

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2022

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
TOWNSHIP OFFICIALS	1
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	2-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Reconciliation of Governmental Funds Balance to the Statement of Net Position – Governmental Activities	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	9
Notes to Financial Statements	10-22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	23
Schedule of Changes in Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	24
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Town Fund	25-27
General Assistance Fund	28
Road and Bridge Fund	29-30
Community Building	31-32
Notes to the Required Supplementary Information	33

INTRODUCTORY SECTION

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

TOWNSHIP OFFICIALS
March 31, 2022

* * * * *

SUPERVISOR

Thomas Rowe, to May, 2025

* * * * *

CLERK

Phil Silagi, to May, 2025

* * * * *

ASSESSOR

Curt Karas, to May, 2025

* * * * *

HIGHWAY COMMISSIONER

Doug Musser, to May, 2025

* * * * *

TRUSTEES

Jon Bobbe, to May, 2025
Lewis Medina, to May, 2025
Jerry Elliot, to May, 2025
Marion Bond, to May, 2025

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Township of Sugar Grove
Kane County, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of the Township of Sugar Grove, Kane County, Illinois (the Township) as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of the Township of Sugar Grove, as of March 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Plano, Illinois
September 6, 2022

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS
STATEMENT OF NET POSITION
March 31, 2022

	Governmental Activities	Component Unit Community Building
ASSETS		
Current Assets		
Cash and investments	\$ 2,478,222	\$ 546,124
Receivables - Net of Allowance	1,707,307	163,007
Prepays	32,647	11,105
Total Current Assets	4,218,176	720,236
Noncurrent Assets		
Capital assets		
Land	274,000	75,000
Other capital assets	6,090,528	556,417
Accumulated depreciation	(4,011,946)	(400,754)
Total Capital Assets	2,352,582	230,663
Other Assets		
Net Pension Asset - IMRF	511,375	-
Total Noncurrent Assets	2,863,957	230,663
Total Assets	7,082,133	950,899
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	129,777	-
Total Assets and Deferred Outflows of Resources	\$ 7,211,910	\$ 950,899
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 11,098	\$ 6,919
Accrued payroll	22,536	735
Accrued pension	7,588	-
Accrued replacement tax	7,791	-
Payroll tax liabilities	1,673	(157)
Current portion of long-term debt	15,596	-
Other	1,050	300
Total Current Liabilities	67,332	7,797
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,707,094	163,007
Deferred Items - IMRF	474,850	-
Total Deferred Inflows of Resources	2,181,944	163,007
Total Liabilities and Deferred Inflows of Resources	2,249,276	170,804
NET POSITION		
Net investment in capital assets	2,352,582	230,663
Restricted for:		
Social Services	173,907	-
Road and Bridge	1,377,393	-
Unrestricted	1,058,752	549,432
Total Net Position	4,962,634	780,095
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 7,211,910	\$ 950,899

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total	Component Unit Community Building
Governmental activities:						
General government	\$ 512,289	\$ 30,160	\$ 10,584	\$ -	\$ (471,545)	
Public works	1,295,878	6,000	-	-	(1,289,878)	
Social services	98,813				(98,813)	
Capital outlay	51,401				(51,401)	
Health and welfare	126,058	-	-	-	(126,058)	
Total governmental activities:	2,084,439	36,160	10,584	-	(2,037,695)	
Component unit:						
General government	110,440					(110,440)
Capital outlay	1,425					(1,425)
Total component unit:	\$ 111,865					\$ (111,865)
General revenues:						
Taxes:						
Property taxes					\$ 1,532,958	\$ 162,871
Property taxes-mental health					126,058	-
Replacement taxes					74,703	-
TIF					4,334	364
TORIMA					3,103	-
Community building services					2,400	-
Miscellaneous					11,364	5,445
Gain on sale of capital assets					54,281	-
Interest					9,249	1,391
Total general revenue					1,818,450	170,071
Change in net position					(219,245)	58,206
Net position, beginning					5,987,010	-
Restatement of beginning net position					(805,131)	721,889
Net position, ending					\$ 4,962,634	\$ 780,095

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2022

	General Town	General Assistance	Road and Bridge	Total Governmental Funds
ASSETS				
Cash and investments	\$ 901,911	\$ 174,189	\$ 1,402,122	\$ 2,478,222
Receivables				-
Property taxes	633,039	-	1,074,055	1,707,094
Other	165		48	213
Prepays	<u>26,567</u>	<u>108</u>	<u>5,972</u>	<u>32,647</u>
Total assets	<u>\$ 1,561,682</u>	<u>\$ 174,297</u>	<u>\$ 2,482,197</u>	<u>\$ 4,218,176</u>
LIABILITIES				
Accounts payable	\$ 9,980	\$ 282	836	\$ 11,098
Accrued payroll	11,526	-	11,010	22,536
Accrued pension	2,959	-	4,629	7,588
Accrued replacement tax	-	-	7,791	7,791
Payroll tax liabilities	1,162	-	511	1,673
Other	<u>1,050</u>	<u>-</u>	<u>-</u>	<u>1,050</u>
Total liabilities	<u>26,677</u>	<u>282</u>	<u>24,777</u>	<u>51,736</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>633,039</u>	<u>-</u>	<u>1,074,055</u>	<u>1,707,094</u>
Total liabilities and deferred inflows of resources	<u>659,716</u>	<u>282</u>	<u>1,098,832</u>	<u>1,758,830</u>
FUND BALANCES				
Nonspendable	26,567	108	5,972	32,647
Restricted for:				
Social services	-	173,907	-	173,907
Road and bridge	-	-	1,377,393	1,377,393
Unassigned	<u>875,399</u>	<u>-</u>	<u>-</u>	<u>875,399</u>
Total fund balances	<u>901,966</u>	<u>174,015</u>	<u>1,383,365</u>	<u>2,459,346</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,561,682</u>	<u>\$ 174,297</u>	<u>\$ 2,482,197</u>	<u>\$ 4,218,176</u>

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
March 31, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 2,459,346
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities of \$6,364,528, net of depreciation of \$4,011,947, are not financial resources and, therefore, are not reported in the funds	2,352,582
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A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds Net Pension Asset - IMRF	511,375
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Deferred outflows (inflows) of resources related to pension are not reported in the funds Deferred Items - IMRF	(345,073)
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Long-term liabilities are not due and payable in the current period and are not reported in the funds Compensated Absences	(15,596)
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,962,634</u>
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See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

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

For the Year Ended March 31, 2022

REVENUES	General Town	General Assistance	Road and Bridge	Total Governmental Funds
Property taxes	\$ 502,001	\$ 2,001	\$ 1,028,956	\$ 1,532,958
Property taxes-mental health	126,058	-	-	126,058
Replacement taxes	28,682	-	46,021	74,703
TIF	1,621	-	2,713	4,334
TORIMA	3,103	-	-	3,103
Rental income	30,160	-	-	30,160
Community building services	2,400	-	-	2,400
Road & bridge services	6,000	-	-	6,000
Grants	-	-	10,584	10,584
Miscellaneous	1,833	144	9,387	11,364
Interest	1,403	16	7,830	9,249
Total revenues	<u>703,261</u>	<u>2,161</u>	<u>1,105,491</u>	<u>1,810,913</u>
EXPENDITURES				
General government	497,250	-	23,120	520,370
Public works	-	-	1,022,192	1,022,192
Social services	97,005	1,808	-	98,813
Capital outlay	9,910	-	288,303	298,213
Health and welfare	126,058	-	-	126,058
Total expenditures	<u>730,223</u>	<u>1,808</u>	<u>1,333,615</u>	<u>2,065,646</u>
Excess (deficiency) of revenue over expenditures	<u>(26,962)</u>	<u>353</u>	<u>(228,124)</u>	<u>(254,733)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>86,758</u>	<u>86,758</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>86,758</u>	<u>86,758</u>
Net change in fund balance	(26,962)	353	(141,366)	(167,975)
FUND BALANCES, beginning	<u>928,928</u>	<u>173,662</u>	<u>1,607,973</u>	<u>2,710,563</u>
Restatement of beginning fund balance			<u>(83,242)</u>	<u>(83,242)</u>
FUND BALANCES, ending	<u>\$ 901,966</u>	<u>\$ 174,015</u>	<u>\$ 1,383,365</u>	<u>\$ 2,459,346</u>

See notes to financial statements

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (167,975)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	246,812
Depreciation expense	(347,777)
Capital asset disposals - cost	(265,933)
Capital asset disposals - accumulated depreciation	233,455

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds

Change to deferred items - IMRF	(251,930)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds

Change to compensated absences	(968)
Change to net pension liability/(asset) - IMRF	335,071

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (219,245)</u>
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See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
March 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Sugar Grove, 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). 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*, the Township has included in its financial statements the primary government along with its discretely presented component unit.

These standards require governments to include entities for which there is a financial benefit or burden between the primary government and the component unit or the primary government can impose its will on significant elements of the component unit's operations.

Discretely Presented Component Unit

The component unit column in the government-wide financial statements includes the financial data of Sugar Grove Township's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the Township. The component unit is included in the reporting entity because per the Illinois Township Code it is part of the Township.

Sugar Grove Township Community Building is a legally separate entity with an independently elected board of trustees that owns and maintains a building for the use of the residents of Sugar Grove Township. The building has meeting rooms, a kitchen, and a gym. It can be used by residents for regular meetings or special events. The Community Building has the same March 31st fiscal year end as the Township. The Sugar Grove Community Building does not separately issue financial statements from the Township.

b. Fund Accounting

The Township uses funds to report on its financial position and changes in its financial position. 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)

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program 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. Major individual governmental 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 General Assistance Fund is used to account for revenues derived from property taxes for general assistance and expenditures for general assistance of township residents.

The Township has one Custodial Fund which was a trust that was given to the Township to administer public aid to certain citizens. It is used only for this purpose.

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

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows are incurred or economic asset used. Revenues, expenses, gains, losses, asset/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available."

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

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Township recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, personal property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

e. Appropriations

The Township prepares an appropriation ordinance, which includes all funds, and is prepared on a basis consistent with the modified accrual basis of accounting. The appropriation ordinance represents the legal spending limits for the Township. The appropriation ordinance was passed on May 4 2021. The appropriations lapse at the end of each fiscal year. The Township does not utilize an encumbrance system.

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

1. Prior to March 31, the proposed appropriations for the year commencing April 1 are submitted by the Director to the Board of Trustees.
2. A public hearing is conducted to obtain comments on the proposed appropriations, prior to adoption.
3. Prior to July 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.

e. 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.

f. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and replacement taxes.

g. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

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

h. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with a cost of more than the threshold for the asset class and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. General infrastructure assets acquired prior to April 1, 2003 are not reported in the basic financial statements. General infrastructure assets such as roads and bridges acquired subsequent to July 1, 2003 will be recorded as capital assets when such assets are constructed or significantly improved.

Capital assets are depreciated in the government-wide statements, using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life (in Years)</u>	<u>Capitalization Threshold</u>
Buildings and Improvements	7-40	10,000
Road Improvements	10-15	50,000
Vehicles and Equipment	5-7	2,500

In the governmental fund statements, capital assets arising from cash transactions are accounted for as current expenditures.

i. Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

j. Compensated Absences

The Township accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

k. Long-Term Obligations

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The Township currently has no long-term debt.

Long-term debt in governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures.

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

I. Fund Balance/Net Position

Government-wide Statements

In the government-wide financial statements, equity is classified as net position and displayed in three components. Investment in Capital Assets, consists of capital assets, including restricted assets, net of accumulated depreciation. Restricted, consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted, consists of all other net position balances that do not meet the definition of "restricted" or "investment in capital assets." None of the Township's net position is restricted as a result of enabling legislation adopted by the Township.

Fund Financial 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.

m. Interfund Transactions

Interfund transfers, where repayment is not expected, are reported as transfers in and out. When repayment is required, interfund receivables and payables are reported. For the purposes of the Statement of Activities, all interfund transfers between individual governmental activities have been eliminated.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 2021 levy was passed by the board on November 2, 2021. 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 2020 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:

	2020 Levy		2021 Levy	
	Limit	Actual	Limit	Actual
Town Fund	.25000	.069750	.25000	.068131
Mental Health	.15000	.017515	.15000	.017407
General Assistance	.10000	.000278	.10000	.000135
Road	.66000	.009438	.66000	.009201
Permanent Road	.25000	.250000	.25000	.250000
Corporate	.10000	<u>.022630</u>	.10000	<u>.022061</u>
		<u>.369611</u>		<u>.366935</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments."

The Township may invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds, and the Illinois Funds (a money market fund created by the State legislature under control of the State Treasurer that maintains a \$1 share value.).

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, 2022 \$411,573 of the Township's deposits were uninsured or uncollateralized, and therefore exposed to custodial credit risk.

Investments

At March 31, 2022, the Township held no investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Safety of principal is the foremost objective of the investment program. Investments of the Township are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Credit Risk

NOTE 3. DEPOSITS AND INVESTMENTS (CONT.)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township limits its exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Concentration Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy does not address concentration risk. At year end, the Township does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 274,000	\$ -	\$ -	\$ 274,000
Capital assets being depreciated:				
Buildings and Improvements	1,087,432	-	-	1,087,432
Road Improvements	2,897,609	-	-	2,897,609
Vehicles and Equipment	<u>2,124,608</u>	<u>246,812</u>	<u>265,933</u>	<u>2,105,487</u>
Total capital assets being depreciated	<u>6,109,649</u>	<u>246,812</u>	<u>265,933</u>	<u>6,090,528</u>
Less accumulated depreciation for:				
Buildings and Improvements	292,937	35,769	-	328,706
Road Improvements	1,752,047	222,674	-	1,974,721
Vehicles and Equipment	<u>1,852,640</u>	<u>89,335</u>	<u>233,456</u>	<u>1,708,519</u>
Total accumulated depreciation	<u>3,897,624</u>	<u>347,778</u>	<u>233,456</u>	<u>4,011,946</u>
Total capital assets being depreciated, net	<u>2,212,025</u>	<u>(100,966)</u>	<u>(32,477)</u>	<u>2,078,582</u>
Capital Assets, Net	<u>\$ 2,486,025</u>	<u>\$ (100,966)</u>	<u>\$ (32,477)</u>	<u>\$ 2,352,582</u>

Depreciation expense was charged to functions as follows:

Township	\$ 29,665
Road & Bridge	<u>318,112</u>
	<u>\$ 347,777</u>

NOTE 4. CAPITAL ASSETS (CONT.)

Capital asset activity the Community Building for the year ended March 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 75,000	\$ -	\$ -	\$ 75,000
Capital assets being depreciated:				
Buildings and Improvements	510,989	-	-	510,989
Vehicles and Equipment	<u>45,428</u>	<u>-</u>	<u>-</u>	<u>45,428</u>
Total capital assets being depreciated	<u>556,417</u>	<u>-</u>	<u>-</u>	<u>556,417</u>
Less accumulated depreciation for:				
Buildings and Improvements	344,543	10,783	-	355,326
Vehicles and Equipment	<u>45,428</u>	<u>-</u>	<u>-</u>	<u>45,428</u>
Total accumulated depreciation	<u>389,971</u>	<u>10,783</u>	<u>-</u>	<u>400,754</u>
Total capital assets being depreciated, net	<u>166,446</u>	<u>(10,783)</u>	<u>-</u>	<u>155,663</u>
Capital Assets, Net	<u>\$ 241,446</u>	<u>\$ (10,783)</u>	<u>\$ -</u>	<u>\$ 230,663</u>

Depreciation expense was charged to functions as follows:

Community Building	\$10,783
--------------------	----------

NOTE 5. LONG-TERM DEBT

Changes in long-term liabilities during the fiscal year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 14,628	\$ 1,490	\$ 522	\$ 15,596	\$ 15,596
Net Pension Liability/(Asset) - IMRF	<u>(176,304)</u>	<u>-</u>	<u>335,071</u>	<u>(511,375)</u>	<u>-</u>
	<u>\$ (161,676)</u>	<u>\$ 1,490</u>	<u>\$ 335,593</u>	<u>\$ (495,779)</u>	<u>\$ 15,596</u>

The compensated absences and the net pension liability/(asset) are liquidated by the General Fund.

NOTE 6. RETIREMENT FUND COMMITMENTS**Illinois Municipal Retirement Fund**

Plan description – The Township’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Township’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Plan Administration – All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount

Employees Covered Benefit Terms – As of December 31, 2021, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	9
Inactive Plan Members entitled to but not yet receiving benefits	7
Active Plan Members	8
Total	24

Contributions – As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2021 and 2022 was 8.89% and 7.13%, respectively. For the fiscal year ended March 31, 2022, the Township contributed \$40,437 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

Net Pension Liability/(Asset) – The Township's net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active member, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

		Long-Term
	Portfolio	Expected
	Target	Real Rate
Asset Class	Percentage	of Return
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	(0.60)%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	1%	(0.90)%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.25%, the same discount rate as in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

Discount Rate Sensitivity – The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Township calculated using the discount rate as well as what the Township's net pension/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$(199,719)	\$(511,375)	\$(767,159)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A)-(B)
Balances at December 31, 2020	<u>\$2,904,952</u>	<u>\$3,081,256</u>	<u>\$(176,304)</u>
Changes for the Year:			
Service Cost	46,623	-	46,623
Interest on the Total Pension Liability	205,516	-	205,516
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	68,667	-	68,667
Changes of Assumptions	-	-	-
Contributions – Employer	-	43,752	(43,752)
Contributions – Employees	-	22,147	(22,147)
Net Investment Income	-	536,344	(536,344)
Benefit Payments, Including Refunds Of Employee Contributions	(187,124)	(187,124)	-
Other (Net Transfer)	-	53,634	(53,634)
Net Changes	<u>133,682</u>	<u>468,753</u>	<u>(335,071)</u>
Balances at December 31, 2021	<u>\$3,038,634</u>	<u>\$3,550,009</u>	<u>\$(511,375)</u>

At March 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 59,760	\$ -	\$ 59,760
Change in Assumptions	-	(4,426)	(4,426)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>60,727</u>	<u>(470,424)</u>	<u>(409,697)</u>
Total Pension Expense to be Recognized in Future Periods	120,487	(474,850)	(354,363)
Pension Contributions Made Subsequent to Measurement Date	<u>9,290</u>	<u>-</u>	<u>9,290</u>
Total Deferred Amounts Related to IMRF	<u>\$129,777</u>	<u>\$ (474,850)</u>	<u>\$ (345,073)</u>

\$9,290 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2023.

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2023	\$ 58,429
2024	128,721
2025	104,134
2026	63,079
2027	-
Thereafter	-
Total	<u>\$354,363</u>

NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS

The Township has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, there is minimal participation. As the Township provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. Therefore, the Township has not recorded a liability as of March 31, 2022.

NOTE 8. 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 9. LEGAL DEBT MARGIN

2021 Equalized Assessed Valuation	<u>\$ 738,893,023</u>
Statutory debt limitation (2.875% of 2021 equalized assessed valuation)	<u>21,243,174</u>
Legal debt margin	<u>\$ 21,243,174</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 10. PRIOR PERIOD ADJUSTMENT

Kane County holds Motor Fuel Tax and Rebuild Illinois monies on behalf of Sugar Grove Township. In the prior year these amounts were included in the Township's financial statements. For the year end March 31, 2022, the Township determined that as they don't have custody or control of the funds, the amounts should not be represented in the financial statements. A prior period adjustment of \$83,242 reflects the removal of these amounts.

In fiscal year 2021 the Sugar Grove Township Community Building was presented as a blended component unit. For the year ended March 31, 2022 the Sugar Grove Township Community Building is presented as a discretely presented component unit.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

March 31, 2022

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
DEFINED BENEFIT PENSION PLAN

Multiyear Schedule of Employer Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 51,548	\$ 51,548	\$ -	\$ 418,753	12.31%
2016	42,506	42,507	(1)	381,903	11.13%
2017	37,399	37,398	1	373,616	10.01%
2018	40,405	40,405	-	450,449	8.97%
2019	23,330	23,330	-	475,158	4.91%
2020	24,921	24,916	5	475,589	5.24%
2021	43,752 *	43,752	-	492,150	8.89%

* Estimated based on contribution rate of 8.89% and covered valuation payroll of \$492,150.

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22-Year Closed Period
Asset Valuation Method	5-Year Smoothed Market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% - 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

March 31, 2022

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
DEFINED BENEFIT PENSION PLAN

Multiyear Schedule of Changes in the Employer's Net Pension Liability/(Asset)

Calendar Year Ended December 31,	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability							
Service cost	\$ 48,412	\$ 47,763	\$ 41,814	\$ 39,885	\$ 48,521	\$ 49,095	\$ 46,623
Interest on the Total Pension Liability	164,420	167,637	169,978	168,889	171,824	199,414	205,516
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(65,277)	(77,540)	(51,555)	(29,651)	335,217	45,242	68,667
Changes in Assumptions	-	(2,496)	(74,266)	59,752	-	(14,318)	-
Benefit Payments, including Refunds of Employee Contributions	(98,796)	(109,770)	(98,551)	(100,481)	(149,650)	(200,944)	(187,124)
Net Change in Pension Liability	48,759	25,594	(12,580)	138,394	405,912	78,489	133,682
Total Pension Liability - Beginning	2,220,384	2,269,143	2,294,737	2,282,157	2,420,551	2,826,463	2,904,952
Total Pension Liability - Ending (A)	<u>\$ 2,269,143</u>	<u>\$ 2,294,737</u>	<u>\$ 2,282,157</u>	<u>\$ 2,420,551</u>	<u>\$ 2,826,463</u>	<u>\$ 2,904,952</u>	<u>\$ 3,038,634</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 51,548	\$ 42,507	\$ 37,398	\$ 40,405	\$ 23,330	\$ 24,916	\$ 43,752
Contributions - Employees	18,844	17,186	16,813	20,270	21,382	21,398	22,147
Net Investment Income	10,329	144,330	377,974	(115,379)	411,225	404,150	536,344
Benefit Payments, including Refunds of Employee Contributions	(98,796)	(109,770)	(98,551)	(100,481)	(149,650)	(200,944)	(187,124)
Other (Net Transfer)	3,659	32,815	(18,975)	45,634	105,597	22,133	53,634
Net Change in Plan Fiduciary Net Position	(14,416)	127,068	314,659	(109,551)	411,884	271,653	468,753
Plan Fiduciary Net Position - Beginning	2,079,959	2,065,543	2,192,611	2,507,270	2,397,719	2,809,603	3,081,256
Plan Fiduciary Net Position - Ending (B)	<u>2,065,543</u>	<u>2,192,611</u>	<u>2,507,270</u>	<u>2,397,719</u>	<u>2,809,603</u>	<u>3,081,256</u>	<u>3,550,009</u>
Net Pension Liability/(Asset) (A) - (B)	<u>\$ 203,600</u>	<u>\$ 102,126</u>	<u>\$ (225,113)</u>	<u>\$ 22,832</u>	<u>\$ 16,860</u>	<u>\$ (176,304)</u>	<u>\$ (511,375)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.03%	95.55%	109.86%	99.06%	99.40%	106.07%	116.83%
Covered Valuation Payroll	\$ 418,753	\$ 381,903	\$ 373,616	\$ 450,449	\$ 475,158	\$ 475,589	\$ 492,150
Net Pension Liability as a Percentage of Covered Valuation Payroll	48.62%	26.74%	-60.25%	5.07%	3.55%	-37.07%	-103.91%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it become available.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL TOWN FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL SOURCES			
Property taxes	\$ 502,000	\$ 502,001	\$ 1
Property taxes-mental health	126,162	126,058	(104)
Interest	4,600	1,403	(3,197)
TIF	300	1,621	1,321
TORIMA	3,470	3,103	(367)
Rental income	27,840	30,160	2,320
Community building services	2,400	2,400	-
Road & bridge services	6,000	6,000	-
Miscellaneous	375	1,833	1,458
	<u>673,147</u>	<u>674,579</u>	<u>1,432</u>
STATE SOURCES			
Personal property replacement tax	13,000	28,682	15,682
Total revenues	<u>686,147</u>	<u>703,261</u>	<u>17,114</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	123,346	116,779	6,567
Health insurance	16,700	25,122	(8,422)
Social security contribution	9,436	9,578	(142)
Retirement contribution	3,690	3,539	151
Unemployment insurance	1,130	767	363
Payroll service fee	525	653	(128)
	<u>154,827</u>	<u>156,438</u>	<u>(1,611)</u>
Contractual Services			
Building maintenance	14,000	9,938	4,062
Grounds maintenance	6,300	5,076	1,224
Equipment maintenance	2,200	2,435	(235)
Dues	1,000	2,087	(1,087)
Accounting services	4,500	4,080	420
Legal services	4,000	1,573	2,427
Postage	300	313	(13)
Telephone	1,100	1,302	(202)
Computer programing	7,500	4,678	2,822
WT Metronet	4,200	3,415	785
Travel/Training	450	1,241	(791)
Outside services/meeting expense	4,000	1,920	2,080
Utilities	7,500	7,452	48
General insurance	23,600	22,878	722
Publishing	275	620	(345)
	<u>80,925</u>	<u>69,008</u>	<u>11,917</u>

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT.)
GENERAL TOWN FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)			
Administration (cont.)			
Commodities			
Office supplies	2,400	2,227	173
Operating supplies	200	22	178
	<u>2,600</u>	<u>2,249</u>	<u>351</u>
Total Administration	<u>238,352</u>	<u>227,695</u>	<u>10,657</u>
Assessor:			
Personnel			
Salaries	172,058	177,596	(5,538)
Health insurance	40,621	41,914	(1,293)
Retirement contribution	14,560	14,820	(260)
Social security and medicare contribution	13,163	11,538	1,625
Unemployment insurance	2,424	2,192	232
	<u>242,826</u>	<u>248,060</u>	<u>(5,234)</u>
Contractual services			
Equipment maintenance	1,300	713	587
Dues	1,500	453	1,047
Computer services	5,000	5,309	(309)
Postage	300	441	(141)
Appraisal services	1,000	-	1,000
Telephone	3,600	3,503	97
Training	2,700	846	1,854
PAMS service agreement	8,900	8,766	134
Travel expense	1,500	757	743
	<u>25,800</u>	<u>20,788</u>	<u>5,012</u>
Commodities			
Office supplies	2,200	643	1,557
Other expenditures			
Miscellaneous	-	64	(64)
Total Assessor	<u>270,826</u>	<u>269,555</u>	<u>1,271</u>
Total General Government	<u>509,178</u>	<u>497,250</u>	<u>11,928</u>

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT.)
GENERAL TOWN FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
SOCIAL SERVICES			
Senior Center/Bus Barn			
TWP senior service	3,800	3,826	(26)
Senior transportation	48,000	57,797	(9,797)
Senior mowing	10,000	8,680	1,320
Snow removal	5,000	2,720	2,280
Supplies	150	83	67
Utilities	255	154	101
	<u>67,205</u>	<u>73,260</u>	<u>(6,055)</u>
Bliss House			
Ground maintenance	4,500	3,855	645
Equipment maintenance	-	282	(282)
Building maintenance	5,000	4,840	160
Utilities	1,750	2,058	(308)
Real estate taxes	750	741	9
	<u>12,000</u>	<u>11,776</u>	<u>224</u>
Other Expenditures			
Sponsorships	2,000	1,095	905
SG public library replacement tax	220	340	(120)
Social services funding	7,500	10,000	(2,500)
Miscellaneous	2,410	534	1,876
	<u>12,130</u>	<u>11,969</u>	<u>161</u>
Total Social Services	<u>91,335</u>	<u>97,005</u>	<u>(5,670)</u>
 HEALTH AND WELFARE			
Mental Health	<u>126,162</u>	<u>126,058</u>	<u>104</u>
Total Health and Welfare	<u>126,162</u>	<u>126,058</u>	<u>104</u>
 CAPITAL OUTLAY			
Equipment and buildings	<u>17,900</u>	<u>9,910</u>	<u>7,990</u>
Total Capital Outlay	<u>17,900</u>	<u>9,910</u>	<u>7,990</u>
 Total expenditures	<u>744,575</u>	<u>730,223</u>	<u>14,352</u>
 Net change in fund balance	<u>\$ (58,428)</u>	<u>(26,962)</u>	<u>\$ 31,466</u>
 FUND BALANCE, beginning		<u>928,928</u>	
 FUND BALANCE, ending		<u>\$ 901,966</u>	

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,000	\$ 2,001	\$ 1
Interest	210	16	(194)
Miscellaneous	<u>-</u>	<u>144</u>	<u>144</u>
Total revenues	<u>2,210</u>	<u>2,161</u>	<u>(49)</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	180	300	(120)
Social security contribution	<u>20</u>	<u>43</u>	<u>(23)</u>
	<u>200</u>	<u>343</u>	<u>(143)</u>
Contractual services			
Legal	-	878	(878)
Professional fees	300	300	-
Dues	100	-	100
Computer	60	60	-
Training	150	225	(75)
Other	<u>4</u>	<u>2</u>	<u>2</u>
	<u>614</u>	<u>1,465</u>	<u>(851)</u>
Total expenditures	<u>814</u>	<u>1,808</u>	<u>(994)</u>
Net change in fund balance	<u>\$ 1,396</u>	353	<u>\$ 1,043</u>
FUND BALANCE, beginning		<u>173,662</u>	
FUND BALANCE, ending		<u>\$ 174,015</u>	

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 1,044,000	\$ 1,028,956	\$ (15,044)
Personal property replacement tax	25,000	46,021	21,021
TIF surplus	400	2,713	2,313
Interest	46,202	7,830	(38,372)
Grants	36,440	10,584	(25,856)
Miscellaneous	7,500	9,387	1,887
Total revenues	1,159,542	1,105,491	(54,051)
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Contractual Services:			
Legal services	3,000	-	3,000
Professional fees	9,625	10,372	(747)
Office	500	520	(20)
Telephone	2,400	2,400	-
Dues	1,500	2,051	(551)
	17,025	15,343	1,682
Other expenditures:			
Miscellaneous	7,100	7,777	(677)
Total General Government	24,125	23,120	1,005
PUBLIC WORKS			
ROAD MAINTENANCE			
Personnel			
Salaries	302,000	308,835	(6,835)
Unemployment insurance	1,800	463	1,337
Social security and medicare contribution	24,240	23,805	435
Retirement contribution	25,000	22,078	2,922
Health insurance	103,500	111,362	(7,862)
	456,540	466,543	(10,003)
Contractual services:			
Grounds maintenance	6,000	15,600	(9,600)
Equipment maintenance	10,000	17,046	(7,046)
Vehicle maintenance	-	-	-
Road maintenance	512,500	361,814	150,686
Snow removal	82,500	75,682	6,818
Engineering fees	15,000	618	14,382
Insurance	38,000	41,569	(3,569)
Utilities	19,000	19,384	(384)
	683,000	531,713	151,287

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT.)
ROAD AND BRIDGE FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS (CONT.)			
ROAD MAINTENANCE (CONT.)			
Commodities:			
Bridge repair	20,000	-	20,000
Road maintenance supplies	5,000	5,453	(453)
Snow removal supplies	-	-	-
Operating supplies	1,700	1,284	416
Safety equipment	2,500	1,298	1,202
Gasoline/oil	19,000	15,901	3,099
	<u>48,200</u>	<u>23,936</u>	<u>24,264</u>
 Total Public Works	 <u>1,187,740</u>	 <u>1,022,192</u>	 <u>165,548</u>
 CAPITAL OUTLAY			
Building	50,000	36,748	13,252
Equipment	185,000	251,555	(66,555)
Vehicles	1,500	-	1,500
Total Capital Outlay	<u>236,500</u>	<u>288,303</u>	<u>(51,803)</u>
 Total expenditures	 <u>1,448,365</u>	 <u>1,333,615</u>	 <u>114,750</u>
 Excess (deficiency) of revenue over expenditures	 <u>(288,823)</u>	 <u>(228,124)</u>	 <u>60,699</u>
 OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	<u>43,000</u>	<u>86,758</u>	<u>43,758</u>
 Total other financing sources (uses)	 <u>43,000</u>	 <u>86,758</u>	 <u>43,758</u>
 Net change in fund balance	 <u>\$ (245,823)</u>	 <u>(141,366)</u>	 <u>\$ 104,457</u>
 FUND BALANCE, beginning		<u>1,607,973</u>	
 Restatement of beginning fund balance		(83,242)	
 FUND BALANCE, ending		<u>\$ 1,383,365</u>	

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY BUILDING FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 163,000	\$ 162,871	\$ (129)
Interest	3,500	1,391	(2,109)
Miscellaneous	250	295	45
TIF	-	364	364
Other	1,000	5,150	4,150
Total revenues	167,750	170,071	2,321
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	48,000	22,304	25,696
Social security contribution	4,500	1,641	2,859
Elected officials	1,500	1,500	-
Total Administration	54,000	25,445	28,555
Contractual Services			
Building maintenance	20,000	9,672	10,328
Equipment maintenance	10,000	10,894	(894)
Grounds maintenance	10,000	6,642	3,358
Accounting services	1,200	2,040	(840)
Legal services	5,000	2,613	2,387
Computer programing	2,250	682	1,568
Postage	900	338	562
Telephone	4,450	2,209	2,241
Travel	300	41	259
Dues	300	150	150
Utilities	13,250	13,650	(400)
General insurance	8,100	7,732	368
Real estate taxes	100	54	46
Cleaning service	7,200	9,010	(1,810)
Township services	2,400	2,400	-
Publishing	2,000	1,920	80
Alarm system	2,000	1,138	862
Permits	500	1,095	(595)
Other	5,800	673	5,127
Total Contractual Services	95,750	72,953	22,797

See notes to Required Supplementary Information

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT.)
COMMUNITY BUILDING FUND
For the Year Ended March 31, 2022

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)			
Commodities			
Office Supplies	5,000	1,259	3,741
Total Commodities	5,000	1,259	3,741
Total General Government	154,750	99,657	55,093
CAPITAL OUTLAY			
Equipment and buildings	80,000	1,425	78,575
Total Capital Outlay	80,000	1,425	78,575
Total expenditures	234,750	101,082	133,668
Net change in fund balance	\$ (67,000)	68,989	\$ 131,347
FUND BALANCE, beginning		480,443	
FUND BALANCE, ending		\$ 549,432	

TOWNSHIP OF SUGAR GROVE

KANE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2022

1. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted (at the fund level) for all of the funds 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, 2022 at its May 4, 2021 meeting.

The line item budget is used by management for control purposes in the day-to-day operations. The Board of Trustees 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.

2. EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of budget:

- General Assistance Fund – Expenditures of \$1,808 were in excess of \$814 budgeted