

**Township of Schaumburg
(Located within the State of Illinois)**

Comprehensive Annual Financial Report

Year Ended February 29, 2020

**Township of Schaumburg
Financial Statements
For the Year Ended February 29, 2020**

Table of Contents

Introductory Section

Letter of Transmittal.....	i-v
Organizational Chart.....	vi
Certificate of Achievement for Excellence in Financial Reporting	vii

Financial Section

Independent Auditor's Report.....	1-2
Management's Discussion and Analysis.....	3-8

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position.....	9
Statement of Activities.....	10

Fund Financial Statements:

Governmental Funds Balance Sheet.....	11
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	14
Statement of Fiduciary Net Position - Employee Pension Plan.....	15
Statement of Changes in Fiduciary Net Position - Employee Pension Plan.....	16
Notes to Financial Statements.....	17-35

Required Supplementary Information

Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios – Township Employees Pension Fund.....	36
---	----

Table of Contents (Continued)

Multiyear Schedule of Contributions – Pension Trust Fund	37
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Town Fund	38-39
General Assistance Fund	40
Road and Bridge Fund	41
Notes to Required Supplementary Information	42
<u>Statistical Section</u>	
Changes in Net Position – Last Six Fiscal Years	43
Changes in Fund Balances – Governmental Funds – Last Six Fiscal Years	44
Fund Balances – Governmental Funds – Last Six Fiscal Years	45
General Revenues by Source	46
General Government Expenditures by Function	47
Tax Rates and Levies	48
Property Tax Levies Extended and Collections	49
Assessed and Estimated Actual Value of Taxable Property	50
Property Tax Rates – Direct and Overlapping Governments	51
Principal Property Taxpayers	52
Computation of Legal Debt Margin	53
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita	54
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	55
Direct and Overlapping Governmental Activities Debt	56
Principal Employers	57
Miscellaneous Statistics	58-59

Introductory Section



September 21, 2020

Board of Trustees
Township of Schaumburg
1 Illinois Boulevard
Hoffman Estates, Illinois 60169

Honorable Trustees:

The Comprehensive Annual Financial Report (CAFR) of the Township of Schaumburg (the "Township") for the fiscal year ending February 29, 2020 is submitted herewith. The report was prepared by the Township's Supervisor, Administrator, and accountant. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Township of Schaumburg. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the Township as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial affairs have been included.

The audit is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the Township's organizational chart. The financial section includes the Independent Auditor's Report, Management's Discussion & Analysis (MD&A), basic financial statements, and schedules for the major and non-major funds. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This letter of transmittal is designed to complement the MD&A which begins on page 3.

This report includes all funds of the Township. The Township's main emphasis is on providing human care services in the areas of mental health, disability services, senior services, youth services, welfare services and road care to the unincorporated areas. The Township also provides a myriad of other services including, but not limited to, voter registration, passport services, notary public services, property and tax assessment information, as well as general information and referral services.

ECONOMIC CONDITION AND OUTLOOK

Township of Schaumburg is a municipal corporation of the State of Illinois. The Township covers approximately 30 square miles and includes portions of Elk Grove Village, Hanover Park, Hoffman Estates, Rolling Meadows, Roselle, Schaumburg, and Streamwood. It is located in Cook County and is approximately 28 miles northwest of the Chicago Loop. The Township maintains one town hall facility built in 1996 at 1 Illinois Boulevard, Hoffman Estates, IL 60169 along with the Township Road District building built on the same campus.

The 2015 population of 130,942 for the Township represents a 0.2% decrease from the 2010 population of 131,288. The 2017 median household income is \$77,022 and per capita income is \$31,586. The potential for future population growth is modest even with a slightly improving housing market as the Township has minimal buildable land available for future development. Throughout the last three tax years ('17 through '19), the Township's equalized assessed valuation has increased by 13.6%.

The Township levies taxes for three agencies. The agencies are the Town of Schaumburg, General Assistance, and Road and Bridge. Within the Township of Schaumburg are the following funds: Corporate, Social Security, Auditing, Workmen's Compensation, and Unemployment Insurance. The annual assessed valuation (EAV) is shown below.

Tax Year	EAV	Town Tax Rate	General Asst. Tax Rate	Road & Bridge Tax Rate
2014	\$ 3,998,606,992	0.115	0.016	0.032
2015	3,892,142,412	0.120	0.017	0.034
2016	4,496,664,565	0.103	0.015	0.030
2017	4,549,264,916	0.105	0.016	0.031
2018	4,449,497,516	0.110	0.017	0.033
2019	5,167,552,974	0.097	0.015	0.030

According to the 2015 ACS, the total housing units for the Township amounted to 53,174 with an average household containing three individuals and 29% had children under the age of 18 living with them. Additionally, this contributes to the Township's strong demand for community-based adult and youth services.

MAJOR INITIATIVES/HAPPENINGS FOR THE YEAR

The 2020 Budget for Operations remained fairly static for the year. The Township's total major funds were 14.5% under budget. The following capital projects were funded during the year: parking lot expansion, building improvements including flooring and carpeting as well as the food pantry renovation.

FUTURE INITIATIVES/FUTURE DIRECTION

The Township is working on a Capital Improvement Program that anticipates expenditures over a five-year period. For fiscal 2020, the Town Board has allocated \$547,000 to be expended on capital improvements. The majority of these improvements will be derived from local property tax revenues and reserves. These funds are to be budgeted on the following primary projects: floor project, lighting project, signage, wallpaper removal, vehicles, food pantry renovation and building improvements.

FINANCIAL INFORMATION

Accounting System and Budgetary Control - The Township's records for general governmental operations are maintained on an accrual basis, with the revenues being recorded when earned and expenditures being recorded when the liability is incurred or the economic asset is used.

In developing and maintaining the Township's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to Township departmental and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures (items over \$5,000 and having a useful life of more than 1 year) are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Additionally, all expenditures are reviewed by the Supervisor and the Board prior to the release of payments.

The Reporting Entity and its Services - This report includes all of the funds and activities controlled by the Township.

The Township participates in the Illinois Counties Risk Management Trust. That organization is a separate governmental unit because (1) they are organized entities, (2) have governmental character, and (3) are substantially autonomous. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

General Government Functions - The reporting period covered by these financial statements encompasses twelve months. Funds are provided for services by taxes, user fees, interest income, grants, donations, and miscellaneous sources.

Property taxes are a major source of income for general operations. The Township's property taxes make up 93% of the total revenue for the major governmental funds.

Assessed valuation of \$5,167,552,974 represents an increase from prior fiscal year. As a result, the tax rates for 2019 decreased.

Allocation of the property tax levy for 2018 and the preceding tax year are as follows (amounts for each \$100 of assessed value).

<u>Purpose</u>	<u>2019</u>	<u>2018</u>
Town of Schaumburg	.097	.110
General Assistance Fund	.015	.017
Road and Bridge Fund	.030	.033
Total Tax Rate	.142	.160

The maximum tax rate for the Corporate Fund is .2500. The maximum tax rate for the Audit Fund is .005.

Capital Assets Additions - As of February 29, 2020 the general capital assets of the Township of Schaumburg amounted to \$4,541,365. The major category of increase results from the completion of the parking lot and building improvements.

Independent Audit - Chapter 50, Section 310/2 of the Illinois Revised Statutes requires that Townships secure a licensed public accountant to perform an annual audit of accounts. The firm of Tighe, Kress and Orr has performed the audit for the year ended February 29, 2020. Their unmodified opinion on the general-purpose financial statements is presented in this report.

OTHER INFORMATION

Awards & Acknowledgments – The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff. Appreciation is expressed to the Township's employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank the Township of Schaumburg board and elected officials for their interest and support in planning and conducting the financial operation of the Township in a responsible and progressive manner.

Respectfully submitted,

Timothy Heneghan
Supervisor

Suzanne McVey
Administrator

James Howard
Finance

Schaumburg Township
Principal Officials
For the Year Ended February 29, 2020

Elected Officials

Timothy M. Heneghan
Supervisor

W. Robert Vinnedge
Clerk

John R. Lawson
Assessor

Scott M. Kegarise
Highway Commissioner

Diane Dunham

Jeffrey S. Mytych

Nimish Jani

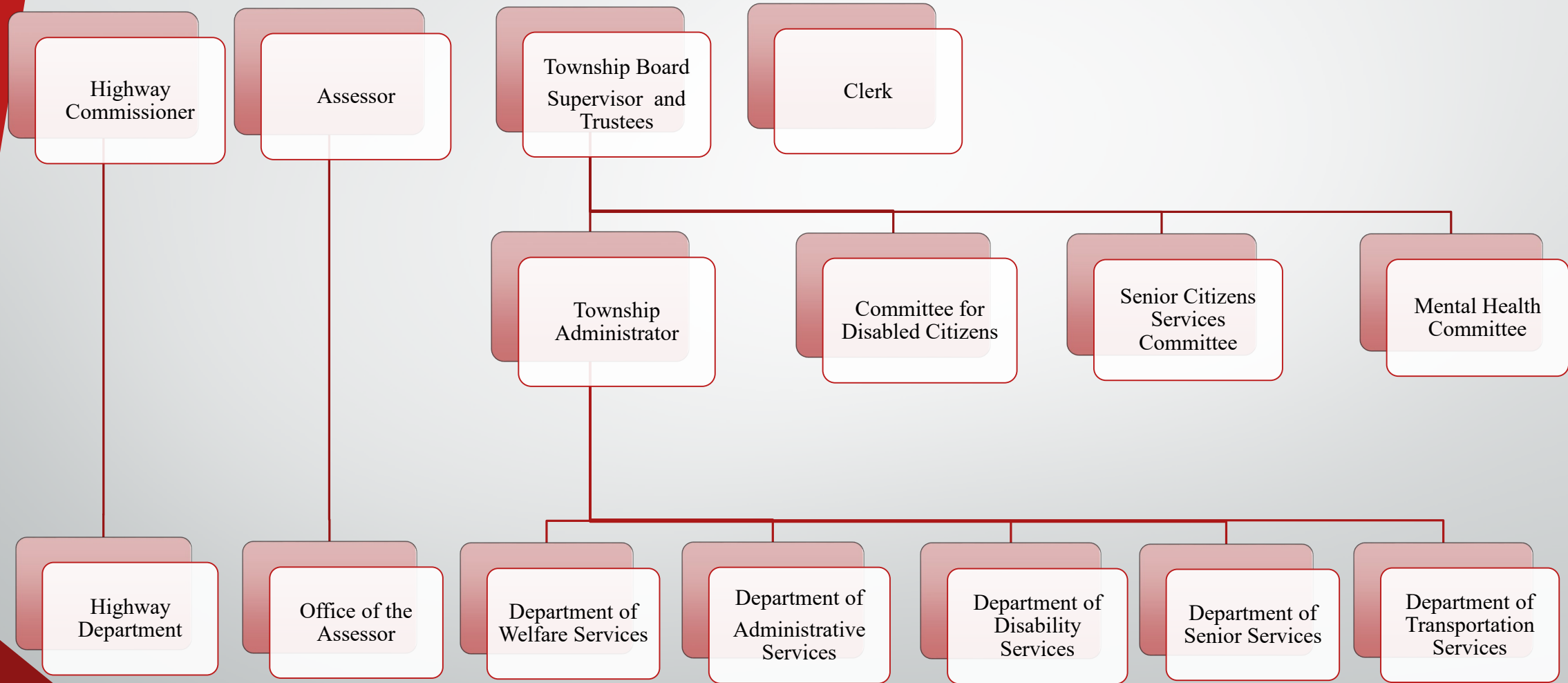
Charlotte Kegarise
Trustees

Administrative Staff

Suzanne McVey
Township Administrator



Schaumburg Township Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Township of Schaumburg
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

February 28, 2019

Christopher P. Morrell

Executive Director/CEO

Financial Section

Board of Trustees
Township of Schaumburg
Hoffman Estates, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Township of Schaumburg, Illinois as of and for the year ended February 29, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the remaining fund information of the Township of Schaumburg, as of February 29, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tighe, Kress & Orr, PC

Elgin, Illinois
September 21, 2020

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

As the Township of Schaumburg (the "Township") management we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended February 29, 2020. The management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

Financial Highlights

The assets and deferred outflows of resources of the Township of Schaumburg exceeded its liabilities and deferred inflows of resources by \$9,301,373 and \$8,514,717 as of February 29, 2020 and February 28, 2019, respectively. The Township's net position increased \$786,656 in fiscal year 2020 as the Township had significant Capital Asset additions during the year.

Positive budgetary variances included both revenues and expenditures across all funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Schaumburg's basic financial statements. The Township's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-wide Financial Analysis

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the Township of Schaumburg's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents financial information on all of the Township of Schaumburg's assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Schaumburg is improving or deteriorating.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township of Schaumburg that are principally supported by property taxes, donations from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township of Schaumburg include general government, road care, and services for disabled, seniors, community relations, general assistance, mental health as well as transportation projects.

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

Government-wide Financial Analysis (Continued):

Fund Financial Statements

All of the funds of the Township of Schaumburg are governmental funds. The fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's three funds.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to Financial Statements

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Township of Schaumburg's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance – budget vs. actual for each major fund is presented in this section.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Schaumburg, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,301,373 for the year ended February 29, 2020, which was an increase of \$786,656 from prior year. The increase indicates the financial position of the Township grew by 9.2% during fiscal year 2020, as the Township completed a parking lot expansion, significant bridge repair, and other various equipment replacements.

A portion of the Township's net position reflects its investment in capital assets of \$4,541,635. The Township uses these capital assets to provide services and consequently these assets are not available to liquidate liabilities or for other spending.

The unrestricted net position of \$3,319,655 at February 29, 2020 is available to fund future Township obligations.

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

Government-wide Financial Analysis (Continued):

Condensed Financial Information

Condensed Statement of Net Position

	Governmental Activities		Component Unit	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Current and other assets	\$ 11,589,767	\$ 11,213,159	\$ 46,148	\$ 32,452
Capital assets, net	4,541,635	3,790,827	-	-
Total Assets	<u>\$ 16,131,402</u>	<u>\$ 15,003,986</u>	<u>\$ 46,148</u>	<u>\$ 32,452</u>
Deferred Outflows of Resources	<u>\$ 137,978</u>	<u>\$ 377,473</u>	<u>\$ -</u>	<u>\$ -</u>
Current liabilities	\$ 67,587	\$ 102,395	\$ -	\$ -
Non-current liabilities	316,918	256,912	-	-
Total Liabilities	<u>\$ 384,505</u>	<u>\$ 359,307</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources	<u>\$ 6,583,502</u>	<u>\$ 6,507,435</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position				
Net investment in capital assets	\$ 4,541,635	\$ 3,790,827	\$ -	\$ -
Restricted	1,440,083	1,419,705	-	-
Unrestricted	3,319,655	3,304,185	46,148	32,452
Total Net Position	<u>\$ 9,301,373</u>	<u>\$ 8,514,717</u>	<u>\$ 46,148</u>	<u>\$ 32,452</u>

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

Government-wide Financial Analysis (Continued):

Condensed Financial Information (Continued)

	Condensed Statement of Activities			
	Governmental Activities		Component Unit	
	February 29, 2020	February 29, 2019	February 29, 2020	February 29, 2019
Revenue				
Program Revenue				
Charges for services	\$ 258,510	\$ 190,519	\$ -	\$ -
Grants and contributions	86,937	65,651	13,696	11,571
General Revenues				
Property taxes	6,195,860	6,008,148	-	-
Replacement taxes	114,106	85,399	-	-
Interest income	120,852	92,587	-	-
Other	-	19,308	-	-
Total Revenues	<u>6,776,265</u>	<u>6,461,612</u>	<u>13,696</u>	<u>11,571</u>
Expenses				
Program Expenses				
General Government	2,624,295	3,942,274	\$ -	-
Human services and public welfare	2,180,477	2,253,323	-	-
Home relief	159,356	135,723	-	-
Roads and bridges	792,397	390,032	-	-
Depreciation - unallocated*	233,084	229,347	-	-
Foundation Fund	-	-	-	775
Total Expenses	<u>5,989,609</u>	<u>6,950,699</u>	<u>-</u>	<u>775</u>
Changes in Net Position	<u>786,656</u>	<u>(489,087)</u>	<u>13,696</u>	<u>10,796</u>
Net Position, Beginning of Year	<u>8,514,717</u>	<u>9,003,804</u>	<u>32,452</u>	<u>21,656</u>
Net Position, End of Year	<u>\$ 9,301,373</u>	<u>\$ 8,514,717</u>	<u>\$ 46,148</u>	<u>\$ 32,452</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

Financial Analysis of the Township's Funds

The following is a summary of changes in fund balances for the year ended February 29, 2020:

<u>Governmental Funds</u>	<u>Fund Balance February 28, 2019</u>	<u>Increase (Decrease)</u>	<u>Fund Balance February 29, 2020</u>
Town Fund	\$ 3,289,668	\$ 208,927	\$ 3,498,595
General Assistance	916,136	76,265	992,401
Road and Bridge	<u>503,569</u>	<u>(55,887)</u>	<u>447,682</u>
Total	\$ <u>4,709,373</u>	\$ <u>229,305</u>	\$ <u>4,938,678</u>

The majority of the change in General (Town) fund balance is due to better than budgeted results for passport and investment income as well as administrative expenditures namely health insurance and some deferred capital improvements for fiscal year 2020. The majority of the change in the General Assistance fund was a result of better than expected health insurance expenditure results. The reason for the decrease in the Road and Bridge Fund balance was primary due to the road construction and repair projects completed during the year.

Budgetary Highlights

There were no revisions to the original budget. Expenditures in the General Town Fund of \$4,994,484 were less than revenues by \$208,928 and were \$673,460 less than the appropriation of \$5,667,944.

Capital Assets

The following is a summary of the Township's capital assets, net of accumulated depreciation:

	<u>For Years Ended</u>	
	<u>February 29, 2020</u>	<u>February 29, 2019</u>
Land	\$ 136,904	\$ 136,904
Construction in progress	657,357	78,785
Buildings	3,956,146	3,431,503
Infrastructure - roadways	1,995,986	1,995,986
Equipment	360,859	360,859
Transportation	<u>863,957</u>	<u>863,957</u>
Cost of Capital Assets	7,971,209	6,867,994
Less: Accumulated Depreciation	<u>(3,429,574)</u>	<u>(3,077,168)</u>
Net Capital Assets	\$ <u>4,541,635</u>	\$ <u>3,790,826</u>

For more information please refer to Note 7 of the financial statements on page 28.

Long-Term Debt

The District has no debt. The non-current liabilities are related to compensated absences and the net pension liability, as described in Note 8.

**Township of Schaumburg
Management's Discussion and Analysis
For the Year Ended February 29, 2020**

Description of Current of Expected Conditions

Currently, management is assessing and responding to the uncertainties caused by the COVID-19 coronavirus.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Administrator, The Township of Schaumburg, 1 Illinois Blvd, Hoffman Estates, Illinois 60169.

Basic Financial Statements

Township of Schaumburg
Statement of Net Position
February 29, 2020

	Governmental Activities	Component Unit
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and investments	\$ 1,904,906	\$ 46,148
Investments	3,652,161	-
Receivables, net allowance for uncollectibles	5,995,892	-
Prepaid expenses	36,808	-
Total Current Assets	<u>11,589,767</u>	<u>46,148</u>
Non-Current Assets:		
Capital assets, net of accumulated depreciation	4,541,635	-
Total Assets	<u>16,131,402</u>	<u>46,148</u>
Deferred Outflows of Resources:		
Deferred items related to pension	137,978	-
Total Assets and Deferred Outflow of Resources	<u>\$ 16,269,380</u>	<u>\$ 46,148</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities:		
Accounts payable	\$ 14,847	\$ -
Accrued salaries and wages	52,401	-
Payroll liabilities	339	-
Total Current Liabilities	<u>67,587</u>	<u>-</u>
Non-Current Liabilities:		
Compensated absences	151,629	-
Net pension liability	165,289	-
Total Non-Current Liabilities	<u>316,918</u>	<u>-</u>
Total Liabilities	<u>384,505</u>	<u>-</u>
Deferred Inflows of Resources:		
Deferred revenue	6,583,502	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 6,968,007</u>	<u>\$ -</u>
Net Position		
Net Position:		
Net investment in capital assets	\$ 4,541,635	\$ -
Restricted for General Assistance	992,401	-
Restricted for Road and Bridge	447,682	-
Unrestricted	3,319,655	46,148
Total Net Position	<u>\$ 9,301,373</u>	<u>\$ 46,148</u>

See accompanying notes to financial statements.

Township of Schaumburg
Statement of Activities
For the Year Ended February 29, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) / Revenue and Changes in Net Position	
					Governmental Activities	Component Unit
Government Activities						
General Government	\$ 2,624,295	\$ 250,629	\$ 26,871	\$ -	\$ (2,346,795)	\$ -
Human services and public welfare	2,180,477	7,138	60,066	-	(2,113,273)	-
Home relief	159,356	-	-	-	(159,356)	-
Roads and bridges	792,397	743	-	-	(791,654)	-
Depreciation - unallocated*	233,084	-	-	-	(233,084)	-
Total Governmental Activities	<u>\$ 5,989,609</u>	<u>\$ 258,510</u>	<u>\$ 86,937</u>	<u>\$ -</u>	<u>(5,644,162)</u>	<u>-</u>
Component Unit:						
Township of Schaumburg						
Schaumburg Township						
Foundation Fund	\$ -	\$ -	\$ 13,696	\$ -		13,696
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					6,195,860	-
Personal property replacement tax					114,106	-
Unrestricted investment earnings					120,852	-
Total General Revenues					<u>6,430,818</u>	<u>-</u>
Change in Net Position					786,656	13,696
Net Position - Beginning of Year					<u>8,514,717</u>	<u>32,452</u>
Net Position - End of Year					<u>\$ 9,301,373</u>	<u>46,148</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

See accompanying notes to financial statements.

Township of Schaumburg
Balance Sheet - Governmental Funds
February 29, 2020

Assets	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,143,328	\$ 449,400	\$ 312,178	\$ 1,904,906
Investments	2,736,112	670,980	245,069	3,652,161
Receivables, net of allowance for uncollectibles	4,588,357	711,712	695,823	5,995,892
Interfund receivable	97,695	-	-	97,695
Prepaid expenses	29,007	7,459	342	36,808
Total Assets	\$ <u>8,594,499</u>	\$ <u>1,839,551</u>	\$ <u>1,253,412</u>	\$ <u>11,687,462</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 14,847	\$ -	\$ -	\$ 14,847
Salaries and wages payable	39,777	8,053	4,571	52,401
Interfund payable	-	59,990	37,705	97,695
Due to other governments	-	-	339	339
Total Liabilities	<u>54,624</u>	<u>68,043</u>	<u>42,615</u>	<u>165,282</u>
Deferred Inflows of Resources:				
Deferred revenue	<u>5,041,280</u>	<u>779,107</u>	<u>763,115</u>	<u>6,583,502</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,095,904</u>	<u>847,150</u>	<u>805,730</u>	<u>6,748,784</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted for statutory purpose	-	992,401	447,682	1,440,083
Restricted by donors	-	-	-	-
Committed	-	-	-	-
Unassigned	<u>3,498,595</u>	<u>-</u>	<u>-</u>	<u>3,498,595</u>
Total Fund Balances	<u>3,498,595</u>	<u>992,401</u>	<u>447,682</u>	<u>4,938,678</u>
Total Liabilities and Fund Balances	\$ <u>8,594,499</u>	\$ <u>1,839,551</u>	\$ <u>1,253,412</u>	\$ <u>11,687,462</u>

See accompanying notes to financial statement.

Township of Schaumburg
Reconciliation of Fund Balances of Governmental Funds
to the Governmental Activities in the Statement of Net Position
February 29, 2020

Fund Balances of Governmental Funds	\$ 4,938,678
Amounts reported in governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance.	4,541,635
Net deferred outflows of resources for pension are not recognized on governmental fund statement.	137,978
Compensated absences are only recognized in the Statement of Net Position.	(151,629)
The net pension asset is not an available resource and, therefore, is not reported in the Statement of Net Position.	(165,289)
Net Position of Governmental Activities	\$ <u><u>9,301,373</u></u>

See accompanying notes to financial statements.

**Township of Schaumburg
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended February 29, 2020**

	Town Fund	General Assistance Fund	Road and Bridge Fund	Total Governmental Funds
Revenues:				
Property tax	\$ 4,736,478	\$ 709,021	\$ 750,361	\$ 6,195,860
Replacement tax	100,120	-	13,986	114,106
Earnings on investments	90,275	16,703	13,874	120,852
Rental	1,193	-		1,193
Donations	26,871	60,066	-	86,937
Charges for services	183,290	7,138	743	191,171
Other	65,185	-	961	66,146
Total Revenues	<u>5,203,412</u>	<u>792,928</u>	<u>779,925</u>	<u>6,776,265</u>
Expenditures:				
Current:				
General government	2,604,315	555,602	374,135	3,534,052
Human services and public welfare	2,180,477	-	-	2,180,477
Home relief - general assistance	-	80,924	-	80,924
Home relief - emergency assistance	-	78,432	-	78,432
Roads and Bridges	-	-	50,793	50,793
Capital Outlay:				
Equipment	-	1,705	3,775	5,480
Buildings	209,693	-	-	209,693
Road improvements	-	-	407,109	407,109
Total Expenditures	<u>4,994,485</u>	<u>716,663</u>	<u>835,812</u>	<u>6,546,960</u>
Excess(deficiency) of Revenues over (under) Expenditures	<u>208,927</u>	<u>76,265</u>	<u>(55,887)</u>	<u>229,305</u>
Other Financing Sources (Uses):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	208,927	76,265	(55,887)	229,305
Fund Balance - Beginning of Year	3,289,668	916,136	503,569	4,709,373
Fund Balance - End of Year	<u>\$ 3,498,595</u>	<u>\$ 992,401</u>	<u>\$ 447,682</u>	<u>\$ 4,938,678</u>

See accompanying notes to financial statements.

Township of Schaumburg
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances
To the Governmental Activities in the Statement of Activities
February 29 and March 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	229,305
--	----	---------

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

Governmental funds report capital outlays as expenditures

However, in the statement of activities the cost of these assets are
allocated over their estimated useful lives and reported as
depreciation expenses. This is the amount by which capital outlays exceeded
depreciation in the current period.

Depreciation expense		(352,407)
Capital outlay		<u>1,103,214</u>
Total		<u>750,807</u>

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not
reported as expenditures in governmental funds. The expenses
include the changes in

Net Other Post-Employment Benefits.		(16,085)
-------------------------------------	--	----------

Recognizing the pension revenue (expense) relating to changes in
the net pension liability.

		(177,371)
--	--	-----------

Change in Net Position of Governmental Activities

	\$	<u><u>786,656</u></u>
--	----	-----------------------

See accompanying notes to the financial statements.

Township of Schaumburg
Statement of Fiduciary Net Position
Employee Pension Plan
February 29, 2020

	<u>Township Employees Pension Fund</u>
Assets:	
Cash and cash equivalents	\$ 3,969
U.S. Treasuries	132,800
Agency Securities	10,405
Corporate Bonds	26,306
Mutual Funds	143,456
Exchange Traded Funds	20,636
Total Assets	\$ <u>337,572</u>
Net Position	
Restricted for pensions	\$ <u>337,572</u>
Total Net Position	\$ <u>337,572</u>

See accompanying notes to financial statement.

Township of Schaumburg
Statement of Changes in Fiduciary Net Position
Employee Pension Plan
For the Year Ended February 29, 2020

	<u>Township Employees Pension Fund</u>
Additions:	
Contributions:	
Employer	\$ -
Investment earnings:	
Investment income	28,707
Net decrease in the fair value of investments	<u>(2,614)</u>
Total investment earnings	<u>26,093</u>
Total Additions	<u>26,093</u>
Deductions:	
Benefits	160,111
Administrative expenses	<u>2,953</u>
Total Deductions	<u>163,064</u>
Change in Net Position	(136,971)
Net Position - Beginning	474,543
Net Position - Ending	<u>\$ <u>337,572</u></u>

See accompanying notes to financial statements.

**Township of Schaumburg
Notes to Financial Statements
February 29, 2020**

Note 1- Summary of Significant Accounting Policies

The Township of Schaumburg, Hoffman Estates, Illinois (the “Township”) was incorporated on April 2, 1850. The Township operates under the Township Act (60 ILCS) and the Revenue Code (35 ILCS) of the *Illinois Compiled Statutes* (ILCS). The Township provides the following services as authorized by its charter: maintenance of roads in the unincorporated area, senior and disabled services, mental health services including individual and family counseling, general assistance, property tax related matters and general administrative 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 or 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.

Reporting Entity

The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

The Township has a separately elected Board, the power to levy taxes, the authorization to expend funds, the responsibility to designate management, the ability to prepare and modify the annual budget and the authority to issue debt. Therefore, the Township is not included as a component unit of any other entity.

Discretely Presented Component Unit

The Schaumburg Township Foundation Fund has been included as a discretely presented component unit of the Township. The component unit column in the basic financial statements includes the financial data of the Schaumburg Township Foundation Fund. The component unit is reported in a separate column to emphasize that it is legally separate from the Township.

Basis of Presentation

The Township’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. 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 Township of Schaumburg has no business-type activities for which a separate accounting is required). Likewise, the Township, as the primary government, is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

Government Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. (There are no proprietary funds within the Township).

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

The Township recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Township; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Township. Accordingly, the property tax levy for the 2019 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying balance sheet. Expenditures are recognized when the related obligations are incurred.

The funds of the Township are described below:

Governmental Funds

General Fund – The general fund is the Township’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Special revenue funds of Schaumburg Township include the General Assistance Fund and the Road and Bridge Fund. The General Assistance Fund accounts for all activities related to local public aid including programs and services for low income residents. The Road and Bridge Fund was established for the maintenance of roads in unincorporated areas.

Fiduciary Funds (not included in government-wide statements)

Fiduciary Funds – Fiduciary funds are used to account for assets held by the Township in a trust capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The fiduciary funds were created to fund the Schaumburg Township Employee Pension Plan and the Schaumburg Township 403(B) Employer Matching Retirement Plan.

Major and Nonmajor Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township, is considered by the Township to be major, or meets the following criteria:

- 1) Total assets, liabilities, revenues, or expenditures of that individual governmental or proprietary fund are at least ten percent of the corresponding total for all funds of that category or type; and
- 2) Total assets, liabilities, revenues, or expenditures of the individual governmental or proprietary fund are at least five percent of the corresponding total for all governmental and proprietary funds combined.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

The Township has classified all funds as major.

Town Fund – The general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

General Assistance Fund – A special revenue fund used to account for the Township’s general assistance program.

Road and Bridge Fund – A special revenue fund used to account for the maintenance of unincorporated roads within the Township.

Net Position / Fund Balance Reporting

For the Government-Wide Financial Statements, net positions are reported as follows:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted Net Position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The Township’s restricted net position consists of \$992,401 in the General Assistance Fund and \$447,682 in the Road and Bridge Fund, totaling \$1,440,083.

Unrestricted net position – Consists of all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental Fund Balances

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Restricted – Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance).

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned – Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Unassigned – Unassigned fund balance is the residual classification for the Town Fund. This classification represents the Town Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the Town Fund.

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

Cash and Cash Equivalents

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

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust fund, regardless of length of maturity, are reported at fair value. Fair value is based on published market quotes as of February 29, 2020.

Under Illinois law, the Township is restricted to investing funds in specified types of investment instruments. The following generally represent the types of instruments allowable by State Law:

1. Securities issued or guaranteed by the United States.
2. Interest-bearing accounts of bank and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.
3. Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million rated in the highest classification by at least two rating agencies.
4. Insured accounts of an Illinois credit union chartered under United States or Illinois law.
5. Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these types of obligations.
6. The Illinois Funds.

In addition, the Pension Trust Fund is also permitted to invest in the following instruments:

1. Repurchase agreements, which meet instrument transaction requirements of Illinois law.
2. General accounts of Illinois-licensed life insurance companies.
3. Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds and real estate, limited to 10% of the funds' investments and mutual funds limited to 35% of the funds' investments.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

4. Bonds issued by the State of Illinois, or any county, city, township, municipal corporation, incorporated town or school district in Illinois.
5. Tax anticipation warrants issued by any city, township, incorporated town or fire protection district in Illinois.
6. Mutual funds.

Receivables

Receivables consist of property taxes and personal property replacement taxes.

Employees' Deferred Compensation Plan

The Township offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits deferral of a portion of compensation until future years. The deferred amount is not available to employees until termination, retirement, death or unforeseeable emergency. The assets have been placed in trust for the benefit of the employees and, accordingly, are not reported in these financial statements.

Vacation and Compensation Time Liability

Township employees are given vacation days to take by the end of the annual anniversary date of hire that they may carry over to the next year with a maximum of twice that of which they are entitled to in a single year. Terminated employees are reimbursed for any accumulated unpaid vacation days. The amount of such accumulated vacation benefits at February 29, 2020, is \$147,080.

Compensation time accrued at February 29, 2020, is \$4,549.

Capital Assets

In government-wide financial statements, capital assets are accounted for as capital assets. All capital assets that exceed a capitalization threshold are capitalized and valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets that are recorded at their acquisition value at the date of donation. The Township capitalizes assets purchased or acquired with an original cost of \$5,000 or more for equipment and transportation equipment, and \$20,000 or more for land, buildings and improvements. Prior to March 1, 2004, infrastructure assets were not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over estimated useful lives using the straight-line method of depreciation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

Buildings and improvements and furniture and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Infrastructure	20 years
Equipment and vehicles	5-10 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for government funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures.

Comparative Data and Reclassifications

Comparative totals for the prior year have not been presented in the accompanying financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for this category - pensions (\$137,978) reported in the government-wide statement of position. This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has one item which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. The item is unavailable revenue (\$6,583,502), which is reported in both the government-wide statement of position and in the governmental funds balance sheet. The item for unavailable revenue is from property taxes.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 1- Summary of Significant Accounting Policies (continued)

Program Revenues

Amounts reported as program revenues include 1) Services provided and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

Personal Property Replacement Taxes

Personal property replacement tax revenues are allocated across funds and to other governmental entities at the same rate since inception in the 1970's. At the time, allocation was based on the size of the towns and library in relation to the rest of the area.

Property Taxes

The Township must file its tax levy ordinance by the last Tuesday in December of each year. The 2019 levy, collectible in 2020 was adopted on December 18, 2019, and the 2018 levy, collectible in 2019 was adopted on December 19, 2018. The Township's property tax is levied each calendar year on all taxable real property located in the Township.

The County Assessor is responsible for the assessment of all taxable real property within Cook County (the County), except for certain railroad property which is assessed directly by the State. Reassessments occur based on market conditions. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about March 1 and August 1 during the following year.

In the government-wide financial statements revenue is recognized based on the period that the levy is intended to finance. Based upon collection histories, the Township has provided an allowance for uncollectible real property taxes equal to 1.0% of the current extension. All property taxes receivable over one year old have been written off.

Implementation of GASB 88 and 90

For the year ended February 29, 2020, the District implemented the provisions of GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and GASB No. 90, *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*. GASB Statement No. 88 improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. There has been no effect to current or prior periods with this implementation. GASB Statement No. 90 improves the consistency and comparability of reporting a governments' majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. There has been no effect to current or prior periods with this implementation.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 2- Cash, Cash Equivalents, and Investments

Township Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Cash and investments are held separately by several of the Township's funds. The Township invests these funds pursuant to an investment policy established by the Board of Trustees. Investments consist solely of certificates of deposit and Illinois Funds.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of February 29, 2020, the carrying amount of the Township's deposits totaled \$1,904,506, excluding cash on hand, and the Township's bank balances totaled \$1,991,507. All deposits were covered by federal depository insurance or by collateral held by the Township or its agent in the Township's name. Cash on hand of \$400 has been excluded from the "Deposits and Investments" shown below.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township invests in certificates of deposit and money market accounts. As of February 29, 2020, the carrying amount and bank balances of the Township's investments totaled \$3,652,161. At February 29, 2020, investments in certificates of deposit were covered by federal depository insurance or by collateral held by the Township or its agent in the Township's name.

During the fiscal year ended February 29, 2020, the Township's deposits and investments are insured as follows:

	Governmental Funds
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank's/brokerage firm's trust departments in the name of the Township	5,777,154
Total deposits and investments	\$ 6,027,154

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in The Illinois Funds are valued at Illinois Fund's net assets value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

Annual financial audits for The Illinois Funds are available at the Illinois State Treasurer's website, www.treasurer.il.gov/programs/illinois-funds/annual-financial-audit.aspx.

Interest Rate Risk. The Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations, while providing a reasonable rate of return based on the current market.

Credit Risk and Fair Value Disclosure. Under Illinois law, the Township is restricted to investing funds in specified types of investment instruments. As mentioned earlier, non-negotiable certificates of deposit are stated at amortized cost and the Illinois Funds is measured at net asset value. During the fiscal year ended February 29, 2020, the Township invested in certificates of deposit and the Illinois Funds with investment maturities and fair value disclosures as follows:

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 2- Cash, Cash Equivalents, and Investments (continued)

Investment Type	2/29/2020	Investment Maturity Less than One Year
Investments measured at the amortized cost:		
Certificates of deposit	\$ 265,474	\$ 265,474
Investments measured at the net asset value (NAV):		
The Illinois Funds	3,386,687	3,386,687
Total Investments - Township	<u>\$ 3,652,161</u>	<u>\$ 3,652,161</u>

Township Pension Plan Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Cash and investments are held separately for the Township's fiduciary funds – Pension Fund. The Township invests these funds pursuant to an investment policy established by the Board of Trustees. Investments consist of fixed income, mutual funds and equity securities.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of February 29, 2020, the carrying amount of the Township's deposits and bank balances totaled \$3,969. Deposits of \$3,969 are covered by federal depository insurance.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township invests in fixed income, mutual funds and equity securities. As of February 29, 2020, the carrying amount and bank balances of the Township's investments totaled \$333,603. Deposits of \$333,603 are guaranteed by the U.S. government federal depository insurance or by collateral.

Concentration Risk. Please see Note 9 – Employee Retirement System for information on Asset Allocation and Concentrations.

Credit Risk. Under Illinois law, the Township is restricted to investing funds in specified types of investment instruments. During the fiscal year ended February 29, 2020, the Township invested in mutual funds, equities, and fixed income with investment maturities as follows:

Investment Type	Fair Value	Investment Maturity			
		Less than One Year	One to Five Years	Six to Ten Years	More than Ten Years
Debt Securities:					
U.S. Treasuries	\$ 132,800	\$ -	\$ 41,593	\$ 91,207	\$ -
Agency Securities	10,405	-	10,405	-	-
Corporate Bonds	26,306	-	5,247	21,059	-
Mutual Funds	143,456	-	-	-	143,456
Exchange Traded Funds	20,636	-	-	-	20,636
Totals	<u>\$ 333,603</u>	<u>\$ -</u>	<u>\$ 57,245</u>	<u>\$ 112,266</u>	<u>\$ 164,092</u>

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 2- Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurements and Disclosures. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels of inputs as follows:

- *Level 1* – Inputs are quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access as of the measurement date.
- *Level 2* – Inputs are quoted prices of similar instruments in active markets, quoted prices for identical similar instruments that are not active, inputs other than quoted prices used in a valuation model that are observable for that instrument, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3* – One or more inputs used in valuation technique are unobservable and significant to overall fair value measurement.

Determination of fair value and the resulting hierarchy required the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The Township utilizes quoted market prices as estimates of the fair value of its financial instruments. Cash and Money Market Funds are not considered under fair value reporting as a level.

The following table presents the financial instruments measured at fair value for the Township Pension Plan as of February 29, 2020 by the valuation hierarchy:

<u>Investment Type</u>	<u>2/29/2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities:				
U.S. Treasuries	\$ 132,800	\$ -	\$ 132,800	\$ -
Agency Securities	10,405	-	10,405	-
Corporate Bonds	26,306	-	26,306	-
Mutual Funds	143,456	143,456	-	-
Exchange Traded Funds	<u>20,636</u>	<u>20,636</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 333,603</u>	<u>\$ 164,092</u>	<u>\$ 169,511</u>	<u>\$ -</u>

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 3- Receivables

Receivable amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for financial statement presentation. Below is the detail of receivables for the Town Fund, the General Assistance Fund and the Road and Bridge Fund, including the applicable allowances for uncollectible accounts:

<u>Receivables</u>	<u>Town</u>	<u>General Assistance</u>	<u>Road and Bridge</u>	<u>Total</u>
Property taxes	\$ 4,630,910	\$ 719,503	\$ 702,753	\$ 6,053,166
Personal property replacement taxes	7,299	-	701	8,000
Interest	561	-	-	561
Gross receivables	4,638,770	719,503	703,454	6,061,727
Less: allowance for uncollectibles	(50,413)	(7,791)	(7,631)	(65,835)
Net receivables	<u>\$ 4,588,357</u>	<u>\$ 711,712</u>	<u>\$ 695,823</u>	<u>\$ 5,995,892</u>

Note 4- Property Taxes

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The 2019 levy was adopted on December 18, 2019, and the 2018 levy was passed by the Board on December 19, 2018. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately March 1 and August 1 of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2019 and 2018 tax levy years.

Note 5- Interfund Receivables, Payables and Transfers

Amounts due to and due from individual funds at February 29, 2020 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Town Fund	\$ 97,695	\$ -
General Assistance Fund	-	59,990
Road and Bridge Fund	-	37,705
Total	<u>\$ 97,695</u>	<u>\$ 97,695</u>

The General Assistance Fund (\$59,990) and Road and Bridge Fund (\$37,705) owe the Town Fund for expenses paid out of the general checking account within the Town Fund.

These interfund loans are expected to be repaid within one year.

Note 6- Interfund Transfers

There were no transfers made during the year.

Transfers are used to (1) move revenues from the fund in which statute or budget requires collection to the fund that statute or budget requires expenditures, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 7- Capital Assets

Capital asset activity for the year ended February 29, 2020 was as follows:

	Balance March 1, 2019	Additions	Retirements	Balance February 29, 2020
Capital Assets, not being depreciated				
Land	\$ 136,904	\$ -	\$ -	\$ 136,904
Construction in progress	78,785	578,572		657,357
Total Capital Assets, not being depreciated	<u>215,689</u>	<u>578,572</u>	<u>-</u>	<u>794,261</u>
Capital Assets, being depreciated/amortized				
Buildings	3,431,503	524,643	-	3,956,146
Infrastructure - roadways	1,995,986	-	-	1,995,986
Equipment	360,859	-	-	360,859
Transportation and vehicular equipment	863,957	-	-	863,957
Total Capital Assets, Being Depreciated/Amortized	<u>6,652,305</u>	<u>524,643</u>	<u>-</u>	<u>7,176,948</u>
Less Accumulated Depreciation/Amortization for				
Buildings	(1,645,235)	(106,137)	-	(1,751,372)
Infrastructure - roadways	(747,039)	(119,323)	-	(866,362)
Equipment	(250,946)	(32,633)	-	(283,579)
Transportation and vehicular equipment	(433,947)	(94,314)	-	(528,261)
Total Accumulated Depreciation/Amortization	<u>(3,077,167)</u>	<u>(352,407)</u>	<u>-</u>	<u>(3,429,574)</u>
Total Capital Assets, being depreciated/amortized, net	<u>3,575,138</u>	<u>172,236</u>	<u>-</u>	<u>3,747,374</u>
Total Capital Assets, Net	<u>\$ 3,790,827</u>	<u>\$ 750,808</u>	<u>\$ -</u>	<u>\$ 4,541,635</u>

Amount

Depreciation was charged to functions as follows:

Governmental Activities:

Roads and bridges	\$ 119,323
Unallocated	<u>233,084</u>

Total governmental activities depreciation expense \$ 352,407

Note 8- Debt Service Requirements

The following is a summary of the components of long-term debt for the year ended February 29, 2020:

Governmental Activity	Balance at March 1, 2019	Increases	Decreases	Balance at February 29, 2020	Amount Due Within One Year
Compensated Absences	\$ 135,543	\$ 151,629	\$ (135,543)	\$ 151,629	\$ 151,629
Pensions (Asset) / Liability	<u>121,369</u>	<u>43,920</u>	<u>-</u>	<u>165,289</u>	<u>-</u>
Totals	<u>\$ 256,912</u>	<u>\$ 195,549</u>	<u>\$ (135,543)</u>	<u>\$ 316,918</u>	<u>\$ 151,629</u>

Please see Note 9 for further information on Pensions (\$165,289). Long-term debt is liquidated by all the funds, because the Township employs people across the three funds.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 8- Debt Service Requirements (continued)

Legal Debt Margin

At February 29, 2020, the legal debt margin for the Township was limited to 5.75% of the most recent assessed valuation available, which was from the 2018 tax levy. Based on an assessed valuation of \$5,167,552,974, the debt limit was \$297,134,296. The remaining legal debt margin was \$297,134,296.

Note 9- Employee Retirement System

The Township has two pension plans offered to its employees. It offers both a defined benefit plan and a defined contribution pension plan.

Defined Benefit Pension Plan

Plan Description

The Schaumburg Township Employee Pension Plan is a single-employer defined benefit plan administered by the Township. The defined benefit plan covers all officials and full-time and part-time employees of the Township with employment starting prior to March 1, 2010, regardless of age or the number of years of active service. Elected officials will continue as active participants in the pension until the end of the term, which ends in 2021. Under the provisions of the plan, which are determined by the Township, the Township is required to contribute an amount necessary to finance the plan as actuarially determined by an enrolled actuary.

Employees Covered by Benefit Terms

As of February 29, 2020, the following employees were covered by the benefit terms:

	<u>2020</u>
Inactive plan members and beneficiaries currently receiving benefits	3
Inactive plan members entitled to, but not yet receiving benefits	4
Active plan members	<u>5</u>
Total	<u>12</u>

Contributions

The Township did not contribute to the plan in the current year. Employees are not required to contribute to the plan. The plan is financed on a pay-as-you-go basis. The plan does not issue separate financial statements. The accrued benefit is determined to be 1.675% of average compensation (the highest 5 consecutive years of pensionable earnings) multiplied by credited service to a maximum of 35 years.

Net Pension Liability

The Township's net pension liability was measured as of February 29, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 9- Employee Retirement System (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at February 29, 2020:

- The *Actuarial Cost Method* used was Entry Age Cost Method.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 3.0%.
- *Salary Increases* were expected to be 3.5%.
- The *Long-Term Rate of Return* was assumed to be 7.0%.
- *Projected Retirement Age* was 65 years of age.
- The rates for *Pre-Retirement Mortality* were developed from the RP-2014 Mortality with generational improvement scale MP-2019 applied from 2006; the rates for Post-Retirement were developed from the 2020 IRS Mortality for lump Sum Conversions specified in Code Section 417(e).
- For *disabled retirees*, no assumptions were made.

The *long-term expected rate of return* on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of February 29, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Rate of Return</u>
Fixed Income and Bond Funds	50%	2.00%
Stocks and Equity Mutual Funds	50%	5.00%
Cash	0%	0.00%
Total	<u>100%</u>	

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 9- Employee Retirement System (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at February 28, 2019	\$ 596,306	\$ 474,937	\$ 121,369
Changes for the year:			
Service Cost	5,497	-	5,497
Interest on the Total Pension Liability	36,522	-	36,522
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	26,020	-	26,020
Changes of Assumptions	(1,373)	-	(1,373)
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	22,746	(22,746)
Benefit Payments, including Refunds			
of Employee Contributions	(160,111)	(160,111)	-
Other (Net Transfer)	-	-	-
Net Changes	(93,445)	(137,365)	43,920
Balances at February 29, 2020	\$ <u>502,861</u>	\$ <u>337,572</u>	\$ <u>165,289</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Net Pension Liability/(Asset)	\$ (337,572)	\$ 165,289	\$ (337,572)

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 9- Employee Retirement System (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended February 29, 2020, the Township recognized pension expense of \$177,371. At February 29, 2020, the Township reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Outflows of Resources</u>
Deferred Amount to be Recognized in Pension Expense in Future Periods			
Difference between expected and actual experience	\$ 59,092	\$ -	\$ 59,092
Changes in assumption	49,926	-	49,926
Net difference between projected and actual earnings on pension plan investments	88,146	(59,186)	28,960
Total Deferred Amounts Related to Pension	<u>\$ 197,164</u>	<u>\$ (59,186)</u>	<u>\$ 137,978</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021 \$	51,544
2022	56,398
2023	29,056
2024	980
2025	-
Thereafter	-
Total \$	<u>137,978</u>

Defined Contribution Plan

In December 2017, the board approved a defined contribution plan with ICMA-RC, which puts 12.5% towards a 401a for all full-time employees (effective at 6 months). Additionally, a 457b was set-up which allows for a 4% match for all regular part time and full-time employees. During the year, no contributions from employees or the Township were made.

Note 10- 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; illnesses of employees; and natural disasters. The Township purchases third-party indemnity insurance for general liability, property casualty, workers' compensation and health. The policies are in effect from March 1, 2019 to March 1, 2020. The policies limit the Township's exposure to deductibles of \$100 - \$1,000 per occurrence depending on the coverage. Settled claims have not exceeded this commercial coverage in the last three years.

**Township of Schaumburg
Notes to Financial Statements
February 29, 2020**

Note 11- Component Unit – Schaumburg Township Foundation Fund

The Schaumburg Township Foundation Fund was established as an intermediary through whom constituents are able to donate tax-deductible contributions to the Township.

During the year ended February 29, 2020, the Schaumburg Township Foundation Fund transferred \$-0- of contributions to the Township to support the food pantry program.

Summary of Significant Account Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Schaumburg Township Foundation Fund is reported as a discretely presented component unit of the Township on the government-wide financial statements, which 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, regardless of the timing of the related cash flows.

Net Position

The Schaumburg Township Foundation Fund is reported on the government-wide financial statements on which net positions are reported as follows:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted net position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Schaumburg Township Foundation Fund’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Deposits

In accordance with the Schaumburg Township Foundation Fund investment policy, the Foundation Fund’s monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds. At year-end, the carrying amount of the Foundation Fund totaled \$46,148 and the bank balance totaled \$46,148. The bank balance was covered by federal depository insurance.

Township of Schaumburg
Notes to Financial Statements
February 29, 2020

Note 11- Component Unit – Schaumburg Township Foundation Fund (continued)

For additional information regarding the Schaumburg Township Foundation Fund, send inquiries to the Schaumburg Township Foundation Fund, One Illinois Blvd., Hoffman Estates, IL 60169 or call (847) 884-0030.

Note 12 – Subsequent Event

The Township evaluated its February 29, 2020 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact revenue. Other financial impact could occur, though such potential impact is unknown at this time.

Note 13- Date of Management's Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events other than as listed in Note 12 that are required to be disclosed.

Required Supplementary Information

Township of Schaumburg
Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios
Township Employees Pension Fund
For the Year Ended February 29, 2019

Last 10 Calendar Years
(schedule to be built prospectively from 2015)

	<u>2/29/2020</u>	<u>2/28/2019</u>	<u>2/28/2018</u>	<u>2/28/2017</u>	<u>2/29/2016</u>	<u>2/28/2015</u>	<u>2/28/2014</u>	<u>2/28/2013</u>	<u>2/28/2012</u>	<u>2/28/2011</u>
Total Pension Liability										
Service cost	\$ 5,497	\$ 4,861	\$ 75,416	\$ 75,268	\$ 82,204	\$ 87,729	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	36,522	90,695	254,436	280,797	273,541	266,350	-	-	-	-
Change in benefit terms	-	-	(344,084)	-	-	-	-	-	-	-
Difference between expected and actual experience	26,020	1,024,816	92,919	20,077	107,438	80,645	-	-	-	-
Changes of assumptions	(1,373)	(2,428)	105,426	30,392	10,050	9,568	-	-	-	-
Benefit payments, including refunds of employee contributions	(160,111)	(3,624,829)	(1,280,619)	(285,906)	(439,375)	(232,706)	-	-	-	-
Net Change in Total Pension Liability	<u>(93,445)</u>	<u>(2,506,885)</u>	<u>(1,096,506)</u>	<u>120,628</u>	<u>33,858</u>	<u>211,586</u>	-	-	-	-
Total Pension Liability - Beginning	<u>596,306</u>	<u>3,103,191</u>	<u>4,199,697</u>	<u>4,079,069</u>	<u>4,045,211</u>	<u>3,833,625</u>	-	-	-	-
Total Pension Liability - Ending (a)	<u>\$ 502,861</u>	<u>\$ 596,306</u>	<u>\$ 3,103,191</u>	<u>\$ 4,199,697</u>	<u>\$ 4,079,069</u>	<u>\$ 4,045,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Employer contributions	\$ -	\$ 1,001,455	\$ 106,271	\$ 299,000	\$ 424,400	\$ 340,000	\$ -	\$ -	\$ -	\$ -
Pension plan net investment income	22,746	(14,315)	299,637	422,352	(171,158)	280,627	-	-	-	-
Benefit payments and refunds	(160,111)	(3,624,829)	(1,280,619)	(285,906)	(439,375)	(232,706)	-	-	-	-
Administrative expenses	-	-	-	(16,977)	(15,960)	(16,233)	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>(137,365)</u>	<u>(2,637,689)</u>	<u>(874,711)</u>	<u>418,469</u>	<u>(202,093)</u>	<u>371,688</u>	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>474,937</u>	<u>3,112,626</u>	<u>3,987,337</u>	<u>3,568,868</u>	<u>3,770,961</u>	<u>3,399,273</u>	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 337,572</u>	<u>\$ 474,937</u>	<u>\$ 3,112,626</u>	<u>\$ 3,987,337</u>	<u>\$ 3,568,868</u>	<u>\$ 3,770,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>165,289</u>	<u>121,369</u>	<u>(9,435)</u>	<u>212,360</u>	<u>510,201</u>	<u>274,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	67.13%	79.65%	100.30%	94.94%	87.49%	93.22%	-	-	-	-
Covered Valuation Payroll	\$ 92,632	\$ 123,734	\$ 1,205,943	\$ 1,498,319	\$ 1,548,538	\$ 927,618	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as Percentage of Covered Valuation Payroll	178.44%	98.09%	-0.78%	14.17%	32.95%	29.56%	-	-	-	-

**Township of Schaumburg
Multiyear Schedule of Contributions
Pension Trust Fund
February 29, 2020**

Fiscal Year Ending February 28/29	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	325,915	387,000	(61,085)	1,757,081	22.03%
2012	288,967	476,000	(187,033)	1,617,685	29.42%
2013	251,157	451,000	(199,843)	1,084,442	41.59%
2014	217,914	668,000	(450,086)	958,602	69.68%
2015	140,726	340,000	(199,274)	927,618	36.65%
2016	117,121	424,400	(307,279)	864,358	49.10%
2017	140,395	299,000	(158,605)	829,744	36.04%
2018	106,272	106,271	1	805,882	13.19%
2019	1,001,455	1,001,455	-	123,734	809.36%
2020	-	-	-	92,632	0.00%

Methods and Assumptions Used to Determine 2019 Contribution Rates:

<i>Measurement Date:</i>	February 29, 2020, based on valuation date of March 1, 2020
<i>Actuarial Cost Method:</i>	Entry age cost method
<i>Asset Valuation Method:</i>	Market Value of Assets
<i>Interest Rates</i>	
<i>Discount Rate:</i>	7.00%
<i>Expected Long Term Rate of Return:</i>	7.00%
<i>Municipal Bond Rate:</i>	N/A
<i>Inflation:</i>	3.00%
<i>Annua Pay Increases:</i>	3.50%
<i>Mortality Rates:</i>	
<i>Pre-Retirement</i>	RP-2014 mortality with generational improvement scale MP-2019 applied from 2006.
<i>Post-Retirement</i>	2020 IRS mortality lump sum conversions specified in code Section 417(e)
<i>Retirement Rates:</i>	100% at age 65

Township of Schaumburg
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Town Fund
For the Year Ended February 29, 2020

	Appropriation			
	Original Budget	Final Budget	Actual	Variance
Revenues Received:				
Property tax	\$ 4,776,728	\$ 4,776,728	\$ 4,736,478	\$ (40,250)
Replacement tax	75,000	75,000	100,120	25,120
Earnings on investments	20,000	20,000	90,275	70,275
Rental income	1,500	1,500	1,193	(307)
Donations	200	200	26,871	26,671
Grants	1,000	1,000	-	(1,000)
Passport income	50,000	50,000	100,848	50,848
Bus fare income	18,000	18,000	22,722	4,722
Committee for Disabled Citizens income	20,000	20,000	22,122	2,122
Senior citizens program income	37,500	37,500	37,598	98
Other income	13,000	13,000	65,185	52,185
Total Revenues Received	<u>5,012,928</u>	<u>5,012,928</u>	<u>5,203,412</u>	<u>190,484</u>
Expenditures:				
Current:				
General Government:				
Compensation of township officials	107,863	107,863	108,756	(893)
Administration	2,965,050	2,965,050	2,303,406	661,644
Assessor's office	186,850	186,850	192,153	(5,303)
Total General Government	<u>3,259,763</u>	<u>3,259,763</u>	<u>2,604,315</u>	<u>655,448</u>
Human services and public welfare				
Mental health board	<u>2,000</u>	<u>2,000</u>	<u>1,169</u>	<u>831</u>
Community relations	<u>69,500</u>	<u>69,500</u>	<u>61,498</u>	<u>8,002</u>
Community outreach	<u>18,000</u>	<u>18,000</u>	<u>5,530</u>	<u>12,470</u>
Committee for disabled persons	<u>261,360</u>	<u>261,360</u>	<u>222,136</u>	<u>39,224</u>
Senior citizens services committee	<u>357,315</u>	<u>357,315</u>	<u>323,135</u>	<u>34,180</u>

(continued)

Township of Schaumburg
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Town Fund
For the Year Ended February 29, 2020

	Appropriation			
	Original Budget	Final Budget	Actual	Variance
Transportation	672,030	672,030	559,851	112,179
Human services	1,027,976	1,027,976	1,007,158	20,818
Total human services and public welfare	2,408,181	2,408,181	2,180,477	227,704
Capital outlay:				
Buildings	-	-	209,693	(209,693)
Total capital outlay	-	-	209,693	(209,693)
Total expenditures	5,667,944	5,667,944	4,994,485	673,459
Excess (deficiency) of Revenues Over Expenditures	(655,016)	(655,016)	208,927	845,932
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	\$ (655,016)	\$ (655,016)	208,927	\$ 845,932
Fund Balance - Beginning of Year			3,289,668	
Fund Balance - End of Year			\$ 3,498,595	

Township of Schaumburg
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Assistance Fund
For the Year Ended February 29, 2020

	Appropriation			
	Original Budget	Final Budget	Actual	Variance
Revenues Received:				
Property tax	\$ 681,836	\$ 681,836	\$ 709,021	\$ 27,185
Replacement tax			-	
Donations	45,000	45,000	60,066	15,066
Grants	1,000	1,000	-	(1,000)
Charges for services	9,000	9,000	7,138	(1,862)
Earnings on investments	4,000	4,000	16,703	12,703
Other income	1,000	1,000	-	(1,000)
Total Revenues Received	<u>741,836</u>	<u>741,836</u>	<u>792,928</u>	<u>51,092</u>
Expenditures:				
Current:				
Administration	684,501	684,501	555,602	128,899
Home relief - general assistance	82,800	82,800	80,924	1,876
Home relief - emergency assistance	151,100	151,100	78,432	72,668
Capital Outlay:				
Equipment	<u>5,000</u>	<u>5,000</u>	<u>1,705</u>	<u>3,295</u>
Total Expenditures Disbursed	<u>923,401</u>	<u>923,401</u>	<u>716,663</u>	<u>206,738</u>
Net Changes in Fund Balances	\$ <u>(181,565)</u>	\$ <u>(181,565)</u>	76,265	\$ <u>257,830</u>
Fund Balance - Beginning of Year			916,136	
Fund Balance - End of Year			\$ <u>992,401</u>	

Township of Schaumburg
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2020

	Appropriation			
	Original Budget	Final Budget	Actual	Variance
Revenues Received:				
Property tax	\$ 717,500	\$ 717,500	\$ 750,361	\$ 32,861
Replacement tax	10,000	10,000	13,986	3,986
Charges for services	-	-	743	743
Earnings on investments	3,000	3,000	13,874	10,874
Other income	1,901	1,901	961	(940)
Total Revenues Received	<u>732,401</u>	<u>732,401</u>	<u>779,925</u>	<u>47,524</u>
Expenditures:				
Current:				
Administration	424,718	424,718	374,135	50,583
Road and bridge	76,400	76,400	50,793	25,607
Capital Outlay:				
Equipment	7,500	7,500	3,775	3,725
Road improvements	<u>556,000</u>	<u>556,000</u>	<u>407,109</u>	<u>148,891</u>
Total Expenditures Disbursed	<u>1,064,618</u>	<u>1,064,618</u>	<u>835,812</u>	<u>228,806</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(332,217)</u>	<u>(332,217)</u>	<u>(55,887)</u>	<u>276,330</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	\$ <u>(332,217)</u>	\$ <u>(332,217)</u>	(55,887)	\$ <u>276,330</u>
Fund Balance - Beginning of Year			503,569	
Fund Balance - End of Year			\$ <u>447,682</u>	

Township of Schaumburg
Notes to Required Supplementary Information
February 29, 2020

Note 1- Summary of Significant Accounting Policies

Budgetary Process

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

1. Beginning in October, the Department Managers submit to the Board of Trustees a proposed operating budget for the fiscal year commencing the following March 1. The operating budget includes proposed expenditures for the General Fund and the Special Revenue Funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. At the Township Board of Trustees' meeting during the first quarter of each fiscal year, the budget is legally enacted.
4. The adopted budget is forwarded to the Cook County Clerk as required by law.
5. The level of budgetary control (that is, the level at which changes or amendments must be approved by the Board) is established at the department level. Any changes or amendments to the budget of any fund must be approved by the Board of Trustees. Revisions made by the Board of Trustees to the current year's budget were in accordance with legal requirements (not to exceed 10% of a total fund current year's budget) and are reflected within the budgetary data included in the general-purpose financial statements.
6. Expenditures may not legally exceed budgeted appropriations at the department level. All annual appropriations lapse at fiscal year-end.

Township budgets are prepared on a basis of accounting consistent with accounting principles generally accepted in the United States (GAAP). The budget was adopted April 24, 2019. Subsequent approved line item changes were made after passage.

Note 2- Expenditures Over Budget

During the year ended February 29, 2020, actual expenditures disbursed did not exceed budgeted expenditures across all funds.

Statistical Section

**Township of Schaumburg
Changes in Net Position
Last Six Fiscal Years**

	2020	2019	2018	2017	2016	2015
General Revenues						
Governmental Activities						
Property taxes	\$ 6,195,860	\$ 6,008,148	\$ 5,691,789	\$ 5,864,550	\$ 5,765,957	\$ 5,563,602
Personal Property Replacement Taxes	114,106	85,399	91,994	99,041	105,377	95,300
Investment Income	120,852	92,587	54,078	22,405	14,069	11,451
Miscellaneous	345,447	275,478	245,735	137,025	192,197	218,745
Total Governmental Activities General Revenues	6,776,265	6,461,612	6,083,596	6,123,021	6,077,600	5,889,098
General Expenses						
Governmental Activities						
General Government	2,624,295	3,942,274	2,899,384	2,863,593	3,328,427	2,878,047
Human Services and Public Welfare	2,180,477	2,253,323	2,184,010	2,202,795	2,115,841	1,906,533
Home Relief	159,356	135,723	151,964	147,253	208,354	251,062
Road and Bridge	792,397	390,032	254,138	245,278	162,074	242,753
Depreciation	233,084	229,347	215,520	210,531	262,504	244,744
Total Governmental Activities General Expenses	5,989,609	6,950,699	5,705,016	5,669,450	6,077,200	5,523,139
Change in Net Position	786,656	(489,087)	378,580	453,571	400	365,959
Net Position - Beginning	8,514,717	9,003,804	8,625,224	8,171,653	7,893,972	7,528,013
Prior Period Adjustment	-	-	-	-	277,281	-
Net Position - Ending	<u>\$ 9,301,373</u>	<u>\$ 8,514,717</u>	<u>\$ 9,003,804</u>	<u>\$ 8,625,224</u>	<u>\$ 8,171,653</u>	<u>\$ 7,893,972</u>
Net Position by Component						
Governmental Activities						
Net Investment in Capital Assets	\$ 4,541,635	\$ 3,790,827	\$ 3,824,077	\$ 3,843,354	\$ 3,770,590	\$ 3,765,122
Restricted for statutory purpose	\$ 1,440,083	1,419,705	1,288,021	1,206,690	1,058,900	889,647
Unrestricted (Deficit)	\$ 3,319,655	3,304,185	3,891,706	3,575,180	3,342,163	3,239,203
Total Governmental Activities Net Position	<u>\$ 9,301,373</u>	<u>\$ 8,514,717</u>	<u>\$ 9,003,804</u>	<u>\$ 8,625,224</u>	<u>\$ 8,171,653</u>	<u>\$ 7,893,972</u>

Source: 2015-2020 Annual Financial Reports
Earlier reports not available

Township of Schaumburg
Changes in Fund Balances - Governmental Funds
Last Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Revenue						
Taxes	\$ 6,309,966	\$ 6,093,547	\$ 5,783,783	\$ 5,963,591	\$ 5,871,334	\$ 5,658,902
Investment earnings	120,852	92,587	54,078	22,405	14,069	11,451
Other	345,447	275,478	245,735	159,114	202,070	172,782
Total Revenues	<u>\$ 6,776,265</u>	<u>\$ 6,461,612</u>	<u>\$ 6,083,596</u>	<u>\$ 6,145,110</u>	<u>\$ 6,087,473</u>	<u>\$ 5,843,135</u>
Expenditures						
General government	\$ 3,534,052	\$ 4,127,196	\$ 3,108,626	\$ 3,054,617	\$ 3,080,216	\$ 2,847,108
Human services and public welfare	2,180,477	2,253,323	2,184,010	2,202,795	2,115,841	2,079,162
Home relief - general assistance	80,924	70,443	72,832	67,410	91,102	107,680
Home relief - emergency assistance	78,432	65,280	79,132	76,927	115,730	143,382
Roads and bridges	50,793	38,727	108,153	117,554	127,130	138,116
Debt service	-	-	-	-	-	12,874
Capital Outlay	622,282	250,118	371,312	346,084	236,294	294,517
Total Expenditures	<u>\$ 6,546,960</u>	<u>\$ 6,805,087</u>	<u>\$ 5,924,065</u>	<u>\$ 5,865,387</u>	<u>\$ 5,766,313</u>	<u>\$ 5,622,839</u>
Excess or (Deficiency) of						
Revenues over Expenditures	<u>\$ 229,305</u>	<u>\$ (343,475)</u>	<u>\$ 159,531</u>	<u>\$ 279,723</u>	<u>\$ 321,160</u>	<u>\$ 220,296</u>
Other Financing Sources (Uses)						
Proceeds on disposition of assets	\$ -	\$ -	\$ -	\$ 17,000	\$ 14,500	\$ 49,100
Insurance recoveries	-	-	-	-	-	57,125
Transfers in	-	10,000	-	10,000	-	-
Transfers out	-	(10,000)	-	(10,000)	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 14,500</u>	<u>\$ 106,225</u>
Net Change in Fund Balance	<u><u>\$ 229,305</u></u>	<u><u>\$ (343,475)</u></u>	<u><u>\$ 159,531</u></u>	<u><u>\$ 296,723</u></u>	<u><u>\$ 335,660</u></u>	<u><u>\$ 326,521</u></u>

Source: 2015-2020 Annual Financial Reports
Earlier reports not available

Township of Schaumburg
Fund Balances - Governmental Fund
Last Six Fiscal Years

	2020	2019	2018	2017	2016	2015
General Fund						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-
Unassigned	3,498,595	3,289,668	3,753,827	2,728,627	2,548,694	2,620,921
Committed	-	-	-	600,000	600,000	600,000
Assigned	-	-	-	358,000	389,000	180,000
Total General Fund	<u>\$ 3,498,595</u>	<u>\$ 3,289,668</u>	<u>\$ 3,753,827</u>	<u>\$ 3,686,627</u>	<u>\$ 3,537,694</u>	<u>\$ 3,400,921</u>
All Other Governmental Funds						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,440,083	1,419,705	1,299,021	1,206,690	1,058,900	860,013
Assigned	-	-	-	-	-	-
Reserved	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,440,083</u>	<u>\$ 1,419,705</u>	<u>\$ 1,299,021</u>	<u>\$ 1,206,690</u>	<u>\$ 1,058,900</u>	<u>\$ 860,013</u>
Total All Governmental Funds	<u><u>\$ 4,938,678</u></u>	<u><u>\$ 4,709,373</u></u>	<u><u>\$ 5,052,848</u></u>	<u><u>\$ 4,893,317</u></u>	<u><u>\$ 4,596,594</u></u>	<u><u>\$ 4,260,934</u></u>

Source: 2015-2020 Annual Financial Reports
Earlier reports not available

**Township of Schaumburg
General Revenues by Source*
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Personal Property Replacement Taxes</u>	<u>Investment Income</u>	<u>Inter- Governmental</u>	<u>Miscellaneous</u>	<u>Total</u>
2020	\$ 6,195,860	\$ 114,106	\$ 120,852	\$ -	\$ 345,447	\$ 6,776,265
2019	6,008,148	85,399	92,587	-	275,478	6,461,612
2018	5,691,789	91,994	54,078	-	(22,089)	5,815,772
2017	5,864,550	9,941	22,405	-	(9,873)	5,887,023
2016	5,765,957	105,377	14,069	-	45,963	5,931,366
2015	5,563,602	95,300	11,451	-	31,272	5,701,625
2014	5,379,650	99,756	10,441	-	202,397	5,692,244
2013	5,360,805	87,017	14,911	14,400	312,501	5,789,634
2012	5,332,396	87,940	14,570	20,631	726,405	6,181,942
2011	4,910,630	96,331	36,269	-	383,555	5,426,785

* Includes revenues of the Town Fund, General Assistance Fund, and Road and Bridge Fund.

Township of Schaumburg
General Governmental Expenditures by Function*
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Government</u>	<u>Human Services, Public Welfare, and Home Relief</u>	<u>Road and Bridge</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total Expenditures</u>
2020	\$ 3,534,052	\$ 2,339,833	\$ 50,793	\$ 622,282	\$ -	\$ 6,546,960
2019	4,127,196	2,389,046	38,727	250,118	-	6,805,087
2018	3,108,626	2,335,974	108,153	371,312	-	5,924,065
2017	3,054,617	2,347,132	117,554	346,084	-	5,865,387
2016	3,080,216	2,322,973	127,130	236,294	-	5,766,613
2015	2,847,108	2,330,224	138,116	294,517	12,874	5,622,839
2014	3,046,336	2,210,652	159,910	302,514	12,874	5,732,286
2013	2,908,082	2,299,952	177,402	394,972	12,874	5,793,282
2012	3,007,445	2,196,734	173,079	94,494	12,874	5,484,626
2011	2,837,578	2,024,099	163,815	542,588	12,874	5,580,954

* Includes expenditures of the Town Fund, General Assistance Fund, Road and Bridge Fund, and Debt Service Fund

**Township of Schaumburg
Tax Rates and Levies
Last Ten Fiscal Years**

Tax Rates*	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General	0.0967	0.1100	0.1050	0.1030	0.1200	0.1150	0.1170	0.1000	0.0930	0.0820
Bond and Interest	-	-	-	-	-	-	-	-	-	-
Road and Bridge**	0.0297	0.0330	0.0310	0.0300	0.0340	0.0320	0.0310	0.0260	0.0230	0.0200
General Assistance	0.0150	0.0170	0.0160	0.0150	0.0170	0.0160	0.0130	0.0110	0.0090	0.0080
Total	<u>0.1414</u>	<u>0.1600</u>	<u>0.1520</u>	<u>0.1480</u>	<u>0.1710</u>	<u>0.1630</u>	<u>0.1610</u>	<u>0.1370</u>	<u>0.1250</u>	<u>0.1100</u>
Percentage of increase (decrease) from prior years	<u>-11.63%</u>	<u>5.26%</u>	<u>2.70%</u>	<u>-13.45%</u>	<u>4.91%</u>	<u>1.24%</u>	<u>17.52%</u>	<u>9.60%</u>	<u>13.64%</u>	<u>19.57%</u>
Tax Levies										
General	\$ 4,774,818	\$ 4,920,029	\$ 4,770,513	\$ 4,631,910	\$ 4,631,910	\$ 4,598,398	\$ 4,620,795	\$ 4,459,700	\$ 4,496,142	\$ 4,410,407
Bond and Interest	-	-	-	-	-	-	-	-	-	-
Road and Bridge**	1,534,763	1,525,210	686,939	663,258	644,150	639,777	612,157	579,761	553,991	537,855
General Assistance	744,127	749,719	694,735	643,750	643,750	639,777	513,422	490,567	435,111	430,284
Total	<u>\$ 7,053,708</u>	<u>\$ 7,194,958</u>	<u>\$ 6,152,187</u>	<u>\$ 5,938,918</u>	<u>\$ 5,919,810</u>	<u>\$ 5,877,952</u>	<u>\$ 5,746,374</u>	<u>\$ 5,530,028</u>	<u>\$ 5,485,244</u>	<u>\$ 5,378,546</u>
Percentage of increase (decrease) from prior years	<u>-1.96%</u>	<u>16.95%</u>	<u>3.59%</u>	<u>0.32%</u>	<u>0.71%</u>	<u>2.29%</u>	<u>3.91%</u>	<u>0.82%</u>	<u>1.98%</u>	<u>6.52%</u>

* Cents per \$100 of assessed and equalized valuation. Includes 3% loss on collection factor, (5% on bonds) applied by the County. Taxes levied on a calendar year basis for collection in the subsequent fiscal year.

** Township Road and Bridge receives only approximately 50% of total levy; balance is distributed directly to other municipalities.

Source: Office of Cook County Clerk

**Township of Schaumburg
Property Tax Levies Extended and Collections
Last Ten Fiscal Years**

<u>Tax Levy Year (1)</u>	<u>Total Tax Extended (2)(3)</u>	<u>Current Tax Collections</u>	<u>Current Tax Collections as Percent of Extension</u>
2019*	\$ 6,556,784	\$ -	0.00%
2018	6,552,977	6,408,913	97.80%
2017	6,240,930	6,201,223	99.36%
2016	5,938,918	5,935,675	99.95%
2015	5,919,810	5,709,299	96.44%
2014	5,877,952	5,734,785	97.56%
2013	5,746,374	5,563,602	96.82%
2012	5,530,028	5,514,063	99.71%
2011	5,485,244	5,360,805	97.73%
2010	5,378,546	5,278,611	98.14%

Note (1) Taxes levied on a calendar year basis for collection in the subsequent fiscal year.

Note (2) Includes the 3% loss in collection factor (5% for bonds) applied by the County to the original levy. Due to the impact of the Property Tax Extension Limitation Act (PTELA), loss factors may not be allowed.

Note (3) Total tax extended is based upon Township's portion of the Road and Bridge levy only, which is approximately 50% of the total levy. The difference is paid directly to other municipalities within the Township.

* Current collections are deferred

Source: Office of the Cook County Treasurer

Township of Schaumburg
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Levy Year</u>	<u>Percentage Increase (Decrease)</u>	<u>Railroad Property</u>	<u>Real Property</u>	<u>Total</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assesed/ Total Estimated Actual Value</u>
2019	16.14%	**	\$ 5,167,552,974	\$ 5,167,552,974	\$ 15,502,658,922	33.33
2018	-2.19%	**	4,449,497,516	4,449,497,516	13,348,492,548	33.33
2017	1.17%	**	4,549,264,916	4,549,264,916	13,647,794,748	33.33
2016	15.53%	**	4,496,664,565	4,496,664,565	13,489,993,695	33.33
2015	-2.66%	**	3,892,142,412	3,892,142,412	11,676,427,236	33.33
2014	1.25%	**	3,998,606,992	3,998,606,992	11,995,820,976	33.33
2013	-12.19%	**	3,949,407,542	3,949,407,542	11,848,222,626	33.33
2012	0.92%	**	4,497,717,493	4,497,717,493	13,493,152,479	33.33
2011	-7.82%	**	4,456,699,900	4,456,699,900	13,379,099,700	33.33
2010	-10.11%	**	4,834,561,808	4,834,561,808	14,044,008,945	33.33

Source: Office of the Cook County Clerk

Township of Schaumburg
Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years

Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Township of Schaumburg	0.069	0.082	0.093	0.100	0.117	0.115	0.171	0.103	0.105	0.110
General Assistance Schaumburg	0.006	0.008	0.009	0.011	0.013	0.016	0.017	0.015	0.016	0.017
Road and Bridge Schaumburg	0.017	0.020	0.023	0.026	0.031	0.032	0.034	0.030	0.031	0.033
Total Direct Rate	0.092	0.110	0.125	0.137	0.161	0.163	0.222	0.148	0.152	0.160
Overlapping Rates										
Cook County	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489
Cook County Forest Preserve District	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.060
Metropolitan Water Reclamation Dist.	0.252	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396
Village of Schaumburg	0.527	0.567	0.597	0.642	0.706	0.692	0.710	0.622	0.615	0.623
Consolidated Elections	0.021	0.000	0.025	0.000	0.031	0.000	0.034	0.000	0.031	0.000
Suburban TB Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Schaumburg Park District	0.423	0.488	0.551	0.606	0.700	0.704	0.729	0.643	0.653	0.682
Schaumburg Township Public Library	0.258	0.295	0.321	0.331	0.384	0.386	0.402	0.352	0.357	0.372
Norhtwest Mosquito Abatement Dist.	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011
School District Number 54	2.592	2.996	3.196	3.578	4.148	4.168	4.332	3.790	3.844	4.030
High School District Number 211	1.916	2.204	2.482	2.772	3.197	3.213	3.309	2.871	2.922	3.044
Community College District Number 512	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	0.425	0.443
Total Rates	6.790	7.712	8.481	9.414	10.830	10.857	11.262	9.854	9.969	10.310

N/A - Information not available

Data Source

Cook County Clerk's Office and Village of Schaumburg

**Township of Schaumburg
Principal Property Taxpayers
Current and Seven Years Ago**

Taxpayer	2019			2012		
	Equalized Assessed Value	Rank	Percentage of Total Township Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Valuation
Simeon Property Group	\$ 233,326,330	1	6.86%	\$ 239,570,621	1	5.92%
Zurich	104,004,469	2	3.06%			
The Blackstone Group L.P.	55,183,748	3	1.62%	58,906,020	6	1.45%
DDR Corp.	44,942,820	4	1.32%			
Glenstar Properties, LLC	41,702,520	5	1.23%	85,751,536	4	2.12%
IRC	41,451,699	6	1.22%	46,918,770	9	1.16%
KBS Woodfield Preserve	39,305,571	7	1.16%	55,820,949	7	1.38%
Martingale Road LLC	36,112,090	8	1.06%			
Piedmont	32,195,841	9	0.95%			
RMS	31,498,843	10	0.93%			
Retail Properties of America				63,111,322	5	1.56%
Thomson Property Tax				96,389,951	2	2.38%
Woodfield Holding Pt.				48,908,109	8	1.21%
Community Centers One				45,381,244	10	1.12%
UrbanStreet Group				89,425,175	3	2.21%
	<u>\$ 659,723,931</u>		<u>19.41%</u>	<u>\$ 830,183,697</u>		<u>20.51%</u>

Data Source

Cook County Clerk's Office and Village of Schaumburg

**Township of Schaumburg
Computation of Legal Debt Margin
February 29, 2020**

2020 Levy Year Assessed Value	\$ 5,167,552,974
Debt limit 5.75% of Assessed Value	297,134,296
Township Debt Applicable to Debt Limit	<u>-</u>
Legal Debt Margin	\$ <u><u>297,134,296</u></u>

Township of Schaumburg
Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Obligation Bonded Debt (3)</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Equalized Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
2020	131,288	\$ 5,167,552,974	\$ -	\$ -	\$ -	0.00%	\$ -
2019	131,288	4,449,497,516	-	-	-	0.00%	-
2018	131,288	4,549,264,916	-	-	-	0.00%	-
2017	131,288	4,496,664,565	-	-	-	0.00%	-
2016	131,288	3,892,142,412	-	-	-	0.00%	-
2015	131,288	3,998,606,992	-	-	-	0.00%	-
2014	131,288	3,949,407,542	-	-	-	0.00%	-
2013	131,288	4,497,717,493	-	-	-	0.00%	-
2012	131,288	4,459,699,900	-	-	-	0.00%	-
2011	131,288	4,834,561,808	-	-	-	0.00%	-

Sources:

- (1) U.S. Census Bureau Data
- (2) Cook County, Illinois Tax Extension Division
- (3) Township of Schaumburg's Annual Financial Reports

Township of Schaumburg
Ratio of Annual Debt Service Expenditures for General Obligation
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2020	\$ -	\$ -	\$ -	\$ 6,546,960	0.00%
2019	-	-	-	6,805,087	0.00%
2018	-	-	-	5,924,065	0.00%
2017	-	-	-	5,865,387	0.00%
2016	-	-	-	5,766,313	0.00%
2015	-	-	-	5,622,839	0.00%
2014	-	-	-	5,732,286	0.00%
2013	-	-	-	5,793,282	0.00%
2012	-	-	-	5,484,626	0.00%
2011	-	-	-	5,580,954	0.00%

**Township of Schaumburg
Direct and Overlapping Governmental Activities Debt
For the Year Ended February 28, 2020**

Governmental unit	Debt Outstanding	Estimated Percentage of Debt Applicable to Schaumburg Township	Estimated Share of Overlapping Debt
Schaumburg Township	\$ -	100.00%	\$ -
Overlapping debt (1)			
Village of Schaumburg	68,957,205	100%	68,957,205
Cook County	2,950,121,750	2.16%	63,722,630
Cook County Forest Preserve District	145,190,000	2.09%	3,034,471
Metropolitan Water Reclamation District	2,776,430,889	2.12%	58,860,335
DuPage County	158,265,000	0.01%	15,827
DuPage County Forest Preserve	120,024,849	0.01%	12,002
DuPage Water Commission	-	0.04%	-
Palatine Public Library	-	4.90%	-
Poplar Creek Public Library District	14,000,580	7.23%	1,012,242
Roselle Public Library District	-	0.38%	-
Schaumburg Township District Public Library	-	71.54%	-
Hoffman Estates Park District	67,806,000	4.67%	3,166,540
Palatine Park District	16,890,000	5.14%	868,146
Roselle Park District	1,431,000	0.59%	8,443
Schaumburg Park District	13,924,916	90.81%	12,645,216
Roselle SD #12	1,431,000	1.08%	15,455
Palatine CCSD #15	39,986,390	3.36%	1,343,543
Elgin USD #46	237,542,304	3.45%	8,195,209
Schaumburg CCSD #54	-	69.72%	-
Lake Park (Roselle) CHSD #108	20,585,000	0.14%	28,819
Palatine HSD #211	-	43.47%	-
College of DuPage #502	200,635,000	0.007%	14,044
Elgin Community College #509	169,196,792	4.66%	7,884,571
Harper Community College #512	134,849,515	18.48%	24,920,190
Subtotal	7,137,268,190		254,704,888
Total	\$ 7,137,268,190		\$ 254,704,888

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Hanover Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hanover Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village's boundaries and dividing it by each unit's total taxable assessed value.

Data Source

Village of Schaumburg

**Township of Schaumburg
Principal Employers
Current Year and Nine Years Ago**

Employer	2019			2010		
	Rank	Approximate Employment	% of Township Population	Rank	Approximate Employment	% of Township Population
Woodfield Shopping Center	1	4000	5.33%	2	4000	5.16%
Zurich American Insurance	2	2600	3.47%	3	2300	2.97%
School District 54	3	2030	2.71%	4	1933	2.49%
Motorola Solutions Inc.	4	1600	2.13%	1	7000	9.03%
Optum Rx (formerly Catamaran)	5	1300	1.73%			
IBM	6	900	1.20%	5	950	1.23%
Genworth Financial Capital	7	850	1.13%	6	850	1.10%
Paylocity	8	800	1.07%			
Nation Pizza Products	9	700	0.93%	9	510	0.66%
Friendship Village	10	650	0.87%			
Comcast				7	725	0.92%
Verizon				8	625	0.80%
Village of Schaumburg				10	510	0.66%
Total		<u>15,430</u>	<u>20.57%</u>		<u>19,403</u>	<u>25.02%</u>

N/A - Information not available

Data Source

Cook County Clerk's Office and Village of Schaumburg

**Township of Schaumburg
Miscellaneous Statistics
February 29, 2020**

Miscellaneous

Form of Government	Township
Date of Incorporation	April 12, 1850
Total Land Area	32 square miles
Unincorporated Roads	9.3 miles
Apartment complexes	19
Motels/Hotels	27
Senior Citizens complexes	9
Hospitals	1
Public Golf Courses	5
Nursing Care Centers	3

Appointed Standing Advisory Committees

Committee for Disabled Citizens
Mental Health Board
Senior Citizens Services Committee
Safety Committee
Technology Committee

Summary of Schools

Public	<u>Number</u>	<u>Enrollment</u>
Community Consildated Elementary		
School District 54	27	15,030
High School District 211	3	6,675
Private		
St. Hubert School	1	486
St. Peter's Lutheran	1	296
Schaumburg Christian School	1	1,170

(continued)

**Township of Schaumburg
Miscellaneous Statistics (continued)
February 29, 2020**

Distribution of Township Population by Municipality

	<u>Census Year</u>	<u>Population</u>
Elk Grove	2010	11,023
Hanover Park	2010	9,892
Hoffman Estates	2010	33,915
Rolling Meadows	2010	1,582
Roselle	2010	3,723
Schaumburg	2010	67,778
Streamwood	2010	1,469
Unincorporated	2010	1,906

Median Age by Municipalities in Township

	<u>Year</u>	<u>Age</u>
Elk Grove	2010	43.5
Hanover Park	2010	34.1
Hoffman Estates	2010	35.4
Rolling Meadows	2010	25.3
Roselle	2010	40.0
Schaumburg	2010	38.7
Streamwood	2010	37.1
Unincorporated	2010	43.4

Source: Northeastern Illinois Planning Commission