-------------------|----------------------------|
| 2005     | 3,558,245 | 3,531,875        |                               | 26,370 *                | 3,558,245                        | 99%               | -                          |
| 2006     | 3,812,018 | 3,735,940        |                               | 76,078                  | 3,812,018                        | 98%               | -                          |
| 2007     | 4,020,587 | 3,719,771        | 330,368                       | (29,552)                | 4,020,587                        | 100%              | -                          |
| 2008     | 4,282,951 | 1,594,314        | 2,182,796                     | 42,830                  | 3,819,940                        | 88%               | 463,011                    |
| 2009     | 4,314,100 | -                | 1,896,310                     | 122,643                 | 2,018,953                        |                   | 2,295,147                  |
|          |           |                  | <u>\$ 4,409,474</u>           |                         |                                  |                   | <u>\$ 2,758,158</u>        |

Taxes Receivable By Fund

|                    |                     |
|--------------------|---------------------|
| Town               | 2,307,725           |
| Road and Bridge    | 237,314             |
| General Assistance | 213,119             |
|                    | <u>\$ 2,758,158</u> |

\* Based on history of collections, approximately 99% of levy is ultimately collected. Therefore a 1% reserve for uncollectables established.

The notes to the financial statement are an integral part of this statement.

TOWNSHIP OF RICH  
 SCHEDULE OF VALUATIONS, RATES AND EXTENSIONS FOR  
 TAX LEVY YEARS - 1998 TO 2008  
 MARCH 31, 2010

| Tax<br>Levy<br>Year | Equalized<br>Assessed<br>Valuation | Town<br>Fund (%) | Road and<br>Bridge<br>Fund (%) | General<br>Assistance<br>Fund (%) |
|---------------------|------------------------------------|------------------|--------------------------------|-----------------------------------|
| 1998*               | \$ 826,571,831                     | 0.2277           | 0.0324                         | 0.0231                            |
| 1999                | \$ 940,453,270                     | 0.2235           | 0.0322                         | 0.0245                            |
| 2000                | \$ 949,797,602                     | 0.2330           | 0.0338                         | 0.0261                            |
| 2001                | \$ 979,706,063                     | 0.2360           | 0.0349                         | 0.0267                            |
| 2002                | \$ 1,166,566,284                   | 0.2110           | 0.0310                         | 0.0230                            |
| 2003                | \$ 1,183,131,824                   | 0.2190           | 0.0330                         | 0.0250                            |
| 2004                | \$ 1,251,712,002                   | 0.2190           | 0.0330                         | 0.0250                            |
| 2005                | \$ 1,458,297,304                   | 0.1930           | 0.0580                         | 0.0220                            |
| 2006                | \$ 1,527,863,091                   | 0.1990           | 0.0570                         | 0.0220                            |
| 2007                | \$ 1,634,385,703                   | 0.1960           | 0.0560                         | 0.0220                            |
| 2008                | \$ 1,784,563,016                   | 0.1910           | 0.0540                         | 0.0220                            |

The gross tax levy for 2009 is analyzed below:

|                                  | Rate   | Estimated<br>Gross Levy | Estimated<br>Extended<br>Levy** |
|----------------------------------|--------|-------------------------|---------------------------------|
| Town Fund                        | 0.1910 | \$ 3,430,735            | \$ 3,602,272                    |
| Road & Bridge Fund, Town's Share | 0.0540 | \$ 950,000              | \$ 997,500                      |
| General Assistance Fund          | 0.0220 | \$ 408,735              | \$ 429,172                      |

\*\* Per legislation there is a 5.0% cap on the levy  
 \*1998 Equalized Assessed Valuation is estimated

The notes to the financial statements are an integral part of this statement

TOWNSHIP OF RICH, ILLINOIS  
SCHEDULE OF RETIREMENT FUND FUNDING PROGRESS  
FOR THE ENDED MARCH 31, 2010

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability<br>(AAL)<br>-Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 12/31/09                       | 3,065,627                              | 4,372,413  | 1,306,786                          | 70.11%                   | 2,014,672                 | 64.86%  |
| 12/31/08                       | 2,759,179                              | 3,925,281  | 1,166,102                          | 70.29%                   | 1,894,601                 | 61.55%  |
| 12/31/07                       | 2,958,075                              | 3,266,328  | 308,253                            | 90.56%                   | 1,645,082                 | 18.74%  |
| 12/31/06                       | 3,115,643                              | 3,451,465  | 335,822                            | 90.27%                   | 1,669,277                 | 20.12%  |
| 12/31/05                       | 2,792,302                              | 3,048,686  | 256,384                            | 91.59%                   | 1,595,899                 | 16.07%  |
| 12/31/04                       | 2,663,288                              | 3,030,548  | 367,260                            | 87.88%                   | 1,569,489                 | 23.40%  |
| 12/31/03                       | 2,391,887                              | 2,627,748  | 235,861                            | 91.02%                   | 1,442,120                 | 16.36%  |
| 12/31/02                       | 2,268,946                              | 2,320,103  | 51,157                             | 97.80%                   | 1,371,895                 | 3.73%   |
| 12/31/01                       | 2,201,576                              | 1,988,986  | (212,590)                          | 110.69%                  | 1,260,388                 | 0.00%   |
| 12/31/00                       | 1,972,729                              | 1,806,920  | (165,809)                          | 109.18%                  | 1,244,863                 | 0.00%   |
| 12/31/99                       | 1,592,124                              | 1,501,928  | (90,196)                           | 106.01%                  | 1,188,660                 | 0.00%   |

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REPORT ON INTERNAL CONTROL STRUCTURE  
BASED SOLELY ON THE UNDERSTANDING OBTAINED AND  
CONTROL ASSESSMENT MADE AS PART OF AN AUDIT  
OF THE FINANCIAL STATEMENTS

The Honorable Township Board of Trustees  
Township of Rich  
22013 Governors Highway  
Richton Park, Illinois 60471

We have audited the financial statements of the Township of Rich, Illinois for the year ended March 31, 2010, and have issued our report thereon dated July 15, 2010.

We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Board of the Township of Rich is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Township of Rich, Illinois for the year ended March 31, 2010, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Finding

The bank reconciliations of the Great Lakes Accounts for the Town Fund, General Assistance Fund and the Road Fund were out of balance by \$5,879, \$1,300 and \$784.54 respectively.

Recommendation

Appropriate adjustments must be made so that the bank reconciliation balances agree with the balances cash balances reported in the general ledger

2. Finding

Within the deposit-in-transit section of the bank reconciliation of the Senior Companion account with Great Lakes bank, check numbers and payees are listed reflecting zero dollars in the amount column.

Recommendation

Properly prepared bank reconciliations do not contain partial information. The checks should be voided so the information will no longer appear.

3. Finding

Stale dated checks, dating back to 2006 continue to be reflected on the bank reconciliation for the General Assistance Fund Great Lakes Bank account. Attempts to offset or void the checks appear to have contributed to variance between the bank reconciliation balance and the general ledger cash balance.

Recommendation

Old checks that continue to appear on the outstanding check list should be deleted.

4. Finding

An outstanding check payable to the Township supervisor for stipend or reimbursement has been carried on the bank reconciliations for the Road Fund's Great Lakes Bank account since March 2008. If it is not expected that this check will be cashed, the balance carried on the bank reconciliation is not correct.

Recommendation

The Township supervisor should either endorse the check back to the Township or discontinue the issuance of such stipend checks.

5. Finding

Each year the client is advised/requested to post the adjusting journal entries resulting from the relevant years audit so that client records will agree with the audit report reflecting adjusted balances. Except for one year, these adjusting journal entries have not been posted by the client to the client's books and records. As a result, the auditor must consolidate and roll forward the audit entries each year to arrive at the correct beginning balances.

Recommendation

It is recommended that adjusting journal entries be posted timely by the client. When these entries are not posted after each audit, client records will not reflect the correct balance in the accounts throughout the

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Township Board of Trustees, and the cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.



Susan H. Varnish, LLC

July 15, 2010

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REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH THE  
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

The Honorable Township Board of Trustees  
Township of Rich  
22013 Governors Highway  
Richton, Illinois 60471

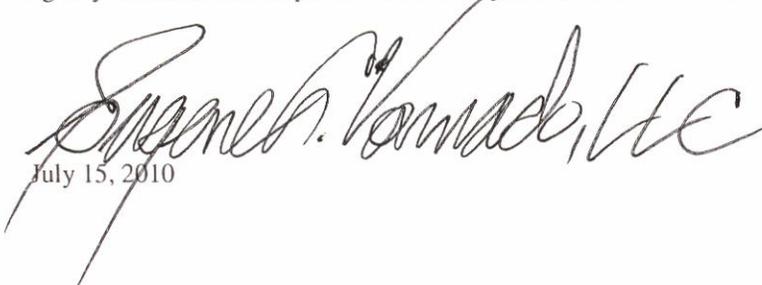
We have audited the financial statements of the Township of Rich, Illinois of and for the year ended March 31, 2010, and have issued our report thereon dated July 15, 2010.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free to material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Township of Rich, Illinois is the responsibility of the Township's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Township's compliance with certain provisions of laws, regulations, contract and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Township Board of Trustees, management and the cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.



July 15, 2010