

Elk Grove Township

Elk Grove Village, IL

Annual Financial Report

Year Ended March 31, 2022



ELK GROVE TOWNSHIP

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Independent Auditor's Report

Board of Trustees
Elk Grove Township
Elk Grove Village, Illinois

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of Elk Grove Township, as of March 31, 2022, 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 for Opinions

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

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.

Responsibilities of Management 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 as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual report. The other supplementary information as listed in the table of contents does not include the basic financial statements and the auditor's report thereon. Our opinions on the basic financial statements do not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the basic financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wipfli LLP
Aurora, Illinois
September 20, 2022

ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis

March 31, 2022

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	\$ 4,862,567	\$ 662,772	\$ 5,525,339
Capital Assets Not Being Depreciated	-	-	-
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	1,961,213	221,276	2,182,489
Total Assets	6,823,780	884,048	7,707,828
Liabilities			
Noncurrent Liabilities			
Due Within One Year	113,707	-	113,707
Due Within One Year	299,034	-	299,034
Total Liabilities	412,741	-	412,741
Net Position			
Investment in Capital Assets	1,600,894	221,276	1,822,170
Restricted	1,851,906	-	1,851,906
Unrestricted	2,958,239	662,772	3,621,011
Total Net Position	\$ 6,411,039	\$ 884,048	\$ 7,295,087

See Accompanying Notes to Financial Statements

ELK GROVE TOWNSHIP

Statement of Activities - Modified Cash Basis
 For the Year Ended March 31, 2022

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 1,748,784	\$ 33,121	\$ -	\$ (1,715,663)	\$ -	\$ (1,715,663)
Assessor	218,903	-	-	(218,903)	-	(218,903)
Youth Division	377,929	-	-	(377,929)	-	(377,929)
Social Services Division	429,941	-	-	(429,941)	-	(429,941)
Construction and Maintenance of Roads	81,145	-	-	(81,145)	-	(81,145)
General Assistance	49,620	-	-	(49,620)	-	(49,620)
Food Pantry	15,000	-	43,956	28,956	-	28,956
Depreciation Expense - Unallocated	103,500	-	-	(103,500)	-	(103,500)
Total Governmental Activities	3,024,822	33,121	43,956	(2,947,745)	-	(2,947,745)
Business-Type Activities						
Sewer	79,162	100,693	-	-	21,531	21,531
Total Primary Government	\$ 3,103,984	\$ 133,814	\$ 43,956	(2,947,745)	21,531	(2,926,214)
General Revenues						
Property Taxes				3,287,287	-	3,287,287
Personal Property Replacement Taxes				646,899	-	646,899
Interest Income				11,648	413	12,061
Miscellaneous Income				8,635	-	8,635
Total General Revenues				3,954,469	413	3,954,882
Change in Net Position				1,006,724	21,944	1,028,668
Net Position, Beginning, before Prior Period Adjustment				7,539,288	862,104	8,401,392
Prior Period Adjustment				(2,134,973)	-	(2,134,973)
Net Position, Beginning as Restated				5,404,315	862,104	6,266,419
Net Position, Ending				\$ 6,411,039	\$ 884,048	\$ 7,295,087

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, 2022

Assets	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Cash and Cash Equivalents	\$ 2,605,825	\$ 1,851,906	\$ 404,836	\$ 4,862,567
Due from other funds	370,909	-	-	370,909
Total Assets	\$ 2,976,734	\$ 1,851,906	\$ 404,836	\$ 5,233,476
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$ -	\$ -	\$ 370,909	\$ 370,909
Fund Balances				
Restricted				
General Assistance	-	1,851,906	-	1,851,906
Unassigned	2,976,734	-	33,927	3,010,661
Total Fund Balances	2,976,734	1,851,906	33,927	4,862,567
Total Liabilities and Fund Balances	\$ 2,976,734	\$ 1,851,906	\$ 404,836	\$ 5,233,476

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, 2022

Total Fund Balance \$ 4,862,567

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 \$3,498,813 and the accumulated depreciation is \$1,537,600.

Capital Assets, Net of Accumulated Depreciation 1,961,213

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

Bank Loan (360,319)
Compensated Absences (52,422)

Net Position of Governmental Activities \$ 6,411,039

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, 2022

	General Town Fund	General Assistance Fund	Road and Bridge Fund	Total
Revenues				
Property Taxes	\$ 2,440,112	\$ 514,238	\$ 332,937	\$ 3,287,287
Personal Property Replacement Taxes	435,903	-	210,996	646,899
Youth Services Income	-	-	-	-
Interest Income	7,436	3,098	1,114	11,648
Passport Fees	18,215	-	-	18,215
Advertising	4,770	-	-	4,770
Rental	1,610	-	-	1,610
LIHEAP	-	8,526	-	8,526
Donations	-	43,956	-	43,956
Miscellaneous	4,366	-	4,269	8,635
Interest from other funds	23,302	-	-	23,302
Total Revenues	2,935,714	569,818	549,316	4,054,848
Expenditures				
Current				
General Government	1,304,426	274,898	174,184	1,753,508
Assessor	218,903	-	-	218,903
Youth Services	351,351	-	-	351,351
Social Services Division	428,079	-	-	428,079
Construction and Maintenance of Roads	-	-	51,344	51,344
General Assistance	-	49,620	-	49,620
Food Pantry	-	15,000	-	15,000
Capital Outlay	13,949	1,530	-	15,479
Debt Service				
Principal	59,080	-	-	59,080
Interest	13,051	-	-	13,051
Total Expenditures	2,388,839	341,048	225,528	2,955,415
Excess (Deficiency) of Revenues Over Expenditures	546,875	228,770	323,788	1,099,433
Fund Balance (Deficit), Beginning of Year	2,429,859	1,623,136	(289,861)	3,763,134
Fund Balance (Deficit), End of Year	\$ 2,976,734	\$ 1,851,906	\$ 33,927	\$ 4,862,567

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, 2022

Total Net Change in Fund Balance - Governmental Funds \$ 1,099,433

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	(161,741)	
Capital Outlays	<u>15,479</u>	(146,262)

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.

Retirement of debt	59,080
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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>(5,527)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,006,724</u></u>
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ELK GROVE TOWNSHIP

Statement of Net Position - Modified Cash Basis - Proprietary Funds

Sewer Fund

March 31, 2022

Assets

Current Assets

Cash and Cash Equivalents \$ 662,772Total Current Assets 662,772

Capital Assets

Sewer Systems 804,906Less: Accumulated Depreciation (583,630)Total Net Capital Assets 221,276**Total Assets****\$ 884,048****Net Position**Investment in Capital Assets 221,276Unrestricted 662,772**Total Net Position****\$ 884,048***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, 2022

Operating Revenue	
Maintenance Fees	\$ 99,980
Miscellaneous income	713
	<hr/>
Total Operating Revenues	100,693
	<hr/>
Operating Expenses	
Accounting Services	1,499
Legal Services	930
Engineering	35,901
Chemical Testing	1,000
Office Supplies	1,289
Maintenance and Capital Expenses	30,149
Staff Salaries	1,589
Employer FICA/Medicare	104
Employer IMRF	111
	<hr/>
Total Operating Expenses Before Depreciation	72,572
Depreciation	6,590
	<hr/>
Total Operating Expenses	79,162
	<hr/>
Net Operating Income	21,531
Non-operating Revenues	
Interest	413
	<hr/>
Change in Net Position	21,944
Total Net Position, Beginning of Year	862,104
	<hr/>
Total Net Position, End of Year	\$ 884,048
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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, 2022

Cash Flows from Operating Activities	
Receipts from Customers	\$ 100,693
Payments to Suppliers	(70,768)
Payments to Employees	(1,804)
	<hr/>
Net Cash Used for Operating Activities	28,121
	<hr/>
Cash Flows from Investing Activities	
Interest	413
	<hr/>
Net Cash Provided by Investing Activities	413
	<hr/>
Net Increase in Cash and Cash Equivalents	28,534
Cash and Cash Equivalents - Beginning of Year	634,238
	<hr/>
Cash and Cash Equivalents - End of Year	<u>\$ 662,772</u>
	<hr/>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Income	\$ 21,531
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	6,590
	<hr/>
Net Cash Used for Operating Activities	<u>\$ 28,121</u>

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 \$500 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 September 27, 2021.

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 2020 levy, adopted on November 23, 2020, is the source of revenue in fiscal year 2022.

Following are the tax rates applicable per \$100 of equalized assessed valuation as it pertains to the 2020 and 2021 tax levies (note: as of the issuance of this report, the 2021 tax rates were not yet available from Cook County):

	Maximum Percent	Actual Percent	
		2020	2021
Town Fund	0.2500	0.0526	Not Available
General Assistance	None	0.0105	Not Available
Road and Bridge	0.1650	0.0127	Not Available
		0.0758	Not Available

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 \$4,362,438,724 for the 2020 tax levy and \$4,493,311,886 for the estimated 2021 tax levy.

i. Personal Property Replacement Tax

During fiscal year 2022, the two installments of 2021 and six installments of 2022 Personal Property Replacement taxes were received in the Special Revenue Fund (Road and Bridge) and General Town funds totaling \$210,996 and \$435,903, respectively. In accordance with State Statute, \$82,584 of Special Revenue Funds (Road and Bridge) Personal Property Tax was remitted to the villages within the Township, leaving a balance of \$128,412 in that fund.

2. CASH AND INVESTMENTS

a. Custodial Credit Risk – Deposits

At March 31, 2022 the carrying amount of the Township’s deposits totaled \$5,525,339, and the bank balances totaled \$5,618,259. 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, 2022 the Township’s deposits and bank balance were entirely insured or collateralized.

3. CAPITAL ASSETS

	Balance March 31, 2021			Balance March 31, 2022
	As Restated	Additions	Deletions	
Governmental Activities				
Capital assets, being depreciated:				
Land Improvements	-	-	-	-
Buildings	\$2,000,000	\$ -	\$ -	\$2,000,000
Equipment	724,844	15,479	-	740,323
Vehicles	758,490	-	-	758,490
Total capital assets being depreciated	<u>3,483,334</u>	<u>15,479</u>	<u>-</u>	<u>3,498,813</u>
Accumulated depreciation for:				
Land Improvements	-	-	-	-
Buildings	350,000	100,000	-	450,000
Equipment	447,537	32,668	-	480,205
Vehicles	578,322	29,073	-	607,395
Total accumulated depreciation	<u>1,375,859</u>	<u>161,741</u>	<u>-</u>	<u>1,537,600</u>
Net capital assets being depreciated	<u>2,107,475</u>	<u>(146,262)</u>	<u>-</u>	<u>1,961,213</u>
Net Governmental Activities Capital Assets	<u>\$2,107,475</u>	<u>\$ (146,262)</u>	<u>\$ -</u>	<u>\$1,961,213</u>
Business Type Activities				
Capital assets, being depreciated:				
Sewer system	\$ 804,906	\$ -	\$ -	\$ 804,906
Accumulated depreciation for:				
Sewer system	577,040	6,590	-	583,630
Net Business Type Activities Capital Assets	<u>\$ 227,866</u>	<u>\$ (6,590)</u>	<u>\$ -</u>	<u>\$ 221,276</u>

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, 2022 was as follows:

	Balance March 31, 2021	Additions	Deletions	Balance March 31, 2022	Amounts Due Within One Year
Governmental Activities					
Long Term Liabilities Outstanding					
Bank Loan	\$ 353,591	\$ -	\$ 36,082	\$ 317,509	\$ 37,228
Bus Loan	65,808	-	22,998	42,810	24,057
Compensated Absences	46,895	9,519	3,992	52,422	52,422
Total	<u>\$ 466,294</u>	<u>\$ 9,519</u>	<u>\$ 63,072</u>	<u>\$ 412,741</u>	<u>\$ 113,707</u>

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
2023	\$ 61,285	\$ 10,851
2024	57,138	8,611
2025	241,896	4,846
Total	<u>\$ 360,319</u>	<u>\$ 24,308</u>

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, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	25
Inactive, Non-Retired Members	20
Active Members	22
Total	<u>67</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 2021 was 6.87%. For the fiscal year ended March 31, 2022, the Township contributed \$73,694 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, 2021. 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, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, 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 2020 valuation pursuant to an experience study from years 2017 to 2019.
- For Non-Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables were used and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables were used, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables were used, and future mortality improvements projected using scale MP-2010.
- 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	39.0%	1.90%
International Equity	15.0%	3.15%
Fixed Income	25.0%	-0.60%
Real Estate	10.0%	3.30%
Alternative Investments	10.0%	1.70 - 5.50%
Cash Equivalents	1.0%	-0.90%
	<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 1.84%, 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)	\$ (618,628)	\$ (1,322,183)	\$ (1,872,178)

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, 2020	\$ 6,852,872	\$ 7,322,060	\$ (469,188)
Changes for the year:			
Service Cost	94,446	-	94,446
Interest on the Total Pension Liability	487,753	-	487,753
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(34,602)	-	(34,602)
Changes of Assumptions	-	-	-
Contributions - Employer	-	67,621	(67,621)
Contributions - Employees	-	44,292	(44,292)
Net Investment Income	-	1,213,986	(1,213,986)
Benefit Payments, including Refunds of Employee Contributions	(344,939)	(344,939)	-
Other (Net Transfer)	-	74,693	(74,693)
Net Changes	202,658	1,055,653	(852,995)
Balances at December 31, 2021	\$ 7,055,530	\$ 8,377,713	\$ (1,322,183)

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

For the year ended December 31, 2021, the Township disclosed pension income of \$365,932. At December 31, 2021, 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	\$ 92,745	\$ 37,212
Changes in assumptions	-	9,431
Net difference between projected and actual earnings on pension plan investments	-	875,361
	<hr/>	<hr/>
Total deferred amounts to be recognized in pension expense in future periods	92,745	922,004
Contributions subsequent to the measurement date	18,537	-
	<hr/>	<hr/>
Total	<u>\$ 111,282</u>	<u>\$ 922,004</u>

\$18,537 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, 2023. 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
2022	\$ (144,154)
2023	(335,606)
2024	(211,723)
2025	(137,776)
2026	-
Thereafter	-
	<hr/>
Total	<u>\$ (829,259)</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. 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, 2022, 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, 2022, there were no significant adjustments in premiums based on actual experience.

9. PRIOR PERIOD ADJUSTMENT

During the fiscal year, the Township received the results of an asset appraisal conducted in the prior year. As a result, the Township recorded a prior period adjustment of (\$2,134,973) for the following adjustments to capital assets and accumulated depreciation:

	Balance March 31, 2021		Balance March 31, 2021
	As Originally Reported	Adjustments	As Restated
Governmental Activities			
Capital assets, not being depreciated:			
Land	\$ 14,884	\$ (14,884)	\$ -
Total capital assets not being depreciated	<u>14,884</u>	<u>(14,884)</u>	<u>-</u>
Capital assets, being depreciated:			
Land Improvements	116,870	(116,870)	-
Buildings	4,209,728	(2,209,728)	2,000,000
Equipment	723,136	1,708	724,844
Vehicles	471,899	286,591	758,490
Total capital assets being depreciated	<u>5,521,633</u>	<u>(2,038,299)</u>	<u>3,483,334</u>
Accumulated depreciation for:			
Land Improvements	86,237	(86,237)	-
Buildings	394,553	(44,553)	350,000
Equipment	489,484	(41,947)	447,537
Vehicles	323,795	254,527	578,322
Total accumulated depreciation	<u>1,294,069</u>	<u>81,790</u>	<u>1,375,859</u>
Total	<u>\$ 4,242,448</u>	<u>\$(2,134,973)</u>	<u>\$ 2,107,475</u>

ELK GROVE TOWNSHIP

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

Last Seven Calendar Years

	2021	2020
TOTAL PENSION LIABILITY		
Service Cost	\$ 94,446	\$ 116,470
Interest	487,753	451,154
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(34,602)	260,245
Changes of Assumptions	-	(26,463)
Benefit Payments, Including Refunds of Member Contributions	(344,939)	(226,223)
	<u>202,658</u>	<u>575,183</u>
Net Change in Total Pension Liability	202,658	575,183
Total Pension Liability - Beginning	<u>6,852,872</u>	<u>6,277,689</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 7,055,530</u>	<u>\$ 6,852,872</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 67,621	\$ 82,187
Contributions - Member	44,292	89,542
Net Investment Income	1,213,986	842,957
Benefit Payments, Including Refunds of Member Contributions	(344,939)	(226,223)
Other (Net Transfer)	74,693	(41,337)
	<u>1,055,653</u>	<u>747,126</u>
Net Change in Plan Fiduciary Net Position	1,055,653	747,126
Plan Net Position - Beginning	<u>7,322,060</u>	<u>6,574,934</u>
PLAN NET POSITION - ENDING	<u>\$ 8,377,713</u>	<u>\$ 7,322,060</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ (1,322,183)</u>	<u>\$ (469,188)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.74%	106.85%
Covered Payroll	\$ 984,276	\$ 1,198,065
Employer's Net Pension Liability as a Percentage of Covered Payroll	-134.33%	-39.16%

Note: Information prior to calendar year 2015 is not available

2019	2018	2017	2016	2015
\$ 115,399	\$ 100,663	\$ 110,033	\$ 105,162	\$ 101,075
442,801	424,009	422,832	407,641	399,106
-	-	-	-	-
(239,423)	(47,832)	(167,352)	(119,349)	(184,829)
-	159,432	(150,104)	(13,693)	13,433
(181,978)	(197,012)	(193,042)	(195,325)	(209,668)
136,799	439,260	22,367	184,436	119,117
6,140,890	5,701,630	5,679,263	5,494,827	5,375,710
<u>\$ 6,277,689</u>	<u>\$ 6,140,890</u>	<u>\$ 5,701,630</u>	<u>\$ 5,679,263</u>	<u>\$ 5,494,827</u>
\$ 72,798	\$ 103,965	\$ 111,068	\$ 131,296	\$ 111,862
52,499	48,208	45,760	45,437	40,327
1,022,598	(253,350)	890,243	347,467	26,107
(181,978)	(197,012)	(193,042)	(195,325)	(209,668)
(223,074)	98,334	(91,354)	(74,795)	(203,618)
742,843	(199,855)	762,675	254,080	(234,990)
5,832,091	6,031,946	5,269,271	5,015,191	5,250,181
<u>\$ 6,574,934</u>	<u>\$ 5,832,091</u>	<u>\$ 6,031,946</u>	<u>\$ 5,269,271</u>	<u>\$ 5,015,191</u>
<u>\$ (297,245)</u>	<u>\$ 308,799</u>	<u>\$ (330,316)</u>	<u>\$ 409,992</u>	<u>\$ 479,636</u>
104.73%	94.97%	105.79%	92.78%	91.27%
\$ 1,166,635	\$ 1,071,280	\$ 1,016,877	\$ 1,009,708	\$ 896,150
-25.48%	28.83%	-32.48%	40.61%	53.52%

ELK GROVE TOWNSHIP
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Last Seven 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
2022	\$ 73,694	\$ 73,694	\$ -	\$ 1,056,796	6.97%
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	22-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	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar 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 fiscal 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, 2022

	General Town Fund			Over (Under) Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 2,393,471	\$ 2,393,471	\$ 2,876,015	\$ 482,544
Charges for Services	7,500	7,500	-	(7,500)
Interest	38,000	38,000	30,738	(7,262)
Other	12,500	12,500	28,961	16,461
Total Revenues	<u>2,451,471</u>	<u>2,451,471</u>	<u>2,935,714</u>	<u>484,243</u>
Expenditures				
Administration	1,640,560	1,640,560	1,387,922	(252,638)
Assessors	232,000	232,000	218,903	(13,097)
Building & Equipment	-	-	-	-
Home Relief	-	-	-	-
Road Division	-	-	-	-
Social Services	880,750	880,750	428,079	(452,671)
Youth Services	282,000	282,000	353,935	71,935
Total Expenditures	<u>3,035,310</u>	<u>3,035,310</u>	<u>2,388,839</u>	<u>(646,471)</u>
Net Change in Fund Balance	<u>\$ (583,839)</u>	<u>\$ (583,839)</u>	546,875	<u>\$ 1,130,714</u>
Fund Balance, Beginning of Year			<u>2,429,859</u>	
Fund Balance, End of Year			<u>\$ 2,976,734</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	\$ 514,238	\$ 71,524	\$ 350,000	\$ 350,000	\$ 543,933	\$ 193,933
2,000	-	(2,000)	-	-	-	-
5,000	3,098	(1,902)	-	-	1,114	1,114
6,000	52,482	46,482	6,000	6,000	4,269	(1,731)
455,714	569,818	114,104	356,000	356,000	549,316	193,316
309,800	286,428	(23,372)	139,350	190,350	174,184	(16,166)
-	-	-	-	-	-	-
-	-	-	16,250	16,250	1,282	(14,968)
278,100	54,620	(223,480)	-	-	-	-
-	-	-	61,000	91,750	50,062	(41,688)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
587,900	341,048	(246,852)	216,600	298,350	225,528	(72,822)
<u>\$ (132,186)</u>	228,770	<u>\$ 360,956</u>	<u>\$ 139,400</u>	<u>\$ 57,650</u>	323,788	<u>\$ 266,138</u>
	<u>1,623,136</u>				<u>(289,861)</u>	
	<u>\$ 1,851,906</u>				<u>\$ 33,927</u>	

ELK GROVE TOWNSHIP

Notes to Other Supplementary Information

March 31, 2022

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 22, 2021, and the Road District budget was adopted on February 22, 2021 and amended on June 27, 2022.

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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 2,228,471	\$ 2,228,471	\$ 2,440,112
Personal Property Replacement Taxes	165,000	165,000	435,903
Youth Services Income	7,500	7,500	-
Interest Income	10,000	10,000	7,436
Advertising	4,000	4,000	4,770
Town Hall Rental Income	1,500	1,500	1,610
Passport Fees	5,000	5,000	18,215
Miscellaneous Income	2,000	2,000	4,366
Interest from Road and Bridge Fund	28,000	28,000	23,302
	<hr/>		
Total Revenues	2,451,471	2,451,471	2,935,714
<hr/>			
Expenditures			
Administration			
Contractual Services			
Telephone	5,000	5,000	4,818
Utilities	30,000	30,000	21,418
Travel Expense	3,000	3,000	55
Training	2,000	2,000	1,528
Community Recognition	1,000	1,000	-
Passport Services	1,500	1,500	2,932
Community Outreach	5,000	5,000	2,543
Building and Janitorial Maintenance	75,000	75,000	58,107
IT/Copier Expenses	12,000	12,000	17,642
Building Rental	-	-	-
Rental	4,000	4,000	347
General Insurance/Off Bond	45,000	45,000	35,867
Publications/Newsletter	60,000	60,000	60,434
Accounting Services	50,000	50,000	14,764
Legal Services	60,000	60,000	38,280
Dues/Subscriptions	12,000	12,000	12,868
Public Relations	15,000	15,000	9,500
Security System	10,000	10,000	13,455
Weed Enforcement	1,000	1,000	-
DTS-Taxi Service	15,000	15,000	3,162
Job Counselor	10,000	10,000	6,275
Professional Services	25,000	25,000	28,026
Engineering Services	10,000	10,000	-
Lightning Detection System	3,000	3,000	-
	<hr/>		
Total Contractual Services	454,500	454,500	332,021
<hr/>			

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Commodities			
Office Supplies	\$ 10,000	\$ 10,000	\$ 8,988
Maintenance Supplies	4,500	4,500	2,689
Postage	2,000	2,000	1,448
Food Pantry Supplies	3,000	3,000	5,048
Miscellaneous	5,000	5,000	7,308
Total Commodities	24,500	24,500	25,481
Capital Outlay			
Equipment	1,000	1,000	9,473
Challenge Course/Bike Safety	300,000	300,000	199,350
Building & Permanent Improvements	100,000	100,000	31,138
Lincoln/Martha/Storm Sewer	5,000	5,000	1,509
Landscaping	10,000	10,000	7,460
Food Pantry Truck	3,000	3,000	537
Total Capital Outlay	419,000	419,000	249,467
Debt Service			
Principal	-	-	59,080
Interest	-	-	13,051
Total Debt Service	-	-	72,131
Salaries & Benefits			
Staff Salaries - TF Admin	450,000	450,000	426,574
Supervisors Salary	24,000	24,000	24,000
Clerk Salary	15,000	15,000	14,688
Assessors Salary	32,310	32,310	32,310
Highway Comm Salary	1,250	1,250	2,649
Trustees Salaries	15,000	15,000	9,313
Road District Treas Salary	1,000	1,000	1,000
Employee Insurance	125,000	125,000	118,909
Employer FICA/W/H/TF	34,500	34,500	37,153
Employer IMRF/TF	30,000	30,000	34,192
Unemployment Compensations	4,500	4,500	3,308
Workmens Compensations	10,000	10,000	4,726
Total Salaries & Benefits	742,560	742,560	708,822
Total Administration	1,640,560	1,640,560	1,387,922

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Assessors			
Contractual Services			
Equipment Maintenance	\$ 3,250	\$ 3,250	\$ 3,605
Telephone	1,500	1,500	1,200
Utilities	1,500	1,500	3,236
Travel Expense	3,000	3,000	919
Training	3,500	3,500	2,602
Print/Publishing	3,500	3,500	165
Professional Services	2,500	2,500	2,858
Audit	750	750	634
Dues	1,000	1,000	430
Office Supplies	2,000	2,000	908
Miscellaneous Expenses	500	500	-
Equipment	2,000	2,000	3,144
Postage	1,000	1,000	510
Sidwell Maps	1,000	1,000	710
	<hr/>	<hr/>	<hr/>
Total Contractual Services	27,000	27,000	20,921
Salaries & Benefits			
Staff Salaries/Assessors	154,500	154,500	148,566
Employee Insurance	27,000	27,000	27,977
Employer FICA/W/H/Assessors	12,000	12,000	11,110
Employer IMRF/Assessors	11,500	11,500	10,329
	<hr/>	<hr/>	<hr/>
Total Salaries & Benefits	205,000	205,000	197,982
	<hr/>	<hr/>	<hr/>
Total Assessors	232,000	232,000	218,903
Social Services			
Agencies			
Arts Refreshing The Soul	-	-	-
Glenkirk	-	-	-
Salvation Army	10,000	10,000	10,000
Resources of Community Living	1,500	1,500	1,038
A Caring Place	11,250	11,250	4,015
Mariville Academy	-	-	-
Alexian Brothers Foundation	32,000	32,000	23,185
Shelter	5,000	5,000	5,003
Community Connection Center	10,000	10,000	10,000
NW Suburban Day Care	10,000	10,000	10,000
Search, Inc	5,000	5,000	5,000
Catholic Charities	8,000	8,000	8,000
Escorted Transport Service	3,500	3,500	3,500
Access to Care	33,000	33,000	33,000
Shelter, Inc	70,000	70,000	70,000

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Clearbrook	28,000	28,000	28,000
Fellowship Housing Corp.	5,000	5,000	3,316
Faith Community Homes	10,500	10,500	13,000
Children's Advocacy	8,000	8,000	7,333
Mobile Dental Clinic	40,000	40,000	40,000
NW Compass	10,000	10,000	10,000
Life Span	25,000	25,000	25,000
Kenneth Young Center	205,000	205,000	-
Little City	19,000	19,000	19,000
Lutheran Social Services	5,000	5,000	3,750
Search, Inc	2,500	2,500	-
Journeys the Road Home	20,000	20,000	11,250
Hospice of NE Illinois	3,000	3,000	-
Special Leisure Service Found	-	-	-
Hands On	5,000	5,000	2,500
Community Education	3,000	3,000	3,000
Wings	4,500	4,500	4,500
Center for Enriched Living	15,000	15,000	15,000
Total Agencies	607,750	607,750	368,390
Bike Safety			
Bike Safety Supplies	5,000	5,000	56
Bike Safety Bus	10,000	10,000	-
Bike Safety/Staff Salaries	36,000	36,000	26,178
Bike Safety/FICA W/H	3,000	3,000	2,003
Bike Safety/IMRF	-	-	-
Total Bike Safety	54,000	54,000	28,237
Senior Services			
Senior Bus/Gasoline	20,000	20,000	14,113
Senior Bus/Telephone	2,000	2,000	1,607
Senior Bus/Equipment	12,000	12,000	-
Senior Bus/Bus Maintenance	25,000	25,000	15,732
Senior Bus/New Bus	160,000	160,000	-
Total Senior Services	219,000	219,000	31,452
Total Social Services	880,750	880,750	428,079

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Youth Services			
Commodities			
Utilities-YS	\$ 5,000	\$ 5,000	-
Temporary Facility	-	-	-
Equipment	5,000	5,000	6,533
Program Expenses-YS	7,000	7,000	8,960
Total Commodities	<u>17,000</u>	<u>17,000</u>	<u>15,493</u>
Salaries & Benefits			
Challenge Staff Salaries	27,000	27,000	37,699
Staff Salaries/YS	173,000	173,000	222,160
Employee Insurance	40,000	40,000	48,647
Employer FICA W/H/Youth Services	13,500	13,500	15,020
Employer IMRF/Youth Services	11,500	11,500	14,916
Total Salaries & Benefits	<u>265,000</u>	<u>265,000</u>	<u>338,442</u>
Total Youth Services	<u>282,000</u>	<u>282,000</u>	<u>353,935</u>
Total Expenditures	<u>3,035,310</u>	<u>3,035,310</u>	<u>2,388,839</u>
Net Change in Fund Balance	<u>\$ (583,839)</u>	<u>\$ (583,839)</u>	546,875
Fund Balance, Beginning of Year			<u>2,429,859</u>
Fund Balance, End of Year			<u><u>\$ 2,976,734</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 442,714	\$ 442,714	\$ 514,238
SSI Income	2,000	2,000	-
Interest Income	5,000	5,000	3,098
Miscellaneous Income	2,000	2,000	-
LIHEAP	4,000	4,000	8,526
Herb Linneweh Donations	-	-	43,956
Total Revenues	455,714	455,714	569,818
Expenditures			
Administration			
Contractual Services			
Building Maintenance	2,000	2,000	-
Equipment Maintenance	3,000	3,000	4,292
General Insurance	4,000	4,000	3,175
Telephone	1,200	1,200	1,200
Utilities	5,000	5,000	7,011
Travel	2,000	2,000	70
Training	3,000	3,000	408
Printing/Publishing	1,000	1,000	-
Audit	3,000	3,000	2,536
Legal	5,000	5,000	248
Dues/Subscriptions	1,000	1,000	25
Professional Services	500	500	4,249
Postage	1,000	1,000	510
Total Contractual Services	31,700	31,700	23,724
Commodities			
Office Supplies	1,500	1,500	561
Miscellaneous Expenses	500	500	-
Total Commodities	2,000	2,000	561
Capital Outlay			
Equipment	5,000	5,000	4,075
Total Capital Outlay	5,000	5,000	4,075
Salaries and Benefits			
Staff Salaries/GA	200,000	200,000	196,831
Employee Insurance	40,000	40,000	20,887
Employer FICA/MEDICARE/GA	15,300	15,300	14,850
Employer IMRF/GA	13,800	13,800	13,663

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Unemployment/Workmens Compensation	\$ 2,000	\$ 2,000	\$ 1,837
Total Salaries & Benefites	271,100	271,100	248,068
Herb Linneweh Expenditures	-	-	10,000
Total Administration	309,800	309,800	286,428
Home Relief			
Food	34,000	34,000	5,000
GA Rent	78,000	78,000	23,883
EA Rent	100,000	100,000	17,915
Travel/Gasoline	19,000	19,000	423
Utilities	19,000	19,000	50
Clothing/Laundry	5,000	5,000	-
EA Utilities	12,000	12,000	1,074
Program Expenses	1,000	1,000	-
Employment Center	10,000	10,000	6,275
Miscellaneous Client Expenses	100	100	-
Total Home Relief	278,100	278,100	54,620
Total Expenditures	587,900	587,900	341,048
Net Change in Fund Balance	<u>\$ (132,186)</u>	<u>\$ (132,186)</u>	228,770
Fund Balance, Beginning of Year			<u>1,623,136</u>
Fund Balance, End of Year			<u><u>\$ 1,851,906</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, 2022

	Original Budget	Final Budget	Actual
Revenues			
Property Taxes	\$ 270,000	\$ 270,000	\$ 332,937
Personal Property Replacement Taxes	80,000	80,000	210,996
Interest Income	-	-	1,114
Miscellaneous Income	6,000	6,000	4,269
Total Revenues	356,000	356,000	549,316
Expenditures			
Administration			
Contractual Services			
General Insurance/Off Bonding	25,000	25,000	19,514
Telephone	2,000	2,000	707
Utilities	15,000	15,000	23,360
Printing/Publishing	500	500	-
Accounting Services	1,500	1,500	1,268
Legal Services	15,000	15,000	-
Dues & Subscriptions	500	500	-
Interest to Town Fund	28,000	28,000	23,302
Total Contractual Services	87,500	87,500	68,151
Commodities			
Office Supplies	500	500	76
Personal Property Replacement Tax	32,000	83,000	82,584
Total Commodities	32,500	83,500	82,660
Salaries & Benefits			
Salaries/Road & Bridge	17,000	17,000	18,311
Employee Insurance	-	-	-
Employer IMRF/R&B	-	-	596
Employer FICA/Medicare/R&B	1,350	1,350	1,372
Unemployment Compensation	1,000	1,000	3,094
Total Salaries & Benefits	19,350	19,350	23,373
Total Administration	139,350	190,350	174,184
Road Division			
Contractual Services			
Road Maintenance	10,000	10,000	820
Rental	2,000	2,000	-
Curb & Sidewalk Repair	-	11,750	11,740

(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, 2022

	Original Budget	Final Budget	Actual
Expenditures (continued)			
Tree Service	10,000	29,000	28,625
Engineering	25,000	25,000	4,035
Total Contractual Services	47,000	77,750	45,220
Commodities			
Gasoline and Oil	1,000	1,000	863
Salt	6,000	6,000	3,945
Street Lighting	-	-	-
Street Signs and Posts	5,000	5,000	-
Materials	2,000	2,000	34
Total Commodities	14,000	14,000	4,842
Total Road Division	61,000	91,750	50,062
Building & Equipment Division			
Vehicle Maintenance	3,750	3,750	1,282
Equipment	10,000	10,000	-
Equipment Maintenance	2,500	2,500	-
Total Building & Equipment Division	16,250	16,250	1,282
Total Expenditures	216,600	298,350	225,528
Excess (Deficiency) of Revenues Over Expenditures	139,400	57,650	323,788
Other Financing Sources			
Sale of Capital Assets	-	-	-
Net Change in Fund Balance	\$ 139,400	\$ 57,650	323,788
Fund Balance, Beginning of Year			(289,861)
Fund Balance, End of Year			\$ 33,927

Elk Grove Township
Required Communication Letters
Year Ended March 31, 2022

Table of Contents

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

Communication with Those Charged with Governance

September 20, 2022

Board of Trustees
Elk Grove Township
600 Landmeier Road
Elk Grove Village, IL 60007

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, 2022. 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 March 28, 2022. 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 September 20, 2022.

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) as 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 Individual Fund Financial Schedules which accompany the financial statements but are not OSI. With respect to this 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 this 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
Elk Grove Village, 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, 2022, 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
September 20, 2022