

ERIENNA TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

**For the Year Ended
March 31, 2021**

ERIENNA TOWNSHIP, ILLINOIS
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Brian Zabel & ASSOCIATES P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees
Erienna Township
Morris, Illinois

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Erienna Township, (the Township) as of and for the year ended March 31, 2021, and the related notes to the financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Erienna Township, as of March 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

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

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

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


BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
June 17, 2021

ERIENNA TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

As management of Erienna Township (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, 2021. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at March 31, 2021 by \$3,044,590 (net position). Of this amount, \$12,049 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position decreased by \$42,952.
- At March 31, 2021, the Township's governmental funds reported combined ending fund balances of \$239,287, a decrease of \$383,893 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector business.

The Statement of Net Position includes all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether its financial position is improving or deteriorating, respectively.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements show functions of the Township that are principally supported by taxes, fees, and other revenues (governmental activities). The Township does not conduct functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include providing general Township services and general governmental administrative services.

The governmental-wide financial statements can be found on pages 3 and 4 of this report.

ERIENNA TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be allocated into a single category: governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. 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 governmental activities.

The Township maintains two individual major governmental funds. The General Fund (Corporate Fund) is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general Township purposes. The Road and Bridge Fund is used to account for funds received from Road District property taxes and to account for expenditures made for Road purposes.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund which is considered to be a major fund.

The basic governmental fund financial statements can be found on pages 5 through 8 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 9 through 19 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in meeting its obligation to provide Township services to all of its residents.

The Township adopts an annual budget and appropriation ordinance that includes the General Fund, other major funds and nonmajor funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The budgetary comparison statement and related notes can be found on pages 20 through 25 of this report.

ERIENNA TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 March 31, 2021

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 exceeded liabilities by \$3,044,590 at March 31, 2021.

A significant portion of the Township's net position (92%) reflects investment in capital assets (e.g., land, buildings, and vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Erienna Township's Net Position at Year End

| | Governmental Activities | |
|---|-------------------------|--------------|
| | FY 2021 | FY 2020 |
| Current and Other Assets | \$ 533,675 | \$ 1,001,751 |
| Capital Assets | 2,805,303 | 2,464,362 |
| Total Assets | \$ 3,338,978 | \$ 3,466,113 |
| Current Liabilities | \$ 2,363 | \$ 1,873 |
| Long-term Liabilities | - | - |
| Total Liabilities | \$ 2,363 | \$ 1,873 |
| Deferred Inflows of Resources | \$ 292,025 | \$ 376,698 |
| Total Liabilities and Deferred Inflows of Resources | \$ 294,388 | \$ 378,571 |
| Net Position | | |
| Invested in Capital Assets, Net of Related Debt | \$ 2,805,303 | \$ 2,464,362 |
| Restricted | 227,238 | 470,486 |
| Unrestricted | 12,049 | 152,694 |
| Total Net Position | \$ 3,044,590 | \$ 3,087,542 |

A large portion of the Township's net position (99%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$12,049 may be used to meet the Township's ongoing obligations to citizens and creditors.

At March 31, 2021, the Township is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The Township's net position decreased by \$42,952 during the year ended March 31, 2021.

ERIENNA TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 March 31, 2021

Governmental Activities - Governmental activities decreased the Township's net position by \$42,952. The key elements of this increase are as follows:

Erienna Township's Change in Net Position

| | Governmental Activities | |
|--------------------------|-------------------------|--------------|
| | FY 2021 | FY 2020 |
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ - | \$ - |
| Grants and Contributions | - | - |
| General Revenues | | |
| Property Taxes | 390,932 | 370,706 |
| Replacement Taxes | 3,594 | 4,023 |
| Interest | 95 | 10,637 |
| Miscellaneous | 80 | 414 |
| Total Revenues | 394,701 | 385,780 |
| Expenses | | |
| General Government | 437,653 | 538,468 |
| Total Expenses | 437,653 | 538,468 |
| Increase in Net Position | (42,952) | (152,688) |
| Net Position-Beginning | 3,087,542 | 3,240,230 |
| Net Position-Ending | \$ 3,044,590 | \$ 3,087,542 |

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, unrestricted 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, 2021 the Township's governmental funds reported combined ending unrestricted fund balances of \$12,049.

The General Fund is the chief operating fund of the Township. At March 31, 2021, unrestricted fund balance of the General Fund was \$12,049. The fund balance of the General Fund decreased by \$140,645 during the year ended March 31, 2021.

ERIENNA TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$1,884 (favorable).
- The difference between the estimated expenditures and the actual expenditures was \$25,826 (favorable).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The Township’s investment in capital assets for its governmental activities as of March 31, 2021 amount to \$2,805,303 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, and equipment. The total increase in the Township’s investment in capital assets for the year ended March 31, 2021 was \$340,941 and was due to the addition of the new township building being built.

| Erienna Township's Capital Assets (Net of Depreciation) | | |
|--|-------------------------|---------------------|
| | Governmental Activities | |
| | 3/31/2021 | 3/31/2020 |
| Land | \$ 150,000 | \$ 150,000 |
| Building and Infrastructure | 2,636,061 | 2,287,863 |
| Equipment | 19,242 | 26,499 |
| Total | <u>\$ 2,805,303</u> | <u>\$ 2,464,362</u> |

Additional information on the Township’s capital assets can be found in Note 6 on page 19 of this report.

Long-Term Debt – At March 31, 2021, the Township had no debt outstanding.

Additional information on the Township’s long-term debt can be found in Note 7 on page 19 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the Township for 2020 is \$61,589,278. That represents a decrease in EAV of \$9,375,180 over the prior year’s EAV.

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 the Township’s finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, Erienna Township, c/o Gary Bal, 5140 Nettle School Drive, Morris, IL 60450.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ERIENNA TOWNSHIP, ILLINOIS

STATEMENT OF NET POSITION

March 31, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash in bank and investments | \$ 241,650 |
| Property taxes receivable | 292,025 |
| Accrued interest | - |
| Capital assets, net of depreciation | <u>2,805,303</u> |
| Total Assets | <u><u>\$ 3,338,978</u></u> |
| LIABILITIES | |
| Payroll liabilities | \$ 2,363 |
| Other payables | <u>-</u> |
| Total Liabilities | <u>2,363</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable property taxes | <u>292,025</u> |
| Total Deferred Inflows of Resources | <u>292,025</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>294,388</u> |
| NET POSITION | |
| Invested in capital assets, net of related debt | 2,805,303 |
| Restricted | 227,238 |
| Unrestricted | <u>12,049</u> |
| Total Net Position | <u>3,044,590</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | <u><u>\$ 3,338,978</u></u> |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

STATEMENT OF ACTIVITIES

March 31, 2021

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | Total |
|---------------------------------|-------------------|------------------------|------------------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | \$ 102,278 | \$ - | \$ - | \$ (102,278) |
| Public works and transportation | 335,375 | - | - | (335,375) |
| Total governmental activities | <u>437,653</u> | <u>-</u> | <u>-</u> | <u>(437,653)</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 437,653</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(437,653)</u> |
| | | | | |
| | | General Revenues | | |
| | | Taxes | | |
| | | Property | | 390,932 |
| | | Replacement | | 3,594 |
| | | Interest Income | | 95 |
| | | Miscellaneous | | 80 |
| | | | | <u>80</u> |
| | | Total general revenues | | <u>394,701</u> |
| | | CHANGE IN NET POSITION | | (42,952) |
| | | NET POSITION, APRIL 1 | | <u>3,087,542</u> |
| | | NET POSITION, MARCH 31 | | <u>\$ 3,044,590</u> |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2021

| | Major | | | | Nonmajor | Total |
|--|------------------|-------------------|---------------------|-------------------|------------------|-------------------|
| | General | Road and Bridge | Permanent Road Fund | Joint Bridge Fund | Special Revenue | |
| ASSETS | | | | | | |
| Cash and investments | \$ 14,260 | \$ 50,470 | \$ 71,871 | \$ 10,861 | \$ 94,188 | \$ 241,650 |
| Due from other fund | - | 24,292 | - | - | 1 | 24,293 |
| Accrued interest | - | - | - | - | - | - |
| Property taxes receivable | 57,900 | 100,272 | 102,854 | 30,795 | 204 | 292,025 |
| Total Assets | <u>\$ 72,160</u> | <u>\$ 175,034</u> | <u>\$ 174,725</u> | <u>\$ 41,656</u> | <u>\$ 94,393</u> | <u>\$ 557,968</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Payroll liabilities | \$ 2,210 | \$ 153 | \$ - | \$ - | \$ - | \$ 2,363 |
| Due to other fund | 1 | - | 18,683 | 5,594 | 15 | 24,293 |
| Total Liabilities | 2,211 | 153 | 18,683 | 5,594 | 15 | 26,656 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable property taxes | 57,900 | 100,272 | 102,854 | 30,795 | 204 | 292,025 |
| Total Deferred Inflows of Resources | 57,900 | 100,272 | 102,854 | 30,795 | 204 | 292,025 |
| Total Liabilities and Deferred Inflows of Resources | 60,111 | 100,425 | 121,537 | 36,389 | 219 | 318,681 |
| FUND BALANCES | | | | | | |
| Restricted | | | | | | |
| Public assistance | - | - | - | - | 69,509 | 69,509 |
| Road & bridge capital expenditures | - | - | - | - | - | - |
| Road & bridge projects | - | 74,609 | 53,188 | 5,267 | 24,665 | 157,729 |
| Unrestricted | | | | | | |
| Unassigned | 12,049 | - | - | - | - | 12,049 |
| Total Fund Balances | 12,049 | 74,609 | 53,188 | 5,267 | 94,174 | 239,287 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 72,160</u> | <u>\$ 175,034</u> | <u>\$ 174,725</u> | <u>\$ 41,656</u> | <u>\$ 94,393</u> | <u>\$ 557,968</u> |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

March 31, 2021

| | |
|--|----------------------------|
| FUND BALANCES OF GOVERNMENT FUNDS | \$ 239,287 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | <u>2,805,303</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 3,044,590</u></u> |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

March 31, 2021

| | Major | | | Nonmajor | | Total |
|---|------------------|------------------|---------------------|-----------------|------------------|-------------------|
| | General | Special Revenue | | Special Revenue | | |
| | | Road and Bridge | Permanent Road Fund | | | |
| REVENUES | | | | | | |
| Property taxes | \$ 122,191 | \$ 135,511 | \$ 101,300 | \$ 30,329 | \$ 1,601 | \$ 390,932 |
| Replacement taxes | 388 | 3,206 | - | - | - | 3,594 |
| Interest income | 35 | - | - | - | 60 | 95 |
| Sale of assets | - | - | - | - | - | - |
| Other income | 80 | - | - | - | - | 80 |
| Total Revenues | 122,694 | 138,717 | 101,300 | 30,329 | 1,661 | 394,701 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 61,724 | 19,064 | - | - | 7,823 | 88,611 |
| Public works and transportation | - | 23,686 | 190,794 | 36,570 | - | 251,050 |
| Health and welfare | - | - | - | - | - | - |
| Capital outlay | - | 411,889 | 7,170 | 19,874 | - | 438,933 |
| Debt service | - | - | - | - | - | - |
| Total Expenditures | 61,724 | 454,639 | 197,964 | 56,444 | 7,823 | 778,594 |
| EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES | 60,970 | (315,922) | (96,664) | (26,115) | (6,162) | (383,893) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in (out) | (201,615) | 200,468 | 1,147 | - | - | - |
| Total Other Financing Sources (Uses) | (201,615) | 200,468 | 1,147 | - | - | - |
| CHANGE IN FUND BALANCES | (140,645) | (115,454) | (95,517) | (26,115) | (6,162) | (383,893) |
| FUND BALANCES, APRIL 1 | 152,694 | 190,063 | 148,705 | 31,382 | 100,336 | 623,180 |
| FUND BALANCES, MARCH 31 | \$ 12,049 | \$ 74,609 | \$ 53,188 | \$ 5,267 | \$ 94,174 | \$ 239,287 |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

March 31, 2021

| | |
|--|--------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (383,893) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities | 409,276 |
| Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | <u>(68,335)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ (42,952)</u> |

See accompanying notes to financial statements.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erienna Township (the Township) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Township was organized under the laws of the State of Illinois. The Township is governed by a Board of Trustees (the Board) and the rules and regulations for Townships.

The accounting policies of the Township conform to GAAP as applicable to governmental units. The following is a summary of the more significant policies.

a. Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will be 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.

b. Blended Component Unit

The financial statements of the Erienna Road and Bridge District ("District") for the fiscal year ending March 31, 2021, are blended in the Township's general purpose financial statements. The District is an Illinois local government. The members of the Board are elected, by the citizens of the township, to the District's Board of Commissioners at the same time they are elected to the Township Board. As a result, the operations of the District are blended with the Township for Financial reporting purposes. This District is a separate legal entity with its own levy and budget authority. The District's financial statements include all government activities and functions whose expenditures are approved by the Board. No outside agencies have been included in the financial statements.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting

The Township uses funds to report on its financial position, the changes in its financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for substantially all of the Township's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Township has no proprietary funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Township. The Township has no fiduciary funds.

d. Government-Wide and Fund Financial Statements

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

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

e. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable, available and earned). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The Township recognizes property taxes when they become both measureable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Fines and permits revenues are not susceptible to accrual because generally they are not measureable until received in cash.

In applying susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Township reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when potential revenue does not meet the measureable, available, and earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

f. Restricted Cash

Investments with a maturity of greater than one year, at time of purchase, if any, are stated at fair value. Nonnegotiable certificates of deposit are stated at cost.

g. Prepaid Item/Expenses

Payments made to vendors for services that will benefit periods beyond the draft of this report are recorded as prepaid items/expenses.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|----------------|-------|
| Buildings | 30-50 |
| Infrastructure | 50 |
| Equipment | 5-20 |

i. Vacation and Sick Leave

Accumulated unpaid vacation and other employee benefit amounts are not accrued in governmental funds. At March 31, 2021, the Township's liability for unpaid vacations and other employee benefits was immaterial in amount.

j. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Interfund Transactions (Continued)

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

Actively between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other fund” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

k. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Deferred Outflows/Inflows of Resources

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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township only has no items that qualify for reporting in this category.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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 only one type of time, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Township. Committed fund balance is constrained by formal actions of the Township's Board, which is considered the Township's highest level of decision making authority. Formal actions include ordinances approved by the Township Board. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Township's Administrator. Any residual fund balance of the General Fund is reported as unassigned.

The Township's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the Township considers committed funds to be expended first followed by assigned and then unassigned.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the Township's restricted net positions are restricted as a result of enabling legislation adopted by the Township. Invested in capital assets, net of related debt is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes and the Township’s investment policy authorize the Township to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund’s share price, which is the price for which the investment could be sold.

a. Deposits

To guard against credit risk for deposits with financial institutions, the Township’s investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of the uninsured deposits with the collateral held by a third party acting as the agent of the Township.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

At March 31, 2021, the Township had no investments.

GASB 40 – Operating Funds

In accordance with its investment policy, the Township limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

3. RECEIVABLE – TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2021 and are payable in two installments, on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically. As the 2020 tax levy is intended to fund expenditures for none of fiscal year 2021, none of the 2020 tax levy has been recognized as revenue as of March 31, 2021 and all of the 2020 tax levy has been deferred as of March 31, 2021.

4. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

5. INDIVIDUAL FUND DISCLOSURES

a. Transfers

Transfers between funds during the year were as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|----------------------|
| General Fund | \$ - | \$ (201,615) |
| General Assistance Fund | - | - |
| Road & Bridge Fund | 200,468 | - |
| Permanent Road Fund | 1,147 | - |
| Joint Bridge Fund | - | - |
| Road & Bridge Insurance Fund | - | - |
| TOTAL ALL FUNDS | <u>\$ 201,615</u> | <u>\$ (201,615)</u> |

b. Due to/Due from

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|------------------------------|------------------|------------------|
| General Fund | \$ - | \$ 1 |
| General Assistance Fund | 1 | - |
| Road & Bridge Fund | 24,292 | - |
| Permanent Road Fund | - | 18,683 |
| Joint Bridge Fund | - | 5,594 |
| Road & Bridge Insurance Fund | - | 15 |
| TOTAL ALL FUNDS | <u>\$ 24,293</u> | <u>\$ 24,293</u> |

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

6. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|------------|-----------|--------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | 150,000 | - | - | 150,000 |
| Capital assets being depreciated | | | | |
| Building and infrastructure | 2,644,594 | 409,276 | - | 3,053,870 |
| Equipment | 113,943 | - | - | 113,943 |
| Total capital assets being depreciated | 2,758,537 | 409,276 | - | 3,167,813 |
| Less accumulated depreciation for | | | | |
| Building and infrastructure | 356,731 | 61,077 | - | 417,808 |
| Equipment | 87,444 | 7,257 | - | 94,701 |
| Total accumulated depreciation | 444,175 | 68,335 | - | 512,510 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 2,464,362 | \$ 340,941 | \$ - | \$ 2,805,303 |

Depreciation expense was charged to functions of the primary government as follows:

| | |
|---------------------------------|-----------|
| GOVERNMENTAL ACTIVITIES | |
| General Government | \$ 13,667 |
| Public Works and Transportation | 54,668 |
| Total Depreciation Expense | \$ 68,335 |

7. LONG-TERM DEBT

As of March 31, 2021, the Township had no outstanding long-term debt.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditors' report, the date the Township's financial statements for the year ended March 31, 2021 were available to be issued. There were no items of significance.

In March of 2020, prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Township's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

ERIENNA TOWNSHIP, ILLINOIS

TOWN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

For the Year Ended March 31, 2021

| | Original Budget | Final Budget | Actual |
|-----------------------------------|--------------------|-----------------|----------------|
| REVENUES | | | |
| Property taxes | \$ 120,685 | \$ 120,685 | \$ 122,191 |
| Replacement taxes | - | - | 388 |
| Interest income | 100 | 100 | 35 |
| Other income | 25 | 25 | 80 |
| Total revenues | 120,810 | 120,810 | 122,694 |
| EXPENDITURES | | | |
| Personnel | | | |
| Salaries | 42,500 | 42,500 | 39,045 |
| Payroll taxes | 6,000 | 6,000 | 2,987 |
| Total personnel | 48,500 | 48,500 | 42,032 |
| Contractual services | | | |
| Accounting services | 3,500 | 3,500 | 2,475 |
| Legal fees | 18,000 | 18,000 | 12,890 |
| Printing and publishing | 1,250 | 1,250 | 696 |
| Dues | 500 | 500 | 402 |
| Professional services | 1,000 | 1,000 | - |
| Travel | 500 | 500 | - |
| Insurance | 1,500 | 1,500 | 2,021 |
| Computer expenses | 4,600 | 4,600 | 513 |
| Web page | 250 | 250 | 175 |
| Utilites | 2,000 | 2,000 | - |
| Training | 500 | 500 | 99 |
| Total contractual services | 33,600 | 33,600 | 19,271 |
| Maintenance services | | | |
| Building | - | - | - |
| Equipment | - | - | - |
| Other | - | - | - |
| Total maintenance services | - | - | - |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

TOWN FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

For the Year Ended March 31, 2021

| | Original Budget | Final Budget | Actual |
|--|----------------------------|----------------------------|-------------------------|
| EXPENDITURES (Continued) | | | |
| Commodities | | | |
| Office supplies | 1,950 | 1,950 | 421 |
| Operating supplies | - | - | - |
| Total commodities | <u>1,950</u> | <u>1,950</u> | <u>421</u> |
| Capital outlay | | | |
| Equipment | 2,500 | 2,500 | - |
| Building | - | - | - |
| Total capital outlay | <u>2,500</u> | <u>2,500</u> | <u>-</u> |
| Other expenditures | | | |
| Miscellaneous | \$ 1,000 | \$ 1,000 | \$ - |
| Donations | - | - | - |
| Total other expenditures | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Total expenditures | <u>87,550</u> | <u>87,550</u> | <u>61,724</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>33,260</u> | <u>33,260</u> | <u>60,970</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | <u>(170,000)</u> | <u>(170,000)</u> | <u>(201,615)</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (136,740)</u></u> | <u><u>\$ (136,740)</u></u> | <u>(140,645)</u> |
| FUND BALANCE, APRIL 1 | | | <u>152,694</u> |
| FUND BALANCE, MARCH 31 | | | <u><u>\$ 12,049</u></u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

ROAD AND BRIDGE SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2021

| | Original Budget | Final Budget | Actual |
|-----------------------------|--------------------|-----------------|----------------|
| REVENUE | | | |
| Property taxes | \$ 105,584 | \$ 105,584 | \$ 135,511 |
| Replacement taxes | 25 | 25 | 3,206 |
| Interest income | 25 | 25 | - |
| Other income | 100 | 100 | - |
| | <u>105,734</u> | <u>105,734</u> | <u>138,717</u> |
| Total revenues | <u>105,734</u> | <u>105,734</u> | <u>138,717</u> |
| EXPENDITURES | | | |
| Administrative | | | |
| Legal and professional | 13,000 | 13,000 | 13,316 |
| Printing and publishing | 1,000 | 1,000 | 58 |
| Utilities | 7,000 | 7,000 | 4,115 |
| Insurance | - | - | - |
| Training | 250 | 250 | 85 |
| Travel | 250 | 250 | - |
| Office supplies | 500 | 500 | 662 |
| Miscellaneous | 1,500 | 1,500 | 828 |
| | <u>23,500</u> | <u>23,500</u> | <u>19,064</u> |
| Total administrative | <u>23,500</u> | <u>23,500</u> | <u>19,064</u> |
| Maintenance | | | |
| Salaries | 6,000 | 6,000 | 1,000 |
| Maintenance - building | - | - | - |
| Maintenance - equipment | 10,000 | 10,000 | 659 |
| Maintenance - vehicles | 10,000 | 10,000 | - |
| Maintenance - road | 40,000 | 40,000 | 11,193 |
| Maintenance - bridges | 500 | 500 | - |
| Maintenance - other | 500 | 500 | 100 |
| Engineering | 3,000 | 3,000 | 2,856 |
| Equipment rental | 2,000 | 2,000 | - |
| Snow removal | 3,000 | 3,000 | 2,820 |
| Intergovernmental agreement | - | - | - |
| Small tools and supplies | 5,000 | 5,000 | 1,635 |
| Supplies - vehicle | 5,000 | 5,000 | - |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

ROAD AND BRIDGE SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2021

| | <u>Original Budget</u> | <u>Original Budget</u> | <u>Actual</u> |
|--|----------------------------|----------------------------|------------------|
| EXPENDITURES (Continued) | | | |
| Maintenance (continued) | | | |
| Supplies - road | 500 | 500 | - |
| Signs | 2,000 | 2,000 | 414 |
| Salt | 2,000 | 2,000 | - |
| Fuel and oil | 4,000 | 4,000 | 2,702 |
| Miscellaneous | 2,500 | 2,500 | 307 |
| | <u>96,000</u> | <u>96,000</u> | <u>23,686</u> |
| Capital Outlay | | | |
| Equipment | 10,500 | 10,500 | 2,613 |
| Building and infrastructure | 378,629 | 378,629 | 409,276 |
| | <u>389,129</u> | <u>389,129</u> | <u>411,889</u> |
| Total capital outlay | <u>389,129</u> | <u>389,129</u> | <u>411,889</u> |
| Total expenditures | <u>508,629</u> | <u>508,629</u> | <u>454,639</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (402,895) | (402,895) | (315,922) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | 258,660 | 258,660 | 200,468 |
| NET CHANGE IN FUND BALANCE | <u>\$ (144,235)</u> | <u>\$ (144,235)</u> | (115,454) |
| FUND BALANCE, APRIL 1 | | | <u>190,063</u> |
| FUND BALANCE, MARCH 31 | | | <u>\$ 74,609</u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

PERMANENT ROAD SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|--|----------------------------|-------------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 118,510 | \$ 118,510 | \$ 101,300 |
| Interest income | - | - | - |
| Other income | - | - | - |
| | <u>118,510</u> | <u>118,510</u> | <u>101,300</u> |
| EXPENDITURES | | | |
| Maintenance | | | |
| Comm Salary | 7,500 | 7,500 | 7,500 |
| Contractual services | 232,760 | 232,760 | 183,294 |
| Capital outlay | 3,000 | 3,000 | 7,170 |
| | <u>243,260</u> | <u>243,260</u> | <u>197,964</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (124,750) | (124,750) | (96,664) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | <u>(60,964)</u> | <u>(60,964)</u> | <u>1,147</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (185,714)</u> | <u>\$ (185,714)</u> | <u>(95,517)</u> |
| FUND BALANCE, APRIL 1 | | | <u>148,705</u> |
| FUND BALANCE, MARCH 31 | | | <u>\$ 53,188</u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

JOINT BRIDGE SPECIAL REVENUE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|--|----------------------------|-------------------------|-----------------|
| REVENUES | | | |
| Property taxes | \$ 35,482 | \$ 35,482 | \$ 30,329 |
| Interest income | - | - | - |
| Total revenues | <u>35,482</u> | <u>35,482</u> | <u>30,329</u> |
| EXPENDITURES | | | |
| Maintenance | | | |
| Contractual services | 40,000 | 40,000 | 36,570 |
| Capital outlay | <u>31,500</u> | <u>31,500</u> | <u>19,874</u> |
| Total expenditures | <u>71,500</u> | <u>71,500</u> | <u>56,444</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (36,018) | (36,018) | (26,115) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | <u>(6,277)</u> | <u>(6,277)</u> | - |
| NET CHANGE IN FUND BALANCE | <u>\$ (42,295)</u> | <u>\$ (42,295)</u> | (26,115) |
| FUND BALANCE, APRIL 1 | | | <u>31,382</u> |
| FUND BALANCE, MARCH 31 | | | <u>\$ 5,267</u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2021

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

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

1. The Township Board prepares a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. There were no amendments to the budget for the year ended March 31, 2021.

NON-MAJOR GOVERNMENTAL FUNDS

ERIENNA TOWNSHIP, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
For the Year Ended March 31, 2021

| | Special Revenue | | Total |
|--|-------------------------------|--------------------------------------|------------------|
| | General Assistance Fund | Road and Bridge Insurance Fund | |
| ASSETS | | | |
| Cash and investments | \$ 69,508 | \$ 24,680 | \$ 94,188 |
| Due from other fund | 1 | - | 1 |
| Accrued interest | - | - | - |
| Property taxes receivable | 99 | 105 | 204 |
| TOTAL ASSETS | \$ 69,608 | \$ 24,785 | \$ 94,393 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Due to other fund | - | 15 | 15 |
| Total liabilities | - | 15 | 15 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property taxes | 99 | 105 | 204 |
| Total deferred inflows of resources | 99 | 105 | 204 |
| Total liabilities and deferred inflows of resources | 99 | 120 | 219 |
| FUND BALANCES | | | |
| Restricted | | | |
| Public assistance | 69,509 | - | 69,509 |
| Road & bridge projects | | 24,665 | 24,665 |
| Unrestricted | | | |
| Unassigned | - | - | - |
| Total fund balances | 69,509 | 24,665 | 94,174 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 69,608 | \$ 24,785 | \$ 94,393 |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For the Year Ended March 31, 2021

| | Special Revenue | | Total |
|---|-------------------------------|--------------------------------------|------------------|
| | General Assistance Fund | Road and Bridge Insurance Fund | |
| REVENUES | | | |
| Property taxes | \$ 1,516 | \$ 85 | \$ 1,601 |
| Replacement income taxes | - | - | - |
| Interest income | 46 | 14 | 60 |
| Sale of assets | - | - | - |
| Other income | - | - | - |
| Total revenues | <u>1,562</u> | <u>99</u> | <u>1,661</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 1,060 | 6,763 | 7,823 |
| Public works and transportation | - | - | - |
| Health and welfare | - | - | - |
| Capital outlay | - | - | - |
| Debt service | - | - | - |
| Total expenditures | <u>1,060</u> | <u>6,763</u> | <u>7,823</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>502</u> | <u>(6,664)</u> | <u>(6,162)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | - | - | - |
| NET CHANGE IN FUND BALANCES | 502 | (6,664) | (6,162) |
| FUND BALANCES, APRIL 1 | <u>69,007</u> | <u>31,329</u> | <u>100,336</u> |
| FUND BALANCES, MARCH 31 | <u>\$ 69,509</u> | <u>\$ 24,665</u> | <u>\$ 94,174</u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended March 31, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|--|----------------------------|-------------------------|------------------|
| REVENUE | | | |
| Property taxes | \$ 1,500 | \$ 1,500 | \$ 1,516 |
| Interest income | 900 | 900 | 46 |
| Replacement taxes | - | - | - |
| | <u>2,400</u> | <u>2,400</u> | <u>1,562</u> |
| EXPENDITURES | | | |
| Current | | | |
| Administrative expenses | 6,450 | 6,450 | 1,060 |
| Program assistance payments | 300 | 300 | - |
| | <u>6,750</u> | <u>6,750</u> | <u>1,060</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (4,350) | (4,350) | 502 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | - | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ (4,350)</u> | <u>\$ (4,350)</u> | 502 |
| FUND BALANCE, APRIL 1 | | | <u>69,007</u> |
| FUND BALANCE, MARCH 31 | | | <u>\$ 69,509</u> |

(See Independent Auditor's Report)

ERIENNA TOWNSHIP, ILLINOIS

ROAD AND BRIDGE INSURANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended March 31, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|--|----------------------------|--------------------------|-------------------------|
| REVENUE | | | |
| Property taxes | \$ 100 | \$ 100 | \$ 85 |
| Interest income | 50 | 50 | 14 |
| Miscellaneous income | - | - | - |
| | <u>150</u> | <u>150</u> | <u>99</u> |
| EXPENDITURES | | | |
| Insurance | <u>10,100</u> | <u>10,100</u> | <u>6,763</u> |
| | <u>10,100</u> | <u>10,100</u> | <u>6,763</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | (10,050) | (10,050) | (6,664) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | <u>(20)</u> | <u>(20)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | | | |
| | <u><u>\$ (9,970)</u></u> | <u><u>\$ (9,970)</u></u> | <u>(6,664)</u> |
| FUND BALANCE, APRIL 1 | | | <u>31,329</u> |
| FUND BALANCE, MARCH 31 | | | <u><u>\$ 24,665</u></u> |

(See Independent Auditor's Report)

SUPPLEMENTARY INFORMATION

ERIENNA TOWNSHIP, ILLINOIS

Property Tax Assessed Valuations, Rates, Extensions, and Collections

March 31, 2021

| Tax Levy Year | 2020 | | 2019 | |
|---------------------------|-----------------------------|-----------------|-----------------------------|-------------------|
| | Grundy County 61,589,278 | | Grundy County 70,964,458 | |
| Assessed Valuation | Rate | Amount | Rate | Amount |
| Tax Extensions | | | | |
| Corporate | 0.09401 | \$ 57,900 | 0.17006 | \$ 120,682 |
| General Assistance | 0.00016 | 99 | 0.00211 | 1,497 |
| Road and Bridge | 0.23959 | 147,562 | 0.22340 | 158,535 |
| Bridges | 0.05000 | 30,795 | 0.05000 | 35,482 |
| Permanent Road | 0.16700 | 102,854 | 0.16700 | 118,511 |
| Liability Insurance R&B | 0.00017 | 105 | 0.00014 | 99 |
| Prior Year Adjustment | 0.00000 | - | 0.00000 | - |
| | <u>0.55093</u> | \$ 339,315 | <u>0.61271</u> | \$ 434,806 |
| Less Road & Bridge | | (47,290) | | (51,359) |
| Total Extension | | 292,025 | | 383,448 |
| Tax Collections: | | | | |
| year ended March 31, 2021 | | \$ 7,305 | | \$ 383,627 |
| Previous years | | - | | - |
| Total Tax Collections | | <u>7,305</u> | | <u>383,627</u> |
| Percent Collected | | <u>2.5%</u> | | <u>100.0%</u> |
| Plus TIF Surplus | | - | | - |
| Total Collected | | <u>\$ 7,305</u> | | <u>\$ 383,627</u> |

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See Independent Auditor's Report)