

Elk Grove Township
Elk Grove Village, Illinois

Annual Financial Report

For the year ended
March 31, 2020

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ELK GROVE TOWNSHIP

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Independent Auditor's Report

Board of Trustees
Elk Grove Township
Elk Grove Village, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, and each major fund of Elk Grove Township (the Township), as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, and each major fund of Elk Grove Township, as of March 31, 2020, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The individual fund financial schedules and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP
Aurora, Illinois
July 29, 2020

ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis

March 31, 2020

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	\$ 4,768,554	\$ 731,752	\$ 5,500,306
Capital Assets Not Being Depreciated	14,884	-	14,884
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	3,486,358	254,049	3,740,407
Total Assets	8,269,796	985,801	9,255,597
Liabilities			
Noncurrent Liabilities			
Due Within One Year	95,518	-	95,518
Due Within One Year	353,591	-	353,591
Total Liabilities	449,109	-	449,109
Net Position			
Investment in Capital Assets	3,112,681	254,049	3,366,730
Restricted	1,493,862	-	1,493,862
Unrestricted	3,214,144	731,752	3,945,896
Total Net Position	\$ 7,820,687	\$ 985,801	\$ 8,806,488

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Statement of Activities - Modified Cash Basis

For the Year Ended March 31, 2020

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
General Government	\$ 1,838,431	\$ 18,078	\$ -	\$ (1,820,353)	\$ -	\$ (1,820,353)
Assessor	210,230	-	-	(210,230)	-	(210,230)
Youth Division	410,376	13,791	-	(396,585)	-	(396,585)
Social Services Division	757,132	-	-	(757,132)	-	(757,132)
Construction and Maintenance of Roads	954,271	-	-	(954,271)	-	(954,271)
General Assistance	59,070	-	-	(59,070)	-	(59,070)
Food Pantry	19,266	-	4,124	(15,142)	-	(15,142)
Depreciation Expense - Unallocated	134,203	-	-	(134,203)	-	(134,203)
Total Governmental Activities	4,382,979	31,869	4,124	(4,346,986)	-	(4,346,986)
Business-Type Activities						
Sewer	81,743	103,839	-	-	22,096	22,096
Total Primary Government	\$ 4,464,722	\$ 135,708	\$ 4,124	(4,346,986)	22,096	(4,324,890)
General Revenues						
Property Taxes				2,908,122	-	2,908,122
Personal Property Replacement Taxes				323,845	-	323,845
Interest Income				88,425	6,168	94,593
Miscellaneous Income				12,242	-	12,242
Gain on the Sale of Capital Assets				4,174	-	4,174
Total General Revenues				3,336,808	6,168	3,342,976
Change in Net Position				(1,010,178)	28,264	(981,914)
Net Position, Beginning				8,830,865	957,537	9,788,402
Net Position, Ending				\$ 7,820,687	\$ 985,801	\$ 8,806,488

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions

Modified Cash Basis

Governmental Funds

March 31, 2020

	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Assets				
Cash and Cash Equivalents	\$ 2,526,507	\$ 1,493,862	\$ 748,185	\$ 4,768,554
Due from other funds	1,093,031	-	-	1,093,031
Total Assets	<u>\$ 3,619,538</u>	<u>\$ 1,493,862</u>	<u>\$ 748,185</u>	<u>\$ 5,861,585</u>
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$ -	\$ -	\$ 1,093,031	\$ 1,093,031
Fund Balances				
Restricted				
General Assistance	-	1,493,862	-	1,493,862
Unassigned	<u>3,619,538</u>	<u>-</u>	<u>(344,846)</u>	<u>3,274,692</u>
Total Fund Balances	<u>3,619,538</u>	<u>1,493,862</u>	<u>(344,846)</u>	<u>4,768,554</u>
Total Liabilities and Fund Balances	<u>\$ 3,619,538</u>	<u>\$ 1,493,862</u>	<u>\$ 748,185</u>	<u>\$ 5,861,585</u>

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Reconciliation of Fund Balances Arising from Cash Transactions of Governmental Funds
to the Governmental Activities in the Statement of Net Position

Modified Cash Basis

March 31, 2020

Total Fund Balance \$ 4,768,554

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

Capital and infrastructure assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of these assets is \$4,536,977 and the accumulated depreciation is \$1,035,735.

Capital Assets, Net of Accumulated Depreciation 3,501,242

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bank Loan (388,561)
Compensated Absences (60,548)

Net Position of Governmental Activities \$ 7,820,687

ELK GROVE TOWNSHIP

Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances -

Modified Cash Basis

Governmental Funds

For the Year Ended March 31, 2020

	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Revenues				
Property Taxes	\$ 2,209,316	\$ 430,936	\$ 267,870	\$ 2,908,122
Personal Property Replacement Taxes	218,218	-	105,627	323,845
Youth Services Income	13,791	-	-	13,791
Interest Income	58,812	21,733	7,880	88,425
Passport Fees	9,172	-	-	9,172
Advertising	2,826	-	-	2,826
Rental	1,305	-	-	1,305
LIHEAP	-	4,775	-	4,775
Donations	-	4,124	-	4,124
Miscellaneous	10,963	445	834	12,242
Interest from other funds	28,780	-	-	28,780
Total Revenues	2,553,183	462,013	382,211	3,397,407
Expenditures				
Current				
General Government	1,303,159	310,933	233,061	1,847,153
Assessor	210,230	-	-	210,230
Youth Division	375,914	-	-	375,914
Social Services Division	754,718	-	-	754,718
Construction and Maintenance of Roads	-	-	915,629	915,629
General Assistance	-	59,070	-	59,070
Food Pantry	-	19,266	-	19,266
Capital Outlay	1,476,544	-	-	1,476,544
Debt Service				
Principal	11,439	-	-	11,439
Interest	4,110	-	-	4,110
Total Expenditures	4,136,114	389,269	1,148,690	5,674,073
Excess (Deficiency) of Revenues Over Expenditures	(1,582,931)	72,744	(766,479)	(2,276,666)
Other Financing Sources				
Proceeds from Bank Loan	400,000	-	-	400,000
Sale of Capital Assets	-	-	4,174	4,174
Total Other Financing Sources	400,000	-	4,174	404,174
Net Change in Fund Balance	(1,182,931)	72,744	(762,305)	(1,872,492)
Fund Balance, Beginning of Year	4,802,469	1,421,118	417,459	6,641,046
Fund Balance, End of Year	\$ 3,619,538	\$ 1,493,862	\$ (344,846)	\$ 4,768,554

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Reconciliation of the Governmental Funds Statement of Revenues Collected,
Expenditures Paid, and Changes in Fund Balances – Modified Cash Basis –
to the Governmental Activities in the Statement of Activities
For the Year Ended March 31, 2020

Total Net Change in Fund Balance - Governmental Funds \$ (1,872,492)

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

Governmental funds report capital outlays as expenditures.

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

Depreciation Expense	(209,721)	
Capital Outlays	<u>1,476,544</u>	1,266,823

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Debt issuance	(400,000)
Retirement of debt	11,439

Some expenses reported on the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This activity consists of:

Compensated Absences	<u>(15,948)</u>
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Change in Net Position of Governmental Activities \$ (1,010,178)

ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis - Proprietary Funds

Sewer Fund

March 31, 2020

Assets

Current Assets

Cash and Cash Equivalents \$ 731,752Total Current Assets 731,752

Capital Assets

Sewer Systems 804,906Less: Accumulated Depreciation (550,857)Total Net Capital Assets 254,049**Total Assets****\$ 985,801****Net Position**Investment in Capital Assets 254,049Unrestricted 731,752**Total Net Position****\$ 985,801***See Accompanying Notes to Financial Statements*

ELK GROVE TOWNSHIP

Statement of Revenues Collected, Expenses Paid, and Changes in Net Position -
Modified Cash Basis
Proprietary Funds - Sewer Fund
For the Year Ended March 31, 2020

Operating Revenue

Maintenance Fees	\$ 103,839
Miscellaneous income	-
	<hr/>
Total Operating Revenues	103,839

Operating Expenses

Accounting Services	1,318
Legal Services	682
Engineering	45,950
Chemical Testing	1,000
Office Supplies	1,112
Maintenance and Capital Expenses	2,750
Staff Salaries	3,349
Employer FICA/Medicare	249
Employer IMRF	215
	<hr/>

Total Operating Expenses Before Depreciation 56,625

Depreciation

 25,118

Total Operating Expenses

 81,743

Net Operating Income 22,096

Non-operating Revenues

Interest

 6,168

Change in Net Position 28,264

Total Net Position, Beginning of Year

 957,537

Total Net Position, End of Year

 \$ 985,801

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Statement of Cash Flows - Modified Cash Basis - Proprietary Funds

Sewer Fund

For the Year Ended March 31, 2020

Cash Flows from Operating Activities

Receipts from Customers	\$ 103,839
Payments to Suppliers	(52,812)
Payments to Employees	<u>(3,813)</u>

Net Cash Used for Operating Activities 47,214

Cash Flows from Investing Activities

Interest	<u>6,168</u>
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Net Cash Provided by Investing Activities 6,168

Net Increase in Cash and Cash Equivalents 53,382

Cash and Cash Equivalents - Beginning of Year 678,370

Cash and Cash Equivalents - End of Year \$ 731,752

**Reconciliation of Operating Loss to Net Cash
Used by Operating Activities**

Operating Income	\$ 22,096
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	<u>25,118</u>

Net Cash Used for Operating Activities \$ 47,214

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Elk Grove Township's (the Township) accounting policies conform to the prescribed basis of accounting that demonstrated compliance with the modified cash basis of accounting and budget laws for governments of this type within the State of Illinois. The Governmental Accounting Standards Board, (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

a. Principles Used to Determine the Scope of the Reporting Entity

The Township includes all funds of its governmental operations that are controlled by or dependent upon the Township as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Township as there are no other organizations for which it has financial accountability.

b. Fund Accounting

The accounts of the Township are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: Governmental and Proprietary

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

The following are the Township's governmental and proprietary funds:

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

Special Revenue Funds

General Assistance Fund – The General Assistance Fund is used to account for revenues received and expenditures disbursed for general and emergency assistance needs of Township residents. The Township has elected to report this fund as major.

Road and Bridge Fund – The General Road Fund is used to account for revenues received and expenditures disbursed for the maintenance and repair of Township roads.

Proprietary Funds

Sewer Fund – The Sewer Fund is used to account for the operations of the sewer division.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township reports the following funds as major governmental funds:

General Town Fund
General Assistance Fund
Road and Bridge Fund

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Township. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Revenues and additions are recognized and recorded when cash is received and expenditures and deductions are recorded upon disbursement of cash.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting.

The modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Operating income reported in proprietary fund financial statements including revenues and expenses are related to the primary, continuing operations of the fund. Principal operating revenues for the proprietary fund are charges to customers for services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

e. Deposits and Investments

The Township's cash and cash equivalent balances are maintained in a shared checking account for all funds. Accounting records are used to determine the portion of the bank account balance attributable to each fund. In the event of an overdraft of a fund account, cash is borrowed from another fund in the form of an interfund loan. Interfund loans resulting from an overdraft are not

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

approved by the Township Board and are therefore unauthorized. State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurers Investment Pool known as the Illinois Funds.

f. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost if purchased or constructed. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

	<u>Useful Lives</u>
Land Improvements	20 years
Buildings	15-40 years
Equipment	5-15 years
Vehicles	8 years
Sewer System	50 years
Software	3 years

Depreciation is not provided on construction in progress until the project is completed and placed in service.

g. Compensated Absences

The Township accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. The accrual for governmental funds is reported only as a general long-term obligation in the government-wide statement of net position and represents a reconciling item between the fund and government-wide presentations.

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the Township. Employees accrue vacation time each year however, time accrued in the current year can only be carried over to future years with special approval. Upon termination, employees are paid both the amount of their accrued vacation for the current year and approved hours carried over from prior years.

h. Property Taxes

The Township must file its tax levy ordinance by the last Tuesday in December of each year. The Township's property tax is levied each year on all taxable real property located in the Township. The levy becomes an enforceable lien against the property as of January 1 in the year in which the levy is adopted. The property tax levies for the Township and Road District were adopted on November 25, 2019.

Property taxes are collected by the Cook County Treasurer who remits to the Township its share of collections. Taxes levied in one year become due and payable in two installments on March 1 and September 1 during the following year. The installments are based on the current levy, assessment and equalization. The 2018 levy, adopted on October 22, 2018, is the source of revenue in fiscal year 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following are the tax rates applicable per \$100 of equalized assessed valuation as it pertains to the 2018 and 2019 tax levies:

	Maximum Percent	Actual Percent	
		2018	2019
Town Fund	0.2500	0.0652	0.0541
General Assistance	None	0.0130	0.0107
Road and Bridge	0.1650	0.0158	0.0131
		<u>0.0940</u>	<u>0.0779</u>

Property taxes are based on the assessed valuations of the Township's real property as equalized by the State of Illinois. The EAV of real property totaled \$3,520,705,547 for the 2018 tax levy and \$4,246,560,257 for the 2019 tax levy.

i. Personal Property Replacement Tax

During fiscal year 2020, the six installments of 2019 and two installments of 2020 Personal Property Replacement taxes were received in the Special Revenue Fund (Road and Bridge) and General Town funds totaling \$105,627 and \$218,218, respectively. In accordance with State Statute, \$33,668 of Special Revenue Funds (Road and Bridge) Personal Property Tax was remitted to the villages within the Township, leaving a balance of \$71,959 in that fund.

2. CASH AND INVESTMENTS

a. Custodial Credit Risk – Deposits

At March 31, 2020 the carrying amount of the Township's deposits totaled \$5,500,306, and the bank balances totaled \$5,583,246. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. To limit their exposure, the Township's investment policy requires all securities to be held only in insured financial institutions. At March 31, 2020 the Township's deposits and bank balance were entirely insured or collateralized.

3. CAPITAL ASSETS

	Balance March 31, 2019	Additions	Deletions	Balance March 31, 2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,884	\$ -	\$ -	\$ 14,884
Total capital assets not being depreciated	<u>14,884</u>	<u>-</u>	<u>-</u>	<u>14,884</u>
Capital assets, being depreciated:				
Land Improvements	116,870	-	-	116,870
Buildings	1,904,582	1,457,199	-	3,361,781
Equipment	642,943	-	-	642,943
Vehicles	409,154	19,345	28,000	400,499
Total capital assets being depreciated	<u>3,073,549</u>	<u>1,476,544</u>	<u>28,000</u>	<u>4,522,093</u>
Accumulated depreciation for:				
Land Improvements	85,457	390	-	85,847
Buildings	15,978	168,089	-	184,067
Equipment	444,404	21,217	-	465,621
Vehicles	308,175	20,025	28,000	300,200
Total accumulated depreciation	<u>854,014</u>	<u>209,721</u>	<u>28,000</u>	<u>1,035,735</u>
Net capital assets being depreciated	<u>2,219,535</u>	<u>1,266,823</u>	<u>-</u>	<u>3,486,358</u>
Net Governmental Activities Capital Assets	<u><u>\$ 2,234,419</u></u>	<u><u>\$ 1,266,823</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,501,242</u></u>
Business Type Activities				
Capital assets, being depreciated:				
Sewer system	\$ 804,906	\$ -	\$ -	\$ 804,906
Accumulated depreciation for:				
Sewer system	525,739	25,118	-	550,857
Net Business Type Activities Capital Assets	<u><u>\$ 279,167</u></u>	<u><u>\$ (25,118)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 254,049</u></u>

Total depreciation expense for governmental activities of \$209,721 was charged to the Youth Service Division (\$34,462), Social Services Division (\$2,414), Construction and Maintenance of Roads (\$38,642), with the remaining portion (\$134,203) unallocated. Depreciation expense for business-type activities of \$25,118 was charged to the Sewer Fund.

4. LONG TERM LIABILITIES

Long term liability activity for the year ended March 31, 2020 was as follows:

	Balance March 31, 2019	Additions	Deletions	Balance March 31, 2020	Amounts Due Within One Year
Governmental Activities					
Long Term Liabilities Outstanding					
Bank Loan	\$ -	\$ 400,000	\$ 11,439	\$ 388,561	\$ 34,970
Compensated Absences	44,600	60,548	44,600	60,548	60,548
Total	\$ 44,600	\$ 460,548	\$ 56,039	\$ 449,109	\$ 95,518

On October 28, 2019, the Township borrowed \$400,000 to pay for construction costs. The loan bears an interest rate of 3.09% and is repaid in 59 monthly installments of \$3,887.55 with the 60th payment of \$219,524.24 due on October 28, 2024.

The following is a repayment schedule for the debt:

Year Ending March 31,	Principal	Interest
2020	\$ 34,970	\$ 11,678
2021	36,082	10,567
2022	37,228	9,420
2023	38,391	8,258
2024	241,890	4,846
Total	\$ 388,561	\$ 44,769

5. RETIREMENT FUND COMMITMENTS

a. 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 a agent multiple-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.

5. RETIREMENT FUND COMMITMENTS (Continued)

Due to the Township preparing its financial statements on the modified cash basis of accounting, pension liabilities and deferred inflows and outflows referred to throughout this note disclosure are not recognized in the actual financial statements.

b. Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

c. Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	16
Active employees	23
Total	<u>60</u>

d. Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.50% 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 2019 was 6.24%. For the fiscal year ended March 31, 2020, the Township contributed \$75,265 to the plan. The Township also contributes

5. RETIREMENT FUND COMMITMENTS (Continued)

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.

e. Net Pension Liability

The Township's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

f. Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- 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 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) 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.
- 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:

5. RETIREMENT FUND COMMITMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	37.0%	5.75%
International Equity	18.0%	6.50%
Fixed Income	28.0%	3.25%
Real Estate	9.0%	5.20%
Alternative Investments	7.0%	3.60 - 7.60%
Cash Equivalents	1.0%	1.85%
	<u>100.0%</u>	

g. Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. 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%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

5. RETIREMENT FUND COMMITMENTS (Continued)

h. Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2018	\$ 6,140,890	\$ 5,832,091	\$ 308,799
Changes for the year:			
Service Cost	115,399	-	115,399
Interest on the Total Pension Liability	442,801	-	442,801
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(239,423)	-	(239,423)
Changes of Assumptions	-	-	-
Contributions - Employer	-	72,798	(72,798)
Contributions - Employees	-	52,499	(52,499)
Net Investment Income	-	1,022,598	(1,022,598)
Benefit Payments, including Refunds of Employee Contributions	(181,978)	(181,978)	-
Other (Net Transfer)	-	(223,074)	223,074
Net Changes	136,799	742,843	(606,044)
Balances at December 31, 2019	\$ 6,277,689	\$ 6,574,934	\$ (297,245)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability/(asset)	\$ 441,134	\$ (297,245)	\$ (902,577)

5. RETIREMENT FUND COMMITMENTS (Continued)

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

For the year ended December 31, 2019, the Township disclosed pension expense of \$75,265. At December 31, 2019, the Township disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 199,510
Changes in assumptions	47,792	18,461
Net difference between projected and actual earnings on pension plan investments	-	258,177
Total deferred amounts to be recognized in pension expense in future periods	47,792	476,148
Contributions subsequent to the measurement date	21,492	-
Total	<u>\$ 69,284</u>	<u>\$ 476,148</u>

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

Year Ending December 31	Net Deferred Inflows of Resources
2020	\$ (155,789)
2021	(155,234)
2022	4,648
2023	(121,981)
2024	-
Thereafter	-
Total	<u>\$ (428,356)</u>

6. CONTINGENCIES

The Township is a defendant in various tax objection cases. Due to the tax objection process, it is not determinable what potential liability there will be for the Township and no provision for settlement costs have been included within the financial statements. With regard to other pending or unasserted matters, the eventual outcome and related liability, if any, is not determinable. Accordingly, there also has been no provision for settlement costs made within the accompanying financial statements.

7. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified in to five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

a. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the Township all such items are expensed at the time of purchase, so there is nothing to report for this classification.

b. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

c. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

d. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

e. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the general operating funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund and for funds with negative fund balances.

f. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances.

Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

8. OPERATING LEASES

The Township leases three copier/printers and a postage meter system, and had leased a building under terms of operating lease agreements until March 31, 2020. The terms of two copier/printer leases are through November 30, 2020; the term of the third copier/printer lease is through June 30, 2022. The term of the postage meter system lease is through November 30, 2020. The term of the building lease was extended from June 30, 2019 through March 31, 2020. For the year ended March 31, 2020, rent of \$104,303 was paid and expensed.

The total future minimum lease payments under these leases are as follows:

Fiscal Year Ended March 31,	
2021	\$ 3,432
2022	3,432
2023	2,574
	<u>\$ 9,438</u>

9. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Township is a member of a public entity risk pool which is described below that provides insurance coverage for those risks.

a. Public Entity Risk Pool

The Township is a member of the Illinois Counties Risk Management Trust (ICRMT), a joint risk management pool of local governmental units through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Township and ICRMT is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions for ICRMT, to report claims on a timely basis, cooperate with ICRMT, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by ICRMT. Members have a contractual obligation to fund any deficit of ICRMT attributable to a membership year during which they were a member.

ICRMT is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. ICRMT also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended March 31, 2020, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage for the last three fiscal years. The Township is insured under a retrospectively-rated policy for workers' compensation coverage, whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended March 31, 2020, there were no significant adjustments in premiums based on actual experience.

ELK GROVE TOWNSHIP

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
 Illinois Municipal Retirement Fund
 Last Five Calendar Years

	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	\$ 115,399	\$ 100,663	\$ 110,033	\$ 105,162	\$ 101,075
Interest	442,801	424,009	422,832	407,641	399,106
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(239,423)	(47,832)	(167,352)	(119,349)	(184,829)
Changes of Assumptions	-	159,432	(150,104)	(13,693)	13,433
Benefit Payments, Including Refunds of Member Contributions	(181,978)	(197,012)	(193,042)	(195,325)	(209,668)
Net Change in Total Pension Liability	136,799	439,260	22,367	184,436	119,117
Total Pension Liability - Beginning	6,140,890	5,701,630	5,679,263	5,494,827	5,375,710
TOTAL PENSION LIABILITY - ENDING	\$6,277,689	\$6,140,890	\$5,701,630	\$5,679,263	\$5,494,827
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 72,798	\$ 103,965	\$ 111,068	\$ 131,296	\$ 111,862
Contributions - Member	52,499	48,208	45,760	45,437	40,327
Net Investment Income	1,022,598	(253,350)	890,243	347,467	26,107
Benefit Payments, Including Refunds of Member Contributions	(181,978)	(197,012)	(193,042)	(195,325)	(209,668)
Other (Net Transfer)	(223,074)	98,334	(91,354)	(74,795)	(203,618)
Net Change in Plan Fiduciary Net Position	742,843	(199,855)	762,675	254,080	(234,990)
Plan Net Position - Beginning	5,832,091	6,031,946	5,269,271	5,015,191	5,250,181
PLAN NET POSITION - ENDING	\$6,574,934	\$5,832,091	\$6,031,946	\$5,269,271	\$5,015,191
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (297,245)	\$ 308,799	\$ (330,316)	\$ 409,992	\$ 479,636
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.73%	94.97%	105.79%	92.78%	91.27%
Covered-Employee Payroll	\$1,166,635	\$1,071,280	\$1,016,877	\$1,009,708	\$ 896,150
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	-25.48%	28.83%	-32.48%	40.61%	53.52%

Note: Information prior to calendar year 2015 is not available

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ELK GROVE TOWNSHIP
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Last Five Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 75,265	\$ 75,265	\$ -	\$ 1,166,635	6.45%
2018	102,414	103,965	(1,551)	1,071,280	9.70%
2017	104,535	111,068	(6,533)	1,016,877	10.92%
2016	111,068	131,296	(20,228)	1,009,708	13.00%
2015	98,845	111,862	(13,017)	896,150	12.48%

Notes to Schedule

Valuation date Actuarially determined contribution rates are calculated as of December 31 of each year, which is 3 months prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
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 Healthy 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 adjustment 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.

Note: Information prior to calendar year 2015 is not available

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balances -
 Modified Cash Basis - Budget and Actual - General and Major Special Revenue Funds
 For the Year Ended March 31, 2020

	General Town Fund			Over (Under) Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 2,393,471	\$ 2,393,471	\$ 2,427,534	\$ 34,063
Charges for Services	15,000	15,000	13,791	(1,209)
Interest	70,000	70,000	87,592	17,592
Other	15,000	15,000	24,266	9,266
Total Revenues	<u>2,493,471</u>	<u>2,493,471</u>	<u>2,553,183</u>	<u>59,712</u>
Expenditures				
Administration	2,213,247	3,111,697	2,795,252	(316,445)
Assessors	204,000	220,200	210,230	(9,970)
Building & Equipment	-	-	-	-
Home Relief	-	-	-	-
Road Division	-	-	-	-
Social Services	1,036,850	1,047,650	754,718	(292,932)
Youth Services	359,500	389,200	375,914	(13,286)
Total Expenditures	<u>3,813,597</u>	<u>4,768,747</u>	<u>4,136,114</u>	<u>(632,633)</u>
Excess (Deficiency) of Revenues over Expenditures	(1,320,126)	(2,275,276)	(1,582,931)	692,345
Other Financing Sources				
Proceeds from Bank Loan	-	-	400,000	400,000
Sale of Capital Assets	-	-	-	-
Net Change in Fund Balance	<u>\$ (1,320,126)</u>	<u>\$ (2,275,276)</u>	(1,182,931)	<u>\$ 1,092,345</u>
Fund Balance, Beginning of Year			<u>4,802,469</u>	
Fund Balance, End of Year			<u><u>\$ 3,619,538</u></u>	

General Assistance Fund			Road and Bridge Fund			
Original and Final Budget	Actual	Over (Under) Budget	Original Budget	Final Budget	Actual	Over (Under) Budget
\$ 442,714	\$ 430,936	\$ (11,778)	\$ 347,000	\$ 347,000	\$ 373,497	\$ 26,497
2,000	-	(2,000)	-	-	-	-
10,000	21,733	11,733	-	-	7,880	7,880
10,000	9,344	(656)	8,000	8,000	834	(7,166)
464,714	462,013	(2,701)	355,000	355,000	382,211	27,211
313,700	324,386	10,686	232,900	256,550	233,061	(23,489)
-	-	-	-	-	-	-
-	-	-	37,500	37,500	8,089	(29,411)
281,600	64,883	(216,717)	-	-	-	-
-	-	-	748,000	957,700	907,540	(50,160)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
595,300	389,269	(206,031)	1,018,400	1,251,750	1,148,690	(103,060)
(130,586)	72,744	203,330	(663,400)	(896,750)	(766,479)	130,271
-	-	-	-	-	-	-
-	-	-	-	-	4,174	4,174
<u>\$ (130,586)</u>	72,744	<u>\$ 203,330</u>	<u>\$ (663,400)</u>	<u>\$ (896,750)</u>	(762,305)	<u>\$ 134,445</u>
	<u>1,421,118</u>				<u>417,459</u>	
	<u>\$ 1,493,862</u>				<u>\$ (344,846)</u>	

ELK GROVE TOWNSHIP

Notes to Other Supplementary Information

March 31, 2020

Budgets and Budgetary Accounting

The budgets for all Governmental and Proprietary Fund types are prepared on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes. The General Town and General Assistance Fund budgets were adopted on February 25, 2019 and amended July 27, 2020, and the Road District budget was adopted on February 25, 2019 and amended July 27, 2020.

The level of control (level at which expenditures may not legally exceed the budget) is the fund. The budget lapses at the end of each fiscal year.

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

1. In January, the Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
4. The Board of Trustees may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
5. The Board of Trustees may amend the budget (in other ways) by the same procedures required of its original adoption.

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General (Town) Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 2,228,471	\$ 2,228,471	\$ 2,209,316
Personal Property Replacement Taxes	165,000	165,000	218,218
Youth Services Income	15,000	15,000	13,791
Interest Income	40,000	40,000	58,812
Advertising	2,000	2,000	2,826
Town Hall Rental Income	1,000	1,000	1,305
Passport Fees	5,000	5,000	9,172
Miscellaneous Income	7,000	7,000	10,963
Interest from Road and Bridge Fund	30,000	30,000	28,780
Total Revenues	2,493,471	2,493,471	2,553,183
Expenditures			
Administration			
Contractual Services			
Telephone	5,000	5,000	3,724
Utilities	20,000	32,500	32,105
Travel Expense	3,000	3,000	2,479
Training	4,000	4,000	1,049
Community Recognition	1,000	1,000	8
Passport Services	2,000	2,550	2,502
Community Outreach	10,000	10,000	2,398
Building and Janitorial Maintenance	35,000	497,000	496,952
IT/Copier Expenses	7,500	8,100	8,067
Building Rental	25,000	98,850	98,805
Rental	2,500	5,500	5,498
General Insurance/Off Bond	40,000	40,000	39,063
Publications/Newsletter	55,000	55,000	54,996
Accounting Services	12,000	30,000	11,437
Legal Services	50,000	75,500	75,493
Dues/Subscriptions	20,000	20,000	7,637
Public Relations	15,000	15,000	6,750
Security System	5,000	5,000	3,363
Weed Enforcement	2,500	2,500	420
DTS-Taxi Service	15,000	15,000	7,530
Job Counselor	10,000	10,000	7,638
Professional Services	32,000	133,100	182,207
Engineering Services	10,000	10,000	2,100
Lightning Detection System	1,000	1,000	-
Total Contractual Services	382,500	1,079,600	1,052,221

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General (Town) Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Commodities			
Office Supplies	\$ 15,000	\$ 15,000	\$ 10,561
Maintenance Supplies	4,500	4,500	2,636
Postage	3,000	3,000	1,119
Miscellaneous	5,000	5,000	4,257
Total Commodities	27,500	27,500	18,573
Capital Outlay			
Equipment	7,500	203,000	202,719
Building & Permanent Improvements	1,000,000	1,000,000	758,644
Lincoln/Martha/Storm Sewer	30,000	30,000	1,093
Landscaping	5,000	5,000	-
Food Pantry Truck	20,000	24,900	24,893
Total Capital Outlay	1,062,500	1,262,900	987,349
Debt Service			
Principal	12,000	-	11,439
Interest	6,000	-	4,110
Total Debt Service	18,000	-	15,549
Salaries & Benefits			
Staff Salaries - TF Admin	430,000	430,000	418,017
Supervisors Salary	24,000	24,000	24,000
Clerk Salary	15,000	15,000	15,000
Assessors Salary	33,747	33,747	33,747
Highway Comm Salary	15,000	15,000	15,000
Trustees Salaries	15,000	15,000	9,125
Road District Treas Salary	1,000	1,000	1,000
Employee Insurance	110,000	123,500	123,404
Employer FICA/W/H/TF	35,000	38,100	38,070
Employer IMRF/TF	30,000	31,350	31,300
Unemployment Compensations	4,000	5,000	4,945
Workmens Compensations	10,000	10,000	7,952
Total Salaries & Benefits	722,747	741,697	721,560
Total Administration	2,213,247	3,111,697	2,795,252

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General (Town) Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Assessors			
Contractual Services			
Equipment Maintenance	\$ 1,500	\$ 1,500	\$ 112
Telephone	1,500	1,500	1,300
Utilities	1,500	2,800	2,768
Travel Expense	5,000	5,000	2,963
Training	5,000	5,000	2,180
Print/Publishing	1,500	1,650	1,609
Professional Services	3,000	3,400	3,390
Audit	1,000	1,000	457
Dues	1,000	1,000	360
Office Supplies	2,000	2,250	2,220
Miscellaneous Expenses	500	500	159
Equipment	2,500	2,500	2,051
Postage	1,000	1,000	650
Sidwell Maps	1,000	1,000	-
Total Contractual Services	28,000	30,100	20,219
Salaries & Benefits			
Staff Salaries/Assessors	138,000	148,100	148,061
Employee Insurance	18,000	21,300	21,290
Employer FICA/W/H/Assessors	11,000	11,300	11,295
Employer IMRF/Assessors	9,000	9,400	9,365
Total Salaries & Benefits	176,000	190,100	190,011
Total Assessors	204,000	220,200	210,230
Social Services			
Agencies			
Glenkirk	5,600	5,600	-
Salvation Army	5,000	5,000	-
Resources of Community Living	1,250	1,250	1,250
A Caring Place	7,500	7,500	6,847
Mariville Academy	7,500	7,500	7,500
Alexian Brothers Foundation	15,000	15,000	15,000
Shelter	68,000	68,000	56,667
Community Connection Center	10,000	10,000	10,000
NW Suburban Day Care	5,000	5,000	5,000
Catholic Charities	6,000	6,000	6,000
Escorted Transport Service	3,000	3,000	3,000
Access to Care	33,000	33,000	33,000
Connections of Illinois	5,000	5,000	-

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General (Town) Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (continued)			
EG Day Care Center	\$ 230,000	\$ 230,000	\$ 143,334
Clearbrook	25,000	25,000	25,000
Faith Community Homes	10,000	10,000	10,000
Children's Advocacy	7,000	7,000	7,000
Mobile Dental Clinic	40,000	40,000	40,000
NW Compass	5,000	5,000	5,000
Life Span	20,000	20,000	18,000
Kenneth Young Center	205,000	205,000	205,000
Little City	19,000	19,000	14,250
Lutheran Social Services	50,000	50,000	20,833
Search, Inc	3,000	3,000	3,000
Journeys the Road Home	15,000	15,000	7,500
Hospice of NE Illinois	2,000	2,000	-
Special Leisure Service Found	10,000	10,000	10,000
Hands On	2,500	2,500	2,500
Community Education	3,000	3,000	3,000
Wings	1,500	1,500	1,500
Center for Enriched Living	15,000	15,000	15,000
Total Agencies	834,850	834,850	675,181
Bike Safety			
Bike Safety Supplies	5,000	5,000	-
Bike Safety Bus	10,000	10,000	-
Total Bike Safety	15,000	15,000	-
Salaries & Benefits			
Nbike Safety/Staff Salaries	36,000	36,000	26,005
Bike Safety/FICA W/H	3,000	3,000	1,989
IMRF Bike Safety	-	-	-
Total Salaries & Benefits	39,000	39,000	27,994
Senior Services			
Senior Bus/Gasoline	20,000	20,000	14,118
Senior Bus/Telephone	2,000	2,000	1,562
Senior Bus/Equipment	21,000	21,000	131
Senior Bus/Bus Maintenance	25,000	35,800	35,732
Senior Bus/New Bus	80,000	80,000	-
Total Senior Services	148,000	158,800	51,543
Total Social Services	1,036,850	1,047,650	754,718

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General (Town) Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Youth Services			
Commodities			
Utilities-YS	\$ 5,000	\$ 5,000	\$ 1,687
Temporary Facility	7,500	27,600	27,600
Equipment	5,000	5,000	-
Program Expenses-YS	7,000	7,500	7,445
Total Commodities	<u>24,500</u>	<u>45,100</u>	<u>36,732</u>
Salaries & Benefits			
Challenge Staff Salaries	25,000	26,500	26,189
Staff Salaries/YS	230,000	230,000	229,334
Employee Insurance	47,000	54,600	54,584
Employer FICA W/H/Youth Services	18,000	18,000	14,381
Employer IMRF/Youth Services	15,000	15,000	14,694
Total Salaries & Benefits	<u>335,000</u>	<u>344,100</u>	<u>339,182</u>
Total Youth Services	<u>359,500</u>	<u>389,200</u>	<u>375,914</u>
Total Expenditures	<u>3,813,597</u>	<u>4,768,747</u>	<u>4,136,114</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,320,126)	(2,275,276)	(1,582,931)
Other Financing Sources			
Proceeds from Bank Loan	-	-	400,000
Net Change in Fund Balance	<u><u>\$ (1,320,126)</u></u>	<u><u>\$ (2,275,276)</u></u>	(1,182,931)
Fund Balance, Beginning of Year			<u>4,802,469</u>
Fund Balance, End of Year			<u><u>\$ 3,619,538</u></u>

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General Assistance Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 442,714	\$ 442,714	\$ 430,936
SSI Income	2,000	2,000	-
Interest Income	10,000	10,000	21,733
Miscellaneous Income	5,000	5,000	445
LIHEAP	5,000	5,000	4,775
Herb Linneweh Donations	-	-	4,124
Total Revenues	464,714	464,714	462,013
Expenditures			
Administration			
Contractual Services			
Building Maintenance	2,000	2,000	304
Equipment Maintenance	3,000	3,000	1,849
General Insurance	4,000	4,000	3,175
Telephone	1,200	1,200	1,100
Utilities	3,000	3,000	6,239
Travel	4,000	4,000	817
Training	2,000	2,000	2,259
Printing/Publishing	1,000	1,000	1,884
Audit	3,000	3,000	1,829
Legal	7,000	7,000	790
Dues/Subscriptions	3,000	3,000	70
Postage	1,000	1,000	621
Total Contractual Services	34,200	34,200	20,937
Commodities			
Office Supplies	3,000	3,000	967
Miscellaneous Expenses	1,000	1,000	172
Total Commodities	4,000	4,000	1,139
Capital Outlay			
Equipment	5,000	5,000	9,255
Total Capital Outlay	5,000	5,000	9,255
Salaries and Benefits			
Staff Salaries/GA	200,000	200,000	223,958
Employee Insurance	40,000	40,000	24,393
Employer FICA/MEDICARE/GA	15,500	15,500	16,825
Employer IMRF/GA	13,000	13,000	14,114

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -
 Modified Cash Basis
 Budget and Actual - General Assistance Fund
 For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Unemployment/Workmens Compensation	\$ 2,000	\$ 2,000	\$ 312
Total Salaries & Benefites	270,500	270,500	279,602
Herb Linneweh Expenditures	-	-	13,453
Total Administration	313,700	313,700	324,386
Home Relief			
Food	34,000	34,000	5,813
GA Rent	78,000	78,000	16,866
EA Rent	100,000	100,000	29,517
Travel/Gasoline	19,000	19,000	2,958
Utilities	19,000	19,000	929
Clothing/Laundry	5,000	5,000	216
EA Utilities	12,000	12,000	947
Program Expenses	4,000	4,000	-
Employment Center	10,100	10,100	7,637
Miscellaneous Client Expenses	500	500	-
Total Home Relief	281,600	281,600	64,883
Total Expenditures	595,300	595,300	389,269
Net Change in Fund Balance	<u>\$ (130,586)</u>	<u>\$ (130,586)</u>	72,744
Fund Balance, Beginning of Year			<u>1,421,118</u>
Fund Balance, End of Year			<u><u>\$ 1,493,862</u></u>

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -

Modified Cash Basis

Budget and Actual - Road and Bridge Fund

For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 270,000	\$ 270,000	\$ 267,870
Personal Property Replacement Taxes	77,000	77,000	105,627
Interest Income	-	-	7,880
Miscellaneous Income	8,000	8,000	834
Total Revenues	355,000	355,000	382,211
Expenditures			
Administration			
Contractual Services			
General Insurance/Off Bonding	25,000	25,000	22,370
Telephone	2,000	2,000	1,569
Utilities	7,000	19,900	19,837
Printing/Publishing	200	200	116
Accounting Services	500	950	914
Legal Services	15,000	15,000	1,643
Dues & Subscriptions	500	500	298
Interest to Town Fund	30,000	30,000	28,780
Total Contractual Services	80,200	93,550	75,527
Commodities			
Office Supplies	500	500	90
Personal Property Replacement Tax	31,000	37,650	33,668
Total Commodities	31,500	38,150	33,758
Salaries & Benefits			
Salaries/Road & Bridge	87,000	87,000	86,919
Employee Insurance	14,000	17,550	17,512
Employer IMRF/R&B	5,500	5,600	5,577
Employer FICA/Medicare/R&B	6,700	6,700	6,440
Unemployment Compensation	8,000	8,000	7,328
Total Salaries & Benefits	121,200	124,850	123,776
Total Administration	232,900	256,550	233,061
Road Division			
Contractual Services			
Road Maintenance	655,000	847,300	847,201
Rental	2,000	2,000	-
Curb & Sidewalk Repair	20,000	20,000	-

(Continued)

ELK GROVE TOWNSHIP

Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance -

Modified Cash Basis

Budget and Actual - Road and Bridge Fund

For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Tree Service	10,000	10,000	4,107
Engineering	25,000	42,400	42,353
Total Contractual Services	712,000	921,700	893,661
Commodities			
Gasoline and Oil	5,000	5,000	3,267
Salt	17,000	17,000	10,002
Street Lighting	2,000	2,000	-
Street Signs and Posts	10,000	10,000	-
Materials	2,000	2,000	610
Total Commodities	36,000	36,000	13,879
Total Road Division	748,000	957,700	907,540
Building & Equipment Division			
Vehicle Maintenance	7,500	7,500	7,140
Equipment	25,000	25,000	-
Equipment Maintenance	5,000	5,000	949
Total Building & Equipment Division	37,500	37,500	8,089
Total Expenditures	1,018,400	1,251,750	1,148,690
Excess (Deficiency) of Revenues Over Expenditures	(663,400)	(896,750)	(766,479)
Other Financing Sources			
Sale of Capital Assets	-	-	4,174
Net Change in Fund Balance	<u>\$ (663,400)</u>	<u>\$ (896,750)</u>	(762,305)
Fund Balance, Beginning of Year			417,459
Fund Balance, End of Year			<u><u>\$ (344,846)</u></u>

Elk Grove Township
Required Communication Letters
Year Ended March 31, 2020

Table of Contents

1. Communication with Those Charged with Governance
2. Management Letter



Communication with Those Charged with Governance

July 29, 2020

Board of Trustees
Elk Grove Township
2400 S. Arlington Heights Rd.
Arlington Heights, IL 60005

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Elk Grove Township for the year ended March 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 10, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Elk Grove Township are described in Note 1 to the financial statements. We noted no transactions entered into by Elk Grove Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no estimates made by management considered to be particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no material adjustments following material misstatement detected as a result of audit procedures was corrected by management: adjustment of property tax receivable and deferred inflow. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 29, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Elk Grove Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Elk Grove Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the other supplementary information (OSI) listed in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the OSI and do not express an opinion or provide any assurance on the OSI.

We were engaged to report on the Combining and Individual Fund Financial Statements and Schedules which accompany the financial statements but are not OSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Elk Grove Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Wipfli LLP
Aurora, Illinois

Management Letter

Board of Trustees
Elk Grove Township
Arlington Heights, Illinois

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of Elk Grove Township as of and for the year ended March 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Elk Grove Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Elk Grove Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Elk Grove Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Positive Attributes

Although the general purpose of this letter is to cover only matters needing consideration, we believe it is also important to point out that there are many positive attributes of the Township's financial management systems, which are not specifically covered herein. We would like to take this opportunity to thank the Township and their personnel for the cooperation and courtesies extended to us during our audit.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within Elk Grove Township, and is not intended to be, and should not be, used by anyone other than these specified parties.



Wipfli LLP
Aurora, Illinois
July 29, 2020