

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2024

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INTRODUCTORY SECTION

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

TOWNSHIP OFFICIALS
March 31, 2024

* * * * *

SUPERVISOR

Thomas Rowe, to May, 2025

* * * * *

CLERK

Marion Bond, 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
Phil Silagi, to May, 2025

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of the Township of Sugar Grove, Kane County, Illinois (the Township) as of and for the year ended March 31, 2024, 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 IMRF Schedules of Employer Contributions and Net Pension Liability and, budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 6, 2024

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS
STATEMENT OF NET POSITION
March 31, 2024

	Governmental Activities	Component Unit Community Building
ASSETS		
Current Assets		
Cash and investments	\$ 2,142,815	\$ 664,679
Receivables - Net of Allowance	1,859,445	163,010
Prepays	42,834	3,848
Total Current Assets	4,045,094	831,537
Noncurrent Assets		
Capital assets		
Land	274,000	75,000
Other capital assets	6,862,522	571,797
Accumulated depreciation	(4,487,340)	(425,432)
Total Capital Assets	2,649,182	221,365
Other Assets		
Net Pension Asset - IMRF	7,649	-
Total Noncurrent Assets	2,656,831	221,365
Total Assets	6,701,925	1,052,902
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	455,533	-
Total Assets and Deferred Outflows of Resources	\$ 7,157,458	\$ 1,052,902
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 5,633	\$ 3,069
Accrued payroll	27,361	1,114
Accrued pension	4,647	-
Accrued replacement tax	1,669	-
Payroll tax liabilities	10	53
Current portion of long-term debt	18,537	-
Other	825	700
Total Current Liabilities	58,682	4,936
Long Term Liabilities		
Net Pension Liability - IMRF	-	-
Total Long Term Liabilities	-	-
Total Liabilities	58,682	4,936
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,858,424	163,010
Deferred Items - IMRF	295,527	-
Total Deferred Inflows of Resources	2,153,951	163,010
Total Liabilities and Deferred Inflows of Resources	2,212,633	167,946
NET POSITION		
Net investment in capital assets	2,649,182	221,365
Restricted for:		
Social Services	172,251	-
Road and Bridge	1,226,003	-
Unrestricted	897,389	663,591
Total Net Position	4,944,825	884,956
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 7,157,458	\$ 1,052,902

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2024

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	\$ 563,519	\$ 31,155	\$ -	\$ -	\$ (532,364)		
Public works	1,038,691	7,200	2,822	-	(1,028,669)		
Social services	126,836	-	-	-	(126,836)		
Health and welfare	<u>137,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137,284)</u>		
Total governmental activities:	<u>1,866,330</u>	<u>38,355</u>	<u>2,822</u>	<u>-</u>	<u>(1,825,153)</u>		
Component unit:							
General government	<u>145,994</u>	<u>6,515</u>				<u>(139,479)</u>	
Total component unit:	<u>\$ 145,994</u>	<u>\$ 6,515</u>				<u>\$ (139,479)</u>	
General revenues:							
Taxes:							
Property taxes					\$ 1,614,301	\$ 162,548	
Property taxes-mental health					137,085	-	
Replacement taxes					86,033	-	
TIF Surplus					3,744	353	
TORIMA Dividend					3,103	-	
Miscellaneous					6,411	550	
Gain on sale of capital assets					52,000	-	
Interest					<u>54,538</u>	<u>14,834</u>	
Total general revenue					<u>1,957,215</u>	<u>178,285</u>	
					Change in net position	132,062	38,806
					Net position, beginning	<u>4,812,763</u>	<u>846,150</u>
					Net position, ending	<u>\$ 4,944,825</u>	<u>\$ 884,956</u>

See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2024

ASSETS	General Town	General Assistance	Road and Bridge	Total Governmental Funds
Cash and investments	\$ 724,101	\$ 172,251	\$ 1,246,463	\$ 2,142,815
Receivables				-
Property taxes	641,084	-	1,217,340	1,858,424
Other	1,021	-	-	1,021
Due from other funds	-	-	-	-
Prepays	34,173	144	8,517	42,834
Total assets	\$ 1,400,379	\$ 172,395	\$ 2,472,320	\$ 4,045,094
LIABILITIES				
Accounts payable	\$ 4,168	\$ -	1,465	\$ 5,633
Accrued payroll	14,786	-	12,575	27,361
Accrued pension	-	-	4,647	4,647
Accrued replacement tax	-	-	1,669	1,669
Payroll tax liabilities	(94)	-	104	10
Due to other funds	-	-	-	-
Other	825	-	-	825
Total liabilities	19,685	-	20,460	40,145
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	641,084	-	1,217,340	1,858,424
Total liabilities and deferred inflows of resources	660,769	-	1,237,800	1,898,569
FUND BALANCES				
Nonspendable	34,173	144	8,517	42,834
Restricted for:				
Social services	-	172,251	-	172,251
Road and bridge	-	-	1,226,003	1,226,003
Unassigned	705,437	-	-	705,437
Total fund balances	739,610	172,395	1,234,520	2,146,525
 Total liabilities, deferred inflows of resources and fund balance	\$ 1,400,379	\$ 172,395	\$ 2,472,320	\$ 4,045,094

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, 2024

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 2,146,525

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

Capital assets used in governmental activities of \$7,136,522, net of accumulated depreciation of \$4,487,340, are not financial resources and, therefore, are not reported in the funds 2,649,182

A net pension liability is not considered to represent a financial resource and therefore is not reported in the funds
Net Pension Asset - IMRF 7,649

Deferred outflows (inflows) of resources related to pension are not reported in the funds
Deferred Items - IMRF 160,006

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds
Net Pension Liability - IMRF -
Compensated Absences (18,537)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,944,825

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, 2024

REVENUES	<u>General Town</u>	<u>General Assistance</u>	<u>Road and Bridge</u>	<u>Total Governmental Funds</u>
Property taxes	\$ 495,868	\$ 4,995	\$ 1,113,438	\$ 1,614,301
Property taxes-mental health	137,085	-	-	137,085
Replacement taxes	33,032	-	53,001	86,033
TIF	1,383	-	2,361	3,744
TORIMA	3,103	-	-	3,103
Rental income	28,155	-	-	28,155
Community building services	3,000	-	-	3,000
Road & bridge services	7,200	-	-	7,200
Grants	-	-	2,822	2,822
Miscellaneous	277	792	5,342	6,411
Interest	22,225	1,673	30,640	54,538
Total revenues	<u>731,328</u>	<u>7,460</u>	<u>1,207,604</u>	<u>1,946,392</u>
EXPENDITURES				
Current				
General government	522,859	-	31,499	554,358
Public works	-	-	1,017,675	1,017,675
Social services	121,614	5,222	-	126,836
Health and welfare	137,284	-	-	137,284
Capital outlay	36,678	-	242,111	278,789
Total expenditures	<u>818,435</u>	<u>5,222</u>	<u>1,291,285</u>	<u>2,114,942</u>
Excess (deficiency) of revenue over expenditures	<u>(87,107)</u>	<u>2,238</u>	<u>(83,681)</u>	<u>(168,550)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	52,000	52,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>52,000</u>	<u>52,000</u>
Net change in fund balance	(87,107)	2,238	(31,681)	(116,550)
FUND BALANCES, beginning	<u>826,717</u>	<u>170,157</u>	<u>1,266,201</u>	<u>2,263,075</u>
FUND BALANCES, ending	<u>\$ 739,610</u>	<u>\$ 172,395</u>	<u>\$ 1,234,520</u>	<u>\$ 2,146,525</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, 2024

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (116,550)

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	533,377
Depreciation expense	(415,824)
Capital asset disposals - cost	(161,966)
Capital asset disposals - accumulated depreciation	161,966

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

Change to deferred items - IMRF	(46,317)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds

Change to compensated absences	(810)
Change to net pension liability/(asset) - IMRF	178,186

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 132,062</u>
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See notes to financial statements.

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the Township has included in its financial statements the primary government along with its discretely presented component unit.

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

Discretely Presented Component Unit

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

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

b. Fund Accounting

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds)

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

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 16, 2023. 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. Prepays

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 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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

p. Leases

The Township accounts for leases as follows:

Lease contracts that transfer ownership – lease expenditures are recognized in the individual funds as capital outlay and included in capital assets net of accumulated depreciation in the government wide statements when incurred.

All other lease contracts – lease expenditures are recognized in the individual funds when incurred.

q. Subscription-Based Information Technology Arrangements

The Township accounts for subscription-based technology arrangements by recognizing expenditures in the individual funds when incurred and a right-of-use asset and corresponding liability in the government wide financial statements.

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 2023 levy was passed by the board on December 5, 2023. Property taxes attach as an enforceable lien on property as of January 1st. Tax bills are prepared and issued by Kane County and are payable in two installments in June and September. The Township receives significant distributions of tax receipts from the County approximately one month after the due dates. Taxes recorded in the fund financial statements are from the 2022 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:

	<u>2022 Levy</u>		<u>2023 Levy</u>	
	Limit	Actual	Limit	Actual
Town Fund	.25000	.062382	.25000	.057844
Mental Health	.15000	.017482	.15000	.017158
General Assistance	.10000	.000636	.10000	.000590
Road	.66000	.008645	.66000	.008016
Permanent Road	.25000	.250000	.25000	.250000
Corporate	.10000	<u>.020729</u>	.10000	<u>.019221</u>
		<u>.359874</u>		<u>.352829</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.).

NOTE 3. DEPOSITS AND INVESTMENTS (CONT.)

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, 2024 none of the Township's deposits were uninsured or uncollateralized, and therefore were not exposed to custodial credit risk. At March 31, 2024, \$15,098 of the Community Building, a component unit of the Township was uninsured or uncollateralized.

Investments

At March 31, 2024, the Township held no investments.

Interest Rate Risk

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

Credit Risk

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, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 274,000	\$ -	\$ -	\$ 274,000
Capital assets being depreciated:				
Buildings and Improvements	1,124,092	8,750	-	1,132,842
Road Improvements	3,262,798	287,918	-	3,550,716
Vehicles and Equipment	<u>2,104,221</u>	<u>236,709</u>	<u>161,966</u>	<u>2,178,964</u>
Total capital assets being depreciated	<u>6,491,111</u>	<u>533,377</u>	<u>161,966</u>	<u>6,862,522</u>
Less accumulated depreciation for:				
Buildings and Improvements	365,103	37,422	-	402,525
Road Improvements	2,215,655	251,117	-	2,466,772
Vehicles and Equipment	<u>1,652,724</u>	<u>127,285</u>	<u>161,966</u>	<u>1,618,043</u>
Total accumulated depreciation	<u>4,233,482</u>	<u>415,824</u>	<u>161,966</u>	<u>4,487,340</u>
Total capital assets being depreciated, net	<u>2,257,629</u>	<u>117,553</u>	-	<u>2,375,182</u>
Capital Assets, Net	<u>\$ 2,531,629</u>	<u>\$ 117,553</u>	\$ -	<u>\$ 2,649,182</u>

Depreciation expense was charged to functions as follows:

Township	\$ 29,362
Road & Bridge	<u>386,462</u>
	<u>\$ 415,824</u>

NOTE 4. CAPITAL ASSETS (CONT.)

Capital asset activity for the Community Building for the year ended March 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 75,000	\$ -	\$ -	\$ 75,000
Capital assets being depreciated:				
Buildings and Improvements	510,989	-	-	510,989
Vehicles and Equipment	<u>60,808</u>	<u>-</u>	<u>-</u>	<u>60,808</u>
Total capital assets being depreciated	<u>571,797</u>	<u>-</u>	<u>-</u>	<u>571,797</u>
Less accumulated depreciation for:				
Buildings and Improvements	366,109	10,783	-	376,892
Vehicles and Equipment	<u>46,343</u>	<u>2,197</u>	<u>-</u>	<u>48,540</u>
Total accumulated depreciation	<u>412,452</u>	<u>12,980</u>	<u>-</u>	<u>425,432</u>
Total capital assets being depreciated, net	<u>159,345</u>	<u>(12,980)</u>	<u>-</u>	<u>146,365</u>
Capital Assets, Net	<u>\$ 234,345</u>	<u>\$ (12,980)</u>	<u>\$ -</u>	<u>\$ 221,365</u>

Depreciation expense was charged to functions as follows:

Community Building	\$12,980
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NOTE 5. LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 17,727	\$ 810	\$ -	\$ 18,537	\$ 18,537
Net Pension Liability/(Asset) - IMRF	<u>170,537</u>	<u>-</u>	<u>178,186</u>	<u>(7,649)</u>	<u>-</u>
	<u>\$ 188,264</u>	<u>\$ 810</u>	<u>\$ 178,186</u>	<u>\$ 10,888</u>	<u>\$ 18,537</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 V’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

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

Illinois Municipal Retirement Fund (Continued)

Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

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

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

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

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

Employees Covered Benefit Terms – As of December 31, 2023, 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	<u>8</u>
Total	23

Contributions – As set by statute, the Township’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township’s annual contribution rate for calendar year 2023 and 2024 was 4.76% and 5.07%, respectively. For the fiscal year ended March 31, 2024, the Township contributed \$24,012 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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, 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	2.75% 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	34.5%	5.00%
International Equity	18%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalentents	1%	3.80%
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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$310,038	\$(7,649)	\$(266,667)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A)-(B)
Balances at December 31, 2022	\$3,011,933	\$2,841,396	\$170,537
Changes for the Year:			
Service Cost	50,197	-	50,197
Interest on the Total Pension Liability	213,923	-	213,923
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	31,818	-	31,818
Changes of Assumptions	(6,119)	-	(6,119)
Contributions – Employer	-	24,844	(24,844)
Contributions – Employees	-	23,488	(23,488)
Net Investment Income	-	317,422	(317,422)
Benefit Payments, Including Refunds Of Employee Contributions	(172,733)	(172,733)	-
Other (Net Transfer)	-	102,251	(102,251)
Net Changes	117,086	295,272	(178,186)
Balances at December 31, 2023	\$3,129,019	\$3,136,668	\$ (7,649)

NOTE 6. RETIREMENT FUND COMMITMENTS (CONT.)

Illinois Municipal Retirement Fund (Continued)

At March 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 21,056	\$ 34,486	\$(13,430)
Change in Assumptions	-	4,049	(4,049)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>427,593</u>	<u>256,992</u>	<u>170,601</u>
Total Pension Expense to be Recognized in Future Periods	448,649	295,527	153,122
Pension Contributions Made Subsequent to Measurement Date	<u>6,884</u>	-	<u>6,884</u>
Total Deferred Amounts Related to IMRF	\$ 455,533	\$ 295,527	\$ 160,006

\$6,884 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 Year	Net Deferred Outflows/(Inflows) of Resources
2024	(9,842)
2025	65,322
2026	120,086
2027	(22,444)
2028	-
Thereafter	<u>-</u>
Total	\$ 153,122

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, 2024.

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

NOTE 8. RISK MANAGEMENT (CONT.)

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

2023 Equalized Assessed Valuation	<u>\$ 848,084,073</u>
Statutory debt limitation (2.875% of 2023 equalized assessed valuation)	<u>24,382,417</u>
Legal debt margin	<u>\$ 24,382,417</u>

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

NOTE 10. Commitments

The Township entered into an intergovernmental agreement with the Forest Preserve District of Kane County, the Village of Sugar Grove, and the Sugar Grove Park District, for the construction of a pedestrian trail/bicycle path and bridge connection to the Virgil Gilman Trail within the Bliss Woods Forest Preserve. A grant in the amount of \$1,000,000 with a local match requirement of 20% or \$200,000 was received for the project. The match requirement of \$200,000 is to be shared equally by the four members of the agreement. As of March 31, 2024, the Township has paid \$25,790 to the Village of Sugar Grove for its portion of the project.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF SUGAR GROVE
KANE COUNTY, ILLINOIS

March 31, 2024

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
DEFINED BENEFIT PENSION PLAN

Multiyear Schedule of Employer Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 51,548	\$ 51,548	\$ -	\$ 418,753	12.31%
2016	42,506	42,507	(1)	381,903	11.13%
2017	37,399	37,398	1	373,616	10.01%
2018	40,405	40,405	-	450,449	8.97%
2019	23,330	23,330	-	475,158	4.91%
2020	24,921	24,916	5	475,589	5.24%
2021	43,752	43,752	-	492,150	8.89%
2022	36,122	36,121	1	506,614	7.13%
2023	24,845 *	24,844	1	521,951	4.76%

* Estimated based on contribution rate of 4.76% and covered valuation payroll of \$521,951.

Notes to the Required Supplementary Information:

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

Other Information There were no benefit changes during the year.

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, 2024

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
Total Pension Liability								
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)
Net Change in Pension Liability	48,759	25,594	(12,580)	138,394	405,912	78,489	133,682	(26,701)
Total Pension Liability - Beginning	2,220,384	2,269,143	2,294,737	2,282,157	2,420,551	2,826,463	2,904,952	3,038,634
Total Pension Liability - Ending (A)	\$ 2,269,143	\$ 2,294,737	\$ 2,282,157	\$ 2,420,551	\$ 2,826,463	\$ 2,904,952	\$ 3,038,634	\$ 3,011,933
Plan Fiduciary Net Position								
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)
Net Change in Plan Fiduciary Net Position	(14,416)	127,068	314,659	(109,551)	411,884	271,653	468,753	(708,613)
Plan Fiduciary Net Position - Beginning	2,079,959	2,065,543	2,192,611	2,507,270	2,397,719	2,809,603	3,081,256	3,550,009
Plan Fiduciary Net Position - Ending (B)	2,065,543	2,192,611	2,507,270	2,397,719	2,809,603	3,081,256	3,550,009	2,841,396
Net Pension Liability/(Asset) (A) - (B)	\$ 203,600	\$ 102,126	\$ (225,113)	\$ 22,832	\$ 16,860	\$ (176,304)	\$ (511,375)	\$ 170,537
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.03%	95.55%	109.86%	99.06%	99.40%	106.07%	116.83%	94.34%
Covered Valuation Payroll	\$ 418,753	\$ 381,903	\$ 373,616	\$ 450,449	\$ 475,158	\$ 475,589	\$ 492,150	\$ 506,614
Net Pension Liability as a Percentage of Covered Valuation Payroll	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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
LOCAL SOURCES			
Property taxes	\$ 491,059	\$ 495,868	\$ 4,809
Property taxes-mental health	137,473	137,085	(388)
Interest	3,500	22,225	18,725
TIF	3,000	1,383	(1,617)
TORIMA	3,100	3,103	3
Rental income	26,880	28,155	1,275
Community building services	3,000	3,000	-
Road & bridge services	7,200	7,200	-
Miscellaneous	380	277	(103)
	<u>675,592</u>	<u>698,296</u>	<u>22,704</u>
STATE SOURCES			
Personal property replacement tax	25,000	33,032	8,032
Total revenues	<u>700,592</u>	<u>731,328</u>	<u>30,736</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	121,000	125,977	4,977
Health insurance	21,000	19,052	(1,948)
Social security contribution	9,300	8,826	(474)
Retirement contribution	2,000	2,174	174
Unemployment insurance	700	248	(452)
Payroll service fee	425	508	83
	<u>154,425</u>	<u>156,785</u>	<u>2,360</u>
Contractual Services			
Building maintenance	10,200	11,254	1,054
Cemetery replacement tax	-	2,000	2,000
Grounds maintenance	5,000	6,858	1,858
Equipment maintenance	3,300	2,734	(566)
Dues	2,000	1,983	(17)
Accounting services	4,360	4,066	(294)
Legal services	3,000	954	(2,046)
Postage	400	657	257
Telephone	4,200	625	(3,575)
Computer programing	5,000	974	(4,026)
WT Metronet	-	3,488	3,488
Travel/Training	1,100	638	(462)
Outside services/meeting expense	5,000	1,403	(3,597)
Utilities	7,500	7,265	(235)
General insurance	24,200	23,578	(622)
Publishing	900	257	(643)
	<u>76,160</u>	<u>68,734</u>	<u>(7,426)</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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)			
Administration (cont.)			
Commodities			
Office supplies	2,600	2,918	318
Operating supplies	<u>50</u>	<u>16</u>	<u>(34)</u>
	<u>2,650</u>	<u>2,934</u>	<u>284</u>
Total Administration	<u>233,235</u>	<u>228,453</u>	<u>(4,782)</u>
Assessor:			
Personnel			
Salaries	199,117	195,013	(4,104)
Health insurance	49,501	50,059	558
Retirement contribution	7,557	8,184	627
Social security and medicare contribution	15,238	15,528	290
Unemployment insurance	<u>451</u>	<u>332</u>	<u>(119)</u>
	<u>271,864</u>	<u>269,116</u>	<u>(2,748)</u>
Contractual services			
Equipment maintenance	1,300	589	(711)
Dues	1,500	500	(1,000)
Computer services	6,479	5,684	(795)
Postage	550	-	(550)
Appraisal services	1,000	-	(1,000)
Legal services	1,000	-	(1,000)
Telephone	3,400	3,766	366
Training	2,700	2,700	-
PAMS service agreement	9,600	9,500	(100)
Travel expense	<u>1,500</u>	<u>389</u>	<u>(1,111)</u>
	<u>29,029</u>	<u>23,128</u>	<u>(5,901)</u>
Commodities			
Office supplies	<u>2,200</u>	<u>2,162</u>	<u>(38)</u>
Other expenditures			
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Assessor	<u>303,093</u>	<u>294,406</u>	<u>(8,687)</u>
Total General Government	<u>536,328</u>	<u>522,859</u>	<u>(13,469)</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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
SOCIAL SERVICES			
Senior Center/Bus Barn			
TWP senior service	5,000	3,691	(1,309)
Telephone	300	275	(25)
Senior transportation	90,000	75,759	(14,241)
Senior mowing	14,000	13,616	(384)
Snow removal	5,000	2,870	(2,130)
Supplies	-	-	-
Utilities	130	171	41
	<u>114,430</u>	<u>96,382</u>	<u>(18,048)</u>
Bliss House			
Ground maintenance	4,100	5,058	958
Equipment maintenance	5,000	2,175	(2,825)
Building maintenance	25,000	466	(24,534)
Utilities	2,600	2,391	(209)
Real estate taxes	760	777	17
	<u>37,460</u>	<u>10,867</u>	<u>(26,593)</u>
Other Expenditures			
Sponsorships	1,500	1,525	25
SG public library replacement tax	500	324	(176)
Social services funding	10,000	10,000	-
Miscellaneous	4,200	2,516	(1,684)
	<u>16,200</u>	<u>14,365</u>	<u>(1,835)</u>
Total Social Services	<u>168,090</u>	<u>121,614</u>	<u>(46,476)</u>
HEALTH AND WELFARE			
Mental Health	<u>137,473</u>	<u>137,284</u>	<u>(189)</u>
Total Health and Welfare	<u>137,473</u>	<u>137,284</u>	<u>(189)</u>
CAPITAL OUTLAY			
Equipment and buildings	<u>117,400</u>	<u>36,678</u>	<u>(80,722)</u>
Total Capital Outlay	<u>117,400</u>	<u>36,678</u>	<u>(80,722)</u>
Total expenditures	<u>959,291</u>	<u>818,435</u>	<u>(140,856)</u>
Net change in fund balance	<u>\$ (258,699)</u>	<u>(87,107)</u>	<u>\$ 171,592</u>
FUND BALANCE, beginning		<u>826,717</u>	
FUND BALANCE, ending		<u>\$ 739,610</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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,000	\$ 4,995	\$ 2,995
Interest	75	1,673	1,598
Miscellaneous	-	792	792
	<u>2,075</u>	<u>7,460</u>	<u>5,385</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	-	-	-
Social security contribution	-	-	-
Telephone	900	861	(39)
	<u>900</u>	<u>861</u>	<u>(39)</u>
Contractual services			
Legal	500	460	(40)
Professional fees	3,000	3,750	750
Dues	-	-	-
Computer	-	-	-
Equipment Maintenance	200	-	(200)
Training	200	151	(49)
Other	-	-	-
	<u>3,900</u>	<u>4,361</u>	<u>461</u>
	<u>4,800</u>	<u>5,222</u>	<u>422</u>
Total General Government			
Social Services			
GENERAL ASSISTANCE			
Contractual Services:			
Home Relief	5,000	-	(5,000)
	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Social Services	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total expenditures	<u>9,800</u>	<u>5,222</u>	<u>(4,578)</u>
Net change in fund balance	<u>\$ (7,725)</u>	<u>2,238</u>	<u>\$ 9,963</u>
FUND BALANCE, beginning		<u>170,157</u>	
FUND BALANCE, ending		<u>\$ 172,395</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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 1,054,000	\$ 1,113,438	\$ 59,438
Personal property replacement tax	65,000	53,001	(11,999)
TIF surplus	5,000	2,361	(2,639)
Interest	6,750	30,640	23,890
Grants	400	2,822	2,422
Miscellaneous	6,983	5,342	(1,641)
Total revenues	1,138,133	1,207,604	69,471
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Contractual Services:			
Legal services	3,000	-	(3,000)
Professional fees	10,952	10,981	29
Office	2,050	1,137	(913)
Telephone	2,400	2,400	-
Training	1,200	-	(1,200)
Travel	1,000	345	(655)
Dues	2,000	1,517	(483)
	<u>22,602</u>	<u>16,380</u>	<u>(6,222)</u>
Other expenditures:			
Miscellaneous	9,300	15,119	5,819
Total General Government	31,902	31,499	(403)
PUBLIC WORKS			
ROAD MAINTENANCE			
Personnel			
Salaries	314,000	344,118	30,118
Unemployment insurance	560	734	174
Social security and medicare contribution	22,215	25,486	3,271
Retirement contribution	13,900	13,655	(245)
Health insurance	134,500	132,748	(1,752)
	<u>485,175</u>	<u>516,741</u>	<u>31,566</u>
Contractual services:			
Grounds maintenance	15,000	28,000	13,000
Equipment maintenance	18,000	14,716	(3,284)
Vehicle maintenance	-	-	-
Road maintenance	454,000	351,245	(102,755)
Snow removal	28,500	27,310	(1,190)
Engineering fees	10,000	4,707	(5,293)
Insurance	40,000	35,902	(4,098)
Utilities	22,000	18,684	(3,316)
	<u>587,500</u>	<u>480,564</u>	<u>(106,936)</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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC WORKS (CONT.)			
ROAD MAINTENANCE (CONT.)			
Commodities:			
Bridge repair	10,000	-	(10,000)
Road maintenance supplies	5,000	2,401	(2,599)
Operating supplies	1,200	1,563	363
Safety equipment	62,500	186	(62,314)
Gasoline/oil	<u>22,000</u>	<u>16,220</u>	<u>(5,780)</u>
	<u>100,700</u>	<u>20,370</u>	<u>(80,330)</u>
 Total Public Works	 <u>1,173,375</u>	 <u>1,017,675</u>	 <u>(155,700)</u>
 CAPITAL OUTLAY			
Building	2,500	2,895	395
Equipment	16,000	2,507	(13,493)
Vehicles	<u>190,000</u>	<u>236,709</u>	<u>46,709</u>
Total Capital Outlay	<u>208,500</u>	<u>242,111</u>	<u>33,611</u>
 Total expenditures	 <u>1,413,777</u>	 <u>1,291,285</u>	 <u>(122,492)</u>
 Excess (deficiency) of revenue over expenditures	 <u>(275,644)</u>	 <u>(83,681)</u>	 <u>191,963</u>
 OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	<u>52,000</u>	<u>52,000</u>	<u>-</u>
 Total other financing sources (uses)	 <u>52,000</u>	 <u>52,000</u>	 <u>-</u>
 Net change in fund balance	 <u>\$ (223,644)</u>	 <u>(31,681)</u>	 <u>\$ 191,963</u>
 FUND BALANCE, beginning		 <u>1,266,201</u>	
 FUND BALANCE, ending		 <u>\$ 1,234,520</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, 2024

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 163,000	\$ 162,548	\$ (452)
Interest	4,500	14,834	10,334
Miscellaneous	-	550	550
TIF	200	353	153
Other	3,000	6,515	3,515
Total revenues	170,700	184,800	14,100
EXPENDITURES			
GENERAL GOVERNMENT			
Administration			
Personnel			
Salaries	38,000	27,603	(10,397)
Social security contribution	3,500	2,358	(1,142)
Elected officials	1,500	1,500	-
Total Administration	43,000	31,461	(11,539)
Contractual Services			
Building maintenance	75,000	23,861	(51,139)
Equipment maintenance	13,800	10,545	(3,255)
Grounds maintenance	10,000	8,298	(1,702)
Accounting services	1,750	1,530	(220)
Legal services	5,000	179	(4,821)
Computer programing	2,150	2,243	93
Postage	700	126	(574)
Telephone	5,700	3,822	(1,878)
Travel	300	53	(247)
Dues	300	150	(150)
Utilities	22,600	12,973	(9,627)
General insurance	9,000	16,951	7,951
Real estate taxes	100	54	(46)
Cleaning service	13,500	9,040	(4,460)
Township services	3,000	3,000	-
Publishing	2,000	1,540	(460)
Alarm system	2,000	1,355	(645)
Permits	1,000	736	(264)
Other	5,050	4,186	(864)
Total Contractual Services	172,950	100,642	(72,308)

See notes to Required Supplementary Information

TOWNSHIP OF SUGAR GROVE,
KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT.)
COMMUNITY BUILDING FUND
For the Year Ended March 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)			
Commodities			
Office Supplies	3,000	911	(2,089)
Total Commodities	3,000	911	(2,089)
Total General Government	218,950	133,014	(85,936)
CAPITAL OUTLAY			
Equipment and buildings	30,000	-	(30,000)
Total Capital Outlay	30,000	-	(30,000)
Total expenditures	248,950	133,014	(115,936)
Net change in fund balance	\$ (78,250)	51,786	\$ (101,836)
FUND BALANCE, beginning		611,805	
FUND BALANCE, ending		\$ 663,591	

TOWNSHIP OF SUGAR GROVE

KANE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2024

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, 2024 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, 2024, with no instances of overexpending the budgeted amounts in the individual funds.