

TOWNSHIP OF ST. CLAIR, ILLINOIS

UNIT CODE 088/170/01

REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2022

TOWNSHIP OF ST. CLAIR, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the Supervisor and the Members
of the Board of Trustees
Township of St. Clair, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Township of St. Clair, Illinois as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of St. Clair, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of St. Clair, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of St. Clair, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of St. Clair, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required 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 inquiries 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.

Scheller Bozic

Belleville, Illinois
August 17, 2022

BASIC FINANCIAL STATEMENTS

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF NET POSITION
MARCH 31, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,862,648	\$ 5,176,322	\$ 7,038,970
Receivables (Net of Allowance for Doubtful Accounts)			
Taxes	1,728,084	-	1,728,084
Accounts	-	353,310	353,310
Due from St. Clair County	317,753	-	317,753
Grants	129,099	-	129,099
Inventory	18,588	-	18,588
Total Current Assets	<u>4,056,172</u>	<u>5,529,632</u>	<u>9,585,804</u>
NONCURRENT ASSETS:			
Net Pension Asset	103,715	86,189	189,904
Capital Assets			
Land	40,146	98,550	138,696
Other Capital Assets, Net of Accumulated Depreciation	1,266,377	5,643,540	6,909,917
Total Noncurrent Assets	<u>1,410,238</u>	<u>5,828,279</u>	<u>7,238,517</u>
Total Assets	<u>5,466,410</u>	<u>11,357,911</u>	<u>16,824,321</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	85,334	55,281	140,615
Other Post-Employment Benefits	22,709	19,684	42,393
Total Deferred Outflows of Resources	<u>108,043</u>	<u>74,965</u>	<u>183,008</u>
Total Assets and Deferred Outflows of Resources	<u>5,574,453</u>	<u>11,432,876</u>	<u>17,007,329</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	124,788	103,136	227,924
Accrued Interest Payable	-	684	684
Notes Payable, Current	-	15,529	15,529
Total Current Liabilities	<u>124,788</u>	<u>119,349</u>	<u>244,137</u>
NONCURRENT LIABILITIES:			
Notes Payable, Noncurrent	-	166,416	166,416
Compensated Absences	31,344	28,924	60,268
Other Post-Employment Benefit Obligation	57,546	141,546	199,092
Total Noncurrent Liabilities	<u>88,890</u>	<u>336,886</u>	<u>425,776</u>
Total Liabilities	<u>213,678</u>	<u>456,235</u>	<u>669,913</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,685,746	-	1,685,746
Pensions	357,878	303,308	661,186
Other Post-Employment Benefits	-	20,287	20,287
Total Deferred Inflows of Resources	<u>2,043,624</u>	<u>323,595</u>	<u>2,367,219</u>
NET POSITION			
Net Investment in Capital Assets	1,410,238	5,560,145	6,970,383
Restricted Net Position	2,029,291	-	2,029,291
Unrestricted Net Position	(122,378)	5,092,901	4,970,523
Total Net Position	<u>\$ 3,317,151</u>	<u>\$ 10,653,046</u>	<u>\$ 13,970,197</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUES, (EXPENSES), AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 98,541	\$ -	\$ 672	\$ -	\$ (97,869)	\$ -	\$ (97,869)
Highways and Streets	1,539,100	-	-	2,912	(1,536,188)	-	(1,536,188)
Development Services	12,337	-	-	-	(12,337)	-	(12,337)
General Assistance	12,804	-	-	-	(12,804)	-	(12,804)
Culture and Recreation	90,548	-	-	20,098	(70,450)	-	(70,450)
Total Governmental Activities	1,753,330	-	672	23,010	(1,729,648)	-	(1,729,648)
Business-Type Activities							
Sewer	1,909,609	1,627,165	-	16,725	-	(265,719)	(265,719)
Total Business-Type Activities	1,909,609	1,627,165	-	16,725	-	(265,719)	(265,719)
Total	\$ 3,662,939	\$ 1,627,165	\$ 672	\$ 39,735	(1,729,648)	(265,719)	(1,995,367)
General Revenues:							
Taxes							
Real Estate					1,635,069	-	1,635,069
Personal Property Replacement					202,733	-	202,733
Motor Fuel					179,010	-	179,010
Miscellaneous					9,488	58,068	67,556
Interest Income					2,567	41,598	44,165
Total General Revenues					2,028,867	99,666	2,128,533
Change in Net Position					299,219	(166,053)	133,166
Net Position, Beginning of Year					3,017,932	10,819,099	13,837,031
Net Position, End of Year					\$ 3,317,151	\$ 10,653,046	\$ 13,970,197

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
BALANCE SHEET -
GOVERNMENTAL FUNDS
MARCH 31, 2022

ASSETS	GENERAL	GENERAL ASSISTANCE	PARKS MAINTENANCE	ROAD & BRIDGE	PERMANENT ROAD	TOTALS
Cash and Cash Equivalents	\$ 205,384	\$ 94,021	\$ 209,814	\$ 678,085	\$ 675,344	\$ 1,862,648
Taxes Receivable	148,467	20,499	118,364	336,464	1,104,290	1,728,084
Due From Other Governments	-	-	-	317,753	-	317,753
Grant Receivable	-	-	129,099	-	-	129,099
Inventory	-	-	-	18,588	-	18,588
Total Assets	<u>\$ 353,851</u>	<u>\$ 114,520</u>	<u>\$ 457,277</u>	<u>\$ 1,350,890</u>	<u>\$ 1,779,634</u>	<u>\$ 4,056,172</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ 2,609	\$ -	\$ 80,385	\$ 19,425	\$ 22,369	\$ 124,788
Total Liabilities	<u>2,609</u>	<u>-</u>	<u>80,385</u>	<u>19,425</u>	<u>22,369</u>	<u>124,788</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	<u>134,895</u>	<u>20,499</u>	<u>118,364</u>	<u>307,698</u>	<u>1,104,290</u>	<u>1,685,746</u>
Total Deferred Inflows of Resources	<u>134,895</u>	<u>20,499</u>	<u>118,364</u>	<u>307,698</u>	<u>1,104,290</u>	<u>1,685,746</u>
FUND BALANCES:						
Nonspendable Inventories	-	-	-	18,588	-	18,588
Restricted Special Revenue Funds	-	94,021	258,528	1,005,179	652,975	2,010,703
Unassigned General Fund	<u>216,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,347</u>
Total Fund Balances	<u>216,347</u>	<u>94,021</u>	<u>258,528</u>	<u>1,023,767</u>	<u>652,975</u>	<u>2,245,638</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 353,851</u>	<u>\$ 114,520</u>	<u>\$ 457,277</u>	<u>\$ 1,350,890</u>	<u>\$ 1,779,634</u>	<u>\$ 4,056,172</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2022

Total fund balance - total governmental funds	\$ 2,245,638
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$5,660,553, net of accumulated depreciation of \$4,354,030, are not financial resources and, therefore, are not reported in the funds.	1,306,523
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Deferred outflows of resources (related to pensions)	85,334
Deferred inflows of resources (related to pensions)	(357,878)
OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
Deferred outflows of resources (related to OPEB)	22,709
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(31,344)
Other post-employment benefit obligation	(57,546)
Net pension asset is not a financial resource and, therefore, are not reported in the funds.	103,715
Net position of governmental activities	\$ 3,317,151

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2022

	GENERAL	GENERAL ASSISTANCE	PARKS MAINTENANCE	ROAD & BRIDGE	PERMANENT ROAD	TOTALS
REVENUES:						
Taxes						
Property	\$ 126,496	\$ 27,829	\$ 117,641	\$ 306,884	\$1,056,219	\$ 1,635,069
Personal Property Replacement	64,988	-	-	137,745	-	202,733
Motor Fuel	-	-	-	179,010	-	179,010
Interest	255	95	286	1,217	714	2,567
Grants	672	-	20,098	2,912	-	23,682
Miscellaneous	1,320	292	-	7,876	-	9,488
Total Revenues	<u>193,731</u>	<u>28,216</u>	<u>138,025</u>	<u>635,644</u>	<u>1,056,933</u>	<u>2,052,549</u>
EXPENDITURES:						
Current						
General Government	130,682	-	-	-	-	130,682
Highways and Streets	53,297	-	-	451,547	868,457	1,373,301
Development Services	12,337	-	-	-	-	12,337
General Assistance	-	16,489	-	-	-	16,489
Culture and Recreation	-	-	63,004	-	-	63,004
Capital Outlay	56,060	-	310,020	100,030	-	466,110
Total Expenditures	<u>252,376</u>	<u>16,489</u>	<u>373,024</u>	<u>551,577</u>	<u>868,457</u>	<u>2,061,923</u>
Net Change in Fund Balances	(58,645)	11,727	(234,999)	84,067	188,476	(9,374)
Fund Balances, Beginning of Year	<u>274,992</u>	<u>82,294</u>	<u>493,527</u>	<u>939,700</u>	<u>464,499</u>	<u>2,255,012</u>
Fund Balances, End of Year	<u>\$ 216,347</u>	<u>\$ 94,021</u>	<u>\$ 258,528</u>	<u>\$ 1,023,767</u>	<u>\$ 652,975</u>	<u>\$ 2,245,638</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2022

Net change in fund balances - total governmental funds	\$ (9,374)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	466,110
Depreciation expense	(293,149)

Some income/expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as income/expenditures in governmental funds:

Accrued compensated absences	4,744
Pension income	<u>130,888</u>

Change in net position of governmental activities	<u>\$ 299,219</u>
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See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF NET POSITION -
PROPRIETARY FUND
MARCH 31, 2022

	<u>SEWERAGE ENTERPRISE FUND</u>
ASSETS	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 5,176,322
Receivables (Net of Allowance for Doubtful Accounts)	353,310
Total Current Assets	<u>5,529,632</u>
NONCURRENT ASSETS:	
Net Pension Asset	86,189
Capital Assets	
Property, Plant and Equipment, (Net)	5,742,090
Total Non-Current Assets	<u>5,828,279</u>
Total Assets	<u>11,357,911</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions	55,281
Other Post-Employment Benefit	19,684
Total Deferred Outflows of Resources	<u>74,965</u>
Total Assets and Deferred Outflows of Resources	<u>11,432,876</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	103,136
Notes Payable, Current	15,529
Accrued Interest Payable	684
Total Current Liabilities	<u>119,349</u>
NONCURRENT LIABILITIES:	
Notes Payable, Non-Current	166,416
Compensated Absences	28,924
Other Post-Employment Benefit Obligation	141,546
Total Non-Current Liabilities	<u>336,886</u>
Total Liabilities	<u>456,235</u>
DEFERRED INFLOWS OF RESOURCES:	
Pensions	303,308
Other Post-Employment Benefit	20,287
Total Deferred Inflows of Resources	<u>323,595</u>
NET POSITION	
Net Investment in Capital Assets	5,560,145
Unrestricted Net Position	5,092,901
Total Net Position	<u>\$ 10,653,046</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2022

	<u>SEWERAGE ENTERPRISE FUND</u>
OPERATING REVENUES:	
Sewer Fees	\$ 1,627,165
Total Operating Revenue	<u>1,627,165</u>
OPERATING EXPENSES:	
Salaries and Wages	399,069
Depreciation	433,175
Engineering	25,377
Equipment Rental	2,698
IMRF	52,571
Insurance	137,276
Legal and Accounting	17,689
Maintenance Supplies	48,278
Office Expense	27,212
Payroll Taxes	30,179
Pension	(103,804)
Postage	10,968
Repairs and Maintenance	179,468
Sanitation Service	546,198
Uniform Rental	9,345
Utilities	91,560
Total Operating Expenses	<u>1,907,259</u>
Operating (Loss)	<u>(280,094)</u>
NON-OPERATING REVENUES AND EXPENSES:	
Interest Income	41,598
Interest Expense	(2,350)
Grant Revenue	16,725
Miscellaneous Revenue	58,068
Total Non-Operating Revenues and Expenses	<u>114,041</u>
Change in Net Position	(166,053)
Net Position, Beginning of Year	<u>10,819,099</u>
Net Position, End of Year	<u>\$ 10,653,046</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2022

	<u>SEWERAGE ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts From Customers	\$ 1,655,428
Payments to Suppliers	(1,054,410)
Payments to Employees	(493,772)
Net Cash Provided by Operating Activities	<u>107,246</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal Paid on IEPA Note Payable	(15,337)
Interest Paid on IEPA Note Payable	(2,418)
Receipts From Grant Revenue	16,725
Purchases of Capital Assets	(130,593)
Net Cash (Used) by Capital and Related Financing Activities	<u>(131,623)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Miscellaneous Receipts	58,068
Interest Received on Demand Deposits and Certificates of Deposit	41,598
Net Cash Provided by Investing Activities	<u>99,666</u>
Net Increase in Cash and Cash Equivalents	75,289
Balances - Beginning of the Year	<u>5,101,033</u>
Balances - End of the Year	<u>\$ 5,176,322</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (Loss)	\$ (280,094)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	433,175
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	28,263
Decrease in Deferred Outflows	43,943
Increase in Accounts Payable	20,605
Increase in Liability for Compensated Absences	9,102
(Decrease) in Net Pension Liability	(199,410)
Increase in Deferred Inflows	51,662
Net Cash (Provided) by Operating Activities	<u>\$ 107,246</u>

Non-Cash Investing Capital and Financial Activities:

During this past year, the Sewerage fund received no non-cash capital contributions from developers consisting of sewer infrastructure.

See accompanying notes to the basic financial statements.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The Township of St. Clair, Illinois (the "Township") provides the following services: general government, general assistance, recreation, road maintenance, and sewerage.

The accounting and reporting policies of the Township relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America, applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the Township are described below.

B. Financial Reporting Entity

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations as component units within the Township reporting entity, as set forth in Section 2100 of GASB's – Codification of Governmental Accounting and Financial Reporting Standards, includes whether:

- the organization is legally separate (can sue and be sued in their own name).
- the Township holds the corporate powers of the organization.
- the Township appoints a voting majority of the organization's board.
- the Township is able to impose its will on the organization.
- the organization has the potential to impose a financial benefit/burden on the Township.
- there is fiscal dependency by the organization on the Township.

Based on the aforementioned criteria, the St. Clair Road District is a blended component unit. The St. Clair Road District is responsible for the maintenance and construction of all the roads within the Township.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Government 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.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. The Township does not allocate indirect expenses to functions in the statement of activities. 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 identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 60 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 reported only when payment is due.

Replacement taxes, other taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Township reports the following major governmental funds:

General Fund

General fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General fund.

General Assistance Fund

General Assistance fund is used to account for the funds received and expended for the payment of assistance to various individuals.

Parks Maintenance Fund

Parks Maintenance fund is used to account for funds received and expended for maintenance and improvements to parks throughout the Township.

Road and Bridge Fund

Road and Bridge fund is used to account for funds received and expended for the payment of road maintenance, supplies, and improvements.

Permanent Road Fund

Permanent Road fund is used to account for funds received and expended for the construction, renovation, expansion, and major improvement of various roads and bridges.

The Township reports the following proprietary fund:

Sewerage Fund

Sewerage fund is used to account for the provision of sewer service to the residents of the Township. Activities of the fund include administration, operations and maintenance of the sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Cash and Cash Equivalents

The Township considers all investment instruments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

The Township pools cash resources to improve cash management. A cash pool is maintained for the Township governmental funds and a cash pool is maintained for the Road District governmental funds. Each pool consists of a checking account and an interest bearing sweep account. Individual fund integrity is maintained through the accounting records. Interest earned from the pooled cash is allocated monthly to each fund based on the ending cash balance.

F. Allowance for Doubtful Accounts

At March 31, 2022, the allowance for doubtful accounts was \$20,000 for the Sewerage enterprise fund accounts receivable.

G. Inventories

Inventory is valued at the lower of cost or net realizable value using the first-in/first-out (FIFO) method.

Inventory in governmental funds consist of expendable supplies held for future consumption. The cost is recorded as an expense as inventory items are consumed (consumption method). Inventory for the Proprietary fund is considered immaterial and is therefore expensed when purchased.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Capital Assets and Depreciation

The Township's property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired after April 1, 2004), with useful lives of more than one year are reported in the government-wide financial statements. Purchased or constructed assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is included in net income.

The estimated useful lives and capitalization threshold for depreciable assets are as follows:

	<u>USEFUL LIFE</u> <u>(YEARS)</u>	<u>CAPITALIZATION</u> <u>THRESHOLD</u>
Land Improvements	15-20	\$ 10,000
Buildings and Improvements	20-40	10,000
Furniture, Fixtures, and Equipment	5-10	2,500
Infrastructure	10	50,000
Sewerage System	25-50	50,000

I. Capitalized Interest

Interest costs are capitalized when incurred by Proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized for financed construction activities during the year ended March 31, 2022.

J. Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and business-type activities proprietary funds, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental funds financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences

The Township's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded in the statement of net position.

L. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 reports deferred outflows of resources related to pension and other post-employment benefits (OPEB) transactions.

In addition to liabilities, the statement of financial position and/or balance sheet 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 amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Township reports deferred inflows of resources related to unavailable revenue, the pension, and OPEB transactions.

M. Fund Equity

Beginning with fiscal year 2012, the Township implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purpose by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Committed Fund Balance - amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (i.e., Board of Trustees), to be reported as committed. Amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund. Negative unassigned fund balances may be reported in all funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assigned actions.

Net Position

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide and proprietary fund financial statements. Net positions are classified in the following categories:

1. Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
2. Restricted net position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
3. Unrestricted net position - This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

The Township applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Use of Estimates

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

O. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government - Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental activities columns of the statement of net position, except for the residual amounts due between governmental activities, which are reported as internal balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities. The effects of interfund services between funds, if any, are not eliminated in the statement of activities.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 2. CASH, CASH EQUIVALENTS, AND CERTIFICATES OF DEPOSIT

Illinois law states that investments of cash funds may be made in bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest. The Township may also invest in interest bearing savings accounts, certificates of deposit or time deposits which are insured by federal insurance. Also, the Township may invest with Public Treasurer's Investment Pool administered by the Illinois State Treasurer.

The Township has adopted a formal written investment policy in accordance with the Public Funds Investment Act of the State of Illinois.

The Township's cash and cash equivalents at March 31, 2022, consist of the following:

	CARRYING AMOUNT	BANK VALUE
Cash on Hand	\$ 200	\$ -
Demand Deposits With Banks:		
Busey Bank	821	1,009
Bank of Belleville	2,478,247	2,509,778
IL National Bank	1,560	1,000
Bank of Springfield	4,492,832	4,492,832
Sub-Total - Deposits With Banks	6,973,660	7,004,619
External Investment Pool:		
The Illinois Funds - Money Market Fund	65,310	65,310
	\$ 7,038,970	\$ 7,069,929

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 2. CASH, CASH EQUIVALENTS, AND CERTIFICATES OF DEPOSIT (CONT'D)

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. Illinois National Bank serves as custodian for The Illinois Funds. The fair value of the Township's investment in The Illinois Funds is the same as the value of the pool shares. Although not subject to direct regulatory oversight, The Illinois Funds is administered in accordance with the provisions of Illinois Statute 30 ILCS 235 "Public Funds Investment Act".

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy requires deposits with banks that exceed the amount insured by FDIC insurance protection be collateralized. Also, investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. The Illinois Funds - Money Market Fund is rated AAA by Standard & Poor's. The rating signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

Custodial Credit Risk (Deposits with Banks) - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. At March 31, 2022, the reported amount on the Township's deposits was \$7,038,770 and the bank balance was \$7,069,929. Of the bank balance, \$817,320 was covered by federal depository insurance, \$6,251,383 was covered by collateral held by the pledging financial institution, and \$1,226 was exposed to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risk (Other Investments) - Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Township will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy places no limit on the amount they may invest in any one issuer.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022, was as follows:

	BALANCE AT BEGINNING OF FISCAL YEAR	ADDITIONS	RETIREMENTS	BALANCE AT END OF FISCAL YEAR
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ -	\$ 56,060	\$ -	\$ 56,060
Land	40,146	-	-	40,146
Total Capital Assets Not Being Depreciated	40,146	56,060	-	96,206
Capital Assets, Being Depreciated				
Land Improvements	355,192	-	-	355,192
Buildings and Improvements	167,938	312,924	-	480,862
Equipment	1,202,309	97,126	-	1,299,435
Infrastructure	3,428,858	-	-	3,428,858
Total Capital Assets Being Depreciated	5,154,297	410,050	-	5,564,347
Less Accumulated Depreciation for:				
Land Improvements	(90,436)	(17,760)	-	(108,196)
Buildings and Improvements	(34,491)	(5,889)	-	(40,380)
Equipment	(958,842)	(77,934)	-	(1,036,776)
Infrastructure	(2,977,112)	(191,566)	-	(3,168,678)
Total Accumulated Depreciation	(4,060,881)	(293,149)	-	(4,354,030)
Capital Assets, Being Depreciated, Net	1,093,416	116,901	-	1,210,317
Governmental Activities Capital Assets, Net	\$ 1,133,562	\$ 172,961	\$ -	\$ 1,306,523

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 3. CAPITAL ASSETS (CONT'D)

	BALANCE AT BEGINNING OF FISCAL YEAR	ADDITIONS	RETIREMENTS	BALANCE AT END OF FISCAL YEAR
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ -	\$ 37,986	\$ -	\$ 37,986
Land	<u>98,550</u>	<u>-</u>	<u>-</u>	<u>98,550</u>
Total Capital Assets Not Being Depreciated	<u>98,550</u>	<u>37,986</u>	<u>-</u>	<u>136,536</u>
Capital Assets Being Depreciated				
Land Improvements	98,109	-	-	98,109
Buildings and Improvements	1,262,337	76,819	-	1,339,156
Equipment	1,370,871	15,788	-	1,386,659
Sewerage System	<u>16,913,220</u>	<u>-</u>	<u>-</u>	<u>16,913,220</u>
Total Capital Assets Being Depreciated	<u>19,644,537</u>	<u>92,607</u>	<u>-</u>	<u>19,737,144</u>
Less Accumulated Depreciation for:				
Land and Improvements	(83,419)	(1,268)	-	(84,687)
Buildings and Improvements	(667,650)	(44,440)	-	(712,090)
Equipment	(1,196,078)	(44,851)	-	(1,240,929)
Sewerage System	<u>(11,751,268)</u>	<u>(342,616)</u>	<u>-</u>	<u>(12,093,884)</u>
Total Accumulated Depreciation	<u>(13,698,415)</u>	<u>(433,175)</u>	<u>-</u>	<u>(14,131,590)</u>
Capital Assets Being Depreciated, Net	<u>5,946,122</u>	<u>(340,568)</u>	<u>-</u>	<u>5,605,554</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,044,672</u>	<u>\$ (302,582)</u>	<u>\$ -</u>	<u>\$ 5,742,090</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES:

General Government and Administration	\$ 132
Highways and Streets	265,473
Culture and Recreation	<u>27,544</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 293,149</u>

BUSINESS-TYPE ACTIVITIES:

Sewer	\$ 433,175
Total Depreciation Expense - Business-Type Activities	<u>\$ 433,175</u>

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 4. LONG-TERM DEBT

The following is a summary of the change in long-term debt for the year ended March 31, 2022:

	BALANCE AT BEGINNING OF FISCAL YEAR		BALANCE AT END OF FISCAL YEAR		DUE WITHIN ONE YEAR
		INCREASE	DECREASE		
<u>Governmental Activities</u>					
Compensated Absences	\$ 36,088	\$ -	\$ 4,744	\$ 31,344	\$ -
Other Post-Employment Benefit Obligation	57,546	-	-	57,546	-
Total Governmental Activities	<u>\$ 93,634</u>	<u>\$ -</u>	<u>\$ 4,744</u>	<u>\$ 88,890</u>	<u>\$ -</u>
<u>Business-Type Activities</u>					
Other Post-Employment Benefit Obligation	\$ 141,546	\$ -	\$ -	\$ 141,546	\$ -
Compensated Absences	19,822	9,102	-	28,924	-
Notes From Direct Borrowings:					
Note Payable - IEPA	197,282	-	15,337	181,945	15,529
Total Business-Type Activities	<u>\$ 358,650</u>	<u>\$ 9,102</u>	<u>\$ 15,337</u>	<u>\$ 352,415</u>	<u>\$ 15,529</u>

The Township has debt service requirements at March 31, 2022, on notes payable as follows:

State of Illinois Loan Pursuant to the Environmental Protection Act

On June 28, 2011, the Township entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the construction of an ultraviolet disinfection system. The loan agreement provided for a maximum loan of \$410,079, at an interest rate of 1.25 percent. The final loan amount was \$306,415. The loan agreement requires semi-annual principal and interest payments due on January 20th and July 20th. The note matures on January 20, 2033. The debt is repaid by the Sewerage Enterprise fund.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 4. LONG-TERM DEBT (CONT'D)

The following is a schedule of maturities on this loan as of March 31, 2022:

PAYABLE DURING THE YEAR ENDED	NOTE PAYABLE - IEPA		
	TOTAL	PRINCIPAL	INTEREST
March 31, 2023	\$ 17,755	\$ 15,529	\$ 2,226
March 31, 2024	17,755	15,724	2,031
March 31, 2025	17,755	15,921	1,834
March 31, 2026	17,755	16,121	1,634
March 31, 2027	17,755	16,323	1,432
March 31, 2028 - March 31, 2032	88,775	84,737	4,038
March 31, 2033	17,757	17,590	167
	<u>\$ 195,307</u>	<u>\$ 181,945</u>	<u>\$ 13,362</u>

NOTE 5. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. The Township and the Road District levied for 2020 property taxes on October 27, 2020. Billing and collection of property taxes is performed by the St. Clair County government. Property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. Property tax revenue is recorded when it is collected. This includes property taxes collected within 60 days after year end. No allowance for delinquent taxes has been provided as property taxes recognized are considered to be fully collectible. 2020 property taxes were payable in two installments: July 30, 2021 and September 30, 2021.

NOTE 6. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

General Information about the Pension Plan

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

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT'D)

Benefits Provided - 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 service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms - As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	5
Active Plan Members	13
Total	33

Contributions - As set by statute, the Township's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2021 and 2022, was 14.36 percent and 11.59 percent, respectively. For the fiscal year ended March 31, 2022, the Township contributed \$119,205 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level.

Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT'D)

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

The Township's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in the Township's net pension liability for the year ended December 31, 2021, were as follows:

	TOTAL PENSION LIABILITY (A)	PLAN FIDUCIARY NET POSITION (B)	NET PENSION LIABILITY/ (ASSET) (A) - (B)
Balances at December 31, 2020	\$ 4,584,530	\$ 4,323,587	\$ 260,943
Changes for the Year:			
Service Cost	82,290	-	82,290
Interest on the Total Pension Liability	326,026	-	326,026
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	35,047	-	35,047
Changes of Assumptions	-	-	-
Contributions - Employer	-	123,434	(123,434)
Contributions - Employees	-	38,680	(38,680)
Net Investment Income	-	722,310	(722,310)
Benefit Payments, Including Refunds of Employee Contributions	(257,534)	(257,534)	-
Other (Net Transfer)	-	9,786	(9,786)
Net Changes	<u>185,829</u>	<u>636,676</u>	<u>(450,847)</u>
Balances at December 31, 2021	<u>\$ 4,770,359</u>	<u>\$ 4,960,263</u>	<u>\$ (189,904)</u>

For the year ended March 31, 2022, the Township realized pension income of \$115,063. At March 31, 2021, the Township realized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences Between Expected and Actual Experience	\$ 26,080	\$ 11,009
Changes of Assumptions	-	12,206
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	89,364	637,971
Total Deferred Amounts to be Realized in Pension Expense in Future Periods	115,444	661,186
Township Contributions Made Subsequent to the Measurement Date	25,171	-
Total Deferred Amounts Related to Pensions	\$ 140,615	\$ 661,186

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

YEAR ENDING <u>DECEMBER 31,</u>	NET DEFERRED INFLOWS
2022	\$ (128,918)
2023	(207,529)
2024	(126,905)
2025	(82,390)
2026	-
Thereafter	-
Total	\$ (545,742)

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25 percent.
- *Salary Increases* were expected to be 2.85 percent to 13.75 percent, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25 percent.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2020.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT'D)

- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Males and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

<u>ASSET CLASS</u>	TARGET ALLOCATION	RETURN 12/31/2021	<u>PROJECTED RETURNS/RISK</u>	
			ONE YEAR ARITHMETIC	TEN YEAR GEOMETRIC
Equities	39.00 %	24.89 %	3.25 %	1.90 %
International Equities	15.00	9.78	4.89	3.15
Fixed Income	25.00	(0.44)	(0.50)	(0.60)
Real Estate	10.00	21.95	4.20	3.30
Alternatives	10.00	46.46		
Private Equity			8.85	5.50
Hedge Funds			N/A	N/A
Commodities			2.90	1.70
Cash Equivalents	1.00	2.44	(0.90)	(0.90)
Total	<u>100.00 %</u>			

Single Discount Rate - A Single Discount Rate of 7.25 percent was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (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 the most recent valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 1.84 percent, and the resulting single discount rate is 7.25 percent.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT'D)

Sensitivity of the Township's 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 7.25 percent as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	<u>1% DECREASE</u> <u>(6.25%)</u>	<u>CURRENT</u> <u>DISCOUNT</u> <u>RATE (7.25%)</u>	<u>1% INCREASE</u> <u>(8.25%)</u>
Net Pension Liability/(Asset)	<u>\$ 316,840</u>	<u>\$(189,904)</u>	<u>\$ (586,318)</u>

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description - In addition to providing the pension benefits described, the Township provides post-employment health insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Township and can be amended through a resolution passed by the Board of Trustees.

Benefits Provided - The Township's retiree medical plan provides continuation of employer subsidized health coverage (for the retiree and their dependents, if any) upon the retirement from the Township after meeting the age and service requirements for retirement. For retirees with at least eight years of service, the Township pays for one year of medical coverage for each four years of employment not to exceed a Township maximum of five years. Thereafter, retirees pay 100 percent of the cost (blended) of coverage. All coverage ends when retiree becomes eligible for Medicare.

Employees Covered by Benefit Terms

As of March 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	2
Inactive Plan Participants Entitled to but Not Yet Receiving Benefits	-
Active Plan Participants	<u>13</u>
Total	<u><u>15</u></u>

Net OPEB Liability - The Township's net OPEB liability was measured as of March 31, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of March 31, 2021, with a measurement date as of March 31, 2021.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

Actuarial Assumptions

- The *Actuarial Cost Method* was Entry Age Normal.
- The *Discount (Interest) Rate* used was 3.79% and 1.84% as of April 1, 2019 and March 31, 2021, respectively.
- The *Salary Increase (Inflation) Rate* used was 3.50% annually.
- The *Monthly Health Plan Premium Costs (Blended)* used were \$1,275 and \$2,447 for employee only and employee and spouse, respectively.
- *Mortality Rates* were according to RP-2014 base rates projected to 2021, using scale MP-2020. No additional provisions were included for mobility improvement beyond 2021.
- Participation was assumed to be 100%
- For spouses, 50% of all employees were assumed to have spouses. All spouses were assumed to be the same age as the participant.
- *Healthcare Cost inflation Rates* used were 7.5% for 2021, gradually decreasing to an ultimate rate of 4.5% for 2029 and beyond.

Discount Rate - A Discount Rate of 1.84% was used to measure the total OPEB liability. The plan is not funded with any contributions, therefore, the discount rate for calculating the total OPEB liability is equal to the 20-year municipal bond rate.

	TOTAL OPEB LIABILITY (A)	PLAN FIDUCIARY NET POSITION (B)	NET OPEB LIABILITY (ASSET) (A) - (B)
Balances at March 31, 2021	\$ 199,092	\$ -	\$ 199,092
Changes for the Year:			
Service Cost Including Administrative Expense	-	-	-
Interest on the Total OPEB Liability	-	-	-
Benefit Changes	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Assumption Changes	-	-	-
Benefit Payments	-	-	-
Refunds	-	-	-
OPEB Plan Administrative Expense	-	-	-
Sub-Total (Carried Forward)	\$ 199,092	\$ -	\$ 199,092

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

	TOTAL OPEB LIABILITY (A)	PLAN FIDUCIARY NET POSITION (B)	NET OPEB LIABILITY (ASSET) (A) - (B)
Sub-Total (Brought Forward)	\$ 199,092	\$ -	\$ 199,092
Employer Contributions	-	-	-
Employee Contributions	-	-	-
OPEB Plan Net Investment Income	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-
Other	-	-	-
Administrative Expense	-	-	-
Net Changes	-	-	-
Balances at March 31, 2022	<u>\$ 199,092</u>	<u>\$ -</u>	<u>\$ 199,092</u>

Sensitivity of the Net OPEB Liability - The following presents the plan's net OPEB liability, calculated using a Discount Rate of 1.84%, as well as what the plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% DECREASE (0.84%)	CURRENT DISCOUNT RATE (1.84%)	1% INCREASE (2.84%)
Net OPEB Liability/(Asset)	<u>\$ 210,172</u>	<u>\$ 199,092</u>	<u>\$ 188,060</u>

The following presents the plan's net OPEB liability, calculated using the current healthcare cost trend rates, as well as what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher:

	1% DECREASE	NET/TOTAL OPEB LIABILITY	1% INCREASE
Net OPEB Liability/(Asset)	<u>\$ 178,901</u>	<u>\$ 199,092</u>	<u>\$ 222,872</u>

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (CONT'D)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences Between Expected and Actual Experience	\$ 22,251	\$ 20,287
Changes of Assumptions	20,142	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Total Deferred Amounts to be Realized in OPEB Expense in Future Periods	42,393	20,287
Township Contributions Made Subsequent to the Measurement Date	-	-
Total Deferred Amounts to Pensions	\$ 42,393	\$ 20,287

Amounts realized as deferred outflows of resources and deferred inflows of resources related to OPEB will be realized in pension expense in future periods as follows:

YEAR ENDING MARCH 31,	NET DEFERRED OUTFLOWS
2023	\$ 2,536
2024	2,536
2025	2,536
2026	2,536
2027	2,536
Thereafter	6,890
Total	\$ 19,570

NOTE 8. COLLECTIVE BARGAINING AGREEMENTS

The Township's clerical and sewer department employees are covered under collective bargaining agreements with the International Union of Operating Engineers Local No. 148. This agreement is effective to April 30, 2023.

The Township's road employees are covered under collective bargaining agreements with the Laborer's International Union of North America Local No. 459. This agreement is effective to March 31, 2025.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 9. COMMITMENTS

Wastewater Treatment Contracts

Village of Swansea

On June 23, 2014, the Township entered into an agreement with the Village of Swansea in which the Village agrees to accept residential and commercial sewage from Township residents that utilize the Village system.

Effective March 1, 2015, the Village of Swansea will bill these Township residents for this service at a rate of 1.3 times the Swansea resident rate. In addition, the Village of Swansea will bill the affected residents an additional \$7.34 which will be paid to the Township for upkeep of their sewer lines.

On May 24, 2016, the Township amended the transport fee to \$4.00 per month, which was previously \$7.34 per month.

The term of the agreement is for 25 years commencing on March 1, 2015. In the fiscal year ending March 31, 2022, the Township received \$146,744 and had an outstanding receivable of \$12,373 from the Village of Swansea for transport fees.

City of Belleville

The Township and the City of Belleville entered into a sewerage contract on November 19, 1973. The contract is for forty years and shall continue for successive ten-year periods, unless either party serves the other with written notice five years prior to their intended termination. The residential and commercial rates established by the contract to be paid by the Township to the City of Belleville are subject to modification at the end of each three-year period from the effective date of the contract. The current residential monthly rate in effect is \$14.72 per single family living unit. The current commercial monthly rate in effect is \$2.18 per 1,000 gallons of water as metered through the commercial establishment's water meter. The Township's annual expense for the year ended March 31, 2022, was \$396,057. Currently, the Township and City of Belleville are negotiating on changing the terms of the contract for future years.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

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; and natural disasters. The Township participates in the Illinois Counties Risk Management Trust and Illinois Public Risk Fund, public entity risk pools, currently operating as a common risk management and insurance program. Whenever the funds determine that the assets of the funds are less than the reserves which would be required to be maintained by the funds, then the funds shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be prorated based upon the agency's annual contributions, provided that, in no event shall the annual total of any assessment exceed 10 percent of the gross annual premium or contributions to the funds during the most recent fiscal year. The Township's gross annual premium for March 31, 2022, was \$212,720. In the opinion of Township officials, no additional liability will be incurred.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

NOTE 11. CONTINGENCIES

Grants

Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Township deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the Township to the provision of the grant.

Legal Claims

Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Township's financial statements.

Other Contingencies

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. As a result, economic uncertainties have arisen, which have negatively impacted the revenues of the Township. Other financial impact could occur though such potential impact is unknown at this time.

REQUIRED
SUPPLEMENTARY INFORMATION

TOWNSHIP OF ST. CLAIR, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Property Taxes	\$ 126,600	\$ 126,600	\$ 125,990	\$ (610)
Property Tax Increment Financing	150	150	262	112
Personal Property Replacement Taxes	30,000	30,000	58,773	28,773
Mobile Home Tax	300	300	243	(57)
Reimbursement (Election, Etc.)	1,200	1,200	-	(1,200)
Interest	1,000	1,000	255	(745)
Grant Revenue	-	-	672	672
Miscellaneous	100	100	1,320	1,220
Total Revenues	<u>159,350</u>	<u>159,350</u>	<u>187,515</u>	<u>28,165</u>
EXPENDITURES - GENERAL GOVERNMENT:				
Administration				
Personnel	154,800	154,800	148,551	6,249
Contractual Services	49,750	49,750	29,485	20,265
Commodities	2,000	2,000	1,856	144
Other Services and Charges	3,000	3,000	2,179	821
Capital Outlay	102,000	102,000	56,723	45,277
Total Administration	<u>311,550</u>	<u>311,550</u>	<u>238,794</u>	<u>72,756</u>
Youth Services				
Contractual Services	1,000	1,000	-	1,000
Senior Citizens				
Contractual Services	12,400	12,400	12,337	63
Contingencies	-	-	-	-
Total Expenditures	<u>324,950</u>	<u>324,950</u>	<u>251,131</u>	<u>73,819</u>
Sub-Total (Carried Forward)	<u>\$ (165,600)</u>	<u>\$ (165,600)</u>	<u>\$ (63,616)</u>	<u>\$ 101,984</u>

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS</u>	<u>WITH FINAL</u>
				<u>BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Sub-Total (Brought Forward)	\$ (165,600)	\$ (165,600)	\$ (63,616)	\$ 101,984
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (165,600)</u>	<u>\$ (165,600)</u>	(63,616)	<u>\$ 101,984</u>
Beginning of Year Accruals				
Add: Accounts Payable at April 1, 2021			193	
Other Liabilities at April 1, 2021			1,172	
Less: Replacement Taxes Receivable at April 1, 2021			(7,357)	
End of Year Accruals				
Add: Replacement Taxes Receivable at March 31, 2022			13,572	
Other Liabilities at March 31, 2022			127	
Less: Accounts Payable at March 31, 2022			<u>(2,736)</u>	
(Deficiency) of Revenues and Other Financing Sources Over Expenditures - Modified Accrual Basis			<u>\$ (58,645)</u>	

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Property Taxes	\$ 27,750	\$ 27,750	\$ 27,720	\$ (30)
Property Tax Increment Financing	50	50	58	8
Mobile Home Tax	100	100	52	(48)
Interest	500	500	94	(406)
SSI Refunds	1,000	1,000	6,095	5,095
Total Revenues	<u>29,400</u>	<u>29,400</u>	<u>34,019</u>	<u>4,619</u>
EXPENDITURES - GENERAL ASSISTANCE:				
Administration				
Personnel	18,100	18,100	17,285	815
Contractual Services	4,500	4,500	2,870	1,630
Other Services and Charges	200	200	-	200
Total Administration	<u>22,800</u>	<u>22,800</u>	<u>20,155</u>	<u>2,645</u>
Home Relief				
Contractual Services	22,000	22,000	615	21,385
Commodities	10,000	10,000	1,565	8,435
Total Home Relief	<u>32,000</u>	<u>32,000</u>	<u>2,180</u>	<u>29,820</u>
Total Expenditures	<u>54,800</u>	<u>54,800</u>	<u>22,335</u>	<u>32,465</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (25,400)</u>	<u>\$ (25,400)</u>	11,684	<u>\$ 37,084</u>
Beginning of Year Accruals				
Add: Accounts Payable at April 1, 2021			43	
End of Year Accruals				
Less: Accounts Payable at March 31, 2022			-	
(Excess) of Revenues Over Expenditures - Modified Accrual Basis			<u>\$ 11,727</u>	

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
PARKS MAINTENANCE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Property Taxes	\$ 117,750	\$ 117,750	\$ 117,175	\$ (575)
Property Tax Increment Financing	125	125	244	119
Mobile Home Tax	250	250	222	(28)
Interest	1,000	1,000	287	(713)
Miscellaneous	100	100	-	(100)
Grant	<u>140,000</u>	<u>140,000</u>	<u>25,119</u>	<u>(114,881)</u>
Total Revenues	<u>259,225</u>	<u>259,225</u>	<u>143,047</u>	<u>(116,178)</u>
EXPENDITURES - PARKS MAINTENANCE:				
Personnel	-	-	-	-
Contractual Services	131,500	131,500	60,322	71,178
Commodities	8,500	8,500	-	8,500
Other Services and Charges	1,000	1,000	553	447
Capital Improvements	<u>355,000</u>	<u>355,000</u>	<u>234,550</u>	<u>120,450</u>
Total Expenditures	<u>496,000</u>	<u>496,000</u>	<u>295,425</u>	<u>200,575</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (236,775)</u>	<u>\$ (236,775)</u>	(152,378)	<u>\$ 84,397</u>
Beginning of Year Accruals				
Add: Accounts Payable at April 1, 2021			2,785	
Less: Grant Receivable at April 1, 2021			(134,120)	
End of Year Accruals				
Add: Grant Receivable at March 31, 2022			129,099	
Less: Accounts Payable at March 31, 2022			<u>(80,385)</u>	
Excess of Revenues Over Expenditures - Modified Accrual Basis			<u>\$ (234,999)</u>	

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Property Taxes	\$ 309,000	\$ 309,000	\$ 306,248	\$ (2,752)
Personal Property Replacement Taxes	70,000	70,000	124,573	54,573
Property Tax Increment Financing	500	500	-	(500)
Mobile Home Tax	1,000	1,000	636	(364)
Motor Fuel Tax	153,000	153,000	179,010	26,010
Interest	5,000	5,000	1,217	(3,783)
Miscellaneous	100	100	7,876	7,776
Grant	1,500	1,500	2,912	1,412
Total Revenues	<u>540,100</u>	<u>540,100</u>	<u>622,472</u>	<u>82,372</u>
EXPENDITURES - HIGHWAYS AND STREETS:				
Personnel	208,500	208,500	185,480	23,020
Contractual Services	155,750	155,750	89,895	65,855
Commodities	224,500	224,500	171,067	53,433
Other Services and Charges	800	800	606	194
Capital Outlay	150,000	150,000	93,789	56,211
Total Expenditures	<u>739,550</u>	<u>739,550</u>	<u>540,837</u>	<u>198,713</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (199,450)</u>	<u>\$ (199,450)</u>	81,635	<u>\$ 281,085</u>
Beginning of Year Accruals				
Add: Accounts Payable at April 1, 2021			12,445	
Less: Inventory at April 1, 2021			(22,348)	
Replacement Taxes Receivable at April 1, 2021			(15,594)	
End of Year Accruals				
Add: Replacement Taxes Receivable at March 31, 2022			28,766	
Inventory at March 31, 2022			18,588	
Less: Accounts Payable at March 31, 2022			<u>(19,425)</u>	
Excess of Revenues Over Expenditures - Modified Accrual Basis			<u>\$ 84,067</u>	

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
PERMANENT ROAD FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>BUDGET BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Property Taxes	\$1,100,000	\$1,100,000	\$ 1,051,814	\$ (48,186)
Property Tax Increment Financing	1,500	1,500	2,152	652
Mobile Home Tax	2,300	2,300	2,253	(47)
Interest	5,000	5,000	714	(4,286)
Miscellaneous Income	500	500	-	(500)
Grant	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Revenues	<u>1,184,300</u>	<u>1,184,300</u>	<u>1,056,933</u>	<u>(127,367)</u>
EXPENDITURES - HIGHWAYS AND STREETS:				
Personnel	488,600	488,600	465,245	23,355
Contractual Services	131,000	131,000	34,472	96,528
Commodities	78,000	78,000	47,425	30,575
Other Services and Charges	500	500	-	500
Road Improvements	<u>700,000</u>	<u>700,000</u>	<u>357,694</u>	<u>342,306</u>
Total Expenditures	<u>1,398,100</u>	<u>1,398,100</u>	<u>904,836</u>	<u>493,264</u>
Excess (Deficiency) of Revenues Over Expenditures - Budgetary Basis	<u>\$ (213,800)</u>	<u>\$ (213,800)</u>	152,097	<u>\$ 365,897</u>
Beginning of Year Accruals				
Add: Accounts Payable at April 1, 2021			58,748	
End of Year Accruals				
Less: Accounts Payable at March 31, 2022			<u>(22,369)</u>	
(Excess) of Revenues Over Expenditures - Modified Accrual Basis			<u>\$ 188,476</u>	

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2022

NOTE 1. BUDGETARY CONTROL

The Board of Trustees is required to adopt an annual budget and appropriation ordinance for the Township and Road District. The budgets are prepared utilizing the cash basis of accounting. The Township follows these procedures in establishing budgetary data reflected in the financial statements:

- a. The Township Supervisor prepares a tentative budget and appropriation ordinance for the Township and the Highway Commissioner prepares a tentative budget and appropriation ordinance for the Township Road District.
- b. A public notice of the tentative budget and appropriation ordinances is given at least 30 days prior to the public hearing and final action.
- c. A public hearing is held to receive taxpayer comments.
- d. The budget and appropriation ordinances are legally adopted by the Board of Trustees.
- e. The budget is incorporated into the accounting records of the Township.

The Board of Trustees is allowed to make transfers between the various expenditure items up to ten percent (10 percent) of the total amount appropriated. The annual appropriations lapse at the end of the fiscal year.

The Township budget and the Road District budget were adopted on June 29, 2021.

The Board of Trustees amended the Township and Road District budgets by approving transfers between expenditure items throughout the year ended March 31, 2022.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 CALENDAR YEARS

Calendar year ending December 31,	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY							
Service Cost	\$ 82,290	\$ 86,221	\$ 93,393	\$ 84,505	\$ 82,531	\$ 89,966	\$ 79,292
Interest on the Total Pension Liability	326,026	316,883	306,302	293,844	291,212	281,121	283,082
Benefit Changes	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	35,047	(6,350)	(32,019)	26,516	(12,206)	(26,911)	(175,621)
Assumption Changes	-	(26,780)	-	110,579	(115,275)	(21,939)	-
Benefit Payments and Refunds	(257,534)	(226,277)	(210,000)	(215,907)	(208,413)	(209,850)	(226,956)
NET CHANGE IN TOTAL PENSION LIABILITY	185,829	143,697	157,676	299,537	37,849	112,387	(40,203)
Total Pension Liability - Beginning	4,584,530	4,440,833	4,283,157	3,983,620	3,945,771	3,833,384	3,873,587
TOTAL PENSION LIABILITY - ENDING (A)	\$ 4,770,359	\$ 4,584,530	\$ 4,440,833	\$ 4,283,157	\$ 3,983,620	\$ 3,945,771	\$ 3,833,384
PLAN FIDUCIARY NET POSITION							
Employer Contributions	\$ 123,434	\$ 108,117	\$ 101,407	\$ 109,329	\$ 101,356	\$ 111,490	\$ 105,604
Employee Contributions	38,680	36,146	36,536	35,038	43,921	30,874	31,715
Pension Plan Net Investment Income	722,310	539,224	613,935	(182,551)	569,792	210,769	15,415
Benefit Payments and Refunds	(257,534)	(226,277)	(210,000)	(215,907)	(208,413)	(209,850)	(226,956)
Other	9,786	39,034	(62,833)	85,862	(184,382)	24,278	(26,875)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	636,676	496,244	479,045	(168,229)	322,274	167,561	(101,097)
Plan Fiduciary Net Position - Beginning	4,323,587	3,827,343	3,348,298	3,516,527	3,194,253	3,026,692	3,127,789
PLAN FIDUCIARY NET POSITION - ENDING (B)	\$ 4,960,263	\$ 4,323,587	\$ 3,827,343	\$ 3,348,298	\$ 3,516,527	\$ 3,194,253	\$ 3,026,692
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (189,904)	\$ 260,943	\$ 613,490	\$ 934,859	\$ 467,093	\$ 751,518	\$ 806,692
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.98%	94.31%	86.19%	78.17%	88.27%	80.95%	78.96%
Covered Valuation Payroll	\$ 859,562	\$ 803,249	\$ 811,898	\$ 781,161	\$ 739,284	\$ 686,085	\$ 697,059
Net Pension Liability as a Percentage of Covered Valuation Payroll	-22.09%	32.49%	75.56%	119.68%	63.18%	109.54%	115.73%

Notes to Schedule:

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.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 CALENDAR YEARS

CALENDAR YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL VALUATION	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL
2015	\$ 105,604	\$ 105,604	\$ -	\$ 697,059	15.15 %
2016	111,489	111,490	(1)	686,085	16.25
2017	101,356	101,356	-	739,284	13.71
2018	109,675	109,329	346	781,161	14.00
2019	101,406	101,407	(1)	811,898	12.49
2020	108,117	108,117	-	803,249	13.46
2021	123,433	123,434	(1)	859,562	14.36

Notes to Schedule:

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.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS - PENSION
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2021 CONTRIBUTION RATE
FOR THE YEAR ENDED MARCH 31, 2022

VALUATION DATE:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2020 CONTRIBUTION RATES:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

Fiscal year ending March 31,	2022	2021	2020	2019
TOTAL OPEB LIABILITY				
Service Cost including Administrative Expense	\$ -	\$ 26,096	\$ -	\$ 12,171
Interest on the Total OPEB Liability	-	14,965	-	7,158
Benefit Changes	-	(25,383)	-	-
Differences Between Expected and Actual Experience	-	2,169	-	-
Assumption Changes	-	21,240	-	1,397
Benefit Payments	-	(44,725)	-	-
Refunds	-	-	-	-
OPEB Plan Administrative Expense	-	-	-	-
NET CHANGE IN TOTAL OPEB LIABILITY	-	(5,638)	-	20,726
Total OPEB Liability - Beginning	199,092	204,730	204,730	184,004
TOTAL OPEB LIABILITY - ENDING (A)	\$ 199,092	\$ 199,092	\$ 204,730	\$ 204,730
PLAN FIDUCIARY NET POSITION				
Employer Contributions	\$ -	\$ 44,725	\$ -	\$ -
Employee Contributions	-	-	-	-
OPEB Plan Net Investment Income	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	(44,725)	-	-
Other	-	-	-	-
Administrative Expense	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-
PLAN FIDUCIARY NET POSITION - ENDING (B)	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability/(Asset) - Ending (a)-(b)	\$ 199,092	\$ 199,092	\$ 204,730	\$ 204,730
Plan Fiduciary Net Position as a Percentage				
of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	\$ 762,088	\$ 772,304	\$ 681,943	\$ 703,560
Net OPEB Liability as a Percentage				
of Covered Valuation Payroll	26.12%	25.78%	30.02%	29.10%

Notes to Schedule:

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.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
MULTIYEAR SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 CALENDAR YEARS

OTHER POST-EMPLOYMENT BENEFIT PLAN

ACTUARIAL VALUATION DATE	ACTUARIALY DETERMINED CONTRIBUTION	EMPLOYER CONTRIBUTION IN RELATION TO ACTUARIALY DETERMINED CONTRIBUTION	CONTRIBUTION DEFICIENCIES (EXCESS)	COVERED EMPLOYEE PAYROLL	EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL
3/31/19	\$ -	\$ -	\$ -	\$ 703,560	- %
3/31/20	-	-	-	681,943	-
3/31/21	44,725	44,725	-	772,304	5.79
3/31/22	-	-	-	762,088	-

Notes to Schedule:

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.

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS - OPEB
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2021 TOTAL OPEB LIABILITY
FOR THE YEAR ENDED MARCH 31, 2022

Actuarial Cost Method The Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.

Discount (Interest) Rate A discount rate of 3.79 percent was used as of April 1, 2019, and 1.84 percent as of March 31, 2021.

Salary Increase Salaries are assumed to increase at the rate of 3.5 percent per annum.

Monthly Health Plan Premium Costs (Blended)	Local Government Health Plan <u>Coverage</u>	
	Employee Only	\$ 1,275
	Employee/Spouse	2,447

* For valuation calculations, blended rates are adjusted to reflect the individual participant age through actuarial rate factors. The factors used are from the Society of Actuaries June 2013 report: "Health Care Costs - From Birth to Death".

Blue Cross Blue Shield Plan

Premiums vary based on the age of the participant.

Retiree Contributions For retirees with at least eight years of service, the Township pays for one year of medical coverage for each four years of employment not to exceed a maximum of five years. Thereafter, retirees pay 100 percent of the cost (blended) coverage. All coverage ends when the retiree becomes eligible for Medicare.

Mortality Probabilities of death for participants were according to RP-2014 base rates projected to 2021 using scale MP-2019. No additional provision (besides those already embedded) were included for mortality improvements beyond 2021.

Disability Sample rates by age are:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.0000	0.0000
35	0.0001	0.0000
45	0.0003	0.0001
55	0.0007	0.0003
65	0.0009	0.0006

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS - OPEB
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2021 TOTAL OPEB LIABILITY
FOR THE YEAR ENDED MARCH 31, 2022

Withdrawal

Representative withdrawal rates by age are:

<u>SERVICE</u>	<u>MALE</u>	<u>FEMALE</u>
0	0.245	0.285
1	0.195	0.222
2	0.150	0.178
3	0.130	0.145
4	0.103	0.118
5	0.088	0.103
6	0.073	0.085
7	0.070	0.080
<u>AGE</u>	<u>8 OR MORE YEARS OF SERVICE</u>	
25	0.000	0.080
35	0.035	0.058
45	0.023	0.036
55	0.015	0.025

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
 NOTES TO THE SCHEDULE OF CONTRIBUTIONS - OPEB
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 USED IN THE CALCULATION OF THE 2021 TOTAL OPEB LIABILITY
 FOR THE YEAR ENDED MARCH 31, 2022

Retirement

AGE	TIER 1				TIER 2			
	REDUCED EARLY		NORMAL RETIREMENT		REDUCED EARLY		NORMAL RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	0.071	0.06	0.37	0.26				
56	0.071	0.06	0.28	0.20				
57	0.071	0.06	0.21	0.17				
58	0.071	0.06	0.21	0.17				
59	0.071	0.06	0.23	0.19				
60			0.13	0.11				
61			0.13	0.10				
62			0.21	0.18	0.15	0.13	0.75	0.75
63			0.19	0.18	0.15	0.13	0.75	0.75
64			0.18	0.17	0.15	0.13	0.75	0.75
65			0.25	0.26	0.15	0.13	0.75	0.75
66			0.31	0.28	0.15	0.13	0.75	0.75
67			0.26	0.26			0.75	0.75
68			0.24	0.22			0.75	0.75
69			0.22	0.23			0.75	0.75
70			0.22	0.23			0.75	0.75
71			0.22	0.21			0.75	0.75
72			0.19	0.21			0.75	0.75
73			0.20	0.23			0.75	0.75
74			0.21	0.21			0.75	0.75
75			0.21	0.22			0.75	0.75
76			0.21	0.22			0.75	0.75
77			0.21	0.22			0.75	0.75
78			0.21	0.22			0.75	0.75
79			0.21	0.22			0.75	0.75
80			1.00	1.00			1.00	1.00

See notes to financial statements and independent auditor's report.

TOWNSHIP OF ST. CLAIR, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS - OPEB
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2021 TOTAL OPEB LIABILITY
FOR THE YEAR ENDED MARCH 31, 2022

Participation 100% of employees eligible for benefits paid by the Township were assumed to participate in the plan.

Spouse Information 50% of all employees were assumed to have spouses. All spouses were assumed to be the same age as the participant.

Health Care Cost Inflation Rates	<u>PERIOD</u>	<u>RATES</u>
	2021	7.50%
	2022	7.00%
	2023	6.50%
	2024	6.25%
	2025	6.00%
	2026	5.50%
	2027	5.00%
	2028	4.50%
	2029 and after	4.50%

See notes to financial statements and independent auditor's report.