

Elgin Township, Illinois
Annual Financial Report
For the Year Ended March 31, 2024

ELGIN TOWNSHIP, ILLINOIS

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Year Ended March 31, 2024

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ELGIN TOWNSHIP, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Township Supervisor and
the Members of the Elgin Township Board
Elgin, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Elgin Township, Illinois, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise Elgin Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Elgin Township, as of March 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Elgin 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Elgin 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Elgin 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 Elgin 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of pension contributions, and budgetary comparison information be presented

to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

GW & Associates, P.C.

GW & Associates, P.C.

Hillside, Illinois

December 27, 2024

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

As management of Elgin Township, Illinois (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2024. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Township exceeded its liabilities and deferred inflows at March 31, 2024 by \$9,276,550 (*net position*). Of this amount, \$2,856,625 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$902,524.
- At March 31, 2024, the Township's governmental funds reported combined ending fund balances of \$3,707,812, an increase of \$163,940 from the prior year.
- At March 31, 2024, the fund balance for the Town Fund was \$3,134,138, an increase of \$429,714 from the prior year.
- The Township's total net capital assets increased by \$625,870 during the year ended March 31, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information.

Government-wide financial statements

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses.

ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The statement of net position presents financial information on all of the Township's assets, plus deferred outflows, and liabilities plus deferred inflows, with the difference between the two reported as net position.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township include general government, general assistance, assessor, programming (services for youth and family, seniors and mental health), and road and bridge.

Fund financial statements

All of the funds of the Township are governmental funds. The Fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's three funds and one blended component unit (road and bridge).

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget to actual revenues and expenditures.

ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning Elgin Township's participation in the Illinois Municipal Retirement Fund to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section.

A budgetary comparison statement has been provided for the Town Fund and other major governmental funds to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows exceeded liabilities and deferred inflows by \$9,276,550 for the year ended March 31, 2024. A portion of the Township's net position reflects its investment in capital assets; \$5,144,215. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is \$4,132,335, of which \$1,275,710 is restricted and \$2,856,625 is unrestricted.

ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

Elgin Township Net Position

	Governmental	
	Activities	
	3/31/2023	3/31/2024
Current and Other Assets	\$ 7,863,876	\$ 8,240,511
Capital Assets, Net	4,518,345	5,144,215
Total Assets	\$ 12,382,221	\$ 13,384,726
Deferred Outflow	\$ 865,852	\$ 556,501
Liabilities	\$ 592,158	\$ 145,636
Total Liabilities	592,158	145,636
Deferred Inflow	4,281,889	4,519,041
Net Position:		
Net Investment in Capital Assets	4,518,345	5,144,215
Restricted	1,292,172	1,275,710
Unrestricted	2,563,509	2,856,625
Total Net Position	\$ 8,374,026	\$ 9,276,550

An additional portion of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,856,625) may be used to meet the Township's ongoing obligations to citizens and creditors.

Governmental activities

Governmental activities increased the Township's net position by \$902,524.

Key elements of the increase to net position by governmental activities are attributable to an increase in interest rates and therefore interest income, as well as a decrease in general government related to pension expenses.

ELGIN TOWNSHIP, ILLINOIS*MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**Year Ended March 31, 2024***Elgin Township Changes in Net Position**

	Governmental	
	Activities	
	<u>3/31/2023</u>	<u>3/31/2024</u>
Revenues		
Program Revenues		
Charges for Services	\$ 13,618	\$ 1,949
Capital Grants and Contributions	42,494	-
General Revenues		
Property Taxes	3,589,086	3,555,298
Replacement Taxes	623,725	475,722
TOIRMA Refunds	8,279	8,279
Interest	27,303	157,742
Other Income	26,584	86,100
Total Revenues	<u>4,331,089</u>	<u>4,285,090</u>
Expenses		
General Government	909,236	805,109
Emergency/General Assistance	330,935	362,722
Assessor	430,806	459,388
Senior, Youth and Social Programs	1,117,565	1,077,869
Road and Bridge	671,720	677,478
Total Expenses	<u>3,460,262</u>	<u>3,382,566</u>
Increase/(Decrease) in Net Position	870,827	902,524
Net Position - Beginning of Year	7,503,199	8,374,026
Net Position - End of Year	<u>\$ 8,374,026</u>	<u>\$ 9,276,550</u>

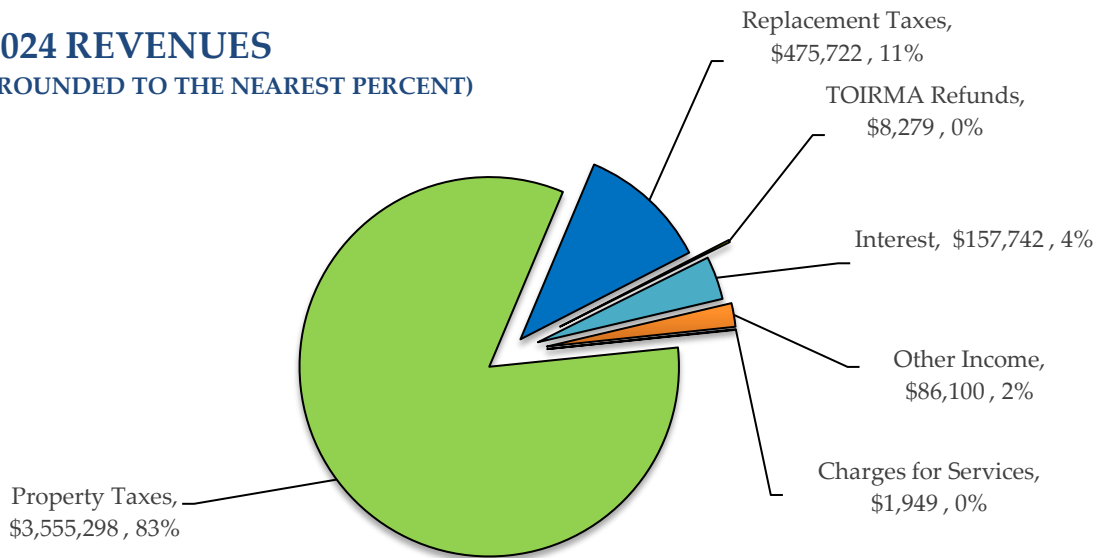
ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

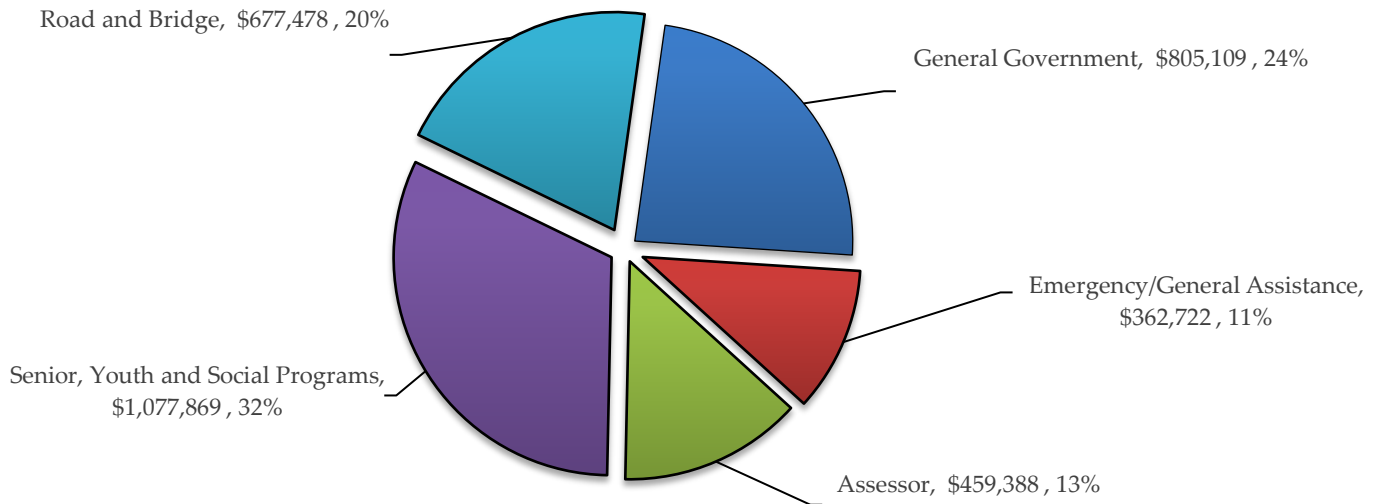
2024 REVENUES

(ROUNDED TO THE NEAREST PERCENT)



2024 EXPENSES

(ROUNDED TO THE NEAREST PERCENT)



ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the fiscal year.

At March 31, 2024, the Township's governmental funds reported combined ending fund balances of \$3,707,812, an increase of \$163,940 in comparison with the prior year.

The Town Fund is the chief operating fund of the Township. At March 31, 2024, the fund balance of the Town Fund was \$3,134,138. This represents an increase of \$429,714, compared to the prior fiscal year.

Town Fund Budgetary Highlights

Expenditures in the Town Fund of \$2,402,623, were under revenues by \$429,714 and was \$520,109 less than the appropriation of \$2,922,732.

CAPITAL ASSETS

The Township's capital assets for its governmental activities as of March 31, 2024, amount to \$5,144,215 (net of accumulated depreciation). This investment in capital assets includes land, roads and improvements, buildings and improvements, vehicles, and other equipment.

ELGIN TOWNSHIP, ILLINOIS

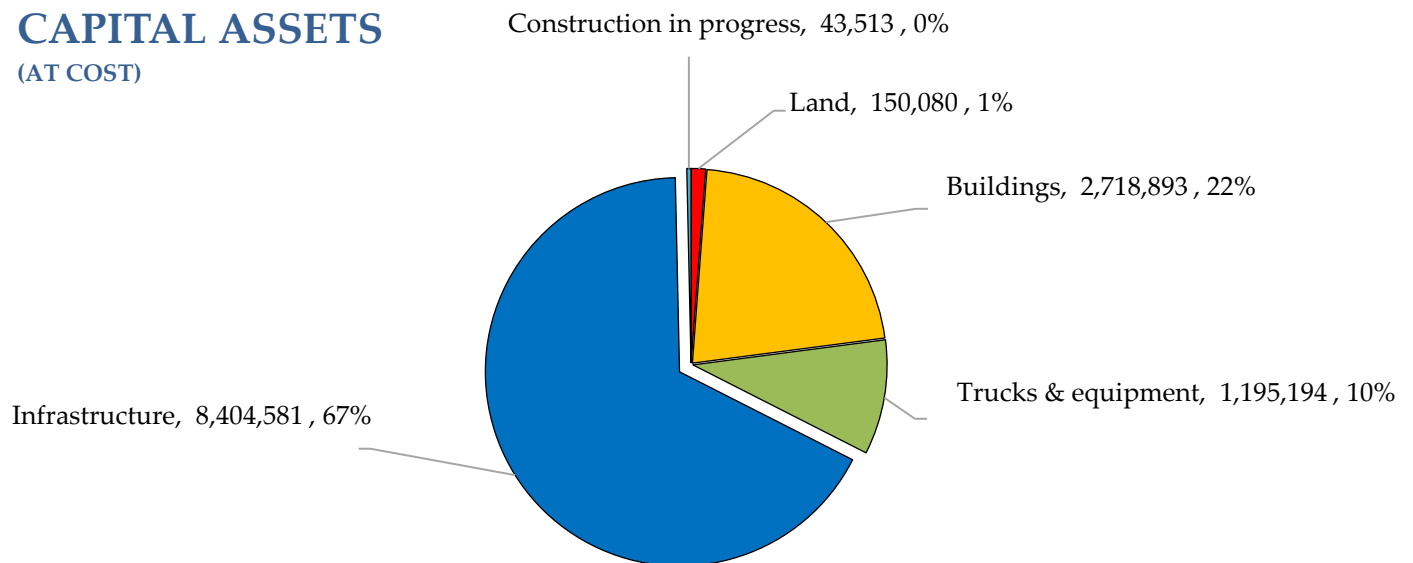
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

Major fixed asset events during the current fiscal year included the following:

	Balance April 1, 2023	Increases	Decreases	Balance March 31, 2024
Capital Assets				
Land	\$ 150,080	\$ -	\$ -	\$ 150,080
Construction in progress	-	43,513	-	43,513
Buildings	2,709,943	8,950	-	2,718,893
Trucks & equipment	1,113,320	81,874	-	1,195,194
Infrastructure	7,724,085	680,496	-	8,404,581
Total Capital Assets	11,697,428	814,833	-	12,512,261
Less: Accumulated Depreciation	7,179,083	188,963	-	7,368,046
Capital Assets (Net)	\$ 4,518,345	\$ 625,870	\$ -	\$ 5,144,215

CAPITAL ASSETS (AT COST)



ELGIN TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Year Ended March 31, 2024

Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor, Elgin Township, 729 S. McLean Blvd., Elgin, Illinois, 60123.

BASIC FINANCIAL STATEMENTS

ELGIN TOWNSHIP, ILLINOIS

Government-wide Statement of Net Position

March 31, 2024

Assets	
Cash	\$ 3,722,095
Property tax receivable	4,518,416
Capital assets not being depreciated	193,593
Capital assets being depreciated, net of depreciation	4,950,622
Total Assets	13,384,726
 Deferred Outflow - Pension	 556,501
 Liabilities	
Current	
Accounts payable	14,283
Noncurrent	
Net Pension liability	119,745
Compensated absences	11,608
Total Liabilities	145,636
 Deferred Inflow - Pension	 625
Deferred Inflow - Property taxes	4,518,416
Total Deferred Inflows	4,519,041
 Net Position	
Net investment in capital assets	5,144,215
Restricted - municipal retirement	205,253
Restricted - road & bridge	1,070,457
Unrestricted	2,856,625
Total Net Position	\$ 9,276,550

The accompanying notes are an integral part of these financial statements.

ELGIN TOWNSHIP, ILLINOIS

Government-wide Statement of Activities

Year Ended March 31, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue & Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 805,109	\$ 1,949	\$ -	\$ -
Emergency/General Assistance	362,722	-	-	-
Assessor	459,388	-	-	-
Senior, Youth and Social Programs	1,077,869	-	-	-
Road & Bridge	677,478	-	-	-
Total Governmental Activities	\$ 3,382,566	\$ 1,949	\$ -	\$ -
General Revenues:				
Property tax				3,555,298
Replacement tax				475,722
TOIRMA refunds				8,279
Miscellaneous revenue				86,100
Investment income				157,742
Total Revenues				4,283,141
Changes in Net Position				902,524
Net Position Beginning of Year				8,374,026
Total Net Position				\$ 9,276,550

The accompanying notes are an integral part of these financial statements.

ELGIN TOWNSHIP, ILLINOIS

Governmental Fund Types - Balance Sheet

March 31, 2024

Assets	Town Fund	General Assistance Fund	IMRF Fund	Road & Bridge Fund	Total
Cash	\$ 2,445,545	\$ -	\$ 205,253	\$ 1,071,297	\$ 3,722,095
Property taxes receivable, current					
levy, net of allowance for loss	2,560,256	103,956	59,403	1,794,801	4,518,416
Due from other funds	701,122	-	-	-	701,122
Total Assets	5,706,923	103,956	264,656	2,866,098	8,941,633
Liabilities					
Due to other funds	-	701,122	-	-	701,122
Accounts payable	12,529	914	-	840	14,283
Total Liabilities	12,529	702,036	-	840	715,405
Deferred Inflows - Property Taxes	2,560,256	103,956	59,403	1,794,801	4,518,416
Total Liabilities & Deferred Inflows	2,572,785	805,992	59,403	1,795,641	5,233,821
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	-	-	205,253	1,070,457	1,275,710
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,134,138	(702,036)	-	-	2,432,102
Total Fund Balance	3,134,138	(702,036)	205,253	1,070,457	3,707,812
Total Liabilities, Deferred Inflows & Fund Balance	\$ 5,706,923	\$ 103,956	\$ 264,656	\$ 2,866,098	\$ 8,941,633

The accompanying notes are an integral part of these financial statements.

ELGIN TOWNSHIP, ILLINOIS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Year Ended March 31, 2024

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total Governmental Fund Balances	\$ 3,707,812
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amount net of depreciation	
Capital assets net of accumulated depreciation	5,144,215
Pension liabilities, deferred pension outflows and deferred pension inflows are not recorded in the fund statements but are included	
Net pension asset/(liability)	(119,745)
Deferred IMRF pension outflow/ (inflow)	556,501
Deferred IMRF pension inflow	(625)
Other employee benefit obligation accruals are not reported in funds.	<u>(11,608)</u>
Total Net Position of Governmental Activities	<u><u>\$ 9,276,550</u></u>

The accompanying notes are an integral part of these financial statements.

ELGIN TOWNSHIP, ILLINOIS

Governmental Fund Types - Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 2024

	Town Fund	General Assistance Fund	IMRF Fund	Road & Bridge Fund	Total
Revenues					
Property taxes	\$ 2,410,863	\$ 99,939	\$ 81,529	\$ 962,967	\$ 3,555,298
Replacement taxes	328,584	-	-	147,138	475,722
TOIRMA refunds	4,967	-	-	3,312	8,279
Passport income	1,949	-	-	-	1,949
Interest income	85,924	-	-	71,818	157,742
Miscellaneous revenue	50	13,471	-	72,579	86,100
Total Revenues	2,832,337	113,410	81,529	1,257,814	4,285,090
Expenditures					
Administrative	865,366	108,937	34,934	109,666	1,118,903
Assessor	459,388	-	-	-	459,388
Programming	1,077,869	-	-	-	1,077,869
Road maintenance	-	-	-	1,211,205	1,211,205
Home relief	-	245,032	-	-	245,032
Capital expenditures	-	8,753	-	-	8,753
Total Expenditures	2,402,623	362,722	34,934	1,320,871	4,121,150
Net Change in Fund Balance	429,714	(249,312)	46,595	(63,057)	163,940
Fund Balance					
Balance, beginning of year	2,704,424	(452,724)	158,658	1,133,514	3,543,872
Total Fund Balance	\$ 3,134,138	\$ (702,036)	\$ 205,253	\$ 1,070,457	\$ 3,707,812

The accompanying notes are an integral part of these financial statements.

ELGIN TOWNSHIP, ILLINOIS

Reconciliation of the Governmental Funds to the Statement of Activities

Year Ended March 31, 2024

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Net Change in Fund Balance	\$ 163,940
 Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life. (amount shown is net of depreciation)	
Net capital asset additions	625,870
 Governmental funds do not report the changes of non-current pension liabilities, deferred outflows or deferred inflows.	
Pension (expense)/income	120,945
Compensated absences	<u>(8,231)</u>
Changes in Net Position Governmental Funds	<u>\$ 902,524</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC
FINANCIAL STATEMENTS

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Elgin Township, Illinois (Township) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

REPORTING ENTITY –

The Township is located in the City of Elgin, Illinois and is governed by a board. The Township is primarily funded through a tax levy, operating grants, fines and fees, and charitable donations. Revenue is used to operate and staff the Township. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Township, there are no component units to be included in these financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION –

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets, restricted net position; and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Township patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgements are recorded only when payment is due.

Primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Program revenues include fees and permits are reported as charges for services in the government-wide financial statements. Transportation grants are reported as operating grants in the government-wide financial statements unless specified by the grantor as capital grants.

The following fund types are used by the Township:

Governmental Funds

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The General Assistance, IMRF, and Road & Bridge Funds are Special Revenue Funds.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

THE TOWNSHIP REPORTS ALL THE FUNDS AS MAJOR GOVERNMENTAL FUNDS –

The Town Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund, while the Township Road & Bridge Fund accounts for the resources associated with taxes levied specifically for the maintenance of the Township's road and bridges.

FINANCIAL STATEMENT AMOUNTS –

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Township maintains a cash and investment pool which is available for use by the Town and General Assistance Funds.

The Township's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts and deposits in the Illinois Funds.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st. The 2023 levy was passed by the Board on December 11, 2023. Tax collections are due on June 1st and September 1st following the passage of the levy.

Capital Assets - Capital assets are defined by the Township as assets with an initial cost of more than \$1,000 for Town, General Assistance, and IMRF funds and \$10,000 for Road and Bridge funds and has an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at acquisition value at the date of donation. 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 basis over the following estimated useful lives:

Building and improvements	10-50 years
Office equipment and furniture	5-10 years
Trucks and equipment	5-10 years
Infrastructure	50 years

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences - (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Accumulated vacation days only will be paid out by the Township when employees separate from service with the Township. A liability for these amounts is reported in the non-current liability portion of the government-wide Statement of Net Position.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, debt issued is reported as another financing source and payments are reported as debt service expenditures.

The Township has a pension plan covering substantially all the full-time employees. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2024, unexpended appropriations of the budgetary funds (town fund and special revenue funds) automatically lapse. The budget is prepared on the modified accrual basis. The 2023-2024 appropriations ordinance was adopted June 12, 2023, for the Town and for the Road & Bridge.

FUND BALANCE CLASSIFICATION –

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted IMRF fund balance are restricted for IMRF pension payments. Restricted Road & Bridge fund balance is restricted for road maintenance.

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Township did not have any committed resources as of March 31, 2024.

Assigned –

This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township Board or through the Township Board delegating this responsibility to the Township Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the Town Fund.

Unassigned –

This classification includes the residual fund balance for the Town Fund and the amount established for Minimum Funding which represents the portion of the Town Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Township would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

The classifications used in the government-wide financial statements are as follows:

Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Position - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Township's policy is to use restricted net position first, followed by unrestricted, but reserves the right to selectively spend unrestricted resources first to defer the use of these other classified funds.

Unrestricted Net Position – all other net position is reported in this category.

NOTE – 2 CASH AND INVESTMENTS

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits. The carrying cash balance of the Township is \$3,722,095 and the bank balance is \$3,762,416. Of the bank balance in the Township's name, \$500,000 is FDIC insured, \$1,912,154 is collateralized for the Township in the bank's trust department and \$1,350,262 in uncollateralized.

Interest Rate Risk – The Township limits its interest rate risk by having demand deposits.

Custodial Credit Risk – The Township limits its credit risk by holding its deposits in FDIC insured institutions with collateral backing its deposits.

Concentration of Credit Risk - The Township places no limit on the amount held in any one institution.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

IMRF 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 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 Annual Comprehensive 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.

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.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2023, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Memebers entitled to but not yet receiving benefits	14
Active Plan Members	13
Total	61

CONTRIBUTIONS

As set by statute, the Township'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 Township's annual contribution rate for calendar year 2023 was 3.97% and for calendar year 2024 was 5.18%. For the fiscal year ended March 31, 2024, the Township contributed \$41,816 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.

NET PENSION LIABILITY

The Township's net pension liability was measured as of December 31, 2023. 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, 2023:

- 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%.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For non-disabled retirees the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For **Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2021.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

Asset Class	Portfolio Target Percentage	Expected Real Rate of Return
Domestic Equity	34.5%	5.00%
International Equity	18%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	1%	3.80%
Total	100%	

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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 3.77%, and the resulting single discount rate is 7.25%.

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:

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption			
	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 9,672,489	\$ 8,795,121	\$ 8,088,137
Plan Fiduciary Net Position	8,675,376	8,675,376	8,675,376
Net Pension Liability/(Asset)	\$ 997,113	\$ 119,745	\$ (587,239)

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2023

A. Total pension liability

1. Service Cost	\$ 90,872
2. Interest on the Total Pension Liability	610,007
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	38,375
5. Changes of assumptions	(1,135)
6. Benefit payments, including refunds of employee contributions	(622,901)
7. Net change in total pension liability	115,218
8. Total pension liability – beginning	8,679,903
9. Total pension liability – ending	<u>\$ 8,795,121</u>

B. Plan fiduciary net position

1. Contributions – employer	\$ 38,705
2. Contributions – employee	43,872
3. Net investment income	919,729
4. Benefit payments, including refunds of employee contributions	(622,901)
5. Other (Net Transfer)	166,734
6. Net change in plan fiduciary net position	546,139
7. Plan fiduciary net position – beginning	8,129,237
8. Plan fiduciary net position – ending	<u>\$ 8,675,376</u>

C. Net pension liability/(asset)

\$ 119,745

D. Plan fiduciary net position as a percentage of the total pension liability

98.64%

E. Covered Valuation payroll

\$ 974,923

F. Net pension liability as a percentage of covered valuation payroll

12.28%

Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

For the year ended March 31, 2024, the Township recognized pension income of \$(82,240). At March 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 35,006	\$ -
Changes of assumptions	-	625
Net difference between projected and actual earnings on pension plan investments	508,595	-
Total Deferred Amounts to be recognized in pension expense in future periods	543,601	625
<i>Pension Contributions made subsequent to the Measurement Date</i>	12,900	-
Total Deferred Amounts Related to Pensions	\$ 556,501	\$ 625

Pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. 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:

Year Ending March 31,	Net Deferred Outflows of Resources
2025	\$ 86,193
2026	178,934
2027	346,631
2028	(68,782)
2029	-
Thereafter	-
Total	\$ 542,976

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate *

Valuation Date:

December 31, 2023

Notes

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

Methods and Assumptions Used to Determine 2023 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 20-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years, and one employer was financed over 26 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% 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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, 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, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes

There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 4 – CHANGES IN CAPITAL ASSETS

	Balance			Balance
Capital Assets	April 1, 2023	Increases	Decreases	March 31, 2024
Capital asset not being depreciated				
Land	\$ 150,080	\$ -	\$ -	\$ 150,080
Construction in progress	-	43,513	-	43,513
Total Non-Depreciable Capital Assets	<u>150,080</u>	<u>43,513</u>	<u>-</u>	<u>193,593</u>
Capital asset being depreciated				
Buildings	2,709,943	8,950	-	2,718,893
Trucks & equipment	1,113,320	81,874	-	1,195,194
Infrastructure	7,724,085	680,496	-	8,404,581
Total Capital Assets Being Depreciated	<u>11,547,348</u>	<u>771,320</u>	<u>-</u>	<u>12,318,668</u>
Less: Accumulated Depreciation				
Buildings	2,097,911	68,122	-	2,166,033
Trucks & equipment	1,011,652	47,432	-	1,059,084
Infrastructure	4,069,520	73,409	-	4,142,929
Total Accumulated Depreciation	<u>7,179,083</u>	<u>188,963</u>	<u>-</u>	<u>7,368,046</u>
Total Capital Assets Being Depreciated (Net)	<u>4,368,265</u>	<u>582,357</u>	<u>-</u>	<u>4,950,622</u>
Total Capital Assets (Net)	<u>\$ 4,518,345</u>	<u>\$ 625,870</u>	<u>\$ -</u>	<u>\$ 5,144,215</u>

NOTE 5 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Township has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Township reports deferred outflows related to pension activity in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate

ELGIN TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Township has two types of items which qualify for reporting in this category. Deferred inflows of \$4,518,416 relate to property taxes intended to fund expenses in the following fiscal year and are reported in the governmental fund statements and government wide statements. Deferred inflows of \$625 relate to pension activity in subsequent years and is reported in the government wide statements.

NOTE 7 – CONTINGENCIES

The Organization is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ELGIN TOWNSHIP, ILLINOIS*Town Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property tax	\$ 2,411,070	\$ 2,411,070	\$ 2,410,863
Replacement tax	442,725	442,725	328,584
Passport income	5,000	5,000	1,949
TOIRMA refunds	4,967	4,967	4,967
Interest income	43,736	43,736	85,924
Miscellaneous revenue	18,234	18,234	50
Total Revenues	2,925,732	2,925,732	2,832,337
Expenditures			
General and Administrative			
Personnel			
Salaries	485,000	485,000	463,557
FICA expenditure	30,070	30,070	29,196
Medicare payable	7,500	7,500	6,722
Health insurance	99,000	99,000	97,504
Unemployment insurance	1,000	1,000	643
Total Personnel	622,570	622,570	597,622
Contractual Services			
Maintenance service - vehicles	1,000	1,000	200
Maintenance service - grounds	2,000	2,000	22,456
Maintenance service - building	25,000	25,000	24,230
Maintenance service - equipment	25,000	25,000	21,636
Publications	1,500	1,500	-
General insurance	35,000	35,000	33,472
Telephone/internet	8,500	8,500	7,539
Utilities	19,500	19,500	14,024
Training	2,500	2,500	1,473
Travel and meetings	8,000	8,000	6,042
Postage	8,000	8,000	3,965
Passport postage	900	900	579
Battery recycling	15,000	15,000	10,230
Publishing	1,000	1,000	178
Accounting services	25,000	25,000	8,556
Legal services	15,000	15,000	14,838
Printing	48,500	48,500	9,498
Dues	5,000	5,000	4,558
Contract payment Ride in Kane	12,000	12,000	4,587
Total Contractual Services	258,400	258,400	188,061

Continued

ELGIN TOWNSHIP, ILLINOIS*Town Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
General and Administrative (continued)			
Commodities			
Office supplies	\$ 8,000	\$ 8,000	\$ -
Yard waste stickers	1,500	1,500	1,560
Office supplies - passports	200	200	7,813
Total Commodities	9,700	9,700	9,373
Capital Expenditures			
Equipment & furniture	12,000	12,000	7,403
Transfer-General Assistance	50,000	50,000	-
Building	75,000	75,000	-
Total Capital Expenditures	137,000	137,000	7,403
Program Expenditures			
Social service agency grants	500,000	500,000	500,000
Community room supplies	10,000	10,000	6,361
Youth programs	125,000	125,000	96,716
Total Program Expenditures	635,000	635,000	603,077
Other Expenditures			
Miscellaneous expenditure	2,500	2,500	7,394
Contingencies	80,000	80,000	55,513
Total Other Expenditures	82,500	82,500	62,907
Total Administrative	1,745,170	1,745,170	1,468,443
Assessor Office			
Personnel			
Salaries	385,010	385,010	274,493
FICA	21,000	21,000	17,344
Medicare payable	5,000	5,000	4,056
Health insurance	123,789	123,789	90,116
Unemployment insurance	800	800	-
Total Personnel	535,599	535,599	386,009
Contractual Services			
Maintenance services - equipment	34,285	34,285	24,843
Maintenance service - vehicles	3,000	3,000	1,053
Travel expenses	6,100	6,100	4,200
Training	5,500	5,500	4,159
Postage	525	525	476
Publications/subscriptions	600	600	559
Telephone	3,000	3,000	591
Other professional services	20,000	20,000	13,737
Publishing	200	200	-
Data services	27,753	27,753	12,634

Continued

ELGIN TOWNSHIP, ILLINOIS

Town Fund - Schedule of Revenues & Expenditures - Budget and Actual

Year Ended March 31, 2024

	Original Budget	Final Budget	Modified Accrual Basis
Assessor Office (continued)			
Contractual Services			
Printing	\$ 500	\$ 500	\$ 75
Dues	2,500	2,500	1,415
Total Contractual Services	103,963	103,963	63,742
Commodities			
Office supplies	4,000	4,000	2,831
Total Commodities	4,000	4,000	2,831
Capital Expenditures			
Equipment & furniture	14,000	14,000	5,641
Total Capital Expenditures	14,000	14,000	5,641
Other Expenditures			
Contingencies	2,000	2,000	1,165
Total Other Expenditures	2,000	2,000	1,165
Total Assessor Office	659,562	659,562	459,388
Programming Administration			
Consultant fees	18,000	18,000	20,320
Dues	-	-	500
Professional services	20,000	20,000	8,150
Total Administration	38,000	38,000	28,970
Contractual Services			
Elgin Township TRAID program	12,000	12,000	12,000
Senior utility assistance program	20,000	20,000	19,992
Prescription drug program	10,000	10,000	5,553
Township transportation services	5,000	5,000	3,523
Township senior programming	5,000	5,000	864
Printing/public relations	18,000	18,000	2,125
Miscellaneous	400,000	400,000	397,691
Total Contractual Services	470,000	470,000	441,748
Other Expenditures			
Contingencies	10,000	10,000	4,074
Total Other Expenditures	10,000	10,000	4,074
Total Programming	518,000	518,000	474,792
Total Expenditures Town Fund	2,922,732	2,922,732	2,402,623
Net Change in Fund Balance	\$ 3,000	\$ 3,000	\$ 429,714
			<i>Concluded</i>

ELGIN TOWNSHIP, ILLINOIS*General Assistance Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property tax	\$ 99,949	\$ 99,949	\$ 99,939
Miscellaneous income	24,000	24,000	13,471
Interest income	500	500	-
Total Revenues	124,449	124,449	113,410
Expenditures			
Administration			
Personnel			
Salaries	108,000	108,000	90,943
FICA	7,000	7,000	5,638
Medicare payable	2,000	2,000	-
Health insurance	27,000	27,000	11,560
Unemployment insurance	150	150	-
Total Personnel	144,150	144,150	108,141
Contractual Services			
Rent	12,000	12,000	-
Utilities	5,000	5,000	-
Travel/training	500	500	412
Postage	-	-	384
Publication/subscriptions	200	200	-
Total Contractual Services	17,700	17,700	796
Commodities			
Office supplies	1,200	1,200	-
Miscellaneous	5,000	5,000	-
Total Commodities	6,200	6,200	-
Capital Expenditures			
Equipment & furniture	9,000	9,000	8,753
Total Capital Expenditures	9,000	9,000	8,753
Total Administrative	177,050	177,050	117,690

Continued

ELGIN TOWNSHIP, ILLINOIS*General Assistance Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
Home Relief			
Contractual Services			
Physician services	\$ 400	\$ 400	\$ -
Hospital service - in patient	400	400	-
Hospital service - out patient	400	400	-
Drugs	400	400	-
Dental services	100	100	-
Other medical services	400	400	-
Ambulance	400	400	-
Emergency assistance	68,000	68,000	66,017
Disaster relief	3,000	3,000	270
Funeral/burial services	1,500	1,500	500
Utility payment	20,000	20,000	11,352
Shelter	65,000	65,000	129,272
Workfare	5,000	5,000	5,080
Miscellaneous	5,400	5,400	1,800
Total Contractual Services	170,400	170,400	214,291
Commodities			
Food	45,000	45,000	30,741
Fuel	400	400	-
Total Commodities	45,400	45,400	30,741
Other Expenditures			
Contingencies	3,000	3,000	-
Total Other Expenditures	3,000	3,000	-
Total Home Relief	218,800	218,800	245,032
Total Expenditures General Assistance Fund	395,850	395,850	362,722
Net Change in Fund Balance	\$ (271,401)	\$ (271,401)	\$ (249,312)

Concluded

ELGIN TOWNSHIP, ILLINOIS

IMRF Fund - Schedule of Revenues & Expenditures - Budget and Actual

Year Ended March 31, 2024

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property tax	\$ 81,602	\$ 81,602	\$ 81,529
Interest income	500	500	-
Total Revenues	82,102	82,102	81,529
Expenditures			
General and Administrative			
Personnel			
IMRF contribution	19,255	19,255	34,934
Total Personnel	19,255	19,255	34,934
Total General and Administration	19,255	19,255	34,934
Net Change in Fund Balance	\$ 62,847	\$ 62,847	\$ 46,595

ELGIN TOWNSHIP, ILLINOIS*Road & Bridge Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
Revenues			
Property tax	\$ 960,555	\$ 960,555	\$ 962,967
Replacement tax	190,000	190,000	147,138
TOIRMA dividends	3,300	3,300	3,312
Interest income	15,020	15,020	71,818
Miscellaneous revenue	5,000	5,000	72,579
Total Revenues	1,173,875	1,173,875	1,257,814
Expenditures			
General and Administrative			
Contractual Services			
Travel	1,500	1,500	355
Legal services	10,000	10,000	525
Telephone	3,000	3,000	1,022
Publishing/printing	500	500	97
Postage	700	700	198
Printing	1,000	1,000	95
Training	1,000	1,000	75
Risk management - TOIRMA insurance	30,000	30,000	22,314
Total Contractual Services	47,700	47,700	24,681
Commodities			
Office supplies	2,000	2,000	-
Total Commodities	2,000	2,000	-
Capital Expenditures			
Equipment	3,000	3,000	2,131
Total Capital Expenditures	3,000	3,000	2,131
Other Expenditures			
Municipal replacement tax	105,000	105,000	81,960
Miscellaneous	2,000	2,000	894
Total Other Expenditures	107,000	107,000	82,854
Total General and Administrative	159,700	159,700	109,666

Continued

ELGIN TOWNSHIP, ILLINOIS*Road & Bridge Fund - Schedule of Revenues & Expenditures - Budget and Actual**Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Accrual Basis
Maintenance Personnel			
Salaries	\$ 240,000	\$ 240,000	\$ 184,157
Health insurance	25,000	25,000	34,182
Social Security and Medicare	20,000	20,000	14,088
IMRF contribution	20,000	20,000	7,182
Unemployment insurance	450	450	-
Total personnel	305,450	305,450	239,609
Contractual Services			
Maintenance - buildings	30,000	30,000	29,747
Maintenance - equipment	50,000	50,000	22,164
Maintenance - road	50,000	50,000	36,063
Maintenance - snow removal	175,000	175,000	91,644
Engineering services	40,000	40,000	11,919
Rental expenditure	6,000	6,000	2,292
Utilities	9,000	9,000	7,106
Street lighting	30,000	30,000	19,073
Total Contractual Services	390,000	390,000	220,008
Commodities			
Traffic signs	5,000	5,000	442
Operating supplies	3,000	3,000	2,178
Gas/diesel/oil	50,000	50,000	17,854
Total Commodities	58,000	58,000	20,474

Continued

ELGIN TOWNSHIP, ILLINOIS

Road & Bridge Fund - Schedule of Revenues & Expenditures - Budget and Actual

Year Ended March 31, 2024

	Original Budget	Final Budget	Modified Accrual Basis
Capital Expenditures			
Building	\$ 100,000	\$ 100,000	\$ 10,450
Vehicle and equipment	270,000	270,000	69,467
Construction	803,997	803,997	644,454
Total Capital Expenditures	1,173,997	1,173,997	724,371
Other Expenditures			
Miscellaneous	20,000	20,000	6,743
Contingencies	20,000	20,000	-
Total Other Expenditures	40,000	40,000	6,743
Total Maintenance Department	1,967,447	1,967,447	1,211,205
Total Expenditures Road and Bridge Fund	2,127,147	2,127,147	1,320,871
Net Change in Fund Balance	\$ (953,272)	\$ (953,272)	\$ (63,057)

Concluded

ELGIN TOWNSHIP, ILLINOIS
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability											
Service Cost	\$ 90,872	\$ 87,228	\$ 77,169	\$ 88,602	\$ 89,805	\$ 82,441	\$ 87,594	\$ 89,051	\$ 91,604		
Interest on the Total Pension Liability	610,007	597,401	578,068	576,061	538,294	524,233	539,953	504,263	488,528		
Benefit Changes	-	-	-	-	-	-	-	-	-		
Difference between Expected and Actual Experience	38,375	93,138	162,827	(51,272)	353,142	48,672	(194,517)	263,361	(36,870)		
Assumption Changes	(1,135)	-	-	(77,399)	-	200,323	(234,011)	(8,342)	7,745		
Benefit Payments and Refunds	(622,901)	(588,521)	(524,354)	(480,831)	(438,591)	(410,174)	(401,907)	(359,517)	(302,399)		
Net Change in Total Pension Liability	115,218	189,246	293,710	55,161	542,650	445,495	(202,888)	488,816	248,608		
Total Pension Liability - Beginning	8,679,903	8,490,657	8,196,947	8,141,786	7,599,136	7,153,641	7,356,529	6,867,713	6,619,105		
Total Pension Liability - Ending (a)	\$ 8,795,121	\$ 8,679,903	\$ 8,490,657	\$ 8,196,947	\$ 8,141,786	\$ 7,599,136	\$ 7,153,641	\$ 7,356,529	\$ 6,867,713		
Plan Fiduciary Net Position											
Employer Contributions	38,705	65,178	93,232	79,192	60,672	108,887	81,089	89,274	92,380		
Employee Contributions	43,872	42,631	39,957	39,817	48,535	41,737	39,793	39,658	38,851		
Pension Plan Net Investment Income	919,729	(1,371,571)	1,483,314	1,162,233	1,302,141	(430,102)	1,209,933	412,226	32,598		
Benefit Payments and Refunds	(622,901)	(588,521)	(524,354)	(480,831)	(438,591)	(410,174)	(401,907)	(359,517)	(302,399)		
Other	166,734	20,481	79,510	46,294	102,727	139,856	(132,755)	(39,853)	12,529		
Net Change in Plan Fiduciary Net Position	546,139	(1,831,802)	1,171,659	846,705	1,075,484	(549,796)	796,153	141,788	(126,041)		
Plan Fiduciary Net Position - Beginning	8,129,237	9,961,039	8,789,380	7,942,675	6,867,191	7,416,987	6,620,834	6,479,046	6,605,087		
Plan Fiduciary Net Position - Ending (b)	\$ 8,675,376	\$ 8,129,237	\$ 9,961,039	\$ 8,789,380	\$ 7,942,675	\$ 6,867,191	\$ 7,416,987	\$ 6,620,834	\$ 6,479,046		
Net Pension Liability/(Asset) - Ending (a) - (b)	119,745	550,666	(1,470,382)	(592,433)	199,111	731,945	(263,346)	735,695	388,667		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.64%	93.66%	117.32%	107.23%	97.55%	90.37%	103.68%	90.00%	94.34%		
Covered Valuation Payroll	\$ 974,923	\$ 947,347	\$ 887,930	\$ 884,830	\$ 945,055	\$ 927,497	\$ 884,289	\$ 881,280	\$ 863,363		
Net Pension Liability as a Percentage of Covered Valuation Payroll	12.28%	58.13%	(165.60%)	(66.95%)	21.07%	78.92%	(29.78%)	83.48%	45.02%		

Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

ELGIN TOWNSHIP, ILLINOIS
Multi-year Schedule of Pension Contributions
Last 10 Calendar Years

Calendar Year Ending March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered		Actual Contribution as a % of Covered Valuation Payroll
				Valuation	Payroll	
2016	\$ 92,380	\$ 92,380	\$ -	\$ 863,363		10.70%
2017	\$ 89,274	\$ 89,274	\$ -	\$ 881,280		10.13%
2018	\$ 81,089	\$ 81,089	\$ -	\$ 884,289		9.17%
2019	\$ 108,888	\$ 108,887	\$ 1	\$ 927,497		11.74%
2020	\$ 60,673	\$ 60,672	\$ 1	\$ 945,055		6.42%
2021	\$ 79,192	\$ 79,192	\$ -	\$ 884,830		8.95%
2022	\$ 93,233	\$ 93,232	\$ 1	\$ 887,930		10.50%
2023	\$ 65,177	\$ 65,178	\$ (1)	\$ 947,347		6.88%
2024	\$ 41,816	\$ 41,816	\$ (0)	\$ 977,018		4.28%

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

ELGIN TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2024

NOTE 1 - BUDGETARY INFORMATION

The accounting policies of Elgin Township include the preparation of financial statements on the modified accrual basis of accounting. The Township also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Budgets are adopted at the function level in the Town Fund and total Town Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Township procedures in establishing the budgetary data reflected in the Town Fund Financial Statements are presented below:

1. Prior to May 31st the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding April 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to June 30th.
4. The Township Treasurer, in conjunction with the Township Board, is authorized to expend the unexpended balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The original budget was not amended during the fiscal year.

ELGIN TOWNSHIP, ILLINOIS

Notes to Required Supplementary Information
Year Ended March 31, 2024

NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

6. Formal budgetary integration is not employed as a management control device during the year for any fund.
7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.
10. The budget for Town Fund was adopted on June 12, 2023 and Road & Bridge Fund was adopted on June 12, 2023.