

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

To the Board of Trustees
Big Rock Township
Kane County, Illinois

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 of material misstatement.

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

We believe that the audit evidence we 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 information of Big Rock Township, Kane County, Illinois, as of March 31, 2021, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Big Rock Township, Kane County, Illinois' basic financial statements. The individual fund financial statements and the major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Plano, Illinois
September 21, 2021

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

STATEMENT OF NET POSITION - CASH BASIS

March 31, 2021

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and Investments	\$ 861,295	\$ 861,295
Total Assets	\$ 861,295	\$ 861,295
LIABILITIES		
Payroll Tax Liabilities	\$ 4,316	\$ 4,316
Payables	\$ 685	\$ 685
Total Liabilities	5,001	5,001
NET POSITION		
Restricted for		
Road Repair and Maintenance	150,723	150,723
Bridge Repair and Maintenance	221,418	221,418
Cemetery	239,029	239,029
Insurance	6,351	6,351
Social Security	648	648
Unrestricted (Deficit)	238,125	238,125
TOTAL NET POSITION	856,294	856,294
TOTAL LIABILITIES AND NET POSITION	\$ 861,295	\$ 861,295

See accompanying notes to financial statements

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended March 31, 2021

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			Net (Expense) Revenue and Change in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Total
Governmental Activities	\$ 161,646	\$ -	\$ -	\$ (161,646)	\$ (161,646)
General Government	344,734	2,564	-	(342,170)	(342,170)
Streets and Highways	14,217	-	-	(14,217)	(14,217)
Cemetery	-	-	-	-	-
Total Governmental Activities	520,597	2,564	-	(518,033)	(518,033)
TOTAL PRIMARY GOVERNMENT	\$ 520,597	\$ 2,564	\$ -	(518,033)	(518,033)
General Revenues					
Taxes					
Property		495,524		495,524	495,524
Replacement		24,903		24,903	24,903
Intergovernmental		35,000		35,000	35,000
Investment Income		2,717		2,717	2,717
Miscellaneous		16,076		16,076	16,076
Total		574,220		574,220	574,220
CHANGE IN NET ASSETS				56,187	56,187
NET POSITION, APRIL 1				800,107	800,107
NET POSITION, MARCH 31				\$ 856,294	\$ 856,294

See accompanying notes to financial statements

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS

March 31, 2021

	Town	Road and Bridge	Cemetery	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 247,492	\$ 374,134	\$ 239,669	\$ 861,295
Due from other funds	640	-	-	640
TOTAL ASSETS	\$ 248,132	\$ 374,134	\$ 239,669	\$ 861,935
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Payroll Tax Liabilities	\$ 2,453	\$ 1,863	\$ -	\$ 4,316
Due to other funds	-	-	640	640
Payables	555	130	-	685
Total Liabilities	3,008	1,993	640	5,641
FUND BALANCES				
Restricted				
Road Repair and Maintenance	-	150,723	-	150,723
Bridge Repair and Maintenance	-	221,418	-	221,418
Cemetery	-	-	239,029	239,029
Insurance	6,351	-	-	6,351
Social Security	648	-	-	648
Unrestricted				
Assigned for General Assistance	11,460	-	-	11,460
Unassigned	226,665	-	-	226,665
Total Fund Balances	245,124	372,141	239,029	856,294
TOTAL LIABILITIES AND FUND BALANCES	\$ 248,132	\$ 374,134	\$ 239,669	\$ 861,935

See accompanying notes to financial statements

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended March 31, 2021

	Town	Road and Bridge	Cemetery	Total Governmental Funds
REVENUES COLLECTED				
Property Taxes	\$ 177,035	\$ 318,489	\$ -	\$ 495,524
Replacement Tax	8,417	16,486	-	24,903
Intergovernmental Agreement	-	35,000	-	35,000
Licenses and Permits	-	1,268	-	1,268
Fines	-	1,296	-	1,296
Intergovernmental Reimbursements	-	-	-	-
Interest Income	208	2,509	-	2,717
Miscellaneous Income	5,328	1,548	9,200	16,076
Total Revenues	190,988	376,596	9,200	576,784
EXPENDITURES PAID				
Current				
General Government	161,646	-	14,217	175,863
Streets and Highways	-	299,126	-	299,126
Capital Outlay	-	45,608	-	45,608
Total Expenditures	161,646	344,734	14,217	520,597
NET CHANGE IN FUND BALANCES	29,342	31,862	(5,017)	56,187
FUND BALANCE, APRIL 1	215,782	340,279	244,046	800,107
FUND BALANCE, MARCH 31	\$ 245,124	\$ 372,141	\$ 239,029	\$ 856,294

See accompanying notes to financial statements

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Big Rock Township, Kane County, Illinois (the Township) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as GAAP), except as described in Note 1(d). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the other significant accounting policies:

a. Reporting Entity

The Township is a municipal corporation governed by an elected supervisor and a four-member board of trustees. As required by generally accepted accounting principles, these financial statements present the Township (the primary government) and its component units.

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Township is considered to be financially accountable for.

b. Fund Accounting

The Township uses funds to report on its financial position – cash basis and changes in its financial position – cash basis. 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 and proprietary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). 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 for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The Township does not have any proprietary funds.

c. Government-Wide and Fund Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Government-Wide and Fund Financial Statements (continued)

The statement of activities – cash basis 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 proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The General (Town) Fund is the general operating fund of the Township and is used to account for all financial resources of the Township unless required to be accounted for in another fund.

The Road and Bridge Fund is used to account for revenues derived from taxes for road and bridge projects and expenditures for highway, bridge, and street construction and maintenance.

The Cemetery Fund is used to account for assets and revenues derived from the operations of cemeteries which are managed by the Township and the related operational expenditures.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the current financial resources measurement focus and the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the Township. Expenses are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recorded at the time of receipt by the Township. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with GAAP.

e. Appropriations

The Township prepares an appropriation ordinance, which includes all funds, and is prepared on a basis consistent with the cash basis of accounting. The appropriation ordinance represents the legal spending limits for the Township.

The appropriation ordinance was passed on May 13, 2020. The appropriations lapse at the end of each fiscal year. The Township does not utilize an encumbrance system.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Appropriations (continued)

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

1. During the first quarter of the fiscal year, the proposed appropriations for the year commencing April 1 are submitted to the Board of Trustees.
2. A public hearing is conducted to obtain comments on the proposed appropriations, prior to adoption.
3. Prior to June 1, the appropriations are legally enacted through passage of an ordinance.
4. The Board of Trustees may make transfers between the various items in a fund not exceeding in the aggregate 10% of the total of such fund as set forth in the appropriations.
5. The Township may amend its appropriations in accordance with Illinois statute.

f. Cash and cash equivalents

For purposes of the financial statements, cash and cash equivalents represent cash on hand, demand deposits, money market accounts, repurchase agreements, and all certificates of deposit.

g. Capital Assets

The Township does not maintain detailed records of its capital assets. Capital outlay expenditures are reported using the cash basis of accounting.

h. Long-Term Obligations

Proceeds from the issuance of and payments of principal and interest on long-term obligations are recognized at the time proceeds are received and payments are paid.

i. Fund Balance/Net Position

Government-wide Statements

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 resolutions and ordinances approved by the 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 remains with the Board. Any residual fund balance 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. Additionally, 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 funds.

The Township has not established fund balance reserve policies for their governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

i. Fund Balance/Net Position (continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Township's net position is restricted as a result of enabling legislation adopted by the Township.

j. Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the Township requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives of capital assets in determining depreciation). Actual results could differ from those estimates.

NOTE 2. PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The 2020 levy was passed by the board on November 11, 2020. Property taxes attach as an enforceable lien on property as of January 1st. Tax bills are prepared and issued by Kane County and are payable in two installments in June and September. The Township receives significant distributions of tax receipts from the County approximately one month after the due dates. Taxes recorded in the fund financial statements are from the 2019 and prior tax levies.

The following are the tax rate limits permitted by the Illinois Compiled Statutes and by local referendum and the actual rates levied per \$100 of assessed valuation:

	2019 Levy		2020 Levy	
	Limit	Actual	Limit	Actual
General town	.25000	.20374	.25000	.19872
Mental health	.15000	.03205	.15000	.03126
Road fund	.66000	.14174	.66000	.13824
Bridge construction	.25000	.08209	.25000	.08007
Permanent road fund	.25000	.21753	.25000	.21217
Road – insurance	none	.01136	none	.01108
Road – social security	none	<u>.00835</u>	none	<u>.00814</u>
		<u>.70046</u>		<u>.67968</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The Township invests in securities as authorized by Illinois statutes. The Township adopted an investment policy in 2013.

Deposits and Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township's deposits may not be returned to it. At March 31, 2021 \$276,679 of the Township's deposits are uninsured or uncollateralized, and therefore these deposits are exposed to custodial credit risk.

Investments

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

NOTE 4. CAPITAL LEASE

The following is a summary of changes in the balance on a capital lease of the Township for the year ended March 31, 2021:

	Balances, April 1, 2020	Additions	Reductions	Balances, March 31, 2021	Current Portion
GOVERNMENTAL ACTIVITIES					
Capital lease - truck	26,512	-	26,512	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 26,512	\$ -	\$ 26,512	\$ -	\$ -

On March 24, 2015 the Township entered into a capital lease for a \$154,774 loan from Edgar County Bank & Trust to purchase a truck. The loan is payable in six annual principal and interest installments on April 8 of \$28,128. Interest is at a rate of 3.715%. This loan will be repaid by the Road and Bridge Fund.

NOTE 5. LEGAL DEBT MARGIN

2020 Equalized Assessed Valuation	<u>\$ 78,550,613</u>
Statutory debt limitation (2.875% of 2020 equalized assessed valuation)	<u>2,258,330</u>
Legal debt margin	<u>\$ 2,258,330</u>

This limitation does not apply to any indebtedness of any township or road district for the construction, improvement, and repair of roads or bridges, or other road purposes and work incident thereto.

NOTE 6. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions, injuries to employees; and natural disasters. Significant losses are covered by the Township's participation in Township Officials of Illinois Risk Management Association. Estimated payments are made annually to the Association to cover claims. However, additional assessments could be required if the Association reflects a deficit. 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 7. SUBSEQUENT EVENT

The Township evaluated subsequent events through the date of this report. On April 7, 2021 the Township purchased a new Truck in the amount of \$45,931 for the Road District. The truck was purchased with \$23,225 cash down and the remainder financed for one year at 4.5% interest with the payoff due in a single payment in April 2022.

SUPPLEMENTARY INFORMATION

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

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

For the Year Ended March 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	\$ 129,013	\$ 177,035	\$ 48,022
Replacement Tax	7,500	8,417	917
Interest Income	3,500	208	(3,292)
Miscellaneous Income	4,750	5,328	578
Total Revenues	<u>144,763</u>	<u>190,988</u>	<u>46,225</u>
EXPENDITURES			
Current			
General Government			
Wages	110,650	104,372	(6,278)
Office Expense	1,500	498	(1,002)
Community Support	2,500	250	(2,250)
Dues	700	685	(15)
Insurance	5,000	4,459	(541)
Postage	1,750	1,017	(733)
Printing	5,150	5,636	486
Telephone	1,750	1,797	47
Training	2,300	-	(2,300)
Professional Services	8,000	4,099	(3,901)
Mental Health	23,555	23,973	418
Travel	400	24	(376)
Internet/Website	5,700	3,839	(1,861)
Utilities	2,600	2,472	(128)
Miscellaneous	86,850	4,432	(82,418)
Assessors Appraisals	-	-	-
Repairs and Maintenance	5,000	4,093	(907)
Capital Outlay	50,000	-	(50,000)
Total Expenditures	<u>313,405</u>	<u>161,646</u>	<u>(151,759)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (168,642)</u>	<u>\$ 29,342</u>	<u>\$ 197,984</u>
FUND BALANCE, APRIL 1		<u>215,782</u>	
FUND BALANCE, MARCH 31		<u>\$ 245,124</u>	

(See independent auditor's report)

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CASH BASIS
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	\$ 194,825	\$ 318,489	\$ 123,664
Replacement Taxes	19,000	16,486	(2,514)
Intergovernmental Agreement	35,000	35,000	-
Licenses and Permits	500	1,268	768
Fines	250	1,296	1,046
Intergovernmental Reimbursements	-	-	-
Interest Income	4,000	2,509	(1,491)
Miscellaneous	2,500	1,548	(952)
Total Revenues	256,075	376,596	120,521
EXPENDITURES			
Current			
Streets and Highways			
Salaries	101,400	94,758	(6,642)
Maintenance-Streets	97,500	96,516	(984)
Maintenance-Equipment	28,000	34,121	6,121
Maintenance-Building	-	-	-
Engineering	7,500	7,722	222
Gas and Oil	25,000	17,961	(7,039)
Telephone	3,250	4,590	1,340
Postage	100	-	(100)
Dues	350	-	(350)
Professional Fees	600	636	36
Offices Supplies	500	451	(49)
Other	(26,081)	-	26,081
Training	750	120	(630)
Insurance	12,000	10,175	(1,825)
Repairs and Supplies	5,000	4,559	(441)
Rentals	-	-	-
Equipment Rental	6,000	3,375	(2,625)
Testing Fees	650	440	(210)
Salt Shed	50,000	15,263	(34,737)
Utilities	8,050	8,439	389
Capital Outlay			
New Equipment	20,000	19,000	(1,000)
Equipment Loan Repayment	26,608	26,608	-
Road and Bridges	50,000	-	(50,000)
Total Expenditures	417,177	344,734	(72,443)
NET CHANGE IN FUND BALANCE	\$ (161,102)	31,862	\$ 192,964
FUND BALANCE, APRIL 1		<u>340,279</u>	
FUND BALANCE, MARCH 31		<u>\$ 372,141</u>	

(See independent auditor's report)

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

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

For the Year Ended March 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Miscellaneous Income	\$ 10,000	\$ 9,200	\$ (800)
Total Revenues	10,000	9,200	(800)
EXPENDITURES			
Current			
General Government			
Salaries	-	5,000	5,000
Cemetery Grounds and Ops	25,000	9,217	(15,783)
Total Expenditures	25,000	14,217	(10,783)
NET CHANGE IN FUND BALANCE	\$ (15,000)	\$ (5,017)	\$ 9,983
FUND BALANCE, APRIL 1		244,046	
FUND BALANCE, MARCH 31		\$ 239,029	

(See independent auditor's report)

BIG ROCK TOWNSHIP
KANE COUNTY, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION
March 31, 2021

NOTE 1. BASIS OF ACCOUNTING

Budgets are adopted on a cash basis of accounting which is not consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted (at the fund level) for all of the funds on the cash basis with a line item budget by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level.

The Township adopted its annual budget and appropriation ordinance for the year ended March 31, 2021 at its May 13, 2020 meeting.

The line item budget is used by management for control purposes in the day-to-day operations. The Board of Trustee may make transfers between line items while retaining the total appropriation for the fund. The Board of Trustees also may increase the appropriation amount by following the same procedures as required for the original appropriation. The amounts shown on the financial statements reflect the original and final budget as adopted by the Board of Trustees.

Budget revenues are based on estimates approved by the Board of Trustees.

NOTE 2. OPERATING BUDGET

The Township operated within the legal confines of the Appropriation Ordinance during the fiscal year ended March 31, 2021, with no instances of overexpending the budgeted amounts in the individual funds.