

Elk Grove Township
Elk Grove Village, Illinois

Annual Financial Report

For the year ended
March 31, 2021

ELK GROVE TOWNSHIP

Table of Contents

	<u>Page(s)</u>
Independent Auditor’s Report	1-2
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	3
Statement of Activities – Modified Cash Basis	4
Fund Financial Statements	
Governmental Funds	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions	5
Reconciliation of Fund Balances Arising from Cash Transactions of Governmental Funds to the Governmental Activities in the Statement of Net Position	6
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances – Modified Cash Basis.....	7
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.....	8
Proprietary Funds	
Statement of Net Position – Modified Cash Basis.....	9
Statement of Revenues Collected, Expenses Paid, and Changes in Net Position – Modified Cash Basis.....	10
Statement of Cash Flows – Modified Cash Basis	11
Notes to Financial Statements	12-24
Other Supplementary Information	
Illinois Municipal Retirement Fund	
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	25-26
Schedule of Employer Contributions	27
Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balances – Modified Cash Basis – Budget and Actual – General and Major Special Revenue Funds.....	28-29

ELK GROVE TOWNSHIP

Table of Contents

	<u>Page(s)</u>
Notes to Other Supplementary Information	30
Individual Fund Financial Schedules	
Major Governmental Funds	
Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual	
General (Town) Fund	31-35
General Assistance Fund	36-37
Road and Bridge Fund	38-39

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, 2021, 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. 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, 2021, 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. 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. 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
October 21, 2021

ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis

March 31, 2021

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	\$ 3,763,134	\$ 634,238	\$ 4,397,372
Capital Assets Not Being Depreciated	14,884	-	14,884
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	4,227,564	227,866	4,455,430
Total Assets	8,005,582	862,104	8,867,686
Liabilities			
Noncurrent Liabilities			
Due Within One Year	105,981	-	105,981
Due Within One Year	360,313	-	360,313
Total Liabilities	466,294	-	466,294
Net Position			
Investment in Capital Assets	3,823,049	227,866	4,050,915
Restricted	1,623,136	-	1,623,136
Unrestricted	2,093,103	634,238	2,727,341
Total Net Position	\$ 7,539,288	\$ 862,104	\$ 8,401,392

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Statement of Activities - Modified Cash Basis

For the Year Ended March 31, 2021

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	\$ 1,845,507	\$ 17,576	\$ -	\$ (1,827,931)	\$ -	\$ (1,827,931)
Assessor	217,207	-	-	(217,207)	-	(217,207)
Youth Division	373,681	390	-	(373,291)	-	(373,291)
Social Services Division	617,727	-	-	(617,727)	-	(617,727)
Construction and Maintenance of Roads	196,790	-	-	(196,790)	-	(196,790)
General Assistance	67,280	-	-	(67,280)	-	(67,280)
Food Pantry	21,463	-	64,503	43,040	-	43,040
Depreciation Expense - Unallocated	165,311	-	-	(165,311)	-	(165,311)
Total Governmental Activities	3,504,966	17,966	64,503	(3,422,497)	-	(3,422,497)
Business-Type Activities						
Sewer	256,546	132,120	-	-	(124,426)	(124,426)
Total Primary Government	\$ 3,761,512	\$ 150,086	\$ 64,503	(3,422,497)	(124,426)	(3,546,923)
General Revenues						
Property Taxes				2,817,543	-	2,817,543
Personal Property Replacement Taxes				289,360	-	289,360
Interest Income				23,226	729	23,955
Miscellaneous Income				10,969	-	10,969
Total General Revenues				3,141,098	729	3,141,827
Change in Net Position				(281,399)	(123,697)	(405,096)
Net Position, Beginning				7,820,687	985,801	8,806,488
Net Position, Ending				\$ 7,539,288	\$ 862,104	\$ 8,401,392

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, 2021

	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Assets				
Cash and Cash Equivalents	\$ 1,446,502	\$ 1,623,136	\$ 693,496	\$ 3,763,134
Due from other funds	983,357	-	-	983,357
Total Assets	<u>\$ 2,429,859</u>	<u>\$ 1,623,136</u>	<u>\$ 693,496</u>	<u>\$ 4,746,491</u>
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$ -	\$ -	\$ 983,357	\$ 983,357
Fund Balances				
Restricted				
General Assistance	-	1,623,136	-	1,623,136
Unassigned	2,429,859	-	(289,861)	2,139,998
Total Fund Balances	<u>2,429,859</u>	<u>1,623,136</u>	<u>(289,861)</u>	<u>3,763,134</u>
Total Liabilities and Fund Balances	<u>\$ 2,429,859</u>	<u>\$ 1,623,136</u>	<u>\$ 693,496</u>	<u>\$ 4,746,491</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, 2021

Total Fund Balance \$ 3,763,134

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 4,242,448

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

Bank Loan (419,399)
Compensated Absences (46,895)

Net Position of Governmental Activities \$ 7,539,288

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, 2021

	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Revenues				
Property Taxes	\$ 2,110,892	\$ 425,438	\$ 281,213	\$ 2,817,543
Personal Property Replacement Taxes	194,981	-	94,379	289,360
Youth Services Income	390	-	-	390
Interest Income	9,456	11,932	1,838	23,226
Passport Fees	4,886	-	-	4,886
Advertising	4,110	-	-	4,110
Rental	2,486	-	-	2,486
LIHEAP	-	6,094	-	6,094
Donations	-	64,503	-	64,503
Miscellaneous	4,744	675	5,550	10,969
Interest from other funds	26,075	-	-	26,075
Total Revenues	2,358,020	508,642	382,980	3,249,642
Expenditures				
Current				
General Government	1,403,348	290,625	178,804	1,872,777
Assessor	217,207	-	-	217,207
Youth Services	331,231	-	-	331,231
Social Services Division	614,753	-	-	614,753
Construction and Maintenance of Roads	-	-	149,191	149,191
General Assistance	-	67,280	-	67,280
Food Pantry	-	21,463	-	21,463
Capital Outlay	999,540	-	-	999,540
Debt Service				
Principal	40,562	-	-	40,562
Interest	12,458	-	-	12,458
Total Expenditures	3,619,099	379,368	327,995	4,326,462
Excess (Deficiency) of Revenues Over Expenditures	(1,261,079)	129,274	54,985	(1,076,820)
Other Financing Sources				
Issuance of Bank Loan	71,400	-	-	71,400
Total Other Financing Sources	71,400	-	-	71,400
Net Change in Fund Balance	(1,189,679)	129,274	54,985	(1,005,420)
Fund Balance (Deficit), Beginning of Year	3,619,538	1,493,862	(344,846)	4,768,554
Fund Balance (Deficit), End of Year	\$ 2,429,859	\$ 1,623,136	\$ (289,861)	\$ 3,763,134

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, 2021

Total Net Change in Fund Balance - Governmental Funds \$ (1,005,420)

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	(258,334)	
Capital Outlays	<u>999,540</u>	741,206

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	(71,400)
Retirement of debt	40,562

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>13,653</u>
----------------------	---------------

Change in Net Position of Governmental Activities \$ (281,399)

ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis - Proprietary Funds

Sewer Fund

March 31, 2021

Assets

Current Assets

Cash and Cash Equivalents \$ 634,238Total Current Assets 634,238

Capital Assets

Sewer Systems 804,906Less: Accumulated Depreciation (577,040)Total Net Capital Assets 227,866**Total Assets****\$ 862,104****Net Position**Investment in Capital Assets 227,866Unrestricted 634,238**Total Net Position****\$ 862,104***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, 2021

Operating Revenue	
Maintenance Fees	\$ 106,971
Miscellaneous income	25,149
	<hr/>
Total Operating Revenues	132,120
	<hr/>
Operating Expenses	
Accounting Services	1,475
Legal Services	3,054
Engineering	40,030
Chemical Testing	1,000
Office Supplies	1,392
Maintenance and Capital Expenses	181,338
Staff Salaries	1,816
Employer FICA/Medicare	133
Employer IMRF	125
	<hr/>
Total Operating Expenses Before Depreciation	230,363
	<hr/>
Depreciation	26,183
	<hr/>
Total Operating Expenses	256,546
	<hr/>
Net Operating Income	(124,426)
	<hr/>
Non-operating Revenues	
Interest	729
	<hr/>
Change in Net Position	(123,697)
	<hr/>
Total Net Position, Beginning of Year	985,801
	<hr/>
Total Net Position, End of Year	\$ 862,104

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, 2021

Cash Flows from Operating Activities

Receipts from Customers	\$ 132,120
Payments to Suppliers	(228,289)
Payments to Employees	<u>(2,074)</u>

Net Cash Used for Operating Activities (98,243)

Cash Flows from Investing Activities

Interest	<u>729</u>
----------	------------

Net Cash Provided by Investing Activities 729

Net Increase in Cash and Cash Equivalents (97,514)

Cash and Cash Equivalents - Beginning of Year 731,752

Cash and Cash Equivalents - End of Year \$ 634,238

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

Operating Income	\$ (124,426)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	<u>26,183</u>

Net Cash Used for Operating Activities \$ (98,243)

See Accompanying Notes to Financial Statements

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the levy is adopted. The property tax levies for the Township and Road District were adopted on November 23, 2020.

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 2019 levy, adopted on November 25, 2019, is the source of revenue in fiscal year 2021.

Following are the tax rates applicable per \$100 of equalized assessed valuation as it pertains to the 2019 and 2020 tax levies:

	Maximum Percent	Actual Percent	
		2019	2020
Town Fund	0.2500	0.0541	0.0526
General Assistance	None	0.0107	0.0105
Road and Bridge	0.1650	0.0131	0.0127
		<u>0.0779</u>	<u>0.0758</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 \$4,246,560,257 for the 2019 tax levy and \$4,362,438,724 for the 2020 tax levy.

i. Personal Property Replacement Tax

During fiscal year 2021, the two installments of 2019 and six installments of 2020 Personal Property Replacement taxes were received in the Special Revenue Fund (Road and Bridge) and General Town funds totaling \$94,379 and \$194,981, respectively. In accordance with State Statute, \$36,940 of Special Revenue Funds (Road and Bridge) Personal Property Tax was remitted to the villages within the Township, leaving a balance of \$57,439 in that fund.

2. CASH AND INVESTMENTS

a. Custodial Credit Risk – Deposits

At March 31, 2021 the carrying amount of the Township’s deposits totaled \$4,397,372, and the bank balances totaled \$4,688,504. 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, 2021 the Township’s deposits and bank balance were entirely insured or collateralized.

3. CAPITAL ASSETS

	Balance March 31, 2020	Additions	Deletions	Balance March 31, 2021
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,884	\$ -	\$ -	\$ 14,884
Total capital assets not being depreciated	14,884	-	-	14,884
Capital assets, being depreciated:				
Land Improvements	116,870	-	-	116,870
Buildings	3,361,781	847,947	-	4,209,728
Equipment	642,943	80,193	-	723,136
Vehicles	400,499	71,400	-	471,899
Total capital assets being depreciated	4,522,093	999,540	-	5,521,633
Accumulated depreciation for:				
Land Improvements	85,847	390	-	86,237
Buildings	184,067	210,486	-	394,553
Equipment	465,621	23,863	-	489,484
Vehicles	300,200	23,595	-	323,795
Total accumulated depreciation	1,035,735	258,334	-	1,294,069
Net capital assets being depreciated	3,486,358	741,206	-	4,227,564
Net Governmental Activities Capital Assets	\$3,501,242	\$ 741,206	\$ -	\$4,242,448
Business Type Activities				
Capital assets, being depreciated:				
Sewer system	\$ 804,906	\$ -	\$ -	\$ 804,906
Accumulated depreciation for:				
Sewer system	550,857	26,183	-	577,040
Net Business Type Activities Capital Assets	\$ 254,049	\$ (26,183)	\$ -	\$ 227,866

Total depreciation expense for governmental activities of \$258,334 was charged to the Youth Service Division (\$42,450), Social Services Division (\$2,974), Construction and Maintenance of Roads (\$47,599), with the remaining portion (\$165,311) unallocated. Depreciation expense for business-type activities of \$26,183 was charged to the Sewer Fund.

4. LONG TERM LIABILITIES

Long term liability activity for the year ended March 31, 2021 was as follows:

	Balance			Balance	Amounts
	March 31,			March 31,	Due Within
	2020	Additions	Deletions	2021	One Year
Governmental Activities					
Long Term Liabilities Outstanding					
Bank Loan	\$ 388,561	\$ -	\$ 34,970	\$ 353,591	\$ 36,082
Bus Loan	-	71,400	5,592	65,808	23,004
Compensated Absences	60,548	46,895	60,548	46,895	46,895
Total	\$ 449,109	\$ 118,295	\$ 101,110	\$ 466,294	\$ 105,981

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 with the 60th payment of \$219,524 due on October 28, 2024.

On January 20, 2021, the Township borrowed \$71,400 to purchase a bus. The loan bears an interest rate of 4.49% and is repaid in 36 monthly installments of \$2,124 with the 36th payment of \$2,124 due in December, 2023.

The following is a repayment schedule for the debt:

Year Ending			
March 31,	Principal		Interest
2022	\$ 59,086	\$	13,051
2023	61,285		10,851
2024	57,138		8,610
2025	241,890		4,846
Total	\$ 419,399	\$	37,358

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

5. RETIREMENT FUND COMMITMENTS (Continued)

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.

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, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	24
Inactive, Non-Retired Members	19
Active Members	20
Total	<u>63</u>

5. RETIREMENT FUND COMMITMENTS (Continued)

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 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%	5.00%
International Equity	18.0%	6.00%
Fixed Income	28.0%	1.30%
Real Estate	9.0%	6.20%
Alternative Investments	7.0%	2.85 - 6.95%
Cash Equivalents	1.0%	0.70%
	<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 2.00%, and the resulting single discount rate is 7.25%.

h. 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)	\$ 232,356	\$ (469,188)	\$ (1,020,613)

5. RETIREMENT FUND COMMITMENTS (Continued)

i. 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, 2019	\$ 6,277,689	\$ 6,574,934	\$ (297,245)
Changes for the year:			
Service Cost	116,470	-	116,470
Interest on the Total Pension Liability	451,154	-	451,154
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	260,245	-	260,245
Changes of Assumptions	(26,463)	-	(26,463)
Contributions - Employer	-	82,187	(82,187)
Contributions - Employees	-	89,542	(89,542)
Net Investment Income	-	842,957	(842,957)
Benefit Payments, including Refunds of Employee Contributions	(226,223)	(226,223)	-
Other (Net Transfer)	-	(41,337)	41,337
Net Changes	575,183	747,126	(171,943)
Balances at December 31, 2020	\$ 6,852,872	\$ 7,322,060	\$ (469,188)

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

For the year ended December 31, 2020, the Township disclosed pension income of \$108,295. At December 31, 2020, the Township disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

5. RETIREMENT FUND COMMITMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 176,495	\$ 89,755
Changes in assumptions	-	17,947
Net difference between projected and actual earnings on pension plan investments	-	478,610
Total deferred amounts to be recognized in pension expense in future periods	176,495	586,312
Contributions subsequent to the measurement date	15,353	-
Total	\$ 191,848	\$ 586,312

\$15,353 reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2022. Other 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
2021	\$ (153,950)
2022	5,932
2023	(187,851)
2024	(73,948)
2025	-
Thereafter	-
Total	\$ (409,817)

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

During the year ended March 31, 2021, the Township had leased three copier/printers and a postage meter system under terms of operating lease agreements. The terms of two copier/printer leases and the postage meter system lease were through November 30, 2020; the term of the third copier/printer lease is through June 30, 2022. For the year ended March 31, 2021, payments of \$4,794 were expensed in the General Town Fund.

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

Fiscal Year Ended March 31,	
2022	\$ 1,166
2023	292
	<u>\$ 1,458</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, 2021, 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, 2021, 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 Six Calendar Years

	2020	2019
TOTAL PENSION LIABILITY		
Service Cost	\$ 116,470	\$ 115,399
Interest	451,154	442,801
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	260,245	(239,423)
Changes of Assumptions	(26,463)	-
Benefit Payments, Including Refunds of Member Contributions	(226,223)	(181,978)
Net Change in Total Pension Liability	575,183	136,799
Total Pension Liability - Beginning	6,277,689	6,140,890
TOTAL PENSION LIABILITY - ENDING	\$ 6,852,872	\$ 6,277,689
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 82,187	\$ 72,798
Contributions - Member	89,542	52,499
Net Investment Income	842,957	1,022,598
Benefit Payments, Including Refunds of Member Contributions	(226,223)	(181,978)
Other (Net Transfer)	(41,337)	(223,074)
Net Change in Plan Fiduciary Net Position	747,126	742,843
Plan Net Position - Beginning	6,574,934	5,832,091
PLAN NET POSITION - ENDING	\$ 7,322,060	\$ 6,574,934
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (469,188)	\$ (297,245)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.85%	104.73%
Covered Payroll	\$ 1,198,065	\$ 1,166,635
Employer's Net Pension Liability as a Percentage of Covered Payroll	-39.16%	-25.48%

Note: Information prior to calendar year 2015 is not available

2018	2017	2016	2015
\$ 100,663	\$ 110,033	\$ 105,162	\$ 101,075
424,009	422,832	407,641	399,106
-	-	-	-
(47,832)	(167,352)	(119,349)	(184,829)
159,432	(150,104)	(13,693)	13,433
(197,012)	(193,042)	(195,325)	(209,668)
439,260	22,367	184,436	119,117
5,701,630	5,679,263	5,494,827	5,375,710
\$ 6,140,890	\$ 5,701,630	\$ 5,679,263	\$ 5,494,827
\$ 103,965	\$ 111,068	\$ 131,296	\$ 111,862
48,208	45,760	45,437	40,327
(253,350)	890,243	347,467	26,107
(197,012)	(193,042)	(195,325)	(209,668)
98,334	(91,354)	(74,795)	(203,618)
(199,855)	762,675	254,080	(234,990)
6,031,946	5,269,271	5,015,191	5,250,181
\$ 5,832,091	\$ 6,031,946	\$ 5,269,271	\$ 5,015,191
\$ 308,799	\$ (330,316)	\$ 409,992	\$ 479,636
94.97%	105.79%	92.78%	91.27%
\$ 1,071,280	\$ 1,016,877	\$ 1,009,708	\$ 896,150
28.83%	-32.48%	40.61%	53.52%

ELK GROVE TOWNSHIP
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Last Six 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
2021	\$ 75,265	\$ 75,265	\$ -	\$ 1,166,635	6.45%
2020	75,265	75,265	-	1,166,635	6.45%
2019	102,414	103,965	(1,551)	1,071,280	9.70%
2018	104,535	111,068	(6,533)	1,016,877	10.92%
2017	111,068	131,296	(20,228)	1,009,708	13.00%
2016	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, 2021

	General Town Fund			Over (Under) Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 2,418,471	\$ 2,418,471	\$ 2,305,873	\$ (112,598)
Charges for Services	15,000	15,000	390	(14,610)
Interest	48,000	48,000	35,531	(12,469)
Other	18,500	18,500	16,226	(2,274)
Total Revenues	<u>2,499,971</u>	<u>2,499,971</u>	<u>2,358,020</u>	<u>(141,951)</u>
Expenditures				
Administration	1,659,247	2,587,247	2,384,508	(202,739)
Assessors	222,631	222,631	217,207	(5,424)
Building & Equipment	-	-	-	-
Home Relief	-	-	-	-
Road Division	-	-	-	-
Social Services	704,350	736,850	686,153	(50,697)
Youth Services	370,000	370,000	331,231	(38,769)
Total Expenditures	<u>2,956,228</u>	<u>3,916,728</u>	<u>3,619,099</u>	<u>(297,629)</u>
Excess (Deficiency) of Revenues over Expenditures	(456,257)	(1,416,757)	(1,261,079)	155,678
Other Financing Sources				
Issuance of Bank Loan	-	-	71,400	71,400
Net Change in Fund Balance	<u>\$ (456,257)</u>	<u>\$ (1,416,757)</u>	<u>(1,189,679)</u>	<u>\$ 227,078</u>
Fund Balance, Beginning of Year			<u>3,619,538</u>	
Fund Balance, End of Year			<u>\$ 2,429,859</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	\$ 425,438	\$ (17,276)	\$ 350,000	\$ 350,000	\$ 375,592	\$ 25,592
2,000	675	(1,325)	-	-	-	-
10,000	11,932	1,932	-	-	1,838	1,838
10,000	70,597	60,597	6,000	6,000	5,550	(450)
464,714	508,642	43,928	356,000	356,000	382,980	26,980
313,700	311,381	(2,319)	242,200	242,200	178,804	(63,396)
-	-	-	-	-	-	-
-	-	-	32,500	32,500	5,141	(27,359)
281,600	67,987	(213,613)	-	-	-	-
-	-	-	76,500	170,000	144,050	(25,950)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
595,300	379,368	(215,932)	351,200	444,700	327,995	(116,705)
(130,586)	129,274	259,860	4,800	(88,700)	54,985	143,685
-	-	-	-	-	-	-
<u>\$ (130,586)</u>	129,274	<u>\$ 259,860</u>	<u>\$ 4,800</u>	<u>\$ (88,700)</u>	54,985	<u>\$ 143,685</u>
	<u>1,493,862</u>				<u>(344,846)</u>	
	<u>\$ 1,623,136</u>				<u>\$ (289,861)</u>	

ELK GROVE TOWNSHIP

Notes to Other Supplementary Information

March 31, 2021

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 March 30, 2020 and amended June 28, 2021, and the Road District budget was adopted on February 24, 2020 and amended June 28, 2021.

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, 2021

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 2,228,471	\$ 2,228,471	\$ 2,110,892
Personal Property Replacement Taxes	190,000	190,000	194,981
Youth Services Income	15,000	15,000	390
Interest Income	20,000	20,000	9,456
Advertising	3,000	3,000	4,110
Town Hall Rental Income	1,500	1,500	2,486
Passport Fees	9,000	9,000	4,886
Miscellaneous Income	5,000	5,000	4,744
Interest from Road and Bridge Fund	28,000	28,000	26,075
Total Revenues	2,499,971	2,499,971	2,358,020
Expenditures			
Administration			
Contractual Services			
Telephone	5,000	5,000	4,796
Utilities	30,000	30,000	17,451
Travel Expense	3,000	3,000	61
Training	2,000	2,000	1,385
Community Recognition	1,000	1,000	-
Passport Services	3,000	3,000	988
Community Outreach	7,500	7,500	565
Building and Janitorial Maintenance	100,000	100,000	94,254
IT/Copier Expenses	10,000	10,000	8,925
Building Rental	-	116,000	115,575
Rental	4,000	4,000	2,407
General Insurance/Off Bond	45,000	45,000	37,005
Publications/Newsletter	60,000	60,000	54,511
Accounting Services	15,000	15,000	14,587
Legal Services	60,000	60,000	58,738
Dues/Subscriptions	10,000	10,000	13,842
Public Relations	15,000	15,000	13,250
Security System	15,000	15,000	13,430
Weed Enforcement	1,000	1,000	2,100
DTS-Taxi Service	20,000	20,000	3,962
Job Counselor	11,000	11,000	5,181
Professional Services	100,000	100,000	31,033
Engineering Services	25,000	25,000	-
Lightning Detection System	3,000	3,000	-
Total Contractual Services	545,500	661,500	494,046

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Commodities			
Office Supplies	\$ 15,000	\$ 15,000	\$ 14,062
Maintenance Supplies	4,500	4,500	5,593
Postage	3,000	3,000	1,418
Miscellaneous	5,000	5,000	5,389
Total Commodities	27,500	27,500	26,462
Capital Outlay			
Equipment	50,000	50,000	11,348
Challenge Course/Bike Safety	50,000	50,000	17,360
Building & Permanent Improvements	250,000	1,000,000	999,479
Lincoln/Martha/Storm Sewer	5,000	5,000	3,045
Landscaping	10,000	40,000	39,573
Food Pantry Truck	5,000	5,000	8,318
Total Capital Outlay	370,000	1,150,000	1,079,123
Debt Service			
Principal	-	-	40,562
Interest	-	-	12,458
Total Debt Service	-	-	53,020
Salaries & Benefits			
Staff Salaries - TF Admin	425,000	457,000	456,194
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	9,500
Road District Treas Salary	1,000	1,000	1,000
Employee Insurance	110,000	110,000	94,745
Employer FICA/W/H/TF	33,000	33,000	38,962
Employer IMRF/TF	30,000	30,000	35,102
Unemployment Compensations	4,500	4,500	1,054
Workmens Compensations	10,000	10,000	7,553
Total Salaries & Benefits	716,247	748,247	731,857
Total Administration	1,659,247	2,587,247	2,384,508

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Assessors			
Contractual Services			
Equipment Maintenance	\$ 1,000	\$ 1,000	\$ 2,593
Telephone	1,500	1,500	1,200
Utilities	1,500	1,500	2,680
Travel Expense	4,000	4,000	3,730
Training	4,000	4,000	1,777
Print/Publishing	3,500	3,500	266
Professional Services	3,500	3,500	3,648
Audit	750	750	667
Dues	1,000	1,000	360
Office Supplies	2,000	2,000	2,378
Miscellaneous Expenses	500	500	45
Equipment	2,500	2,500	3,828
Postage	1,000	1,000	608
Sidwell Maps	1,000	1,000	280
Total Contractual Services	27,750	27,750	24,060
Salaries & Benefits			
Staff Salaries/Assessors	148,552	148,552	145,956
Employee Insurance	24,500	24,500	26,251
Employer FICA/W/H/Assessors	11,982	11,982	10,925
Employer IMRF/Assessors	9,847	9,847	10,015
Total Salaries & Benefits	194,881	194,881	193,147
Total Assessors	222,631	222,631	217,207
Social Services			
Agencies			
Arts Refreshing The Soul	1,000	1,000	-
Glenkirk	5,600	5,600	5,600
Salvation Army	5,000	5,000	5,000
Resources of Community Living	1,250	1,250	761
A Caring Place	7,500	7,500	2,187
Mariville Academy	-	-	-
Alexian Brothers Foundation	15,000	15,000	15,000
Shelter	-	-	-
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

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Clearbrook	25,000	25,000	25,000
Fellowship Housing Corp.	5,000	5,000	3,702
Faith Community Homes	10,000	10,000	7,500
Children's Advocacy	7,000	7,000	7,000
Mobile Dental Clinic	40,000	40,000	40,000
NW Compass	5,000	5,000	2,500
Life Span	20,000	20,000	20,000
Kenneth Young Center	205,000	205,000	187,925
Little City	19,000	19,000	19,000
Lutheran Social Services	5,000	5,000	5,000
Search, Inc	-	-	-
Journeys the Road Home	15,000	47,500	47,500
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	482,350	514,850	482,675
Bike Safety			
Bike Safety Supplies	5,000	5,000	-
Bike Safety Bus	10,000	10,000	-
Bike Safety/Staff Salaries	36,000	36,000	26,123
Bike Safety/FICA W/H	3,000	3,000	1,998
Bike Safety/IMRF	-	-	-
Total Bike Safety	54,000	54,000	28,121
Senior Services			
Senior Bus/Gasoline	20,000	20,000	10,467
Senior Bus/Telephone	2,000	2,000	1,594
Senior Bus/Equipment	21,000	21,000	149
Senior Bus/Bus Maintenance	25,000	25,000	22,248
Senior Bus/New Bus	100,000	100,000	140,899
Total Senior Services	168,000	168,000	175,357
Total Social Services	704,350	736,850	686,153

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Youth Services			
Commodities			
Utilities-YS	\$ 5,000	\$ 5,000	\$ 263
Temporary Facility	-	-	216
Equipment	5,000	5,000	817
Program Expenses-YS	7,000	7,000	7,008
Total Commodities	17,000	17,000	8,304
Salaries & Benefits			
Challenge Staff Salaries	25,000	25,000	33,941
Staff Salaries/YS	245,000	245,000	210,851
Employee Insurance	47,000	47,000	50,555
Employer FICA W/H/Youth Services	19,000	19,000	13,801
Employer IMRF/Youth Services	17,000	17,000	13,779
Total Salaries & Benefits	353,000	353,000	322,927
Total Youth Services	370,000	370,000	331,231
Total Expenditures	2,956,228	3,916,728	3,619,099
Excess (Deficiency) of Revenues Over Expenditures	(456,257)	(1,416,757)	(1,261,079)
Other Financing Sources			
Issuance of Bank Loan	-	-	71,400
Net Change in Fund Balance	<u>\$ (456,257)</u>	<u>\$ (1,416,757)</u>	(1,189,679)
Fund Balance, Beginning of Year			<u>3,619,538</u>
Fund Balance, End of Year			<u><u>\$ 2,429,859</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, 2021

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 442,714	\$ 442,714	\$ 425,438
SSI Income	2,000	2,000	675
Interest Income	10,000	10,000	11,932
Miscellaneous Income	5,000	5,000	-
LIHEAP	5,000	5,000	6,094
Herb Linneweh Donations	-	-	64,503
Total Revenues	464,714	464,714	508,642
Expenditures			
Administration			
Contractual Services			
Building Maintenance	2,000	2,000	-
Equipment Maintenance	3,000	3,000	2,100
General Insurance	4,000	4,000	3,175
Telephone	1,200	1,200	1,200
Utilities	3,000	3,000	5,976
Travel	4,000	4,000	-
Training	2,000	2,000	(91)
Printing/Publishing	1,000	1,000	52
Audit	3,000	3,000	2,668
Legal	5,000	5,000	4,855
Dues/Subscriptions	3,000	3,000	125
Professional Services	2,000	2,000	-
Postage	1,000	1,000	608
Total Contractual Services	34,200	34,200	20,668
Commodities			
Office Supplies	3,000	3,000	3,267
Miscellaneous Expenses	1,000	1,000	12
Total Commodities	4,000	4,000	3,279
Capital Outlay			
Equipment	5,000	5,000	7,403
Total Capital Outlay	5,000	5,000	7,403
Salaries and Benefits			
Staff Salaries/GA	200,000	200,000	205,038
Employee Insurance	40,000	40,000	24,965
Employer FICA/MEDICARE/GA	15,500	15,500	15,373
Employer IMRF/GA	13,000	13,000	13,603

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Unemployment/Workmens Compensation	\$ 2,000	\$ 2,000	\$ 296
Total Salaries & Benefites	270,500	270,500	259,275
Herb Linneweh Expenditures	-	-	20,756
Total Administration	313,700	313,700	311,381
Home Relief			
Food	34,000	34,000	707
GA Rent	78,000	78,000	33,931
EA Rent	100,000	100,000	24,551
Travel/Gasoline	19,000	19,000	1,570
Utilities	19,000	19,000	548
Clothing/Laundry	5,000	5,000	319
EA Utilities	12,000	12,000	1,180
Program Expenses	4,000	4,000	-
Employment Center	10,100	10,100	5,181
Miscellaneous Client Expenses	500	500	-
Total Home Relief	281,600	281,600	67,987
Total Expenditures	595,300	595,300	379,368
Net Change in Fund Balance	<u>\$ (130,586)</u>	<u>\$ (130,586)</u>	129,274
Fund Balance, Beginning of Year			<u>1,493,862</u>
Fund Balance, End of Year			<u><u>\$ 1,623,136</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, 2021

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 270,000	\$ 270,000	\$ 281,213
Personal Property Replacement Taxes	80,000	80,000	94,379
Interest Income	-	-	1,838
Miscellaneous Income	6,000	6,000	5,550
Total Revenues	356,000	356,000	382,980
Expenditures			
Administration			
Contractual Services			
General Insurance/Off Bonding	25,000	25,000	18,825
Telephone	2,000	2,000	1,230
Utilities	15,000	15,000	19,208
Printing/Publishing	500	500	-
Accounting Services	1,000	1,000	1,334
Legal Services	15,000	15,000	3,596
Dues & Subscriptions	500	500	215
Interest to Town Fund	28,000	28,000	26,075
Total Contractual Services	87,000	87,000	70,483
Commodities			
Office Supplies	500	500	276
Personal Property Replacement Tax	32,000	32,000	36,940
Total Commodities	32,500	32,500	37,216
Salaries & Benefits			
Salaries/Road & Bridge	87,000	87,000	50,195
Employee Insurance	14,000	14,000	6,705
Employer IMRF/R&B	7,000	7,000	3,443
Employer FICA/Medicare/R&B	6,700	6,700	3,802
Unemployment Compensation	8,000	8,000	6,960
Total Salaries & Benefits	122,700	122,700	71,105
Total Administration	242,200	242,200	178,804
Road Division			
Contractual Services			
Road Maintenance	10,000	103,500	103,058
Rental	2,000	2,000	-
Curb & Sidewalk Repair	10,000	10,000	-

(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, 2021

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Tree Service	10,000	10,000	18,205
Engineering	15,000	15,000	16,345
Total Contractual Services	47,000	140,500	137,608
Commodities			
Gasoline and Oil	5,000	5,000	1,566
Salt	12,000	12,000	3,999
Street Lighting	500	500	-
Street Signs and Posts	10,000	10,000	-
Materials	2,000	2,000	877
Total Commodities	29,500	29,500	6,442
Total Road Division	76,500	170,000	144,050
Building & Equipment Division			
Vehicle Maintenance	7,500	7,500	1,055
Equipment	20,000	20,000	1,074
Equipment Maintenance	5,000	5,000	3,012
Total Building & Equipment Division	32,500	32,500	5,141
Total Expenditures	351,200	444,700	327,995
Excess (Deficiency) of Revenues Over Expenditures	4,800	(88,700)	54,985
Other Financing Sources			
Sale of Capital Assets	-	-	-
Net Change in Fund Balance	\$ 4,800	\$ (88,700)	54,985
Fund Balance, Beginning of Year			(344,846)
Fund Balance, End of Year			\$ (289,861)

Elk Grove Township
Required Communication Letters
Year Ended March 31, 2021

Table of Contents

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

Communication with Those Charged with Governance

October 21, 2021

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, 2021. 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 February 26, 2021. 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 October 21, 2021.

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, 2021, 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
October 21, 2021