

**ELA TOWNSHIP  
LAKE ZURICH, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
MARCH 31, 2019**

**ELA TOWNSHIP  
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MARCH 31, 2019**

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### INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Ela Township  
Lake Zurich, IL 60047

#### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Ela Township, Lake Zurich, Illinois, as of and for the year ended March 31, 2019, 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 error or fraud.

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 opinion.

#### ***Opinion***

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, each major fund, and the aggregate remaining fund information of Ela Township, Lake Zurich, Illinois, as of March 31, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is 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 basic financial statements of Ela Township, Lake Zurich, Illinois. The other information, as identified in the table of contents, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

*Evans, Marshall and Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

Rolling Meadows, IL  
September 24, 2019  
(14)

**OTHER INFORMATION**  
**Management's Discussion and Analysis**



This section of the Ela Township, Lake Zurich, Illinois' annual financial report is the discussion and analysis of the Township's financial performance and provides an overall review of the Township's financial activities for the fiscal year ended March 31, 2019.

The management of the Township encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (MD&A) and is included in this analysis.

**Financial Highlights**

- The Township's total net position was \$14,088,202 as of March 31, 2018. The net position increased to \$14,533,886 as of March 31, 2019, an increase of \$445,684.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$4,143,590, an increase of \$606,089 in comparison with the prior year.

**Overview of the Financial Statements**

This financial report consists of three parts – management's discussion and analysis (this section), basic financial statements and other information. The basic financial statements include two kinds of statements that present different views of the Township.

- *The statement of net position and statement of activities* are *government-wide* financial statements that provide both short-term and long-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township. Fund statements generally report operation in more detail than the government-wide financial statements.

The financial statements also include many notes. These explain some of the information in the statements and provide more detailed data. The statements are followed by a section of other information that further explains and supports the financial statements.

The major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain, are shown in the following table.

**Major Features of the Government-Wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial – Governmental Funds	Fund Financial – Proprietary Funds	Fund Financial – Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary such as educational and operations and maintenance	Activities the Township operates similar to private business	Assets held by the Township on behalf of someone else
Required financial statements	Statement of net position (deficit) and statement of activities	Balance sheet, statement of revenues, expenditures and changes in fund balance (deficit)	Statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows	Statement of fiduciary net position
Accounting basis and measurement focus	Modified cash basis accounting and economic resources focus	Cash basis accounting and current financial resources focus	Cash basis accounting and economic resources focus	Cash basis accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Revenues for which cash is received during the year; no capital assets or long-term liabilities included	All assets and liabilities; both financial and capital; short-term and long-term	All assets and liabilities, both short-term and long-term; funds may contain capital assets
Type of inflow/outflow information	All revenue received and expenses disbursed during the fiscal year	Revenues for which cash is received during the year. Expenditures when goods and services have been paid for.	All revenues and expenses during the year	All additions or deductions during the year

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.



### ***Government-Wide Financial Statements***

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Township's assets and liabilities. All the current year's revenues received and expenses disbursed are accounted for in the statement of activities.

Unlike a private sector company, the Township cannot readily convert fixed assets to liquid assets. Townships can, and sometimes do, convert fixed assets to cash through the sale of property; however, this is a rare event and not easily accomplished.

The government-wide financial statements report the Township's net position and how they have changed throughout the year. Net position – the difference between the Township's assets and liabilities – are one way to measure the Township's financial health or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Township's overall health, one needs to consider additional non-financial factors, such as changes in the Township's property tax base and the condition of facilities.

In the government-wide financial statements, the Township's activities are presented as follows:

- *Governmental activities* – Most of the Township's basic services are included here, such as support services, community programs and administration. Property taxes finance most of these activities.

### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the Township's funds, focusing on its most significant or "major" funds – not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The Township has one kind of fund type:

*Governmental funds* – The Township's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or differences) between them.

**Financial Analysis of the Township as a Whole**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<u>Statement of Net Position :</u>		
Assets:		
Current assets	\$ 4,226,540	\$ 3,633,101
Capital assets (less depreciation)	10,390,296	10,550,701
Total assets	<u>14,616,836</u>	<u>14,183,802</u>
Liabilities:		
Current liabilities	82,950	95,600
Total liabilities	<u>82,950</u>	<u>95,600</u>
Net Position:		
Net investment in capital assets	10,390,296	10,550,701
Restricted	2,392,033	1,957,079
Unrestricted	1,751,557	1,580,422
Total Net Position	<u>\$ 14,533,886</u>	<u>\$ 14,088,202</u>
<u>Statement of Activities :</u>		
Revenues Received:		
Program Revenues Received:		
Charges for Services:		
Senior services	\$ 203,693	\$ 186,066
Buses	43,448	46,474
Youth services	28,744	17,435
Cemetery maintenance	23,400	16,025
Maintenance of roads	442,390	363,603
Park maintenance	19,485	19,150
Total Charges for Services Received	<u>761,160</u>	<u>648,753</u>
Total Program Revenues Received	<u>761,160</u>	<u>648,753</u>
General Revenues Received:		
Property taxes	3,535,620	3,441,202
Corporate replacement taxes	20,764	22,414
Earnings on investments	39,850	20,156
Miscellaneous	45,184	128,108
Total General Revenues Received	<u>3,641,418</u>	<u>3,611,880</u>
Total Revenues Received	<u>4,402,578</u>	<u>4,260,633</u>
Expenses Disbursed:		
Administration	722,938	768,146
Assessor	450,710	461,286
Social agency and organizational funding	287,314	312,403
Senior services	594,504	586,047
Buses	168,610	188,004
Maintenance of roads	1,159,223	1,369,916
Other	573,595	508,240
Total Expenses Disbursed	<u>3,956,894</u>	<u>\$ 4,194,042</u>
Change in Net Position	<u>\$ 445,684</u>	<u>\$ 66,591</u>

The Township's total revenues were \$4,402,578 from governmental activities. Local taxes (predominantly real estate taxes) were \$3,556,384 of the total. Investments earned \$39,850. Charges for services were \$761,160. Miscellaneous income (e.g. insurance refunds and other) made up the balance.

Total costs for all governmental programs totaled \$3,956,894. Of this total, \$722,938 was for administration, \$450,710 was for the assessor's office, \$1,159,223 was for maintenance of roads, \$594,504 was for senior services, \$168,610 was for bus services, \$287,314 was for social agency and organizational funding, and \$573,595 was for other miscellaneous programs and unallocated depreciation.

As noted earlier, net position may serve as a useful indicator of a Township's financial position. The Township's overall financial position and results of operations has increased during the fiscal year ended March 31, 2019. The assets exceeded the liabilities resulting in a net position balance of \$14,533,886 as of the close of the fiscal year. The balance of net position consists of net investment in capital assets (\$10,390,296), restricted (\$2,392,033) and unrestricted (\$1,751,557). See Note 1.G.

On an individual fund basis, the Town Fund increased \$171,135, the General Assistance Fund increased \$19,925, the Road and Bridge Fund increased \$259,358, the Permanent Road Fund increased \$112,906, the Park Maintenance Fund increased \$27,396, and the Cemetery Fund increased \$15,369.

***Town Fund Budgetary Highlights***

The total actual expenditures disbursed (fund statements) of \$3,796,458 were significantly less than the budgeted expenditures disbursed of \$6,886,979. Primarily the significant budgetary differences were in capital outlay accounts. The budget was not amended, however certain line item transfers were approved for the final budget.

***Capital Assets and Debt Administration***

*Capital Assets (See Note 4)*

As of March 31, 2019, the Township had \$10,390,296 net capital assets including land, buildings and improvements, and equipment. The current year additions included buildings and improvements purchased in the amount of \$286,545 and equipment purchases of \$156,650.

***Long-term debt***

The Township has no debt as of March 31, 2019.

***Contacting the Township's Financial Management Team***

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report, contact Gloria Palmblad, Township Supervisor, Ela Township, 1155 East Route 22, Lake Zurich, IL 60047.

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## **BASIC FINANCIAL STATEMENTS**



ELA TOWNSHIP  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
MARCH 31, 2019

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash	\$ 4,221,827
Due from Illinois Municipal Retirement Fund	4,713
	4,226,540
Capital assets not being depreciated:	
Land	1,448,895
Capital assets being depreciated:	
Buildings and improvements	12,246,143
Equipment	2,591,665
	16,286,703
Less: Accumulated depreciation	(5,896,407)
Total Capital Assets, Net of Depreciation	10,390,296
Total Assets	14,616,836
<b>LIABILITIES</b>	
Current liabilities:	
Construction deposits	82,950
Total Current Liabilities	82,950
Total Liabilities	82,950
<b>NET POSITION</b>	
Net investment in capital assets	10,390,296
Restricted	2,658,280
Unrestricted	1,485,310
Total Net Position	\$ 14,533,886

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF ELA  
STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
YEAR ENDED MARCH 31, 2019

Functions/ Programs	Expenses Disbursed	Program Revenues Received		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital/Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Administration	\$ 722,938	\$ -	\$ -	\$ (722,938)
Assessor	450,710	-	-	(450,710)
Social agency and organizational funding	287,314	-	-	(287,314)
Senior services	594,504	203,693	-	(390,811)
Buses	168,610	43,448	-	(125,162)
Youth services	113,456	28,744	-	(84,712)
Maintenance of roads	1,159,223	442,390	-	(716,833)
Park maintenance	322,392	19,485	-	(302,907)
Home relief	19,322	-	-	(19,322)
Cemetery maintenance	23,799	23,400	-	(399)
Depreciation - unallocated*	94,626	-	-	(94,626)
<b>Total Governmental Activities</b>	<b>\$ 3,956,894</b>	<b>\$ 761,160</b>	<b>\$ -</b>	<b>(3,195,734)</b>
<b>General Revenues Received:</b>				
<b>Taxes:</b>				
Property taxes, levied for general purposes				1,948,837
Property taxes, levied for special purposes:				
General assistance				49,991
Road maintenance				1,241,678
Park maintenance				283,110
Cemetery maintenance				12,004
Corporate replacement taxes				20,764
Earnings on investments				39,850
Miscellaneous				45,184
<b>Total General Revenues Collected</b>				<b>3,641,418</b>
Change in Net Position				445,684
Net Position, Beginning				14,088,202
Net Position, Ending				<b>\$ 14,533,886</b>

\* This amount excludes the depreciation that is included in the direct expenses disbursed of the various functions/programs.

The accompanying notes to the financial statements are an integral part of this statement.



ELA TOWNSHIP  
STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
MARCH 31, 2019

	Town Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Park Maintenance Fund	Cemetery Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash	\$1,746,844	\$ 126,787	\$1,237,892	\$ 670,808	\$ 192,170	\$247,326	\$ 4,221,827
Due from Illinois Municipal Retirement Fund	4,713	-	-	-	-	-	4,713
<b>Total Assets</b>	<b><u>\$1,751,557</u></b>	<b><u>\$ 126,787</u></b>	<b><u>\$1,237,892</u></b>	<b><u>\$ 670,808</u></b>	<b><u>\$ 192,170</u></b>	<b><u>\$247,326</u></b>	<b><u>\$ 4,226,540</u></b>
<b>LIABILITIES</b>							
Construction deposits	\$ -	\$ -	\$ -	\$ 82,950	\$ -	\$ -	\$ 82,950
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>82,950</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>82,950</u></b>
<b>FUND BALANCES</b>							
Restricted	-	126,787	1,237,892	854,105	192,170	247,326	2,658,280
Unassigned	1,761,747	-	-	-	-	-	1,761,747
<b>Total Fund Balances</b>	<b><u>1,761,747</u></b>	<b><u>126,787</u></b>	<b><u>1,237,892</u></b>	<b><u>854,105</u></b>	<b><u>192,170</u></b>	<b><u>247,326</u></b>	<b><u>4,420,027</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$1,761,747</u></b>	<b><u>\$ 126,787</u></b>	<b><u>\$1,237,892</u></b>	<b><u>\$ 937,055</u></b>	<b><u>\$ 192,170</u></b>	<b><u>\$247,326</u></b>	<b><u>\$ 4,502,977</u></b>

(Continued)

The accompanying notes to the financial statements are an integral part of this statement.

ELA TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION (MODIFIED CASH BASIS)  
MARCH 31, 2019

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Total fund balances-governmental funds (Exhibit C) \$ 4,420,027

Amounts reported for governmental activities in the statement of assets, liabilities and fund balances - modified cash basis are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures disbursed in governmental funds. However, the statement of net position includes those capital assets among the assets of the Township as a whole.

Cost of capital assets:

Land	\$ 1,448,895
Buildings and improvements	12,246,143
Equipment	<u>2,591,665</u>
	<u>16,286,703</u>

Accumulated depreciation	<u>(5,896,407)</u>
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10,390,296

Total net position-governmental activities (Exhibit A)	<u><u>\$ 14,810,323</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

ELA TOWNSHIP  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2019

	Town Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Park Maintenance Fund	Cemetery Fund	Total Governmental Funds
<b>Revenues Received</b>							
General tax levy	\$1,948,837	\$ 49,991	\$ 208,033	\$1,033,645	\$ 283,110	\$ 12,004	\$ 3,535,620
Corporate replacement taxes	10,155	-	10,609	-	-	-	20,764
Earnings on investments	22,024	945	7,785	6,192	1,071	1,833	39,850
Charges for services	275,885	-	412,040	-	19,485	23,400	730,810
Road bonds	-	-	-	30,350	-	-	30,350
Miscellaneous	37,863	-	4,771	1,050	1,500	-	45,184
<b>Total Revenues Received</b>	<b>2,294,764</b>	<b>50,936</b>	<b>643,238</b>	<b>1,071,237</b>	<b>305,166</b>	<b>37,237</b>	<b>4,402,578</b>
<b>Expenditures Disbursed</b>							
<b>Current:</b>							
<b>Administration</b>							
Personnel	386,984	11,389	140,250	-	-	-	538,623
Contractual services	91,491	300	36,555	-	-	-	128,346
Commodities	37,250	-	2,662	-	-	-	39,912
<b>Assessor</b>							
Personnel	383,083	-	-	-	-	-	383,083
Contractual services	53,310	-	-	-	-	-	53,310
Commodities	5,578	-	-	-	-	-	5,578
<b>Social Agency and Org. Funding</b>							
Personnel	197,216	-	-	-	-	-	197,216
Contractual services	8,762	-	-	-	-	-	8,762
Commodities	2,987	-	-	-	-	-	2,987
Other	78,349	-	-	-	-	-	78,349
<b>Senior Services</b>							
Personnel	336,440	-	-	-	-	-	336,440
Contractual services	34,421	-	-	-	-	-	34,421
Commodities	27,706	-	-	-	-	-	27,706
Other	171,739	-	-	-	-	-	171,739
<b>Buses</b>							
Personnel	135,629	-	-	-	-	-	135,629
Contractual services	32,879	-	-	-	-	-	32,879
Commodities	102	-	-	-	-	-	102
<b>Youth Services</b>							
Personnel	79,076	-	-	-	-	-	79,076
Contractual services	14,080	-	-	-	-	-	14,080
Commodities	4,247	-	-	-	-	-	4,247
Other	16,053	-	-	-	-	-	16,053
<b>Maintenance of Roads</b>							
Personnel	-	-	-	438,921	-	-	438,921
Contractual services	-	-	7,353	62,288	-	-	69,641
Commodities	-	-	67,388	88,963	-	-	156,351

(Continued)

The accompanying notes to the financial statements are an integral part of this statement.

ELA TOWNSHIP  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2019

	Town Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Park Maintenance Fund	Cemetery Fund	Total Governmental Funds
Park Maintenance							
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 111,847	\$ -	\$ 111,847
Contractual services	-	-	-	-	74,341	-	74,341
Home Relief							
Contractual services	-	19,322	-	-	-	-	19,322
Cemetery							
Personnel	-	-	-	-	-	8,747	8,747
Contractual services	-	-	-	-	-	11,401	11,401
Capital outlay	16,057	-	159,672	71,912	91,582	1,720	340,943
<u>Total Expenditures Disbursed</u>	<u>2,113,439</u>	<u>31,011</u>	<u>413,880</u>	<u>662,084</u>	<u>277,770</u>	<u>21,868</u>	<u>3,520,052</u>
<u>Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)</u>	<u>181,325</u>	<u>19,925</u>	<u>229,358</u>	<u>409,153</u>	<u>27,396</u>	<u>15,369</u>	<u>882,526</u>
Other Financing Sources (Uses)							
Transfers in	-	-	30,000	-	-	-	30,000
Transfers out	-	-	-	(30,000)	-	-	(30,000)
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	<u>181,325</u>	<u>19,925</u>	<u>259,358</u>	<u>379,153</u>	<u>27,396</u>	<u>15,369</u>	<u>882,526</u>
<u>Fund Balance, Beginning of Year</u>	<u>1,580,422</u>	<u>106,862</u>	<u>978,534</u>	<u>474,952</u>	<u>164,774</u>	<u>231,957</u>	<u>3,537,501</u>
<u>Fund Balance, End of Year</u>	<u>\$1,761,747</u>	<u>\$ 126,787</u>	<u>\$ 1,237,892</u>	<u>\$ 854,105</u>	<u>\$ 192,170</u>	<u>\$247,326</u>	<u>\$ 4,420,027</u>

ELA TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES  
RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES - MODIFIED  
CASH BASIS TO THE STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)  
MARCH 31, 2019

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Total net change in fund balances-governmental funds (Exhibit D) \$ 882,526

Capital outlays are reported in governmental funds as expenditures disbursed. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. Capital outlays for items below the District's capitalization policy limits and repairs and maintenance are expensed. Also, when these assets are disposed of before they are fully depreciated, the loss is reported on the statement of activities, thereby further decreasing net position.

Depreciation expense	\$ (603,600)	
Capital outlay over capitalization limits	<u>443,195</u>	
		<u>(160,405)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 722,121</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

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**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Ela Township, Lake Zurich, Illinois (the “Township”) is governed by a Supervisor and a four-member Board of Trustees and provides a variety of services to its residents. The Supervisor’s office provides bus service to residents, maintains three parks, and provides family and youth social services. The Clerk’s office is the keeper of the Township records. The Ela Senior Center provides special events and trips as well as a daily lunch program to seniors. The Assessor’s office assists residents with property assessment resolution and the highway department maintains approximately 25 miles of unincorporated Township roads.

**A. Financial Reporting Entity**

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as component units. The financial data of the component units are included in the Township’s reporting entity because of the significance of their operational or financial relationship with the Township. Financial accountability is defined as: (1) Appointment of voting majority of the component unit’s board, and either a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government; or (2) Fiscal dependency on the primary government.

The Township has determined that no other outside agency meets the above criteria and therefore, no other agency has been included as a component unit in the Township’s financial statements. In addition, the Township is not aware of any entity that would exercise such oversight that would result in the Township being considered a component unit of the entity.

**B. Basis of Presentation – Fund Accounting**

**Government-Wide Financial Statements**

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis display information about the Township as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the Township. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

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. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each function.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Governmental Fund Types**

Governmental fund types are used to account for the Township's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

**General Fund** – The General Fund consists solely of the legally mandated Town Fund and is the primary operating fund of the Township and is always classified as a major fund. It is used to account for the revenues collected and expenses paid which are used in providing services in the Township. It is used to account for all financial resources except those required to be accounted for in other funds.

**Special Revenue Funds** – The Special Revenue Funds, which include the General Assistance Fund, Road and Bridge Fund, Permanent Road Fund, Park Maintenance Fund, and the Cemetery Fund are used to account for revenue collected from specific sources that are legally restricted to expenses paid for specified purposes.

**Proprietary Fund Types (not included in government-wide statements)**

There are no Proprietary Fund Types.

**Fiduciary Fund Types (not included in government-wide statements)**

There are no Fiduciary Fund Types.

**Major and Nonmajor Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township, is considered major by the Township, or meets the following criteria:

- a. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The Township has classified all funds as major:

**Major:**

Town Fund	See above for description.
General Assistance Fund	A Special Revenue Fund to account for the financial assistance for needy citizens.
Road and Bridge Fund	A Special Revenue Fund to account for street maintenance and repair activities for roads within the Township.
Permanent Road Fund	A Special Revenue Fund to account for street maintenance and repair activities for roads within the Township.



**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Park Maintenance Fund	A Special Revenue Fund to account for the operations and maintenance of the Township's public parks, and facilities.
Cemetery Fund	A Special Revenue Fund to account for the maintenance and upkeep of cemeteries within the Township.

**C. Measurement Focus/Basis of Accounting**

**Measurement Focus**

The government-wide financial statements are presented using the economic resources measurement focus. The objective of which is the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The fund financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues received and other financing sources) and decreases (expenditures disbursed and other financing uses). Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The Township maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the payment of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. 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.

**D. Cash and Deposits**

Cash of the Township is considered cash on hand, demand deposits and certificates of deposit.

**E. Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more for office equipment, \$5,000 or more for other equipment and \$20,000 or more for land, buildings and improvements are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their acquisition value at the date of donation. Prior to April 1, 2004, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities – Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position – Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20 – 50 years, transportation equipment 5 – 10 years, equipment 5 – 20 years.

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

In the fund financial statements, fixed assets are accounted for as capital outlay expenses upon acquisition. No depreciation is recorded in the fund financial statements.

**F. Long-term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures disbursed. The Township has no debt as of March 31, 2019.

**G. Fund Balance Classification Policies**

Equity is classified as net position and displayed in three components:

*Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

*Restricted net position* – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. Restricted fund balances include: General Assistance Fund (\$126,787); Road and Bridge Fund (\$1,237,878); Permanent Hard Road Fund (\$587,853); Park Maintenance Fund (\$192,169); and Cemetery Fund (\$247,325), totaling \$2,392,012.

*Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Township’s policy to use restricted resources first, and then unrestricted resources as they are needed.

*Governmental Fund Balance Reporting*

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Township classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Supervisor, if approved by the Board of Trustees. Assignments may take place after the end of the reporting period.

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Township assumes that funds with the highest level of constraint are expended first.

**H. Program Revenues**

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or 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.

**NOTE 2 – CASH AND DEPOSITS**

At March 31, 2019, the carrying amount of the Township’s deposits totaled \$4,221,827 and the bank balances totaled \$4,287,684. Certificates of deposits are considered cash with maturities of one year or less.

Cash	Amount	Maturities	
		Less Than 6 Months	Six Months to One Year
Checking accounts	\$ 541,766	\$ 541,766	\$ -
Money market accounts	2,281,523	2,281,523	-
Certificates of deposits	1,464,395	1,464,395	-
<b>Total</b>	<b>\$ 4,287,684</b>	<b>\$ 4,287,684</b>	<b>\$ -</b>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Township’s investment portfolio is limited to maturities of one year or less.

*Credit Risk.* Statutes authorized the Township to invest in obligations of the U.S. Treasury and U.S. Agencies’ accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers’ investment pool. During fiscal year ended March 31, 2019, the Township invested in money market accounts and certificates of deposits from banks, which neither are rated by nationally recognized statistical rating organizations.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Township will not be able to recover the value of its deposits and investments or collateral securities. Of the Township’s cash, \$1,274,713 of deposits are insured by FDIC directly or through the certificate of deposit account registry service (CDARS) program and \$3,012,971 of deposits and certificates of deposits are collateralized by securities registered in the name of the Township.

*Concentration of Credit Risk.* The Township places no limit on the amount the Township may invest in any one issuer. More than 5 percent of the Township’s investments are concentrated in Inland Bank, Cornerstone Bank and Trust and Barrington Bank. These investments are 62.86%, 15.28%, and 18.21%, respectively, of the Township’s total investments.

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 3 – PROPERTY TAXES**

Property taxes are levied each year on all taxable real property located in the Township on or before the last Tuesday in December. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments on approximately June 1 and September 1. The Township receives significant distributions of tax receipts approximately one month after these due dates. The 2017 tax levy, payable in 2018, was passed November 9, 2017 (the 2018 tax levy, payable in 2019, was passed November 8, 2018). Property tax revenues are recognized on the modified cash basis of accounting.

Assessed Valuation	2018		2017	
	\$		\$	
	2,500,057,322		2,455,376,260	
	2018 Levy		2017 Levy	
	Rate	Extension	Rate	Extension
Town Fund	0.080	\$ 2,000,021	0.079	\$ 1,950,011
General Assistance	0.001	33,251	0.002	50,016
Park Maintenance	0.012	300,007	0.012	283,301
Cemetery/ Cemetery Restoration	0.001	8,000	0.001	12,007
Road and Bridge	0.007	176,654	0.003	172,343
Permanent Road	0.003	67,677	0.007	66,025
Total	<u>0.104</u>	<u>\$ 2,585,610</u>	<u>0.104</u>	<u>\$ 2,533,703</u>
Special Road Improvement	<u>0.042</u>	<u>\$ 1,060,174</u>	<u>0.042</u>	<u>\$ 1,034,327</u>

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance April 1, 2018	Additions	Deletions	Balance March 31, 2019
Governmental Activities				
Non-Depreciated Capital Assets:				
Land	\$ 1,448,895	\$ -	\$ -	\$ 1,448,895
Depreciated Capital Assets:				
Building and improvements	11,959,598	286,545	-	12,246,143
Equipment	2,435,015	156,650	-	2,591,665
Gross Capital Assets	<u>15,843,508</u>	<u>443,195</u>	<u>-</u>	<u>16,286,703</u>
Accumulated Depreciation				
Building and improvements	3,562,719	435,197	-	3,997,916
Equipment	1,730,088	168,403	-	1,898,491
Subtotal	<u>5,292,807</u>	<u>603,600</u>	<u>-</u>	<u>5,896,407</u>
Net Capital Assets	<u>\$ 10,550,701</u>	<u>\$ (160,405)</u>	<u>\$ -</u>	<u>\$ 10,390,296</u>

Depreciation was charged to functions as follows:

Governmental Activities:	
Administration	\$ 2,960
Assessor	4,437
Senior services	13,860
Maintenance of roads	389,122
Park maintenance	96,661
Cemetery maintenance	1,934
Unallocated	94,626
Total Governmental Activities Depreciation Expense	<u>\$ 603,600</u>

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 – RETIREMENT FUND COMMITMENTS**

**A. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

The employer'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 employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**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.

**Employees Covered by Benefit Terms**

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	23
Inactive Plan Members entitled to but not yet receiving benefits	24
Active Plan Members	<u>28</u>
Total	<u><u>75</u></u>

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 – RETIREMENT FUND COMMITMENTS (Cont'd)**

**Contributions**

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% 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 employer's annual contribution rate for calendar year 2018 was 8.74%. For the fiscal year ended 2018, the employer contributed \$134,556 to the plan. The employer 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.

**Net Pension Liability**

The employer's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- 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 3.39% to 14.25%
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the 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 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used, with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same 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.
- 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:

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 – RETIREMENT FUND COMMITMENTS (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Returns/Risks</u>	
		<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37%	8.50%	7.15%
International Equities	18%	9.20%	7.25%
Fixed Income	28%	3.75%	3.75%
Real Estate	9%	7.30%	6.25%
Alternatives	7%		
Private Equity		12.40%	8.50%
Hedge Funds		5.75%	5.50%
Commodities		4.75%	3.20%
Cash Equivalents	1%	2.50%	2.50%
Total	<u>100%</u>		

**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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 – RETIREMENT FUND COMMITMENTS (Cont'd)**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 4,846,861	\$ 4,795,530	\$ 51,331
Changes for the year:			
Service Cost	134,556	-	134,556
Interest on the Total Pension Liability	359,129	-	359,129
Differences Between Expected and Actual Experience of the Total Pension Liability	(290,576)	-	(290,576)
Changes of Assumptions	140,920	-	140,920
Contributions - Employer	-	132,790	(132,790)
Contributions - Employees	-	68,370	(68,370)
Net Investment Income	-	(266,579)	266,579
Benefits Payments, including Refunds of Employee Contributions	(251,494)	(251,494)	-
Other (Net Transfer)	-	20,374	(20,374)
Net Changes	<u>92,535</u>	<u>(296,539)</u>	<u>389,074</u>
Balances at December 31, 2018	<u>\$ 4,939,396</u>	<u>\$ 4,498,991</u>	<u>\$ 440,405</u>

**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%
Total Pension Liability	\$ 5,582,537	\$ 4,939,396	\$ 4,414,962
Plan Fiduciary Net Position	4,498,991	4,498,991	4,498,991
Net Pension Liability/(Asset)	<u>\$ 1,083,546</u>	<u>\$ 440,405</u>	<u>\$ (84,029)</u>

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

For the year ended March 31, 2019, the employer recognized pension expense of \$127,191. At March 31, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 – RETIREMENT FUND COMMITMENTS (Cont'd)**

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>			
Differences between expected and actual experience	\$ 126,387	\$ -	\$ 126,387
Changes of assumptions	112,639	106,291	6,348
Net difference between projected and actual earnings on pension plan investments	<u>561,640</u>	<u>228,576</u>	<u>333,064</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>800,666</u>	<u>334,867</u>	<u>465,799</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>31,700</u>	<u>-</u>	<u>31,700</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 832,366</u></u>	<u><u>\$ 334,867</u></u>	<u><u>\$ 497,499</u></u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 91,869
2020	28,328
2021	16,633
2022	97,906
2023	-
Thereafter	-
Total	<u><u>\$ 234,736</u></u>

**B. Social Security/Medicare**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered “nonparticipating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

**NOTE 6 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchased third party indemnity insurance for general liability, property casualty, workers’ compensation and health. During the fiscal year ended March 31, 2019 there were no significant reductions in insurance coverage for any category. Settled claims from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**ELA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the date of the Statement of Net Position – Modified Cash Basis but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the date of the Statement of Net Position – Modified Cash Basis) and non-recognized (events or conditions that did not exist at the date of the Statement of Net Position – Modified Cash Basis but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between March 31, 2019, and the date of this audit report requiring disclosure in the financial statements.

## **OTHER INFORMATION**



ELA TOWNSHIP  
OTHER INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 134,556	\$ 165,039	\$ 155,717	\$ 146,400
Interest on the total pension liability	359,129	339,835	311,540	289,440
Difference between expected and actual experience of the total pension liability	(290,576)	165,119	82,221	3,344
Changes of assumptions	140,920	(172,925)	(6,000)	5,489
Benefit payments, including refunds of employee contributions	<u>(251,494)</u>	<u>(197,646)</u>	<u>(155,197)</u>	<u>(143,037)</u>
Net change in total pension liability	92,535	299,422	388,281	301,636
Total pension liability - beginning	<u>4,846,861</u>	<u>4,547,439</u>	<u>4,159,158</u>	<u>3,857,522</u>
Total pension liability - ending (A)	<u>\$ 4,939,396</u>	<u>\$ 4,846,861</u>	<u>\$ 4,547,439</u>	<u>\$ 4,159,158</u>
Plan fiduciary net position				
Contributions - employer	132,790	131,482	133,389	131,381
Contributions - employee	68,370	67,007	71,893	65,122
Net investment income	(266,579)	687,903	260,732	19,127
Benefit payments, including refunds of employee contributions	(251,494)	(197,646)	(155,197)	(143,037)
Other (net transfer)	<u>20,374</u>	<u>29,269</u>	<u>30,570</u>	<u>(135,213)</u>
Net change in plan fiduciary net position	(296,539)	718,015	341,387	(62,620)
Plan fiduciary net position - beginning	<u>4,795,530</u>	<u>4,077,515</u>	<u>3,736,128</u>	<u>3,798,748</u>
Plan fiduciary net position - ending (B)	<u>\$ 4,498,991</u>	<u>\$ 4,795,530</u>	<u>\$ 4,077,515</u>	<u>\$ 3,736,128</u>
Net pension liability/(asset) - ending (A) - (B)	\$ 440,405	\$ 51,331	\$ 469,924	\$ 423,030
Plan fiduciary net position as a percentage of total pension liability	91.08%	98.94%	89.67%	89.83%
Covered valuation payroll	\$ 1,519,329	\$ 1,489,042	\$ 1,522,701	\$ 1,434,161
Net pension liability as a percentage of covered valuation payroll	28.99%	3.45%	30.86%	29.50%

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

ELA TOWNSHIP  
OTHER INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2018	\$ 132,789	\$ 132,790	\$ (1)	\$ 1,519,329	8.74%
2017	131,482	131,482	-	1,489,042	8.83%
2016	133,389	133,389	-	1,522,701	8.76%
2015	131,369	131,381	(12)	1,434,161	9.16%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate\**

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate or Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based tables of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation

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

ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		Actual
	Original Budget	Final Budget	
<u>Revenues Received</u>			
General tax levy	\$ 1,950,011	\$ 1,950,011	\$ 1,948,837
Corporate replacement taxes	11,000	11,000	10,155
Earnings on investments	6,000	6,000	22,024
Charges for services	272,380	272,380	275,885
Miscellaneous	3,000	3,000	37,863
<u>Total Revenues Received</u>	<u>2,242,391</u>	<u>2,242,391</u>	<u>2,294,764</u>
<u>Expenditures Disbursed</u>			
<u>Administration</u>			
Personnel:			
Salaries:			
Supervisor	30,000	30,000	30,000
Highway Commissioner	17,850	17,850	17,843
Assessor	84,000	84,000	83,415
Clerk	15,000	15,000	15,000
Board of Trustees	20,000	20,005	20,000
Treasurer	1,000	1,085	1,083
Administrative staff	215,000	214,910	147,232
Health insurance	44,100	44,100	28,200
Social security and medicare	35,000	35,000	22,515
Illinois retirement contribution	36,000	36,000	20,960
Unemployment compensation insurance	1,200	1,200	736
<u>Total Personnel</u>	<u>499,150</u>	<u>499,150</u>	<u>386,984</u>
Contractual Services:			
Maintenance of building	25,000	25,000	19,899
Maintenance of equipment	13,000	13,000	5,677
Liability insurance	38,000	38,000	24,454
Telephone	8,000	8,000	7,486
Utilities	7,000	7,000	5,702
Travel	8,000	8,000	2,940
Training	2,000	2,000	1,344
Postage	2,000	2,100	1,779
Printing and publishing	15,000	13,600	6,489
Accounting services	10,000	10,000	8,463
Dues and subscriptions	5,000	6,300	6,272
Contingencies	7,000	7,000	-
Website development	2,000	2,000	986
<u>Total Contractual Services</u>	<u>142,000</u>	<u>142,000</u>	<u>91,491</u>

(Continued)

ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
Commodities:			
Office supplies	\$ 52,000	\$ 52,000	\$ 35,762
Public notices	500	500	-
Miscellaneous	2,000	2,000	1,488
<u>Total Commodities</u>	<u>54,500</u>	<u>54,500</u>	<u>37,250</u>
Capital Outlay:			
Land and building improvements	1,000,000	1,000,000	-
<u>Total Capital Outlay</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<u>Total Administration</u>	<u>1,695,650</u>	<u>1,695,650</u>	<u>515,725</u>
<u>Township Assessor</u>			
Personnel:			
Salaries	305,000	305,000	273,559
Health insurance	89,000	89,000	69,022
Social security and medicare	23,000	23,000	19,368
Illinois retirement contribution	25,000	25,000	20,796
Unemployment compensation insurance	550	550	338
<u>Total Personnel</u>	<u>442,550</u>	<u>442,550</u>	<u>383,083</u>
Contractual Services:			
Telephone	9,000	8,450	8,058
Travel	3,000	3,000	2,819
Training	3,500	4,000	3,988
Postage	300	300	297
Printing and publishing	2,500	1,750	1,087
Legal services	4,000	4,335	4,335
Dues and subscriptions	20,000	19,250	19,212
Tax file terminal	11,300	13,600	13,514
<u>Total Contractual Services</u>	<u>53,600</u>	<u>54,685</u>	<u>53,310</u>
Commodities:			
Office supplies	2,000	1,665	1,397
Vehicle fuel and maintenance	5,000	4,500	3,885
Miscellaneous	500	500	296
<u>Total Commodities</u>	<u>7,500</u>	<u>6,665</u>	<u>5,578</u>

(Continued)



ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	2019 Final Budget	Actual
Capital Outlay:			
Equipment	\$ 5,000	\$ 4,750	\$ 4,302
<u>Total Capital Outlay</u>	<u>5,000</u>	<u>4,750</u>	<u>4,302</u>
<u>Total Township Assessor</u>	<u>508,650</u>	<u>508,650</u>	<u>446,273</u>
<u>Social Agency and Organizational Funding</u>			
Personnel:			
Salaries	205,000	205,000	163,049
Health insurance	20,150	20,150	10,201
Social security and medicare	16,000	16,000	12,379
Illinois retirement contribution	16,200	16,200	11,207
Unemployment compensation insurance	500	500	380
<u>Total Personnel</u>	<u>257,850</u>	<u>257,850</u>	<u>197,216</u>
Contractual Services:			
Telephone	3,600	3,825	3,813
Travel	2,500	2,500	1,917
Utilities	1,200	975	922
Education	2,000	2,000	1,563
Dues	2,000	2,000	547
<u>Total Contractual Services</u>	<u>11,300</u>	<u>11,300</u>	<u>8,762</u>
Commodities:			
Operating supplies	2,500	2,500	1,993
Printing and postage	500	500	200
Miscellaneous	1,000	1,000	794
<u>Total Commodities</u>	<u>4,000</u>	<u>4,000</u>	<u>2,987</u>
Other Charges:			
A Safe Place	2,000	2,000	2,000
Center for Independence	1,000	1,000	-
Erie Healthreach	1,000	1,000	-
Community events	3,000	3,000	1,735
Community service projects	2,500	2,000	-
Career place	1,000	1,000	1,000
Emmaus House of Hospitality	15,000	15,000	15,000
Love, Inc.	3,000	3,000	3,000
Mosquito abatement plan	32,000	32,500	32,442
Health Reach Clinic	-	-	1,000

ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
Other Charges: (Cont'd)			
NICASA	\$ 2,500	\$ 2,500	\$ 2,500
Pads of Lake County	1,700	1,700	1,700
St. Vincent De Paul - food pantry	4,800	4,800	4,800
Willow House	1,000	1,000	1,000
Zacharias Sexual Abuse Center	3,000	3,000	3,000
Joanie's Closet	1,500	1,500	1,500
Ela historic projects	8,000	8,000	7,672
<u>Total Other Charges</u>	<u>83,000</u>	<u>83,000</u>	<u>78,349</u>
<u>Total Social Agency and Organizational Funding</u>	<u>356,150</u>	<u>356,150</u>	<u>287,314</u>
<u>Senior Services</u>			
Personnel:			
Salaries	315,000	315,000	280,130
Health insurance	47,700	47,700	14,176
Social security and medicare	27,200	27,000	21,276
Illinois retirement contribution	26,400	26,400	20,299
Unemployment compensation insurance	500	700	559
<u>Total Personnel</u>	<u>416,800</u>	<u>416,800</u>	<u>336,440</u>
Contractual Services:			
Maintenance of buildings	3,000	3,800	3,788
Maintenance of equipment	15,000	14,200	-
Maintenance of vehicles	500	500	-
Education	7,500	7,500	5,747
Printing and publishing	22,000	15,600	15,538
Telephone	3,500	3,500	2,943
Dues and permits	2,200	2,900	2,726
Utilities	4,000	4,000	3,679
<u>Total Contractual Services</u>	<u>57,700</u>	<u>52,000</u>	<u>34,421</u>
Commodities:			
Office supplies	3,000	3,000	2,002
Program supplies	5,000	5,000	4,888
Senior lunch supplies	24,000	22,500	19,347
Miscellaneous	1,500	1,500	1,469
<u>Total Commodities</u>	<u>33,500</u>	<u>32,000</u>	<u>27,706</u>

ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
Other Charges:			
Programs	\$ 120,000	\$ 126,000	\$ 125,978
Long distance trips	40,000	41,200	41,191
Senior holiday party	5,000	5,000	4,570
<u>Total Other Charges</u>	<u>165,000</u>	<u>172,200</u>	<u>171,739</u>
Capital Outlay:			
Building improvements	-	-	11,755
<u>Total Capital Outlay</u>	<u>-</u>	<u>-</u>	<u>11,755</u>
<u>Total Senior Services</u>	<u>673,000</u>	<u>673,000</u>	<u>582,061</u>
<u>Buses</u>			
Personnel:			
Driver's salaries	107,000	107,000	92,781
Dispatcher	20,000	20,000	16,186
Health insurance	11,650	7,950	6,239
Social security and medicare	10,000	10,000	8,274
Illinois retirement contribution	11,000	11,000	8,365
Unemployment compensation insurance	1,500	1,500	190
Workers' compensation insurance	4,000	4,000	3,289
Medical and license testing	500	500	305
<u>Total Personnel</u>	<u>165,650</u>	<u>161,950</u>	<u>135,629</u>
Contractual Services:			
Upkeep of buses	3,500	6,600	6,532
Mechanical repairs	12,000	12,000	5,882
Fuel and oil	18,000	18,600	18,516
Legal services	1,000	1,000	-
Telephone	2,200	2,200	1,949
<u>Total Contractual Services</u>	<u>36,700</u>	<u>40,400</u>	<u>32,879</u>
Commodities:			
Office supplies	1,000	1,000	102
<u>Total Commodities</u>	<u>1,000</u>	<u>1,000</u>	<u>102</u>
<u>Total Buses</u>	<u>203,350</u>	<u>203,350</u>	<u>168,610</u>

(Continued)

ELA TOWNSHIP  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Youth Services</u>			
Personnel:			
Salaries	\$ 96,500	\$ 96,500	\$ 67,937
Social security and medicare	7,400	7,400	5,197
Illinois retirement contribution	3,853	3,853	1,885
Health benefits	9,180	9,180	3,784
Unemployment compensation insurance	500	500	273
<u>Total Personnel</u>	<u>117,433</u>	<u>117,433</u>	<u>79,076</u>
Contractual Services:			
Special programs	-	1,500	13,187
Building maintenance	-	200	519
Travel	-	-	374
<u>Total Contractual Services</u>	<u>-</u>	<u>1,700</u>	<u>14,080</u>
Commodities:			
Education-development	550	550	-
Information technology	500	500	-
Miscellaneous	800	600	-
Office supplies	1,466	2,466	4,247
<u>Total Commodities</u>	<u>3,316</u>	<u>4,116</u>	<u>4,247</u>
Other Charges:			
After school youth program	13,500	13,500	10,542
LZBSA-YTH-challenger division	2,500	2,500	-
Program supplies	5,500	5,500	-
Field trips	8,000	8,050	-
Special events	600	550	-
Nutrition	7,800	5,000	4,351
Youth classes	900	1,200	1,160
<u>Total Other Charges</u>	<u>38,800</u>	<u>36,300</u>	<u>16,053</u>
<u>Total Youth Services</u>	<u>159,549</u>	<u>159,549</u>	<u>113,456</u>
<u>Total Expenditures Disbursed</u>	<u>3,596,349</u>	<u>3,596,349</u>	<u>2,113,439</u>
<u>Net Change in Fund Balance</u>	<u>\$ (1,353,958)</u>	<u>\$ (1,353,958)</u>	<u>\$ 181,325</u>

ELA TOWNSHIP  
 GENERAL ASSISTANCE FUND  
 SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Revenues Received</u>			
General tax levy	\$ 50,016	\$ 50,016	\$ 49,991
Earnings on investments	100	100	945
<u>Total Revenues Received</u>	<u>50,116</u>	<u>50,116</u>	<u>50,936</u>
<u>Expenditures Disbursed</u>			
<u>Administration</u>			
Personnel:			
Salaries	20,000	20,000	9,792
Social security and medicare	1,530	1,530	741
Illinois retirement contribution	2,000	2,000	856
<u>Total Personnel</u>	<u>23,530</u>	<u>23,530</u>	<u>11,389</u>
Contractual Services:			
Miscellaneous	1,500	1,500	300
<u>Total Contractual Services</u>	<u>1,500</u>	<u>1,500</u>	<u>300</u>
<u>Total Administration</u>	<u>25,030</u>	<u>25,030</u>	<u>11,689</u>
<u>Home Relief</u>			
Contractual Services:			
Assistance	70,000	70,000	19,322
<u>Total Contractual Services</u>	<u>70,000</u>	<u>70,000</u>	<u>19,322</u>
<u>Total Home Relief</u>	<u>70,000</u>	<u>70,000</u>	<u>19,322</u>
<u>Total Expenditures Disbursed</u>	<u>95,030</u>	<u>95,030</u>	<u>31,011</u>
<u>Net Change in Fund Balance</u>	<u>\$ (44,914)</u>	<u>\$ (44,914)</u>	<u>\$ 19,925</u>

ELA TOWNSHIP  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Revenues Received</u>			
General tax levy	\$ 238,368	\$ 238,368	\$ 208,033
Corporate replacement taxes	10,000	10,000	10,609
Earnings on investments	1,000	1,000	7,785
Charges for services	250,000	250,000	412,040
Miscellaneous	3,000	3,000	4,771
<u>Total Revenues Received</u>	<u>502,368</u>	<u>502,368</u>	<u>643,238</u>
<u>Expenditures Disbursed</u>			
<u>Administration</u>			
Personnel:			
Salaries	62,850	67,850	67,096
Health insurance	93,000	93,000	61,796
Social security and medicare	4,850	4,925	4,906
Illinois retirement contribution	5,700	5,700	5,667
Unemployment compensation insurance	1,000	925	785
<u>Total Personnel</u>	<u>167,400</u>	<u>172,400</u>	<u>140,250</u>
Contractual Services:			
General insurance	25,000	25,730	21,801
Telephone	4,500	5,600	5,599
Travel	1,500	1,500	1,109
Training	3,500	2,500	2,052
Publishing	800	800	310
Printing	200	200	-
Legal services	3,500	3,500	2,493
Dues and subscriptions	500	500	220
Corporate replacement taxes paid to village	4,000	4,000	2,971
<u>Total Contractual Services</u>	<u>43,500</u>	<u>44,330</u>	<u>36,555</u>
Commodities:			
Office supplies	1,500	3,400	2,662
<u>Total Commodities</u>	<u>1,500</u>	<u>3,400</u>	<u>2,662</u>
Office equipment	27,000	19,270	18,152
<u>Total Capital Outlay</u>	<u>27,000</u>	<u>19,270</u>	<u>18,152</u>
<u>Total Administration</u>	<u>239,400</u>	<u>239,400</u>	<u>197,619</u>

(Continued)

ELA TOWNSHIP  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Maintenance of Roads</u>			
Contractual Services:			
Engineering services	\$ 4,500	\$ 4,500	\$ 660
Utilities	7,500	7,500	6,153
Rentals	2,000	2,000	540
Garbage	500	500	-
<u>Total Contractual Services</u>	<u>14,500</u>	<u>14,500</u>	<u>7,353</u>
Commodities:			
Operating supplies	4,000	4,000	332
Small tools	3,500	4,000	3,510
Building supplies	44,000	34,500	9,405
Equipment supplies	18,000	27,000	25,547
Village materials	40,000	40,000	13,348
Vehicle supplies	25,000	25,000	15,246
<u>Total Commodities</u>	<u>134,500</u>	<u>134,500</u>	<u>67,388</u>
Capital Outlay:			
Equipment	220,000	220,000	141,520
Other improvements	490,000	490,000	-
<u>Total Capital Outlay</u>	<u>710,000</u>	<u>710,000</u>	<u>141,520</u>
<u>Total Maintenance of Roads</u>	<u>859,000</u>	<u>859,000</u>	<u>216,261</u>
Contingencies	10,000	10,000	-
<u>Total Expenditures Disbursed</u>	<u>1,108,400</u>	<u>1,108,400</u>	<u>413,880</u>
<u>Excess (Deficiency) of Revenues Over (Under)</u>			
<u>Expenditures Before Other Financing Sources</u>	<u>(606,032)</u>	<u>(606,032)</u>	<u>229,358</u>
Other Financing Sources			
Transfers In	-	-	30,000
<u>Total Other Financing Sources</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<u>Net Change in Fund Balance</u>	<u>\$ (606,032)</u>	<u>\$ (606,032)</u>	<u>\$ 259,358</u>

ELA TOWNSHIP  
PERMANENT ROAD FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	
<u>Revenues Received</u>			
General tax levy	\$ 1,034,327	\$ 1,034,327	\$ 1,033,645
Earnings on investments	1,500	1,500	6,192
Road bonds	350	350	30,350
Miscellaneous	30,000	30,000	1,050
<u>Total Revenues Received</u>	<u>1,066,177</u>	<u>1,066,177</u>	<u>1,071,237</u>
<u>Expenditures Disbursed</u>			
<u>Maintenance of Roads</u>			
Personnel:			
Salaries	410,000	410,000	375,898
Social security and medicare	31,800	31,800	30,387
Illinois retirement contribution	37,000	37,000	32,636
<u>Total Personnel</u>	<u>478,800</u>	<u>478,800</u>	<u>438,921</u>
Contractual Services:			
Rentals	2,000	2,000	-
Uniforms	5,600	6,100	5,901
Street lights	12,000	12,000	11,293
Road signs	7,000	6,500	4,493
Tree Plant	30,000	30,000	-
Gas and oil	36,000	50,000	40,601
Garbage	500	500	-
<u>Total Contractual Services</u>	<u>93,100</u>	<u>107,100</u>	<u>62,288</u>
Commodities:			
Operating supplies	8,000	8,000	7,046
Salt/stone/supplies	80,000	100,000	81,917
<u>Total Commodities:</u>	<u>88,000</u>	<u>108,000</u>	<u>88,963</u>
Capital Outlay:			
Paving	250,000	220,000	71,912
Buildings	300,000	300,000	-
Equipment	20,000	20,000	-
<u>Total Capital Outlay</u>	<u>570,000</u>	<u>540,000</u>	<u>71,912</u>
Contingencies	10,000	10,000	-

(Continued)



ELA TOWNSHIP  
PERMANENT ROAD FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

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	Original Budget	2019 Final Budget	Actual
<u>Total Maintenance of Roads</u>	\$ 1,239,900	\$ 1,243,900	\$ 662,084
<u>Total Expenditures Disbursed</u>	1,239,900	1,243,900	662,084
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing (Uses)</u>	(173,723)	(177,723)	409,153
Other Financing (Uses)			
Transfers Out	-	(30,000)	(30,000)
<u>Total Other Financing (Uses)</u>	-	(30,000)	(30,000)
<u>Net Change in Fund Balance</u>	\$ (173,723)	\$ (147,723)	\$ 379,153

ELA TOWNSHIP  
PARK MAINTENANCE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Revenues Received</u>			
General tax levy	\$ 283,301	\$ 283,301	\$ 283,110
Earnings on investments	1,000	1,000	1,071
Miscellaneous	-	-	1,500
Charges for services	18,000	18,000	19,485
<u>Total Revenues Received</u>	<u>302,301</u>	<u>302,301</u>	<u>305,166</u>
<u>Expenditures Disbursed</u>			
<u>Park Maintenance</u>			
Personnel:			
Salaries	85,000	101,000	100,791
Social security and medicare	6,500	6,500	5,797
Illinois retirement contribution	5,000	5,500	5,137
Unemployment compensation insurance	500	500	122
<u>Total Personnel</u>	<u>97,000</u>	<u>113,500</u>	<u>111,847</u>
Contractual Services:			
Utilities	16,000	16,000	15,660
Maintenance and repairs	50,000	40,000	38,926
Miscellaneous	1,000	1,000	720
Scholarships	15,000	16,000	15,987
Supplies	12,000	11,000	3,048
<u>Total Contractual Services</u>	<u>94,000</u>	<u>84,000</u>	<u>74,341</u>
Capital Outlay:			
Equipment	10,000	3,500	-
Building and capital improvements	125,000	125,000	91,582
<u>Total Capital Outlay</u>	<u>135,000</u>	<u>128,500</u>	<u>91,582</u>
<u>Total Park Maintenance</u>	<u>326,000</u>	<u>326,000</u>	<u>277,770</u>
<u>Total Expenditures Disbursed</u>	<u>326,000</u>	<u>326,000</u>	<u>277,770</u>
<u>Net Change in Fund Balance</u>	<u>\$ (23,699)</u>	<u>\$ (23,699)</u>	<u>\$ 27,396</u>

ELA TOWNSHIP  
CEMETERY FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2019

	2019		
	Original Budget	Final Budget	Actual
<u>Revenues Received</u>			
General tax levy	\$ 12,007	\$ 12,007	\$ 12,004
Earnings on investments	400	400	1,833
Charges for services	14,000	14,000	23,400
<u>Total Revenues Received</u>	<u>26,407</u>	<u>26,407</u>	<u>37,237</u>
<u>Expenditures Disbursed</u>			
<u>Cemetery</u>			
Personnel:			
Salaries	22,000	22,000	8,194
Social security and medicare	2,000	2,000	334
Illinois retirement contribution	2,000	2,000	144
Travel and education	300	300	75
<u>Total Personnel</u>	<u>26,300</u>	<u>26,300</u>	<u>8,747</u>
Contractual Services:			
Legal services	2,000	2,000	-
Burials	9,500	9,500	6,500
Cremation scatter garden	7,500	7,500	370
Maintenance and repairs	37,000	37,000	4,531
<u>Total Contractual Services</u>	<u>56,000</u>	<u>56,000</u>	<u>11,401</u>
Capital Outlay:			
Equipment	4,000	4,000	1,720
Building improvements	100,000	100,000	-
<u>Total Capital Outlay</u>	<u>104,000</u>	<u>104,000</u>	<u>1,720</u>
<u>Total Cemetery</u>	<u>186,300</u>	<u>186,300</u>	<u>21,868</u>
<u>Total Expenditures Disbursed</u>	<u>186,300</u>	<u>186,300</u>	<u>21,868</u>
<u>Net Change in Fund Balance</u>	<u>\$ (159,893)</u>	<u>\$ (159,893)</u>	<u>\$ 15,369</u>

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**ELA TOWNSHIP  
NOTES TO OTHER INFORMATION  
MARCH 31, 2019**

**A. Budgets and Budgetary Accounting**

The budget for all fund types is 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. The budget was passed on May 10, 2018, the budget line item transfers were passed March 14, 2019.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

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

1. The Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenses paid and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. The budget is legally adopted through passage of a resolution.
4. The Board of Trustees is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenses paid of any fund must be approved by the Board of Trustees after a public hearing.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Trustees may amend the budget (in other ways) by the same procedures required of its original adoption.

**B. Expenditures in Excess of Budget**

For the year ended March 31, 2019, the Township operated within the confines of the budget.