

TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2023



## 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<br>the Statement of Net Position – Governmental Activities   | 7     |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Governmental Funds   | 8     |
| Reconciliation of the Governmental Funds Statement of Revenues,<br>Expenditures and Changes in Fund Balances to the Statement of<br>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 –<br>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, 2023

\* \* \* \* \*

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

\* \* \* \* \*

## 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, 2023, 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, 2023, 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  
August 1, 2023

TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS  
STATEMENT OF NET POSITION  
March 31, 2023

|   | Governmental<br>Activities | Component Unit<br>Community<br>Building |
|---|----------------------------|---|
| ASSETS  |                            |   |
| Current Assets  |                            |   |
| Cash and investments  | \$ 2,276,477               | \$ 606,594                              |
| Receivables - Net of Allowance                                    | 1,784,859                  | 163,862                                 |
| Prepays   | 35,109                     | 7,986                                   |
| Total Current Assets  | <u>4,096,445</u>           | <u>778,442</u>                          |
| Noncurrent Assets   |                            |   |
| Capital assets  |                            |   |
| Land  | 274,000                    | 75,000                                  |
| Other capital assets  | 6,491,111                  | 571,797                                 |
| Accumulated depreciation  | <u>(4,233,482)</u>         | <u>(412,452)</u>                        |
| Total Capital Assets  | <u>2,531,629</u>           | <u>234,345</u>                          |
| Other Assets  |                            |   |
| Net Pension Asset - IMRF  | <u>-</u>                   | <u>-</u>                                |
| Total Noncurrent Assets   | <u>2,531,629</u>           | <u>234,345</u>                          |
| Total Assets  | <u>6,628,074</u>           | <u>1,012,787</u>                        |
| DEFERRED OUTFLOWS OF RESOURCES                                    |                            |   |
| Deferred Items - IMRF   | <u>599,041</u>             | <u>-</u>                                |
| Total Assets and Deferred Outflows of Resources                   | <u>\$ 7,227,115</u>        | <u>\$ 1,012,787</u>                     |
| LIABILITIES   |                            |   |
| Current Liabilities   |                            |   |
| Accounts payable  | \$ 10,040                  | \$ 2,455                                |
| Accrued payroll   | 28,402                     | 872                                     |
| Accrued pension   | 6,790                      | -                                       |
| Accrued replacement tax   | 16,269                     | -                                       |
| Payroll tax liabilities   | (1,078)                    | -                                       |
| Current portion of long-term debt                                 | 17,727                     | -                                       |
| Other   | <u>825</u>                 | <u>300</u>                              |
| Total Current Liabilities   | <u>78,975</u>              | <u>3,627</u>                            |
| Long Term Liabilities   |                            |   |
| Net Pension Liability - IMRF                                      | <u>170,537</u>             | <u>-</u>                                |
| Total Long Term Liabilities                                       | <u>170,537</u>             | <u>-</u>                                |
| Total Liabilities   | <u>249,512</u>             | <u>3,627</u>                            |
| DEFERRED INFLOWS OF RESOURCES                                     |                            |   |
| Property Taxes  | 1,772,122                  | 163,010                                 |
| Deferred Items - IMRF   | <u>392,718</u>             | <u>-</u>                                |
| Total Deferred Inflows of Resources                               | <u>2,164,840</u>           | <u>163,010</u>                          |
| Total Liabilities and Deferred Inflows of Resources               | <u>2,414,352</u>           | <u>166,637</u>                          |
| NET POSITION  |                            |   |
| Net investment in capital assets                                  | 2,531,629                  | 234,345                                 |
| Restricted for:   |                            |   |
| Social Services   | 170,085                    | -                                       |
| Road and Bridge   | 1,259,637                  | -                                       |
| Unrestricted  | <u>851,412</u>             | <u>611,805</u>                          |
| Total Net Position  | <u>4,812,763</u>           | <u>846,150</u>                          |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 7,227,115</u>        | <u>\$ 1,012,787</u>                     |

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES  
For the Year Ended March 31, 2023

| 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             | \$ 620,887 | \$ 27,535               | \$ 380                             | \$ -                             | \$ (592,972)                                      |                                   |
| Public works                   | 1,176,422  | 7,700                   | -                                  | -                                | (1,168,722)                                       |                                   |
| Social services                | 131,643    | -                       | -                                  | -                                | (131,643)   |                                   |
| Health and welfare             | 127,288    | -                       | -                                  | -                                | (127,288)   |                                   |
| Total governmental activities: | 2,056,240  | 35,235                  | 380                                | -                                | (2,020,625)                                       |                                   |
| Component unit:                |            |                         |                                    |                                  |   |                                   |
| General government             | 107,867    |                         |                                    |                                  |   | (107,867)                         |
| Total component unit:          | \$ 107,867 |                         |                                    |                                  |   | \$ (107,867)                      |
| General revenues:              |            |                         |                                    |                                  |   |                                   |
| Taxes:                         |            |                         |                                    |                                  |   |                                   |
| Property taxes                 |            |                         |                                    |                                  | \$ 1,548,494                                      | \$ 162,703                        |
| Property taxes-mental health   |            |                         |                                    |                                  | 127,262   | -                                 |
| Replacement taxes              |            |                         |                                    |                                  | 112,801   | -                                 |
| TIF                            |            |                         |                                    |                                  | 12,151  | 1,160                             |
| TORIMA                         |            |                         |                                    |                                  | 3,103   | -                                 |
| Community building services    |            |                         |                                    |                                  | 3,000   | -                                 |
| Miscellaneous                  |            |                         |                                    |                                  | 8,542   | 7,578                             |
| Gain on sale of capital assets |            |                         |                                    |                                  | 44,250  | -                                 |
| Interest                       |            |                         |                                    |                                  | 11,151  | 2,481                             |
| Total general revenue          |            |                         |                                    |                                  | 1,870,754   | 173,922                           |
|                                |            | Change in net position  |                                    |                                  | (149,871)   | 66,055                            |
|                                |            | Net position, beginning |                                    |                                  | 4,962,634   | 780,095                           |
|                                |            | Net position, ending    |                                    |                                  | \$ 4,812,763                                      | \$ 846,150                        |

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
March 31, 2023

|  | General<br>Town     | General<br>Assistance | Road and<br>Bridge  | Total<br>Governmental<br>Funds |
|--|---------------------|-----------------------|---------------------|--------------------------------|
| <b>ASSETS</b>  |                     |                       |                     |                                |
| Cash and investments   | \$ 812,741          | \$ 169,768            | \$ 1,294,684        | \$ 2,277,193                   |
| Receivables  |                     |                       |                     | -                              |
| Property taxes   | 633,041             | -                     | 1,139,081           | 1,772,122                      |
| Other  | 12,602              | -                     | 135                 | 12,737                         |
| Due from other funds   | -                   | 317                   | -                   | 317                            |
| Prepays  | 27,753              | 72                    | 6,564               | 34,389                         |
| <br>Total assets   | <u>\$ 1,486,137</u> | <u>\$ 170,157</u>     | <u>\$ 2,440,464</u> | <u>\$ 4,096,758</u>            |
| <b>LIABILITIES</b>   |                     |                       |                     |                                |
| Accounts payable   | \$ 8,754            | \$ -                  | 1,282               | \$ 10,036                      |
| Accrued payroll  | 15,192              | -                     | 13,210              | 28,402                         |
| Accrued pension  | 2,449               | -                     | 4,341               | 6,790                          |
| Accrued replacement tax  | -                   | -                     | 16,269              | 16,269                         |
| Payroll tax liabilities  | (1,158)             | -                     | 80                  | (1,078)                        |
| Due to other funds   | 317                 | -                     | -                   | 317                            |
| Other  | 825                 | -                     | -                   | 825                            |
| <br>Total liabilities  | <u>26,379</u>       | <u>-</u>              | <u>35,182</u>       | <u>61,561</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                     |                       |                     |                                |
| Property Taxes   | 633,041             | -                     | 1,139,081           | 1,772,122                      |
| Total liabilities and deferred inflows<br>of resources                   | <u>659,420</u>      | <u>-</u>              | <u>1,174,263</u>    | <u>1,833,683</u>               |
| <b>FUND BALANCES</b>   |                     |                       |                     |                                |
| Nonspendable   | 27,753              | 72                    | 6,564               | 34,389                         |
| Restricted for:  |                     |                       |                     |                                |
| Social services  | -                   | 170,085               | -                   | 170,085                        |
| Road and bridge  | -                   | -                     | 1,259,637           | 1,259,637                      |
| Unassigned   | 798,964             | -                     | -                   | 798,964                        |
| Total fund balances  | 826,717             | 170,157               | 1,266,201           | 2,263,075                      |
| <br>Total liabilities, deferred inflows of<br>resources and fund balance | <u>\$ 1,486,137</u> | <u>\$ 170,157</u>     | <u>\$ 2,440,464</u> | <u>\$ 4,096,758</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, 2023

|                                     |              |
|-------------------------------------|--------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 2,263,075 |
|-------------------------------------|--------------|

Amounts reported for governmental activities in the statement of net position are different because:

|  |           |
|--|-----------|
| Capital assets used in governmental activities of \$6,720,861, net of accumulated depreciation of \$4,233,482, are not financial resources and, therefore, are not reported in the funds | 2,531,629 |
|--|-----------|

|  |   |
|--|---|
| A net pension liability is not considered to represent a financial resource and therefore is not reported in the funds |   |
| Net Pension Asset - IMRF   | - |

|   |         |
|---|---------|
| Deferred outflows (inflows) of resources related to pension are not reported in the funds |         |
| Deferred Items - IMRF   | 206,323 |

|   |           |
|---|-----------|
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds |           |
| Net Pension Liability - IMRF  | (170,537) |
| Compensated Absences  | (17,727)  |

|   |                     |
|---|---------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 4,812,763</u> |
|---|---------------------|

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, 2023

| REVENUES   | General<br>Town   | General<br>Assistance | Road and<br>Bridge  | Total<br>Governmental<br>Funds |
|--|-------------------|-----------------------|---------------------|--------------------------------|
| Property taxes                                   | \$ 498,103        | \$ 994                | \$ 1,049,397        | \$ 1,548,494                   |
| Property taxes-mental health                     | 127,262           | -                     | -                   | 127,262                        |
| Replacement taxes                                | 43,310            | -                     | 69,491              | 112,801                        |
| TIF  | 4,506             | -                     | 7,645               | 12,151                         |
| TORIMA   | 3,103             | -                     | -                   | 3,103                          |
| Rental income                                    | 27,535            | -                     | -                   | 27,535                         |
| Community building services                      | 3,000             | -                     | -                   | 3,000                          |
| Road & bridge services                           | 7,700             | -                     | -                   | 7,700                          |
| Grants   | -                 | -                     | 380                 | 380                            |
| Miscellaneous                                    | 1,309             | 208                   | 7,025               | 8,542                          |
| Interest   | 4,311             | 445                   | 6,395               | 11,151                         |
| Total revenues                                   | <u>720,139</u>    | <u>1,647</u>          | <u>1,140,333</u>    | <u>1,862,119</u>               |
| EXPENDITURES                                     |                   |                       |                     |                                |
| Current  |                   |                       |                     |                                |
| General government                               | 507,154           | -                     | 28,545              | 535,699                        |
| Public works                                     | -                 | -                     | 1,111,078           | 1,111,078                      |
| Social services                                  | 148,638           | 5,505                 | -                   | 154,143                        |
| Health and welfare                               | 127,288           | -                     | -                   | 127,288                        |
| Capital outlay                                   | 12,308            | -                     | 162,124             | 174,432                        |
| Total expenditures                               | <u>795,388</u>    | <u>5,505</u>          | <u>1,301,747</u>    | <u>2,102,640</u>               |
| Excess (deficiency) of revenue over expenditures | <u>(75,249)</u>   | <u>(3,858)</u>        | <u>(161,414)</u>    | <u>(240,521)</u>               |
| OTHER FINANCING SOURCES (USES)                   |                   |                       |                     |                                |
| Proceeds from sale of capital assets             | -                 | -                     | 44,250              | 44,250                         |
| Total other financing sources (uses)             | <u>-</u>          | <u>-</u>              | <u>44,250</u>       | <u>44,250</u>                  |
| Net change in fund balance                       | (75,249)          | (3,858)               | (117,164)           | (196,271)                      |
| FUND BALANCES, beginning                         | <u>901,966</u>    | <u>174,015</u>        | <u>1,383,365</u>    | <u>2,459,346</u>               |
| FUND BALANCES, ending                            | <u>\$ 826,717</u> | <u>\$ 170,157</u>     | <u>\$ 1,266,201</u> | <u>\$ 2,263,075</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, 2023

|   |              |
|---|--------------|
| NET CHANGE IN FUND BALANCES -<br>TOTAL GOVERNMENTAL FUNDS | \$ (196,271) |
|---|--------------|

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                | 560,565   |
| Depreciation expense                               | (381,518) |
| Capital asset disposals - cost                     | (159,982) |
| Capital asset disposals - accumulated depreciation | 159,982   |

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

|                                 |         |
|---------------------------------|---------|
| Change to deferred items - IMRF | 551,396 |
|---------------------------------|---------|

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                 | (2,131)   |
| Change to net pension liability/(asset) - IMRF | (681,912) |

|   |                     |
|---|---------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ (149,871)</u> |
|---|---------------------|

See notes to financial statements.





TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS  
March 31, 2023

**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 31<sup>st</sup> 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.)**

### **b. Fund Accounting (Continued)**

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.

### **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.)**

### **d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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 3, 2022. 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.

### **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. 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.

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

### h. 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.

### i. 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<br/>Life (in Years)</u> | <u>Capitalization Threshold</u> |
|---------------------------|---|---------------------------------|
| Buildings                 | 25-40                                       | 50,000                          |
| Building Improvements     | 10-40                                       | 5,000                           |
| Road Improvements         | 10  | 50,000                          |
| Furnishings and Equipment | 5   | 5,000                           |
| Vehicles                  | 7-10  | 10,000                          |

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

### j. 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.

### k. 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.

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

### **I. 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.

### **m. 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.

### **n. 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.

### **o. 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 2022 levy was passed by the board on December 6, 2022. Property taxes attach as an enforceable lien on property as of January 1<sup>st</sup>. 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 2021 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:

|                    | 2021 Levy |                | 2022 Levy |                |
|--------------------|-----------|----------------|-----------|----------------|
|                    | Limit     | Actual         | Limit     | Actual         |
| Town Fund          | .25000    | .068131        | .25000    | .062382        |
| Mental Health      | .15000    | .017407        | .15000    | .017482        |
| General Assistance | .10000    | .000135        | .10000    | .000636        |
| Road               | .66000    | .009201        | .66000    | .008645        |
| Permanent Road     | .25000    | .250000        | .25000    | .250000        |
| Corporate          | .10000    | <u>.022061</u> | .10000    | <u>.020729</u> |
|                    |           | <u>.366935</u> |           | <u>.359874</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, 2023 \$271,037 of the Township's deposits were uninsured or uncollateralized, and therefore exposed to custodial credit risk.

### Investments

At March 31, 2023, 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.

### NOTE 3. DEPOSITS AND INVESTMENTS (CONT.)

#### Credit Risk

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, 2023 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Disposals</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|-------------------|------------------|---------------------------|
| Governmental Activities:                       |                              |                   |                  |                           |
| Capital assets not being depreciated           |                              |                   |                  |                           |
| Land   | \$ 274,000                   | \$ -              | \$ -             | \$ 274,000                |
| Capital assets being depreciated:              |                              |                   |                  |                           |
| Buildings and Improvements                     | 1,087,432                    | 36,660            | -                | 1,124,092                 |
| Road Improvements                              | 2,897,609                    | 365,189           | -                | 3,262,798                 |
| Vehicles and Equipment                         | 2,105,487                    | 158,716           | 159,982          | 2,104,221                 |
| Total capital assets being<br>depreciated      | <u>6,090,528</u>             | <u>560,565</u>    | <u>159,982</u>   | <u>6,491,111</u>          |
| Less accumulated<br>depreciation for:          |                              |                   |                  |                           |
| Buildings and Improvements                     | 328,706                      | 36,397            | -                | 365,103                   |
| Road Improvements                              | 1,974,721                    | 240,934           | -                | 2,215,655                 |
| Vehicles and Equipment                         | 1,708,519                    | 104,187           | 159,982          | 1,652,724                 |
| Total accumulated<br>depreciation              | <u>4,011,946</u>             | <u>381,518</u>    | <u>159,982</u>   | <u>4,233,482</u>          |
| Total capital assets being<br>depreciated, net | <u>2,078,582</u>             | <u>179,047</u>    | <u>-</u>         | <u>2,257,629</u>          |
| Capital Assets, Net                            | <u>\$ 2,352,582</u>          | <u>\$ 179,047</u> | <u>\$ -</u>      | <u>\$ 2,531,629</u>       |

Depreciation expense was charged to functions as follows:

|               |                   |
|---------------|-------------------|
| Township      | \$ 29,962         |
| Road & Bridge | <u>351,556</u>    |
|               | <u>\$ 381,518</u> |

**NOTE 4. CAPITAL ASSETS (CONT.)**

Capital asset activity for the Community Building for the year ended March 31, 2023 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending<br/>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>15,380</u>    | <u>-</u>         | <u>60,808</u>             |
| Total capital assets being depreciated      | <u>556,417</u>               | <u>15,380</u>    | <u>-</u>         | <u>571,797</u>            |
| Less accumulated depreciation for:          |                              |                  |                  |                           |
| Buildings and Improvements                  | 355,326                      | 10,783           | -                | 366,109                   |
| Vehicles and Equipment                      | <u>45,428</u>                | <u>915</u>       | <u>-</u>         | <u>46,343</u>             |
| Total accumulated depreciation              | <u>400,754</u>               | <u>11,698</u>    | <u>-</u>         | <u>412,452</u>            |
| Total capital assets being depreciated, net | <u>155,663</u>               | <u>3,682</u>     | <u>-</u>         | <u>159,345</u>            |
| Capital Assets, Net                         | <u>\$ 230,663</u>            | <u>\$ 3,682</u>  | <u>\$ -</u>      | <u>\$ 234,345</u>         |

Depreciation expense was charged to functions as follows:

|                    |          |
|--------------------|----------|
| Community Building | \$11,698 |
|--------------------|----------|

**NOTE 5. LONG-TERM DEBT**

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

|                                      | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deductions</u> | <u>Ending<br/>Balances</u> | <u>Amount<br/>Due Within<br/>One Year</u> |
|--------------------------------------|------------------------------|-------------------|-------------------|----------------------------|---|
| Governmental Activities:             |                              |                   |                   |                            |   |
| Compensated Absences                 | \$ 15,596                    | \$ 2,131          | \$ -              | \$ 17,727                  | \$ 17,727                                 |
| Net Pension Liability/(Asset) - IMRF | <u>(511,375)</u>             | <u>681,912</u>    | <u>-</u>          | <u>170,537</u>             | <u>-</u>                                  |
|                                      | <u>\$ (495,779)</u>          | <u>\$ 684,043</u> | <u>\$ -</u>       | <u>\$ 188,264</u>          | <u>\$ 17,727</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.)

### Illinois Municipal Retirement Fund (Continued)

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

**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, 2022, the following employees were covered by the benefit terms:

|  | IMRF      |
|--|-----------|
| Retirees and Beneficiaries currently receiving benefits          | 8         |
| Inactive Plan Members entitled to but not yet receiving benefits | 7         |
| Active Plan Members  | 8         |
| <b>Total</b>   | <b>23</b> |

**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 2022 and 2023 was 7.13% and 4.76%, respectively. For the fiscal year ended March 31, 2023, the Township contributed \$33,233 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental

## NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

### Illinois Municipal Retirement Fund (Continued)

#### Contributions-Continued

retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset) – The Township's net pension liability/(asset) was measured as of December 31, 2022. 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, 2022, 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:

|                         | Portfolio  | Long-Term           |
|-------------------------|------------|---------------------|
|                         | Target     | Expected            |
| Asset Class             | Percentage | Real Rate of Return |
| Domestic Equity         | 35.5%      | 6.50%               |
| International Equity    | 18%        | 7.60%               |
| Fixed Income            | 25.5%      | 4.90%               |
| Real Estate             | 10.5%      | 6.20%               |
| Alternative Investments | 9.5%       | 6.25-9.90%          |
| Cash Equivalents        | 1%         | 4.0%                |
| Total                   | 100%       |                     |

**NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)****Illinois Municipal Retirement Fund (Continued)**

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.

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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability/(Asset) | \$483,273              | \$170,537                           | \$(84,403)             |

**Changes in Net Pension Liability**

|  | Total<br>Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability/(Asset)<br>(A)-(B) |
|--|--------------------------------------|---------------------------------------|---|
| Balances at December 31, 2021  | \$3,038,634                          | \$3,550,009                           | \$(511,375)                                 |
| Changes for the Year:  |                                      |                                       |   |
| Service Cost   | 48,716                               | -                                     | 48,716                                      |
| Interest on the Total Pension Liability  | 215,624                              | -                                     | 215,624                                     |
| Changes of Benefit Terms   | -                                    | -                                     | -   |
| Differences Between Expected and Actual<br>Experience of the Total Pension Liability | (113,312)                            | -                                     | (113,312)                                   |
| Changes of Assumptions   | -                                    | -                                     | -   |
| Contributions – Employer   | -                                    | 36,121                                | (36,121)                                    |
| Contributions – Employees  | -                                    | 22,798                                | (22,798)                                    |
| Net Investment Income  | -                                    | (464,141)                             | 464,141                                     |
| Benefit Payments, Including Refunds<br>Of Employee Contributions                     | (177,729)                            | (177,729)                             | -   |
| Other (Net Transfer)   | -                                    | (125,662)                             | 125,662                                     |
| Net Changes  | (26,701)                             | (708,613)                             | 681,912                                     |
| Balances at December 31, 2022  | \$3,011,933                          | \$2,841,396                           | \$ 170,537                                  |

**NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)****Illinois Municipal Retirement Fund (Continued)**

At March 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals     |
|---|--------------------------------------|-------------------------------------|------------|
| Difference Between Expected and Actual Experience | \$ 22,885                            | \$ 73,899                           | \$(51,014) |
| Change in Assumptions                             | -                                    | -                                   | -          |
| Net Difference Between Projected and Actual       |                                      |                                     |            |
| Earnings on Pension Plan Investments              | 570,124                              | 318,819                             | 251,305    |
| Total Pension Expense to be Recognized in         |                                      |                                     |            |
| Future Periods                                    | 593,009                              | 392,718                             | 200,291    |
| Pension Contributions Made Subsequent to          |                                      |                                     |            |
| Measurement Date                                  | 6,032                                | -                                   | 6,032      |
| Total Deferred Amounts Related to IMRF            | \$ 599,041                           | \$ 392,718                          | \$ 206,323 |

\$6,032 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, 2024.

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<br>Year | Net Deferred<br>Outflows/(Inflows)<br>of Resources |
|----------------|--|
| 2023           | \$ (25,603)  |
| 2024           | 3,911  |
| 2025           | 79,452   |
| 2026           | 142,531  |
| 2027           | -  |
| Thereafter     | -  |
| Total          | \$ 200,291   |

**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, 2023.

**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**

|  |                       |
|--|-----------------------|
| 2022 Equalized Assessed Valuation  | <u>\$ 786,386,660</u> |
| Statutory debt limitation (2.875% of 2022<br>equalized assessed valuation) | <u>22,608,099</u>     |
| Legal debt margin  | <u>\$ 22,608,099</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.



## REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

March 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND  
DEFINED BENEFIT PENSION PLAN

Multiyear Schedule of Employer Contributions

| Calendar Year<br>Ending<br>December 31, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Valuation<br>Payroll | Actual Contribution<br>as a % of Covered<br>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%   |
| 2022                                    | 36,121 *                                  | 36,121                 | 1                                      | 506,614                         | 7.13%   |

\* Estimated based on contribution rate of 7.13% and covered valuation payroll of \$506,614.

Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Aggregate Entry Age Normal   |
| Amortization Method           | Level Percentage of Payroll, Closed  |
| Remaining Amortization Period | 21-Year Closed Period  |
| Asset Valuation Method        | 5-Year Smoothed Market; 20% corridor   |
| Wage Growth                   | 2.75%  |
| Price Inflation               | 2.25%  |
| Salary Increases              | 2.85% - 13.75% including inflation   |
| Investment Rate of Return     | 7.25%  |
| Retirement Age                | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.   |
| Mortality                     | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. |

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, 2023

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                | 2022                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>  |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost  | \$ 48,412           | \$ 47,763           | \$ 41,814           | \$ 39,885           | \$ 48,521           | \$ 49,095           | \$ 46,623           | \$ 48,716           |
| Interest on the Total Pension Liability   | 164,420             | 167,637             | 169,978             | 168,889             | 171,824             | 199,414             | 205,516             | 215,624             |
| 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              | (113,312)           |
| 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)           | (177,729)           |
| <b>Net Change in Pension Liability</b>  | 48,759              | 25,594              | (12,580)            | 138,394             | 405,912             | 78,489              | 133,682             | (26,701)            |
| <b>Total Pension Liability - Beginning</b>  | 2,220,384           | 2,269,143           | 2,294,737           | 2,282,157           | 2,420,551           | 2,826,463           | 2,904,952           | 3,038,634           |
| <b>Total Pension Liability - Ending (A)</b>                                       | <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> | <u>\$ 3,011,933</u> |
| <b>Plan Fiduciary Net Position</b>  |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - Employer  | \$ 51,548           | \$ 42,507           | \$ 37,398           | \$ 40,405           | \$ 23,330           | \$ 24,916           | \$ 43,752           | \$ 36,121           |
| Contributions - Employees   | 18,844              | 17,186              | 16,813              | 20,270              | 21,382              | 21,398              | 22,147              | 22,798              |
| Net Investment Income   | 10,329              | 144,330             | 377,974             | (115,379)           | 411,225             | 404,150             | 536,344             | (464,141)           |
| Benefit Payments, including Refunds of Employee Contributions                     | (98,796)            | (109,770)           | (98,551)            | (100,481)           | (149,650)           | (200,944)           | (187,124)           | (177,729)           |
| Other (Net Transfer)  | 3,659               | 32,815              | (18,975)            | 45,634              | 105,597             | 22,133              | 53,634              | (125,662)           |
| <b>Net Change in Plan Fiduciary Net Position</b>                                  | (14,416)            | 127,068             | 314,659             | (109,551)           | 411,884             | 271,653             | 468,753             | (708,613)           |
| <b>Plan Fiduciary Net Position - Beginning</b>                                    | 2,079,959           | 2,065,543           | 2,192,611           | 2,507,270           | 2,397,719           | 2,809,603           | 3,081,256           | 3,550,009           |
| <b>Plan Fiduciary Net Position - Ending (B)</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>    | <u>2,841,396</u>    |
| <b>Net Pension Liability/(Asset) (A) - (B)</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> | <u>\$ 170,537</u>   |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 91.03%              | 95.55%              | 109.86%             | 99.06%              | 99.40%              | 106.07%             | 116.83%             | 94.34%              |
| <b>Covered Valuation Payroll</b>  | \$ 418,753          | \$ 381,903          | \$ 373,616          | \$ 450,449          | \$ 475,158          | \$ 475,589          | \$ 492,150          | \$ 506,614          |
| <b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>         | 48.62%              | 26.74%              | -60.25%             | 5.07%               | 3.55%               | -37.07%             | -103.91%            | 33.66%              |

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, 2023

|                                   | Original and<br>Final Budget | Actual         | Variance with<br>Final Budget |
|-----------------------------------|------------------------------|----------------|-------------------------------|
| REVENUES                          |                              |                |                               |
| LOCAL SOURCES                     |                              |                |                               |
| Property taxes                    | \$ 502,000                   | \$ 498,103     | \$ (3,897)                    |
| Property taxes-mental health      | 128,617                      | 127,262        | (1,355)                       |
| Interest                          | 1,600                        | 4,311          | 2,711                         |
| TIF                               | 1,800                        | 4,506          | 2,706                         |
| TORIMA                            | 3,100                        | 3,103          | 3                             |
| Rental income                     | 27,840                       | 27,535         | (305)                         |
| Community building services       | 3,000                        | 3,000          | -                             |
| Road & bridge services            | 7,200                        | 7,700          | 500                           |
| Miscellaneous                     | 302                          | 1,309          | 1,007                         |
|                                   | <u>675,459</u>               | <u>676,829</u> | <u>1,370</u>                  |
| STATE SOURCES                     |                              |                |                               |
| Personal property replacement tax | 25,000                       | 43,310         | 18,310                        |
| Total revenues                    | <u>700,459</u>               | <u>720,139</u> | <u>19,680</u>                 |
| EXPENDITURES                      |                              |                |                               |
| GENERAL GOVERNMENT                |                              |                |                               |
| Administration                    |                              |                |                               |
| Personnel                         |                              |                |                               |
| Salaries                          | 120,400                      | 120,980        | 580                           |
| Health insurance                  | 18,850                       | 17,695         | (1,155)                       |
| Social security contribution      | 9,225                        | 9,071          | (154)                         |
| Retirement contribution           | 3,000                        | 2,743          | (257)                         |
| Unemployment insurance            | 1,230                        | 537            | (693)                         |
| Payroll service fee               | 550                          | 474            | (76)                          |
|                                   | <u>153,255</u>               | <u>151,500</u> | <u>(1,755)</u>                |
| Contractual Services              |                              |                |                               |
| Building maintenance              | 10,500                       | 9,347          | (1,153)                       |
| Cemetery replacement tax          | 2,000                        | 2,000          | -                             |
| Grounds maintenance               | 5,000                        | 4,516          | (484)                         |
| Equipment maintenance             | 2,500                        | 3,480          | 980                           |
| Dues                              | 2,500                        | 1,731          | (769)                         |
| Accounting services               | 3,360                        | 3,357          | (3)                           |
| Legal services                    | 3,000                        | 1,923          | (1,077)                       |
| Postage                           | 400                          | 453            | 53                            |
| Telephone                         | 600                          | 600            | -                             |
| Computer programing               | 5,000                        | 3,927          | (1,073)                       |
| WT Metronet                       | 3,400                        | 3,211          | (189)                         |
| Travel/Training                   | 1,300                        | 1,299          | (1)                           |
| Outside services/meeting expense  | 6,300                        | 3,309          | (2,991)                       |
| Utilities                         | 7,600                        | 7,671          | 71                            |
| General insurance                 | 23,100                       | 22,954         | (146)                         |
| Publishing                        | 405                          | 510            | 105                           |
|                                   | <u>76,965</u>                | <u>70,288</u>  | <u>(6,677)</u>                |

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.)  
GENERAL TOWN FUND  
For the Year Ended March 31, 2023

|   | Original and<br>Final Budget | Actual         | Variance with<br>Final Budget |
|---|------------------------------|----------------|-------------------------------|
| GENERAL GOVERNMENT (CONT.)                |                              |                |                               |
| Administration (cont.)                    |                              |                |                               |
| Commodities                               |                              |                |                               |
| Office supplies                           | 2,500                        | 2,595          | 95                            |
| Operating supplies                        | 50                           | 45             | (5)                           |
|   | <u>2,550</u>                 | <u>2,640</u>   | <u>90</u>                     |
| Total Administration                      | <u>232,770</u>               | <u>224,428</u> | <u>(8,342)</u>                |
| Assessor:                                 |                              |                |                               |
| Personnel                                 |                              |                |                               |
| Salaries                                  | 183,960                      | 185,247        | 1,287                         |
| Health insurance                          | 44,715                       | 46,134         | 1,419                         |
| Retirement contribution                   | 11,550                       | 11,319         | (231)                         |
| Social security and medicare contribution | 14,022                       | 14,168         | 146                           |
| Unemployment insurance                    | 2,242                        | 1,249          | (993)                         |
|   | <u>256,489</u>               | <u>258,117</u> | <u>1,628</u>                  |
| Contractual services                      |                              |                |                               |
| Equipment maintenance                     | 1,300                        | 996            | (304)                         |
| Dues                                      | 1,500                        | 404            | (1,096)                       |
| Computer services                         | 5,000                        | 5,103          | 103                           |
| Postage                                   | 300                          | 176            | (124)                         |
| Appraisal services                        | 1,000                        | -              | (1,000)                       |
| Legal services                            | 1,000                        | -              | (1,000)                       |
| Telephone                                 | 3,600                        | 3,568          | (32)                          |
| Training                                  | 2,700                        | 2,582          | (118)                         |
| PAMS service agreement                    | 9,233                        | 9,167          | (66)                          |
| Travel expense                            | 1,500                        | 1,198          | (302)                         |
|   | <u>27,133</u>                | <u>23,194</u>  | <u>(3,939)</u>                |
| Commodities                               |                              |                |                               |
| Office supplies                           | <u>2,200</u>                 | <u>1,415</u>   | <u>(785)</u>                  |
| Other expenditures                        |                              |                |                               |
| Miscellaneous                             | -                            | -              | -                             |
| Total Assessor                            | <u>285,822</u>               | <u>282,726</u> | <u>(3,096)</u>                |
| Total General Government                  | <u>518,592</u>               | <u>507,154</u> | <u>(11,438)</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, 2023

|                                   | Original and<br>Final Budget | Actual            | Variance with<br>Final Budget |
|-----------------------------------|------------------------------|-------------------|-------------------------------|
| <b>SOCIAL SERVICES</b>            |                              |                   |                               |
| Senior Center/Bus Barn            |                              |                   |                               |
| TWP senior service                | 3,800                        | 4,522             | 722                           |
| Telephone                         | 300                          | 300               | -                             |
| Senior transportation             | 72,000                       | 84,869            | 12,869                        |
| Senior mowing                     | 12,000                       | 13,680            | 1,680                         |
| Snow removal                      | 5,000                        | 2,460             | (2,540)                       |
| Supplies                          | 100                          | -                 | (100)                         |
| Utilities                         | 150                          | 147               | (3)                           |
|                                   | <u>93,350</u>                | <u>105,978</u>    | <u>12,628</u>                 |
| Bliss House                       |                              |                   |                               |
| Ground maintenance                | 4,500                        | 3,820             | (680)                         |
| Equipment maintenance             | 300                          | 482               | 182                           |
| Building maintenance              | 25,000                       | 22,780            | (2,220)                       |
| Utilities                         | 2,200                        | 2,418             | 218                           |
| Real estate taxes                 | 750                          | 751               | 1                             |
|                                   | <u>32,750</u>                | <u>30,251</u>     | <u>(2,499)</u>                |
| Other Expenditures                |                              |                   |                               |
| Sponsorships                      | 1,100                        | 1,350             | 250                           |
| SG public library replacement tax | 284                          | 445               | 161                           |
| Social services funding           | 10,000                       | 10,000            | -                             |
| Miscellaneous                     | 1,000                        | 614               | (386)                         |
|                                   | <u>12,384</u>                | <u>12,409</u>     | <u>25</u>                     |
| Total Social Services             | <u>138,484</u>               | <u>148,638</u>    | <u>10,154</u>                 |
| <b>HEALTH AND WELFARE</b>         |                              |                   |                               |
| Mental Health                     | 128,617                      | 127,288           | (1,329)                       |
| Total Health and Welfare          | <u>128,617</u>               | <u>127,288</u>    | <u>(1,329)</u>                |
| <b>CAPITAL OUTLAY</b>             |                              |                   |                               |
| Equipment and buildings           | 114,650                      | 12,308            | (102,342)                     |
| Total Capital Outlay              | <u>114,650</u>               | <u>12,308</u>     | <u>(102,342)</u>              |
| Total expenditures                | <u>900,343</u>               | <u>795,388</u>    | <u>(104,955)</u>              |
| Net change in fund balance        | <u>\$ (199,884)</u>          | <u>(75,249)</u>   | <u>\$ 124,635</u>             |
| FUND BALANCE, beginning           |                              | <u>901,966</u>    |                               |
| FUND BALANCE, ending              |                              | <u>\$ 826,717</u> |                               |

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  
GENERAL ASSISTANCE FUND  
For the Year Ended March 31, 2023

|                              | Original and<br>Final Budget | Actual            | Variance with<br>Final Budget |
|------------------------------|------------------------------|-------------------|-------------------------------|
| REVENUES                     |                              |                   |                               |
| Property taxes               | \$ 1,000                     | \$ 994            | \$ (6)                        |
| Interest                     | 10                           | 445               | 435                           |
| Miscellaneous                | <u>-</u>                     | <u>208</u>        | <u>208</u>                    |
| Total revenues               | <u>1,010</u>                 | <u>1,647</u>      | <u>637</u>                    |
| EXPENDITURES                 |                              |                   |                               |
| GENERAL GOVERNMENT           |                              |                   |                               |
| Administration               |                              |                   |                               |
| Personnel                    |                              |                   |                               |
| Salaries                     | -                            | -                 | -                             |
| Social security contribution | -                            | -                 | -                             |
| Telephone                    | <u>875</u>                   | <u>715</u>        | <u>(160)</u>                  |
|                              | <u>875</u>                   | <u>715</u>        | <u>(160)</u>                  |
| Contractual services         |                              |                   |                               |
| Legal                        | -                            | -                 | -                             |
| Professional fees            | 2,700                        | 2,100             | (600)                         |
| Dues                         | -                            | -                 | -                             |
| Computer                     | -                            | 15                | 15                            |
| Equipment Maintenance        | -                            | 158               | 158                           |
| Training                     | -                            | 50                | 50                            |
| Other                        | <u>-</u>                     | <u>92</u>         | <u>92</u>                     |
|                              | <u>2,700</u>                 | <u>2,415</u>      | <u>(285)</u>                  |
| Total General Government     | <u>3,575</u>                 | <u>3,130</u>      | <u>(445)</u>                  |
| Social Services              |                              |                   |                               |
| GENERAL ASSISTANCE           |                              |                   |                               |
| Contractual Services:        |                              |                   |                               |
| Home Relief                  | <u>10,175</u>                | <u>2,375</u>      | <u>(7,800)</u>                |
| Total Social Services        | <u>10,175</u>                | <u>2,375</u>      | <u>(7,800)</u>                |
| Total expenditures           | <u>13,750</u>                | <u>5,505</u>      | <u>(8,245)</u>                |
| Net change in fund balance   | <u>\$ (12,740)</u>           | <u>(3,858)</u>    | <u>\$ 8,882</u>               |
| FUND BALANCE, beginning      |                              | <u>174,015</u>    |                               |
| FUND BALANCE, ending         |                              | <u>\$ 170,157</u> |                               |

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  
ROAD AND BRIDGE FUND  
For the Year Ended March 31, 2023

|   | Original and<br>Final Budget | Actual           | Variance with<br>Final Budget |
|---|------------------------------|------------------|-------------------------------|
| <b>REVENUES</b>                           |                              |                  |                               |
| Property taxes                            | \$ 1,034,000                 | \$ 1,049,397     | \$ 15,397                     |
| Personal property replacement tax         | 40,000                       | 69,491           | 29,491                        |
| TIF surplus                               | 3,000                        | 7,645            | 4,645                         |
| Interest                                  | 91,000                       | 6,395            | (84,605)                      |
| Grants                                    | 24,500                       | 380              | (24,120)                      |
| Miscellaneous                             | <u>9,000</u>                 | <u>7,025</u>     | <u>(1,975)</u>                |
| Total revenues                            | <u>1,201,500</u>             | <u>1,140,333</u> | <u>(61,167)</u>               |
| <b>EXPENDITURES</b>                       |                              |                  |                               |
| <b>GENERAL GOVERNMENT</b>                 |                              |                  |                               |
| Administration                            |                              |                  |                               |
| Contractual Services:                     |                              |                  |                               |
| Legal services                            | 3,000                        | -                | (3,000)                       |
| Professional fees                         | 10,810                       | 10,747           | (63)                          |
| Office                                    | 1,700                        | 2,297            | 597                           |
| Telephone                                 | 2,400                        | 2,350            | (50)                          |
| Training                                  | 2,000                        | 50               | (1,950)                       |
| Travel                                    | 1,000                        | 312              | (688)                         |
| Dues                                      | <u>2,000</u>                 | <u>1,179</u>     | <u>(821)</u>                  |
|   | <u>22,910</u>                | <u>16,935</u>    | <u>(5,975)</u>                |
| Other expenditures:                       |                              |                  |                               |
| Miscellaneous                             | <u>16,600</u>                | <u>11,610</u>    | <u>(4,990)</u>                |
| Total General Government                  | <u>39,510</u>                | <u>28,545</u>    | <u>(10,965)</u>               |
| <b>PUBLIC WORKS</b>                       |                              |                  |                               |
| <b>ROAD MAINTENANCE</b>                   |                              |                  |                               |
| Personnel                                 |                              |                  |                               |
| Salaries                                  | 413,500                      | 359,952          | (53,548)                      |
| Unemployment insurance                    | 475                          | 739              | 264                           |
| Social security and medicare contribution | 24,181                       | 23,261           | (920)                         |
| Retirement contribution                   | 20,107                       | 19,172           | (935)                         |
| Health insurance                          | <u>133,850</u>               | <u>122,026</u>   | <u>(11,824)</u>               |
|   | <u>592,113</u>               | <u>525,150</u>   | <u>(66,963)</u>               |
| Contractual services:                     |                              |                  |                               |
| Grounds maintenance                       | 10,000                       | 14,400           | 4,400                         |
| Equipment maintenance                     | 20,000                       | 18,119           | (1,881)                       |
| Vehicle maintenance                       | -                            | -                | -                             |
| Road maintenance                          | 521,000                      | 412,703          | (108,297)                     |
| Snow removal                              | 82,500                       | 44,924           | (37,576)                      |
| Engineering fees                          | 5,000                        | 2,461            | (2,539)                       |
| Insurance                                 | 35,606                       | 35,606           | -                             |
| Utilities                                 | <u>20,000</u>                | <u>19,947</u>    | <u>(53)</u>                   |
|   | <u>694,106</u>               | <u>548,160</u>   | <u>(145,946)</u>              |

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, 2023

|  | Original and<br>Final Budget | Actual               | Variance with<br>Final Budget |
|--|------------------------------|----------------------|-------------------------------|
| PUBLIC WORKS (CONT.)                                 |                              |                      |                               |
| ROAD MAINTENANCE (CONT.)                             |                              |                      |                               |
| Commodities:   |                              |                      |                               |
| Bridge repair  | 15,000                       | -                    | (15,000)                      |
| Road maintenance supplies                            | 5,000                        | 12,701               | 7,701                         |
| Operating supplies                                   | 1,400                        | 1,200                | (200)                         |
| Safety equipment                                     | 3,500                        | 1,046                | (2,454)                       |
| Gasoline/oil   | 20,000                       | 22,821               | 2,821                         |
|  | <u>44,900</u>                | <u>37,768</u>        | <u>(7,132)</u>                |
| <br>Total Public Works                               | <br><u>1,331,119</u>         | <br><u>1,111,078</u> | <br><u>(220,041)</u>          |
| <br>CAPITAL OUTLAY                                   |                              |                      |                               |
| Building   | 35,000                       | -                    | (35,000)                      |
| Equipment  | 34,000                       | 14,386               | (19,614)                      |
| Vehicles   | 150,000                      | 147,738              | (2,262)                       |
| Total Capital Outlay                                 | <u>219,000</u>               | <u>162,124</u>       | <u>(56,876)</u>               |
| <br>Total expenditures                               | <br><u>1,589,629</u>         | <br><u>1,301,747</u> | <br><u>(287,882)</u>          |
| <br>Excess (deficiency) of revenue over expenditures | <br><u>(388,129)</u>         | <br><u>(161,414)</u> | <br><u>226,715</u>            |
| <br>OTHER FINANCING SOURCES (USES)                   |                              |                      |                               |
| Proceeds from sale of capital assets                 | 40,000                       | 44,250               | 4,250                         |
| <br>Total other financing sources (uses)             | <br><u>40,000</u>            | <br><u>44,250</u>    | <br><u>4,250</u>              |
| <br>Net change in fund balance                       | <br><u>\$ (348,129)</u>      | <br><u>(117,164)</u> | <br><u>\$ 230,965</u>         |
| <br>FUND BALANCE, beginning                          |                              | <u>1,383,365</u>     |                               |
| <br>FUND BALANCE, ending                             |                              | <u>\$ 1,266,201</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, 2023

|                              | Original and<br>Final Budget | Actual         | Variance with<br>Final Budget |
|------------------------------|------------------------------|----------------|-------------------------------|
| REVENUES                     |                              |                |                               |
| Property taxes               | \$ 163,000                   | \$ 162,703     | \$ (297)                      |
| Interest                     | 1,000                        | 2,481          | 1,481                         |
| Miscellaneous                | -                            | 168            | 168                           |
| TIF                          | 200                          | 1,160          | 960                           |
| Other                        | <u>3,000</u>                 | <u>7,410</u>   | <u>4,410</u>                  |
| Total revenues               | <u>167,200</u>               | <u>173,922</u> | <u>6,722</u>                  |
| EXPENDITURES                 |                              |                |                               |
| GENERAL GOVERNMENT           |                              |                |                               |
| Administration               |                              |                |                               |
| Personnel                    |                              |                |                               |
| Salaries                     | 38,000                       | 21,438         | (16,562)                      |
| Social security contribution | 2,500                        | 1,945          | (555)                         |
| Elected officials            | <u>1,500</u>                 | <u>1,500</u>   | <u>-</u>                      |
| Total Administration         | <u>42,000</u>                | <u>24,883</u>  | <u>(17,117)</u>               |
| Contractual Services         |                              |                |                               |
| Building maintenance         | 15,000                       | 3,099          | (11,901)                      |
| Equipment maintenance        | 30,000                       | 15,899         | (14,101)                      |
| Grounds maintenance          | 10,000                       | 5,300          | (4,700)                       |
| Accounting services          | 1,700                        | 1,686          | (14)                          |
| Legal services               | 5,000                        | 56             | (4,944)                       |
| Computer programing          | 2,150                        | 1,551          | (599)                         |
| Postage                      | 700                          | 165            | (535)                         |
| Telephone                    | 3,150                        | 2,317          | (833)                         |
| Travel                       | 300                          | 45             | (255)                         |
| Dues                         | 300                          | -              | (300)                         |
| Utilities                    | 27,200                       | 15,014         | (12,186)                      |
| General insurance            | 8,500                        | 7,937          | (563)                         |
| Real estate taxes            | 100                          | 54             | (46)                          |
| Cleaning service             | 9,600                        | 7,703          | (1,897)                       |
| Township services            | 3,000                        | 3,000          | -                             |
| Publishing                   | 2,000                        | 1,735          | (265)                         |
| Alarm system                 | 2,000                        | 1,140          | (860)                         |
| Permits                      | 1,000                        | 721            | (279)                         |
| Other                        | <u>5,150</u>                 | <u>182</u>     | <u>(4,968)</u>                |
| Total Contractual Services   | <u>126,850</u>               | <u>67,604</u>  | <u>(59,246)</u>               |



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, 2023

|                            | Original and<br>Final Budget | Actual     | Variance with<br>Final Budget |
|----------------------------|------------------------------|------------|-------------------------------|
| GENERAL GOVERNMENT (CONT.) |                              |            |                               |
| Commodities                |                              |            |                               |
| Office Supplies            | 3,000                        | 1,486      | (1,514)                       |
| Total Commodities          | 3,000                        | 1,486      | (1,514)                       |
| Total General Government   | 171,850                      | 93,973     | (77,877)                      |
| CAPITAL OUTLAY             |                              |            |                               |
| Equipment and buildings    | 80,000                       | 17,576     | (62,424)                      |
| Total Capital Outlay       | 80,000                       | 17,576     | (62,424)                      |
| Total expenditures         | 251,850                      | 111,549    | (140,301)                     |
| Net change in fund balance | \$ (84,650)                  | 62,373     | \$ (133,579)                  |
| FUND BALANCE, beginning    |                              | 549,432    |                               |
| FUND BALANCE, ending       |                              | \$ 611,805 |                               |

# TOWNSHIP OF SUGAR GROVE

KANE COUNTY, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2023

### 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, 2023 at its May 2, 2023 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 Township operated within the legal confines of the Appropriation Ordinance during the fiscal year ended March 31, 2023, with no instances of overexpending the budgeted amounts in the individual funds.