

River Forest Township
Notes to the Financial Statements (Continued)
For the Year Ended March 31, 2023

8. Commitments and Contingencies (Continued)

At March 31, 2023, the River Forest Community Center (RFCC) leases space from RFCCA through June 30, 2028 with quarterly payments of \$15,000. The lease has a four year renewal option. Future rental income is as follows:

For the Year Ended March 31, 2024	\$	45,000
2025		60,000
2026		60,000
2027		60,000
2028		60,000
2029		15,000
		15,000
	\$	300,000

9. Evaluation of Subsequent Events

The Township has evaluated subsequent events through June 30, 2023, the date which the financial statements were available to be issued.

10. Governmental Accounting Standards Board (GASB) Statements

Recently Implemented GASB Statements Relevant to the District

GASB Statement No. 87, Leases, was issued June 2017 and was adopted by the District during the year ended April 30, 2023.

Upcoming GASB Statements Relevant to the District

GASB Statement No. 100, Accounting Changes and Error Corrections, was issued June 2022 and will be effective for the District with the fiscal year ending April 30, 2025.

GASB Statement No. 101, Compensated Absences, was issued June 2022 and will be effective for the District with the fiscal year ending April 30, 2025.

The District management has not yet determined the effect these Statements will have on the District's financial statements.

11. Other Post-Employment Benefits

The Township has evaluated its potential other postemployment benefits liability. The Township does not provide health insurance coverage to its employees. Additionally, the Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the Township has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2023.

River Forest Township
Notes to the Financial Statements (Continued)
For the Year Ended March 31, 2023

12. Retirement Fund Commitments – Illinois Municipal Retirement Fund

Plan Description. The Township's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org. The plan's latest actuarial valuation is December 31, 2022.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Funding Policy. As set by statute, the Township Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate from calendar year 2022 was 1 percent of annual covered payroll. The Township also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level.

River Forest Township
Notes to the Financial Statements (Continued)
For the Year Ended March 31, 2023

12. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

Funding Policy (Continued). Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for fiscal year 2022 was \$891.

IMRF Pension Disclosures.

Actuarial Valuation Date	December 31, 2022
Measurement Date of the Net Pension Liability	December 31, 2022
Fiscal Year End	March 31, 2023

Membership

Number of	
- Retirees and Beneficiaries	4
- Inactive, Non-Retired Members	0
- Active Members	<u>2</u>
- Total	<u>6</u>

Covered Valuation Payroll	<u>\$ 88,351</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 642,185
Plan Fiduciary Net Position	<u>805,546</u>
Net Pension Liability/(Asset)	<u>\$ (163,361)</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	125.44%
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Net Pension Liability as a Percentage of Covered Valuation Payroll	-184.90%
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Development of the Single Discount Rate as of December 31, 2022

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.05%
Last year December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate Calculated using December 31, 2021 Measurement Date	7.25%

Total Pension Expense/(Income)	<u>\$ 15,634</u>
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River Forest Township
Notes to the Financial Statements (Continued)
For the Year Ended March 31, 2023

12. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (Continued).

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Deferred Outflows of Resources	Deferred Inflows of Resources
1. Difference between expected and actual experience	\$ 11,008	\$ 0
2. Assumption Changes	0	0
3. Net Difference between projected and actual earnings on pension plan investments	67,815	0
4. Subtotal	78,823	0
5. Pension contributions made subsequent to the measurement date	241	0
6. Total	\$ 79,064	\$ 0

Deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Plan Year Ending December 31	Net Deferred Outflows of Resources
2023	\$ 1,957
2024	10,295
2025	24,005
2026	42,566
2027	0
Thereafter	0
	\$ 78,823

River Forest Township
Notes to the Financial Statements (Continued)
For the Year Ended March 31, 2023

12. Retirement Fund Commitments – Illinois Municipal Retirement Fund (Continued)

IMRF Pension Disclosures (Continued).

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25% - 9.90%
Cash Equivalents	1.00%	4.00%
	100.00%	

The single discount rate is calculated in accordance with GASB Statement No. 68. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph. The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

Sensitivity of Net Pension Liability/(Asset) to the
Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 707,336	\$ 642,185	\$ 586,614
Plan Fiduciary Net Position	805,546	805,546	805,546
Net Pension Liability/(Asset)	\$ (98,210)	\$ (163,361)	\$ (218,932)

River Forest Township
IMRF Pension Disclosures (Continued)
For the Year Ended March 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years (When Available)

Measurement Date December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability ("TPL")								
Service cost	\$ 8,316	\$ 8,038	\$ 8,118	\$ 8,053	\$ 6,946	\$ 7,216	\$ 7,407	\$ 14,240
Interest on the TPL	42,398	40,360	67,243	60,965	59,215	59,415	57,906	49,859
Changes of benefit terms	0	0	0	0	0	0	0	0
Difference between expected and actual experience of the TPL	27,520	18,901	(462,991)	6,568	18,415	4,967	3,797	94,604
Changes of assumptions	0	0	647	0	21,324	(20,468)	(16,686)	16,636
Benefit payments, including refunds of employee contributions	(33,386)	(45,275)	77,736	(55,801)	(54,373)	(52,958)	(51,595)	(37,520)
Net change in total pension liability	44,848	22,024	(309,247)	19,785	51,527	(1,828)	829	137,819
Total pension liability – beginning	<u>597,337</u>	<u>575,313</u>	<u>884,560</u>	<u>864,775</u>	<u>813,248</u>	<u>815,076</u>	<u>814,247</u>	<u>676,428</u>
Total pension liability – ending	<u>\$ 642,185</u>	<u>\$ 597,337</u>	<u>\$ 575,313</u>	<u>\$ 884,560</u>	<u>\$ 864,775</u>	<u>\$ 813,248</u>	<u>\$ 815,076</u>	<u>\$ 814,247</u>
Plan fiduciary net position								
Contributions – employer	\$ 866	\$ 14,276	\$ 14,720	\$ 11,108	\$ 13,555	\$ 11,860	\$ 5,357	\$ 7,284
Contributions – employee	3,976	3,522	3,330	3,282	3,221	2,934	2,830	3,626
Net investment income	(143,031)	153,151	123,495	145,508	(57,648)	135,222	46,646	3,462
Benefit payments, including refunds of employee contributions	(33,386)	(45,275)	77,736	(55,801)	(54,373)	(52,958)	(51,595)	(37,520)
Other (net transfer)	100	10,638	(177,303)	2,409	22,281	(16,471)	3,774	(5,039)
Net change in plan fiduciary net position	(171,475)	136,312	41,978	106,506	(72,964)	80,587	7,012	(28,187)
Plan fiduciary net position - Beginning	<u>977,021</u>	<u>840,709</u>	<u>798,731</u>	<u>692,225</u>	<u>765,189</u>	<u>684,602</u>	<u>677,590</u>	<u>705,777</u>
Plan fiduciary net position - Ending	<u>\$ 805,546</u>	<u>\$ 977,021</u>	<u>\$ 840,709</u>	<u>\$ 798,731</u>	<u>\$ 692,225</u>	<u>\$ 765,189</u>	<u>\$ 684,602</u>	<u>\$ 677,590</u>
Net pension liability / (asset)	<u>\$ (163,361)</u>	<u>\$ (379,684)</u>	<u>\$ (265,396)</u>	<u>\$ 85,829</u>	<u>\$ 172,550</u>	<u>\$ 48,059</u>	<u>\$ 130,474</u>	<u>\$ 136,657</u>
Plan fiduciary net position as a percent of the TPL	125.44%	163.56%	146.13%	90.30%	80.05%	94.09%	83.99%	83.22%
Covered Valuation Payroll ("CVP")	\$ 88,351	\$ 78,269	\$ 74,001	\$ 72,941	\$ 71,567	\$ 65,203	\$ 62,879	\$ 80,572
Net pension liability as a % of CVP	-184.90%	-485.10%	-358.64%	117.67%	241.10%	73.71%	207.50%	169.61%

Notes to the Multiyear Schedule of Changes in Employer's Net Pension Liability:

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

**River Forest Township
Township Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended March 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 644,417	\$ 644,417	\$ 485,473	\$ (158,944)
Replacement Taxes	7,000	7,000	28,756	21,756
Investment Income	1,000	1,000	11,557	10,557
Total Revenues	<u>652,417</u>	<u>652,417</u>	<u>525,786</u>	<u>(126,631)</u>
Expenditures				
Current				
Administration				
Operational	70,512	70,512	67,249	3,263
Contractual	44,000	44,000	16,809	27,191
Compensation	54,241	54,241	54,125	116
Assessor Services	69,375	69,375	61,380	7,995
Social Services				
Youth Services	100,091	100,091	102,412	(2,321)
Senior Services	75,076	75,076	169,483	5,593
Mental Health Services	223,357	223,357	211,839	11,518
Total Expenditures	<u>736,652</u>	<u>736,652</u>	<u>683,297</u>	<u>53,355</u>
Net Change in Fund Balance	<u>\$ (84,235)</u>	<u>\$ (84,235)</u>	<u>(157,511)</u>	<u>\$ (73,276)</u>
Fund Balance,				
Beginning of Year			<u>752,679</u>	
End of Year			<u>\$ 595,168</u>	

See Independent Auditors' Report

**River Forest Township
General Assistance Fund
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended March 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 9,033	\$ 9,033	\$ 8,309	\$ (724)
Investment Income	0	0	0	0
Total Revenues	<u>9,033</u>	<u>9,033</u>	<u>8,309</u>	<u>(724)</u>
Expenditures				
Social Services				
Contracted Social Work	3,000	3,000	3,000	0
Client Payments and Client Support	10,500	10,500	8,200	2,300
Emergency Assistance	5,500	5,500	0	5,500
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>11,200</u>	<u>7,800</u>
Net Change in Fund Balance	<u>\$ (9,967)</u>	<u>\$ (9,967)</u>	<u>(2,891)</u>	<u>\$ 7,076</u>
Fund Balance,				
Beginning of Year			<u>83,069</u>	
End of Year			<u>\$ 80,178</u>	

See Independent Auditors' Report

River Forest Township
Notes to Required Supplementary Information
For the Year Ended March 31, 2023

Budgets are adopted on a basis consistent with generally accepted accounting principles. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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