

# Grafton Township, Illinois

Annual Financial Report

For the Year Ended March 31, 2024

# GRAFTON TOWNSHIP, ILLINOIS

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*Year Ended March 31, 2024*

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## INDEPENDENT AUDITOR'S REPORT

To the Township Supervisor and  
Members of the Grafton Township Board  
Huntley, Illinois

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and each major fund of Grafton Township, Illinois, as of and for the year ended March 31, 2024 and the related notes to the financial statements, which collectively comprise Grafton Township, Illinois 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 modified cash basis financial position of the governmental activities, and each major fund of Grafton Township, Illinois, as of March 31, 2024, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### 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 Grafton Township, Illinois, 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.

### Emphasis of Matter—Basis of Accounting

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the

financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 Grafton Township, Illinois 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 Grafton Township, Illinois 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.

## Other Matters

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information and pension schedules, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*GW & Associates, P.C.*

GW & Associates, P.C.

Hillside, Illinois

April 29, 2024

OTHER INFORMATION  
MANAGEMENT DISCUSSION  
AND ANALYSIS - UNAUDITED

# GRAFTON TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis - Unaudited*

*Year Ended March 31, 2024*

As management of Grafton Township (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2024. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

## FINANCIAL HIGHLIGHTS

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- The assets of the Township exceeded its liabilities at March 31, 2024 by \$6,217,174 (net position). Of this amount, \$1,652,926 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$315,459.
- At March 31, 2024, the Township's governmental funds reported combined ending fund balances of \$2,590,618, an increase of \$19,532 from the prior year.
- At March 31, 2024, the fund balance for the Town Fund was \$1,670,292.
- The Township's total net capital assets increased by \$295,927 during the year ended March 31, 2024

## OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other information (OI) and additional information for analysis.

### Government-wide financial statements

The government-wide financial statements are prepared using the modified cash basis of accounting and are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses.

The statement of net position presents financial information on all of the Township's assets and liabilities (with the exception of net pension asset/(liability)), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges.

# GRAFTON TOWNSHIP, ILLINOIS

*Management's Discussion and Analysis - Unaudited*

*Year Ended March 31, 2024*

## OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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The governmental activities of the Township include general government, assessor, general assistance and mental health, and road and bridge projects.

### Fund financial statements

All of the funds of the Township are governmental funds. The fund financial statements are prepared using the modified cash basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's three funds.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

### Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements.

### Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information concerning Grafton Township's progress in funding its obligation to provide pension benefits to its employees. Additionally, other information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section. The Township adopts an annual budget for all funds. A budgetary comparison statement has been provided for the Town Fund and other governmental funds to demonstrate compliance with the budget.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of Grafton Township, assets exceeded liabilities by \$6,217,174 for the year ended March 31, 2024. A portion of the Township's net position reflects its investment in capital assets; \$3,626,556. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is \$2,590,618, of which \$937,692 is restricted, and \$1,652,926 is unrestricted.



# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited  
 Year Ended March 31, 2024

## Grafton Township Net Position

	<b>Governmental Activities</b>	
	<u>3/31/2023</u>	<u>3/31/2024</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,571,086	\$ 2,590,618
Capital Assets, Net of Depreciation	3,330,629	3,626,556
<b>Total Assets</b>	<u>\$ 5,901,715</u>	<u>\$ 6,217,174</u>
<b>Liabilities</b>		
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	3,330,629	3,626,556
Restricted - General Assistance	70,496	72,255
Restricted - Road & Bridge	798,470	827,703
Restricted - IMRF	17,768	20,368
Restricted - Insurance	33,898	17,366
Unrestricted	1,650,454	1,652,926
<b>Total Net Position</b>	<u>\$ 5,901,715</u>	<u>\$ 6,217,174</u>

An additional portion of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,652,926) may be used to meet the Township's ongoing obligations to citizens and creditors.

At March 31, 2024, the Township is able to report positive balances in all three categories of net position. The Township's net position increased by \$315,459 in comparison with the prior year.

# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited  
Year Ended March 31, 2024

## Governmental activities

Key elements of the changes to net position by governmental activities are as follows:

	<u>Grafton Township Changes in Net Position</u>	
	<b>Governmental Activities</b>	
	<u>March 31, 2023</u>	<u>March 31, 2024</u>
<b>Revenues</b>		
Program Revenues	\$ 9,547	\$ 7,684
General Revenues		
Property Taxes	1,416,004	1,400,299
Replacement Taxes	252,752	192,778
Intergovernmental Receipts	2,607	3,300
Interest	33,876	81,553
Other Income	16,864	77,722
<b>Total Revenues</b>	<u>1,731,650</u>	<u>1,763,336</u>
<b>Expenses</b>		
General Government	572,078	541,145
Assessor	225,006	254,838
General Assistance	8,552	10,855
Road and Bridge	782,677	641,039
<b>Total Expenses</b>	<u>1,588,313</u>	<u>1,447,877</u>
<b>Change in Net Position</b>	143,337	315,459
<b>Net Position - Beginning of Year</b>	<u>5,758,378</u>	<u>5,901,715</u>
<b>Net Position - End of Year</b>	<u>\$ 5,901,715</u>	<u>\$ 6,217,174</u>

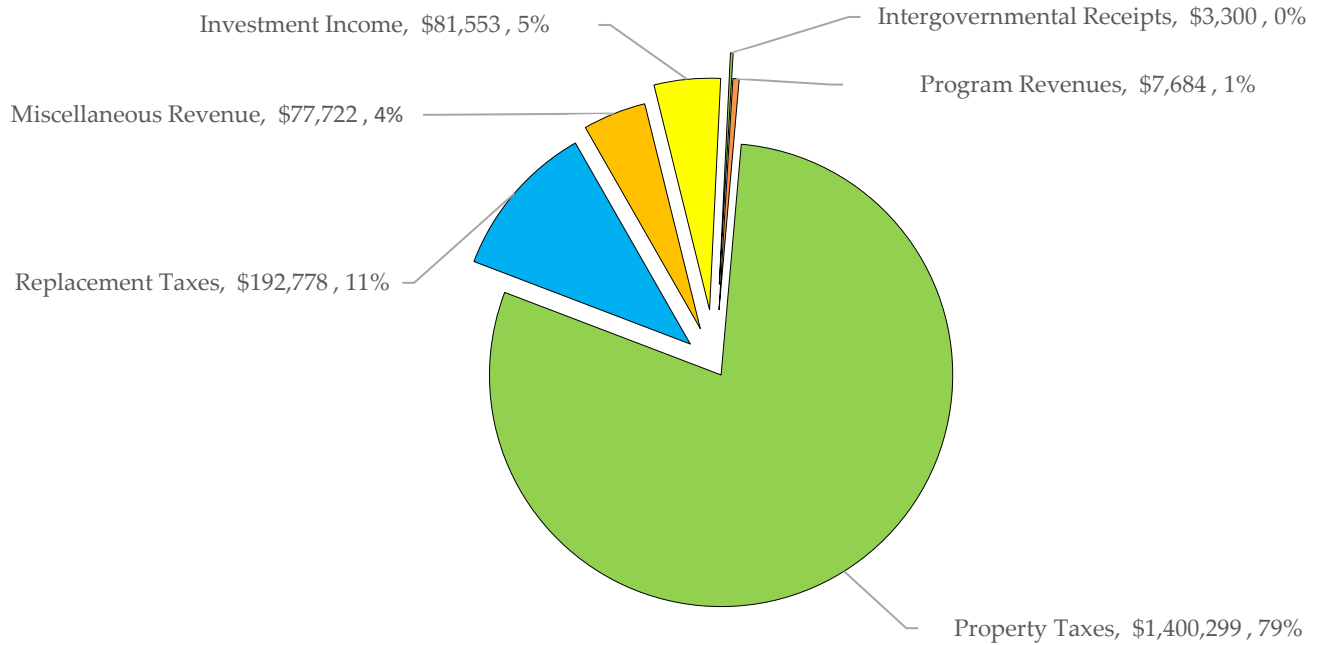
The township sold excess equipment, which contributed to the increase in other income while Replacement Taxes remitted from the state decreased to the township. Road and Bridge non-capitalized annual maintenance expenses decreased while still capitalizing 2023 road projects. There were less snow removal requirements and slightly less road projects in the fiscal year.

# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited  
Year Ended March 31, 2024

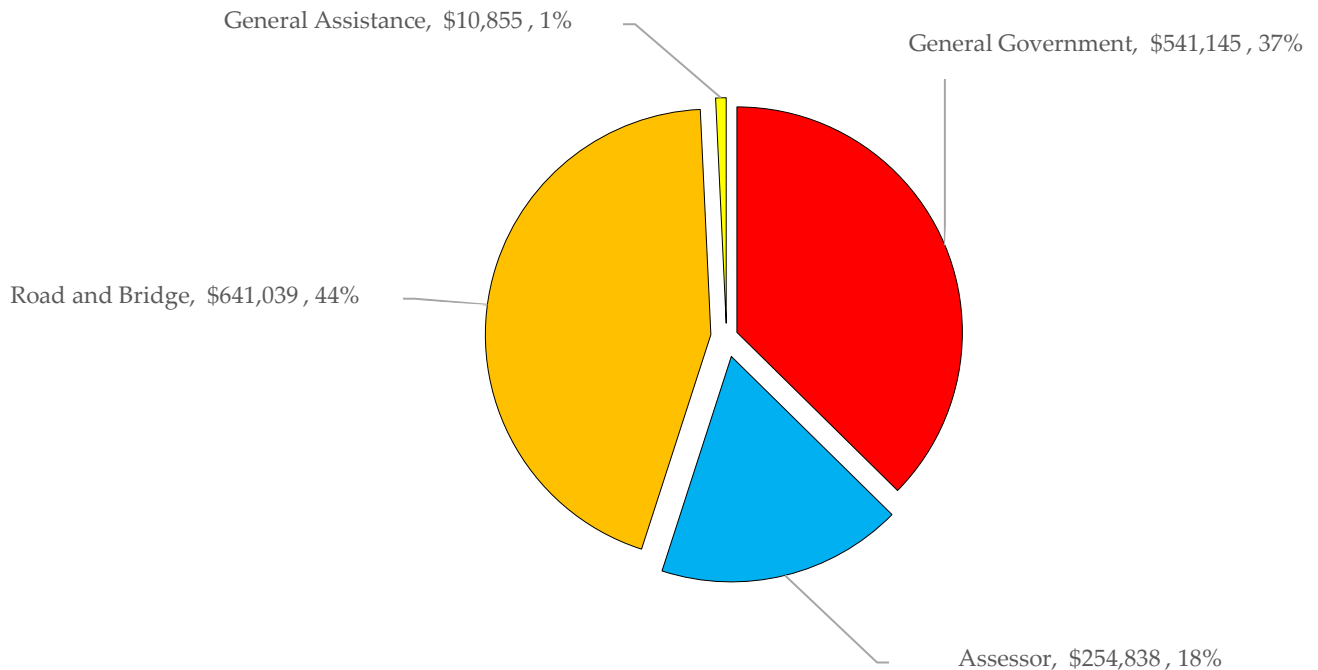
## 2024 REVENUES

ROUND TO NEAREST PERCENT



## 2024 EXPENSES

ROUND TO NEAREST PERCENT



# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2024

## FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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As noted earlier, the township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds

The focus of the Township's governmental funds is to provide information on cash inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the fiscal year. At March 31, 2024, the Township's governmental funds reported combined ending fund balances of \$2,590,618 an increase of \$19,532 in comparison with the prior year.

The Town Fund is the main operating fund of the Township. At March 31, 2024, the fund balance of the Town Fund was \$1,670,292. This represents a decrease of \$12,441 compared to the prior fiscal year. The increase in interest rates has resulted in increased investment income across all funds. The Road & Bridge Fund spent less on road maintenance this year following larger projects in the prior year.

### Town Fund Budgetary Highlights

Expenditures in the General Town Fund of \$757,339 were over revenues by \$12,441 and were \$1,634,867, less than the appropriation of \$2,392,206.

## CAPITAL ASSETS

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The Township's capital assets for its governmental activities as of March 31, 2024 amount to \$3,626,556 (net of accumulated depreciation). This investment in capital assets includes land, roads and improvements, buildings and improvements, vehicles, and other equipment. Major capital asset events during the current fiscal year included the following:

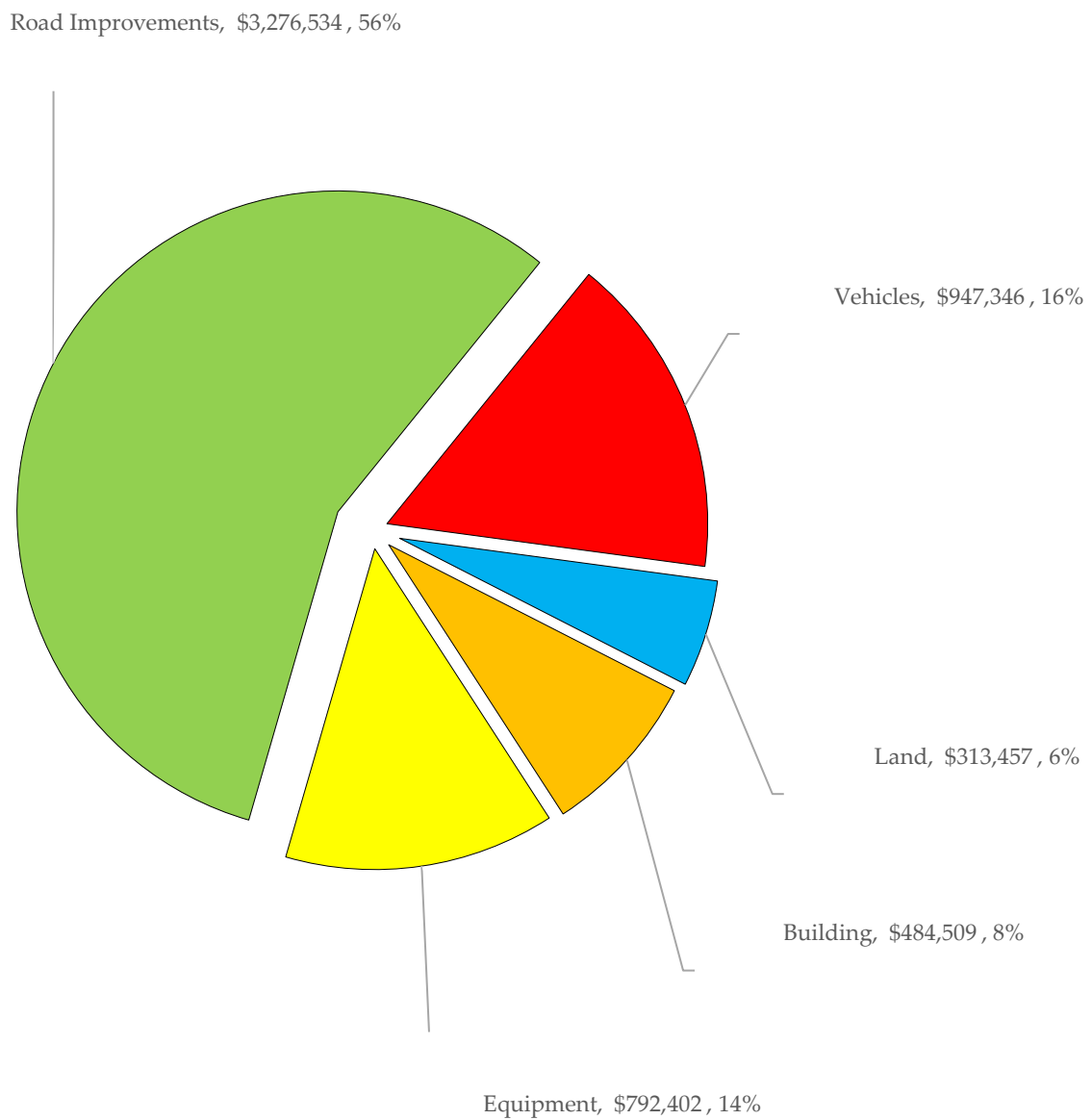
	Balance			Balance
Capital Assets	<u>April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2024</u>
Land	\$ 313,457	\$ -	\$ -	\$ 313,457
Buildings	475,294	9,215	-	484,509
Equipment	783,629	8,773	-	792,402
Road Improvements	2,830,373	446,161	-	3,276,534
Vehicles	<u>893,221</u>	<u>54,125</u>	<u>-</u>	<u>947,346</u>
<b>Total Capital Assets</b>	5,295,974	518,274	-	5,814,248
Less: Accumulated				
Depreciation	<u>1,965,345</u>	<u>222,347</u>	<u>-</u>	<u>2,187,692</u>
<b>Capital Assets (Net)</b>	<u>\$ 3,330,629</u>	<u>\$ 295,927</u>	<u>\$ -</u>	<u>\$ 3,626,556</u>

# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2024

## CAPITAL ASSETS, AT COST



# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited  
Year Ended March 31, 2024

## ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for 2023 is \$2,038,241,220. That represents an increase in EAV of \$164,339,854 over the prior year's EAV. Taxes recorded in these financial statements are from the 2023 levy. A summary of the assessed valuations and extensions for tax years 2023, 2022 and 2021 is as follows:

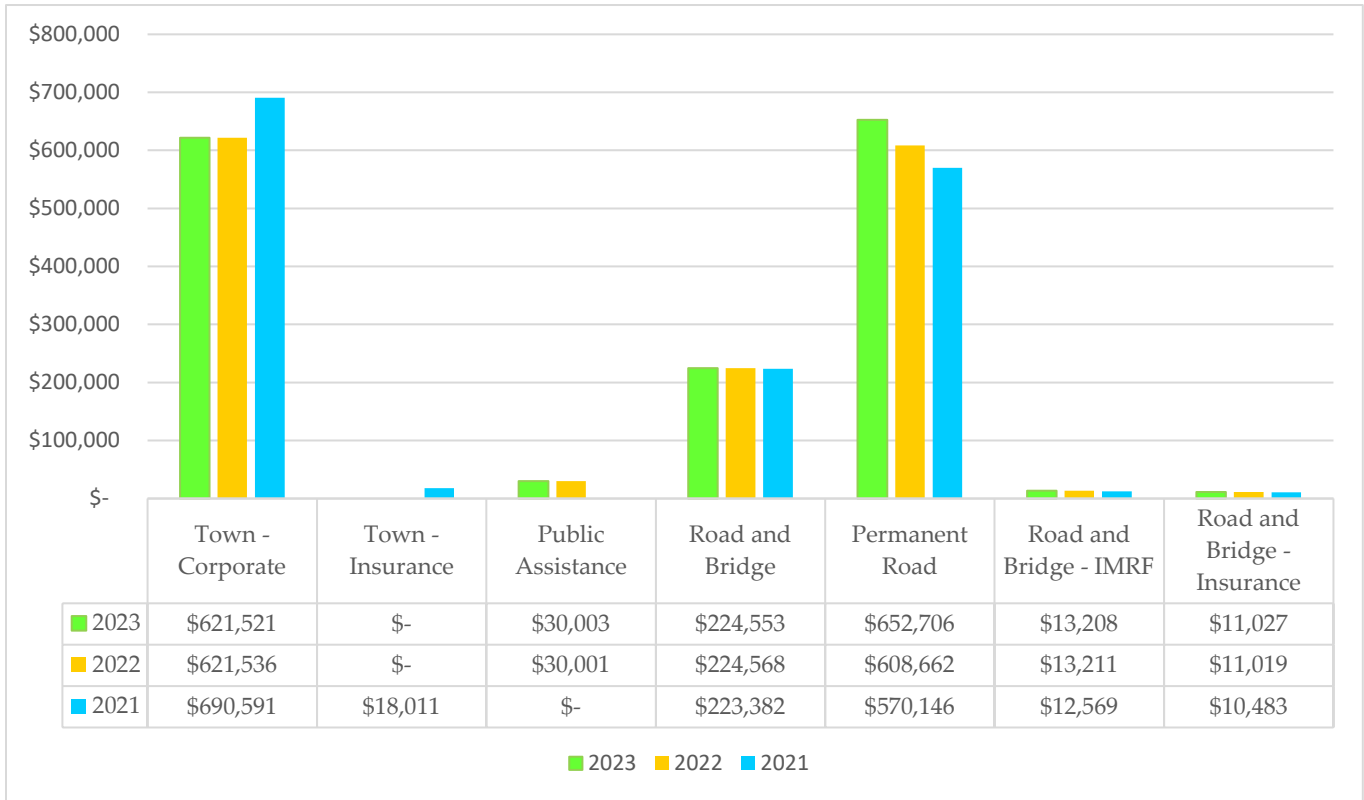
**Grafton Township, Illinois**  
**Assessed Valuations, Extended Tax Rates,**  
**Percentage Allocations and Extensions by Fund**

Tax Levy Year	2023		2022		2021	
<b>Assessed Valuation</b>						
McHenry County	\$	2,038,241,220	\$	1,873,901,366	\$	1,738,515,727
<b>Tax Rates and Percentage Allocations by Fund</b>						
<b>Funds</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>
Town - Corporate	0.030493	40.02%	0.033168	41.19%	0.039723	45.28%
Town - Insurance	0.000000	0.00%	0.000000	0.00%	0.001036	1.18%
Public Assistance	0.001472	1.93%	0.001601	1.99%	0.000000	0.00%
Road & Bridge	0.011017	14.46%	0.011984	14.88%	0.012849	14.65%
Permanent Road	0.032023	42.03%	0.032481	40.34%	0.032795	37.38%
Road & Bridge - IMRF	0.000648	0.85%	0.000705	0.88%	0.000723	0.82%
Road & Bridge - Insurance	0.000541	0.71%	0.000588	0.73%	0.000603	0.69%
<b>Totals</b>	<u>0.076194</u>	<u>100%</u>	<u>0.080527</u>	<u>100%</u>	<u>0.087729</u>	<u>100%</u>
<b>Property Tax Extensions</b>						
<b>Funds</b>	<b>2023</b>		<b>2022</b>		<b>2021</b>	
Town - Corporate	\$	621,521	\$	621,536	\$	690,591
Town - Insurance	-	-	-	-	-	18,011
Public Assistance	30,003	30,003	30,001	30,001	-	-
Road & Bridge	224,553	224,553	224,568	224,568	223,382	223,382
Permanent Road	652,706	652,706	608,662	608,662	570,146	570,146
Road & Bridge - IMRF	13,208	13,208	13,211	13,211	12,569	12,569
Road & Bridge - Insurance	11,027	11,027	11,019	11,019	10,483	10,483
<b>Totals</b>	<u>\$</u>	<u>1,553,018</u>	<u>\$</u>	<u>1,508,997</u>	<u>\$</u>	<u>1,525,182</u>

# GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited  
 Year Ended March 31, 2024

## Property Tax Extensions



### Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

### Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor, Grafton Township, 10109 Vine Street, Huntley, Illinois 60142.

# BASIC FINANCIAL STATEMENTS



# GRAFTON TOWNSHIP, ILLINOIS

Government-wide Statement of Net Position - Modified Cash Basis

March 31, 2024

<b>Assets</b>	
Cash and investments - at cost	\$ 2,590,618
Capital assets, not being depreciated	313,457
Capital assets being depreciated, net of accumulated depreciation	<u>3,313,099</u>
<b>Total Assets</b>	<b><u><u>\$ 6,217,174</u></u></b>
<b>Current Liabilities</b>	
<b>Total Liabilities</b>	<b><u>\$ -</u></b>
<b>Net Position</b>	
Net investment in capital assets	3,626,556
Restricted - General Assistance	72,255
Restricted - General Road & Bridge	827,703
Restricted - IMRF	20,368
Restricted - Insurance	17,366
Unrestricted	<u>1,652,926</u>
<b>Total Net Position</b>	<b><u><u>\$ 6,217,174</u></u></b>

The accompanying notes are an integral part of these financial statements.

# GRAFTON TOWNSHIP, ILLINOIS

*Government-wide Statement of Activities and Changes in Net Position - Modified Cash Basis*

*Year Ended March 31, 2024*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
General Government	\$ 541,145	\$ -	\$ -	\$ -	\$ (541,145)
Assessor	254,838	-	-	-	(254,838)
Road & Bridge	641,039	7,684	-	-	(633,355)
General Assistance	10,855	-	-	-	(10,855)
<b>Total Governmental Activities</b>	<b>\$ 1,447,877</b>	<b>\$ 7,684</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,440,193)</b>

General Revenues:

Property taxes	1,400,299
Replacement taxes	192,778
Miscellaneous revenue	77,722
Investment income	81,553
Intergovernmental	3,300
<b>Total Revenues</b>	<b>1,755,652</b>
Changes in Net Position	315,459
Net Position Beginning of Year	5,901,715
<b>Total Net Position</b>	<b>\$ 6,217,174</b>

The accompanying notes are an integral part of these financial statements.

# GRAFTON TOWNSHIP, ILLINOIS

*Governmental Funds - Combined Balance Sheet - Modified Cash Basis*

*March 31, 2024*

	<b>Town Fund</b>	<b>General Assistance Fund</b>	<b>Road &amp; Bridge Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash	\$ 1,670,292	\$ 72,255	\$ 848,071	\$ 2,590,618
<b>Total Assets</b>	<b>\$ 1,670,292</b>	<b>\$ 72,255</b>	<b>\$ 848,071</b>	<b>\$ 2,590,618</b>
<b>Liabilities</b>				
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance</b>				
Restricted - General Assistance	-	72,255	-	72,255
Restricted - IMRF	-	-	20,368	20,368
Restricted - Insurance	17,366	-	-	17,366
Restricted - Road & Bridge	-	-	827,703	827,703
Assigned	600,000	-	-	600,000
Unassigned	1,052,926	-	-	1,052,926
<b>Total Fund Balance</b>	<b>1,670,292</b>	<b>72,255</b>	<b>848,071</b>	<b>2,590,618</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,670,292</b>	<b>\$ 72,255</b>	<b>\$ 848,071</b>	<b>\$ 2,590,618</b>

The accompanying notes are an integral part of these financial statements.

# GRAFTON TOWNSHIP, ILLINOIS

Governmental Funds - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis

Year Ended March 31, 2024

	Town Fund	General Assistance Fund	Road & Bridge Fund	Total
<b>Revenues</b>				
Property taxes	\$ 620,924	\$ 29,783	\$ 749,592	\$ 1,400,299
Replacement taxes	71,384	-	121,394	192,778
Intergovernmental receipts	-	-	3,300	3,300
Fines	-	-	475	475
Interest income	50,152	1,982	29,419	81,553
Permits and bonds	-	-	7,209	7,209
Miscellaneous revenue	2,438	-	75,284	77,722
<b>Total Revenues</b>	<b>744,898</b>	<b>31,765</b>	<b>986,673</b>	<b>1,763,336</b>
<b>Expenditures</b>				
Current				
Administrative	502,026	19,151	94,268	615,445
Assessor	254,838	-	-	254,838
Transportation	475	-	-	475
Home relief	-	10,855	-	10,855
Maintenance	-	-	167,030	167,030
Permanent Road	-	-	695,161	695,161
<b>Total Expenditures</b>	<b>757,339</b>	<b>30,006</b>	<b>956,459</b>	<b>1,743,804</b>
<b>Net Change in Fund Balance</b>	<b>(12,441)</b>	<b>1,759</b>	<b>30,214</b>	<b>19,532</b>
<b>Fund Balance</b>				
Balance, beginning of year	1,682,733	70,496	817,857	2,571,086
<b>Total Fund Balance</b>	<b>\$ 1,670,292</b>	<b>\$ 72,255</b>	<b>\$ 848,071</b>	<b>\$ 2,590,618</b>

The accompanying notes are an integral part of these financial statements.

# GRAFTON TOWNSHIP, ILLINOIS

*Reconciliation of the Governmental Fund Balances to the  
Statement of Net Position and the Statement of Activities  
Year Ended March 31, 2024*

## Reconciliation of the Governmental Fund Balance to the Statement of Net Position

<b>Total Fund Balances -Total Governmental Funds</b>	\$ 2,590,618
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amount net of depreciation	<u>3,626,556</u>
<b>Total Net Position of Governmental Activities</b>	<u><u>\$ 6,217,174</u></u>

## Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to Governmental Statement of Activities

<b>Net Change in Fund Balance</b>	\$ 19,532
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life. (amount shown is net of depreciation)	<u>295,927</u>
<b>Changes in Net Position Governmental Funds</b>	<u><u>\$ 315,459</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC  
FINANCIAL STATEMENTS

# GRAFTON TOWNSHIP, ILLINOIS

*Notes to the Basic Financial Statements*

*Year Ended March 31, 2024*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of Grafton Township (“Township”) are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Township follows all Governmental Accounting Standards Board (GASB) pronouncements that do not conflict with or contradict GASB pronouncements; to the extent they are applicable to the modified cash basis of accounting. The more significant accounting policies used by the Township are discussed below. In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. Certain significant changes in the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Township’s overall financial position and results of operations.
- Financial statements prepared which account for all of the Township’s activities.
- A change in the fund financial statements to focus on the major funds. These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

### REPORTING ENTITY –

The Township is located in the Village of Huntley, Illinois and is governed by a board. The Township is primarily funded through a tax levy, intergovernmental receipts, operating grants, fines and fees, and charitable donations. Revenue is used to operate and staff the Township. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Township, there are no component units to be included in these financial statements.

### MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION –

The Township’s basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township’s major funds).

### GOVERNMENT-WIDE FINANCIAL STATEMENTS –

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the modified cash basis of accounting. Revenue is recorded when received and expenses are recorded when paid. Property taxes are recognized as revenue in the year received.

# GRAFTON TOWNSHIP, ILLINOIS

*Notes to the Basic Financial Statements*

*Year Ended March 31, 2024*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position includes and recognizes all long-term assets and long-term debt and obligations, with the exception of net pension asset/(liability). The Township's net position is reported in three parts – net investment in capital assets, restricted net position; and unrestricted net position. Interfund activity is eliminated, as all fund activities are combined in the statement of net position.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Township patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported as general revenue.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenue is recognized as soon as it is received. Expenditures generally are recorded when paid, as under cash basis accounting. Debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due. The primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be recognized when received and recorded as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

### THE TOWNSHIP REPORTS ALL THE FUNDS AS MAJOR GOVERNMENTAL FUNDS –

The Town Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund, while the Township Road & Bridge Fund accounts for the resources associated with taxes levied specifically for the maintenance of the Township's road and bridges. General Assistance funds are administered by the Township Supervisor in accordance with the policies of the Township.

### FINANCIAL STATEMENT AMOUNTS –

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Township maintains a cash and investment pool which is available for use by the General and Special Revenue Funds.



# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Township's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans institutions. The cash and investments reflected in the combined balance sheet consist of demand accounts.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds" and are expected to be repaid within one year. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." Interfund balances are used to finance operations in the respective fund that holds the "due to" or "advances from" account.

### CAPITAL ASSETS -

Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20-50 years
Equipment, furniture, and fixtures	5-20 years

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. A liability for unused vacation pay benefit is reported in the governmental fund - General Fund only for employee terminations as of year-end.

### LONG-TERM OBLIGATIONS -

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

The Township has a pension plan covering substantially all the full-time employees. Employees are covered by the Illinois Municipal Retirement Fund.

# GRAFTON TOWNSHIP, ILLINOIS

*Notes to the Basic Financial Statements*

*Year Ended March 31, 2024*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### FUND BALANCE CLASSIFICATION –

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy and is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

#### NONSPENDABLE –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Township has not classified any items as being Nonspendable.

#### RESTRICTED –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for any future servicing of a revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

#### COMMITTED –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Township did not have any committed resources as of March 31, 2024.

#### ASSIGNED –

This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township Board or through the Township Board delegating this responsibility to the Township Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the Town Fund. The Township has assigned \$600,000 of resources for the purchase of capital assets as of March 31, 2024.

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

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### UNASSIGNED –

This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Township would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

### PROPERTY TAX CALENDAR –

The Township's property tax is levied each calendar year on all taxable real estate property located in the Township's district on or before the last Tuesday in December. The 2023 Town levy was passed by the board on December 18, 2023 and the Road levy was passed by the board on December 18, 2023. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Township receives significant distributions of tax receipts approximately one month after these dates.

## NOTE 2 – CASH AND INVESTMENTS

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The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

At March 31, 2024, the carrying amount of the Township's deposits totaled \$2,590,618 and the bank balances totaled \$2,593,321. All cash is short-term in nature and is stated at cost, which approximates market value.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from interest rates, the Township's cash was invested in bank demand accounts.

*Credit Risk.* Statutes authorized the Township to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

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loans, and the state treasurers' investment pool. During fiscal year ended March 31, 2024, the Township invested its cash in bank demand accounts.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Township will not be able to recover the value of its deposits or collateral securities. Of the Township's cash, \$2,343,321 is collateralized in the bank's trust department, not in the name of the Township. The rest is FDIC insured up to \$250,000.

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT

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### IMRF 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 of the State of Illinois. IMRF issues a publicly available Annual Comprehensive 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).

### 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

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

### EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2023, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	9
Inactive Plan Members entitled to but not yet receiving benefits	17
Active Plan Member	<u>9</u>
<b>Total</b>	<b>35</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 2023 was 6.18%. For the fiscal year ended March 31, 2024, the Township contributed \$33,898 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### NET PENSION LIABILITY

The Township's net pension liability 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 following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For non-disabled retirees the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- 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-2021.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2021.
- 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 as of December 31, 2023:

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05 - 8.65%
Cash Equivalents	1.0%	3.80%
Total	100.00%	

### SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

#### Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 3,449,310	\$ 3,123,862	\$ 2,888,028
Plan Fiduciary Net Position	3,175,245	3,175,245	3,175,245
Net Pension Liability/(Asset)	<u>\$ 274,065</u>	<u>\$ (51,383)</u>	<u>\$ (287,217)</u>



# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements  
Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

### Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2023

#### A. Total pension liability

1. Service Cost	\$ 50,365
2. Interest on the Total Pension Liability	210,934
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	42,652
5. Changes of assumptions	(164)
6. Benefit payments, including refunds of employee contributions	(128,366)
7. Net change in total pension liability	175,421
8. Total pension liability – beginning	2,948,441
9. Total pension liability – ending	<u>\$ 3,123,862</u>

#### B. Plan fiduciary net position

1. Contributions – employer	\$ 33,898
2. Contributions – employee	24,682
3. Net investment income	305,763
4. Benefit payments, including refunds of employee contributions	(128,366)
5. Other (Net Transfer)	90,425
6. Net change in plan fiduciary net position	326,402
7. Plan fiduciary net position – beginning	2,848,843
8. Plan fiduciary net position – ending	<u>\$ 3,175,245</u>

#### C. Net pension liability/(asset)

\$ (51,383)

#### D. Plan fiduciary net position as a percentage of the total pension liability

101.64%

#### E. Covered Valuation payroll\*

\$ 548,494

#### F. Net pension liability as a percentage of covered valuation payroll

(9.37%)

\*Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

### **Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended March 31, 2024, the township recognized pension income of \$93,398. At March 31, 2024, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following source:

<b>Deferred Amounts Related to Pensions</b> <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 25,493	\$ 17,147
Changes of assumptions	-	98
Net difference between projected and actual earnings on pension plan investments	<u>140,259</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	165,752	17,245
Pension Contributions made subsequent to the Measurement Date	<u>19,987</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 185,739</u></b>	<b><u>\$ 17,245</u></b>

Pension contributions made subsequent to the measurement dates will be recognized as a reduction of the net pension liability in the following fiscal year. Amounts reported as net deferred outflows (inflows) of resources related to pensions would have been recognized in pension expense in future periods as follows:

Year Ending March 31	Net Deferred Outflows of Resources
2025	\$ 13,196
2026	55,796
2027	99,209
2028	(19,694)
2029	-
Thereafter	-
Total	<u>\$ 148,507</u>

However, under the modified cash basis, the net pension liability, pension income, deferred outflows of resources and deferred inflows of resources are not reported.

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate \*

**Valuation Date:**

**December 31, 2023**

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Notes

**Methods and Assumptions Used to Determine 2023 Contribution Rates:**

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization  
Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 20-year closed period.

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

2.75%

Price Inflation

2.25%

Salary Increases

2.75% to 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.

There were no benefit changes during the year

**Other Information:**

Notes

\* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

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### Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

#### Methods and Assumptions Used to Determine Total pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return <sup>1</sup>	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

**Other Information:** There were no benefit changes during the year.

Notes

<sup>1</sup> There were no changes in the discount rate used to calculate the Total Pension Liability (TPL), since the December 31, 2022 valuation. Mortality and other demographic assumptions used to determine the TPL were updated after the December 31, 2022 valuation, based on the experience study results published in the January 4, 2024 experience study report for IMRF.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2023 Illinois Municipal Retirement annual actuarial valuation report.

# GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2024

## NOTE 4 – CHANGES IN CAPITAL ASSETS

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	Balance			Balance
	April 1, 2023	Increases	Decreases	March 31, 2024
Capital Assets not being depreciated				
Land	\$ 313,457	\$ -	\$ -	\$ 313,457
Capital Assets being depreciated				
Buildings	475,294	9,215	-	484,509
Equipment	783,629	8,773	-	792,402
Road Improvements	2,830,373	446,161	-	3,276,534
Vehicles	893,221	54,125	-	947,346
Total Capital Assets being depreciated	4,982,517	518,274	-	5,500,791
Total Capital Assets	5,295,974	518,274	-	5,814,248
Less: Accumulated				
Depreciation	1,965,345	222,347	-	2,187,692
Buildings	317,291	13,096	-	330,387
Equipment	597,056	38,205	-	635,261
Road Improvements	497,459	103,807	-	601,266
Vehicles	553,539	67,239	-	620,778
Capital Assets (Net)	\$ 3,330,629	\$ 295,927	\$ -	\$ 3,626,556

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## NOTE 5 – RISK MANAGEMENT

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Significant losses are covered by commercial insurance for all major programs. For insured programs, 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.

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## NOTE 6 – SUBSEQUENT EVENTS

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Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between March 31, 2024 and the date of this audit report requiring disclosure in the financial statements.

## OTHER INFORMATION

# GRAFTON TOWNSHIP, ILLINOIS

*Town Fund- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

*Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Cash Basis
<b>Revenues</b>			
Property taxes	\$ 625,520	\$ 625,520	\$ 620,924
Replacement taxes	80,000	80,000	71,384
Interest income	9,000	9,000	50,152
Miscellaneous revenue	500	500	2,438
<b>Total Revenues</b>	715,020	715,020	744,898
<b>Expenditures</b>			
<b>General and Administrative</b>			
<b>Personnel</b>			
Salaries	110,000	110,000	102,648
Elected officials	175,000	175,000	167,000
Health insurance	60,000	60,000	39,588
Social Security	25,000	25,000	15,337
Medicare	10,000	10,000	4,235
Unemployment insurance	10,000	10,000	756
Retirement contribution	28,000	28,000	10,031
Risk management contribution	25,000	25,000	-
<b>Total Personnel</b>	443,000	443,000	339,595
<b>Contractual Services</b>			
Maintenance - buildings	250,000	250,000	6,513
Maintenance - equipment	210,000	210,000	30,204
TOIRMA insurance	-	-	14,913
Accounting services	20,000	20,000	5,678
Legal services	165,000	165,000	5,075
Other professional services	50,000	50,000	-
Other contract services - clerk	5,000	5,000	405
Dues, memberships	5,000	5,000	1,464
Annual meeting	2,500	2,500	-
Postage	2,000	2,000	145
Printing	3,000	3,000	-
Publishing	2,000	2,000	421
Room rental	2,500	2,500	-
Telephone	5,000	5,000	1,898
Training and education	5,000	5,000	-
Travel expenses	2,000	2,000	40
Utilities	10,000	10,000	5,008
<b>Total Contractual Services</b>	739,000	739,000	71,764

# GRAFTON TOWNSHIP, ILLINOIS

Town Fund- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended March 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Cash Basis</u>
<b>General and Administrative (Continued)</b>			
<b>Commodities</b>			
Office supplies	\$ 5,000	\$ 5,000	\$ 1,528
Fuel and oil	2,000	2,000	36
Operating supplies	3,000	3,000	158
Miscellaneous expense	50,000	50,000	482
<b>Total Commodities</b>	<u>60,000</u>	<u>60,000</u>	<u>2,204</u>
<b>Capital Expenditures</b>			
Capital improvement reserve	292,887	292,887	88,463
Capital equipment reserve	292,887	292,887	-
<b>Total Capital Expenditures</b>	<u>585,774</u>	<u>585,774</u>	<u>88,463</u>
<b>Other Expenditures</b>			
Contingencies	60,000	60,000	-
<b>Total Other Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<b>Total General and Administrative</b>	<u>1,887,774</u>	<u>1,887,774</u>	<u>502,026</u>
<b>Assessor Office</b>			
<b>Personnel</b>			
Salaries	285,500	285,500	193,969
Social Security	26,552	26,552	14,146
Health insurance	52,080	52,080	18,070
IMRF contribution	28,550	28,550	9,349
<b>Total Personnel</b>	<u>392,682</u>	<u>392,682</u>	<u>235,534</u>
<b>Contractual Services</b>			
Maintenance services	4,200	4,200	735
Dues, memberships	1,000	1,000	90
Postage	250	250	73
Printing	500	500	123
Publishing	600	600	-
Telephone	2,400	2,400	1,898
Training and education	3,000	3,000	2,660
Travel and meetings	2,500	2,500	519
<b>Total Contractual Services</b>	<u>14,450</u>	<u>14,450</u>	<u>6,098</u>
<b>Commodities</b>			
Office supplies	3,000	3,000	2,220
Periodicals and publications	300	300	-



# GRAFTON TOWNSHIP, ILLINOIS

*Town Fund- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

*Year Ended March 31, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Cash Basis</b>
<b>Commodities (Concluded)</b>			
Other miscellaneous	\$ 1,500	\$ 1,500	\$ -
Uniforms	500	500	386
<b>Total Commodities</b>	5,300	5,300	2,606
<b>Assessor's Office</b>			
<b>Capital Expenditures</b>			
Software	12,000	12,000	10,600
Equipment	5,000	5,000	-
<b>Total Capital Expenditures</b>	17,000	17,000	10,600
<b>Total Assessor Office</b>	429,432	429,432	254,838
<b>Senior Services</b>			
<b>Personnel</b>			
Salaries	30,000	30,000	-
Payroll taxes	4,000	4,000	-
Health insurance	7,500	7,500	-
IMRF contribution	2,500	2,500	-
<b>Total Personnel</b>	44,000	44,000	-
<b>Contractual Services</b>			
Postage	1,000	1,000	-
Printing	1,000	1,000	-
Telephone	2,000	2,000	-
<b>Total Contractual Services</b>	4,000	4,000	-
<b>Commodities</b>			
Gas/diesel/oil	4,000	4,000	-
Utilities	2,000	2,000	-
Office supplies	1,000	1,000	-
Other miscellaneous	10,000	10,000	74
<b>Total Commodities</b>	17,000	17,000	74
<b>Other Expenditures</b>			
Community service/senior	10,000	10,000	401
<b>Total Other Expenditures</b>	10,000	10,000	401
<b>Total Senior Services</b>	75,000	75,000	475
<b>Total Expenditures Town Fund</b>	2,392,206	2,392,206	757,339
<b>Net Change in Fund Balance</b>	\$ (1,677,186)	\$ (1,677,186)	\$ (12,441)

# GRAFTON TOWNSHIP, ILLINOIS

*General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Cash Basis
<b>Revenues</b>			
Property taxes	\$ 30,000	\$ 30,000	\$ 29,783
Interest income	500	500	1,982
<b>Total Revenues</b>	30,500	30,500	31,765
<b>Expenditures</b>			
<b>General and Administrative</b>			
<b>Personnel</b>			
Salaries	15,000	15,000	13,356
Health insurance	2,500	2,500	1,591
<b>Total Personnel</b>	17,500	17,500	14,947
<b>Contractual Services</b>			
Maintenance - equipment	500	500	500
Accounting services	3,500	3,500	3,083
Other professional services	500	500	175
Postage	250	250	-
Telephone	500	500	-
Printing	500	500	-
Training and education	1,000	1,000	446
Utilities	500	500	-
<b>Total Contractual Services</b>	7,250	7,250	4,204
<b>Commodities</b>			
Maintenance supplies building	500	500	-
Office supplies	500	500	-
<b>Total Commodities</b>	1,000	1,000	-
<b>Total General and Administrative</b>	25,750	25,750	19,151
<b>Home Relief</b>			
<b>Contractual Services</b>			
Transportation assistance	2,500	2,500	-
Other medical services insurance	5,000	5,000	2,650
Shelter	20,000	20,000	5,640
Utility payments	20,000	20,000	1,989
<b>Total Contractual Services</b>	47,500	47,500	10,279

# GRAFTON TOWNSHIP, ILLINOIS

General Assistance Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended March 31, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Cash Basis</b>
<b>Home Relief (Concluded)</b>			
<b>Commodities</b>			
Food	\$ 1,000	\$ 1,000	\$ -
Catastrophic deduction	21,746	21,746	-
Personal incidentals	1,000	1,000	576
Household incidentals	1,000	1,000	-
Flat grant	1,000	1,000	-
Prescriptions	1,000	1,000	-
Fuel	1,000	1,000	-
<b>Total Commodities</b>	<u>27,746</u>	<u>27,746</u>	<u>576</u>
<b>Total Home Relief</b>	<u>75,246</u>	<u>75,246</u>	<u>10,855</u>
<b>Total Expenditures General Assistance Fund</b>	<u>100,996</u>	<u>100,996</u>	<u>30,006</u>
<b>Net Change in Fund Balance</b>	<u>\$ (70,496)</u>	<u>\$ (70,496)</u>	<u>\$ 1,759</u>

# GRAFTON TOWNSHIP, ILLINOIS

*Road & Bridge Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

*Year Ended March 31, 2024*

	Original Budget	Final Budget	Modified Cash Basis
<b>Revenues</b>			
Property taxes	\$ 857,460	\$ 857,460	\$ 749,592
Replacement taxes	40,000	40,000	121,394
Municipal share	(108,339)	(108,339)	-
Rental income	5	5	-
Permits and bonds	2,000	2,000	7,209
Intergovernmental agreement	105	105	3,300
Grants and donations	10	10	-
Interest income	685	685	29,419
Court fines and permits	200	200	475
Miscellaneous revenue	3,515	3,515	75,284
<b>Total Revenues</b>	795,641	795,641	986,673
<b>General and Administrative Expenditures</b>			
<b>Personnel</b>			
Salaries	25,000	25,000	6,488
Unemployment insurance	5,330	5,330	1,219
Retirement contribution	42,642	42,642	10,593
<b>Total Personnel</b>	72,972	72,972	18,300
<b>Contractual Services</b>			
Maintenance - equipment	4,000	4,000	20
TOIRMA insurance	-	-	21,460
Accounting services	8,000	8,000	3,083
Legal services	15,000	15,000	12,723
Postage	600	600	-
Telephone	5,100	5,100	3,763
Publishing	1,500	1,500	93
Printing	300	300	-
Dues, memberships	400	400	325
Travel expenses	6,000	6,000	156
Training and education	1,000	1,000	-
<b>Total Contractual Services</b>	41,900	41,900	41,623
<b>General and Administrative Commodities</b>			
Office supplies	2,000	2,000	703
<b>Total Commodities</b>	2,000	2,000	703

# GRAFTON TOWNSHIP, ILLINOIS

*Road & Bridge Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

*Year Ended March 31, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Cash Basis</b>
<b>General and Administrative (Continued)</b>			
<b>Capital Expenditures/Debt Service</b>			
Equipment	\$ 5,000	\$ 5,000	\$ 1,250
<b>Total Capital Expenditures/Debt Service</b>	5,000	5,000	1,250
<b>Other Expenditures</b>			
Miscellaneous expense	8,000	8,000	543
Municipal replacement tax	31,850	31,850	31,849
Contingencies	28,000	28,000	-
<b>Total Other Expenditures</b>	67,850	67,850	32,392
<b>Total General and Administrative</b>	189,722	189,722	94,268
<b>Maintenance Department</b>			
<b>Personnel</b>			
<b>Contractual Services</b>			
Maintenance services - building	60,000	50,000	11,713
Maintenance services - equipment	35,000	35,000	1,443
Maintenance services - vehicles	55,000	55,000	4,073
Maintenance services - roads	10,000	20,000	19,914
Maintenance services - snow removal	100	100	-
Maintenance services - bridge	25,000	25,000	-
Garbage disposal	6,000	6,000	1,812
Utilities	9,000	9,000	2,872
Engineering service	7,000	7,000	-
Rentals	500	500	-
<b>Total Contractual Services</b>	207,600	207,600	41,827
<b>Maintenance Department</b>			
<b>Commodities</b>			
Maintenance supplies - building	15,000	15,000	7,847
Maintenance supplies - equipment	15,000	15,000	9,653
Maintenance supplies - vehicle	20,000	20,000	12,677
Maintenance supplies - road	1,000	1,000	653
Maintenance supplies - snow removal	1,000	1,000	288
Maintenance supplies - bridge	5,000	5,000	-
Operating supplies	4,000	4,000	3,522
Small tools	6,000	6,000	4,880
<b>Total Commodities</b>	67,000	67,000	39,520

# GRAFTON TOWNSHIP, ILLINOIS

*Road & Bridge Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

*Year Ended March 31, 2024*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Modified Cash Basis</b>
<b>Maintenance Department (Concluded)</b>			
<b>Other Expenditures</b>			
Miscellaneous	\$ 5,000	\$ 5,000	\$ 1,165
Contingencies	33,000	33,000	-
<b>Total Other Expenditures</b>	<b>38,000</b>	<b>38,000</b>	<b>1,165</b>
<b>Capital Expenditures</b>			
Capital outlay	99,000	99,000	75,297
Other improvements	89,182	89,182	9,221
<b>Total Capital Expenditures</b>	<b>188,182</b>	<b>188,182</b>	<b>84,518</b>
<b>Total Maintenance Department</b>	<b>500,782</b>	<b>500,782</b>	<b>167,030</b>
<b>Permanent Road Department</b>			
<b>Personnel</b>			
Salaries	238,000	238,000	192,857
Social Security	17,000	17,000	12,359
Medicare	6,000	6,000	2,891
Uniforms	3,000	3,000	1,803
Health insurance	67,000	67,000	47,972
Payroll expenses	1,800	1,800	1,702
<b>Total Personnel</b>	<b>332,800</b>	<b>332,800</b>	<b>259,584</b>
<b>Contractual Services</b>			
Maintenance services - roads	334,293	334,293	319,941
Maintenance services - street lights	5,000	5,000	3,102
Maintenance services - striping	40,000	40,000	30,826
Road signage	7,500	7,500	459
Engineering	5,000	5,000	-
Rentals	5,000	5,000	-
<b>Total Contractual Services</b>	<b>396,793</b>	<b>396,793</b>	<b>354,328</b>
<b>Commodities</b>			
Maintenance supplies roads	35,000	35,000	20,402
Operating supplies	8,000	8,000	1,310
Auto fuel & oil	35,000	35,000	16,634
Salt, calcium, ice control	70,000	70,000	42,511
<b>Total Commodities</b>	<b>148,000</b>	<b>148,000</b>	<b>80,857</b>

# GRAFTON TOWNSHIP, ILLINOIS

Road & Bridge Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended March 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Modified Cash Basis</u>
<b>Permanent Road Department (Continued)</b>			
<b>Other Expenditures</b>			
Intergovernmental agreement	\$ 1,000	\$ 1,000	\$ -
Miscellaneous expenses	8,000	8,000	392
Contingencies	35,000	35,000	-
<b>Total Other Expenditures</b>	<u>44,000</u>	<u>44,000</u>	<u>392</u>
<b>Total Permanent Road</b>	<u>921,593</u>	<u>921,593</u>	<u>695,161</u>
<b>Total Expenditures Road and Bridge Fund</b>	<u>1,612,097</u>	<u>1,612,097</u>	<u>956,459</u>
<b>Net Change in Fund Balance</b>	<u>\$ (816,456)</u>	<u>\$ (816,456)</u>	<u>\$ 30,214</u>

**GRAFTON TOWNSHIP, ILLINOIS**  
**Multi-year Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Calendar Years**  
*(schedule to be built prospectively from 2015)*

Calendar Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ 50,365	\$ 52,594	\$ 41,579	\$ 52,876	\$ 51,745	\$ 59,272	\$ 67,584	\$ 67,374	\$ 70,731	
Interest on the Total Pension Liability	210,934	207,634	195,321	189,370	174,895	164,735	162,503	152,116	143,258	
Benefit Changes	-	-	-	-	-	-	-	-	-	
Difference between Expected and Actual Experience	42,652	(75,453)	62,570	12,497	88,748	23,709	(25,717)	7,606	(9,036)	
Assumption Changes	(164)	-	-	(45,082)	-	71,599	(79,729)	(2,804)	2,654	
Benefit Payments and Refunds	(128,366)	(147,915)	(122,377)	(121,480)	(111,114)	(88,224)	(93,227)	(84,008)	(86,220)	
<b>Net Change in Total Pension Liability</b>	<b>175,421</b>	<b>36,860</b>	<b>177,093</b>	<b>88,181</b>	<b>204,274</b>	<b>231,091</b>	<b>31,414</b>	<b>140,284</b>	<b>121,387</b>	
<b>Total Pension Liability - Beginning</b>	<b>2,948,441</b>	<b>2,911,581</b>	<b>2,734,488</b>	<b>2,646,307</b>	<b>2,442,033</b>	<b>2,210,942</b>	<b>2,179,528</b>	<b>2,039,244</b>	<b>1,917,857</b>	
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 3,123,862</b>	<b>\$ 2,948,441</b>	<b>\$ 2,911,581</b>	<b>\$ 2,734,488</b>	<b>\$ 2,646,307</b>	<b>\$ 2,442,033</b>	<b>\$ 2,210,942</b>	<b>\$ 2,179,528</b>	<b>\$ 2,039,244</b>	
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	33,898	40,821	50,262	42,460	35,145	43,620	51,776	55,590	59,629	
Employee Contributions	24,682	22,511	23,032	21,465	22,627	22,460	26,658	28,171	28,485	
Pension Plan Net Investment Income	305,763	(359,352)	464,164	354,123	376,487	(97,871)	335,192	128,557	9,036	
Benefit Payments and Refunds	(128,366)	(147,915)	(122,377)	(121,480)	(111,114)	(88,224)	(93,227)	(84,008)	(86,220)	
Other	90,425	13,588	7,490	17,334	45,251	32,797	(32,409)	12,685	15,336	
<b>Net Change in Plan Fiduciary Net Position</b>	<b>326,402</b>	<b>(430,347)</b>	<b>422,571</b>	<b>313,902</b>	<b>368,396</b>	<b>(87,218)</b>	<b>287,990</b>	<b>140,995</b>	<b>26,266</b>	
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,848,843</b>	<b>3,279,190</b>	<b>2,856,619</b>	<b>2,542,717</b>	<b>2,174,321</b>	<b>2,261,539</b>	<b>1,973,549</b>	<b>1,832,554</b>	<b>1,806,288</b>	
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 3,175,245</b>	<b>\$ 2,848,843</b>	<b>\$ 3,279,190</b>	<b>\$ 2,856,619</b>	<b>\$ 2,542,717</b>	<b>\$ 2,174,321</b>	<b>\$ 2,261,539</b>	<b>\$ 1,973,549</b>	<b>\$ 1,832,554</b>	
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>(51,383)</b>	<b>99,598</b>	<b>(367,609)</b>	<b>(122,131)</b>	<b>103,590</b>	<b>267,712</b>	<b>(50,597)</b>	<b>205,979</b>	<b>206,690</b>	
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>101.64%</b>	<b>96.62%</b>	<b>112.63%</b>	<b>104.47%</b>	<b>96.09%</b>	<b>89.04%</b>	<b>102.29%</b>	<b>90.55%</b>	<b>89.86%</b>	
<b>Covered Valuation Payroll</b>	<b>\$ 548,494</b>	<b>\$ 500,252</b>	<b>\$ 511,830</b>	<b>\$ 460,539</b>	<b>\$ 502,812</b>	<b>\$ 499,104</b>	<b>\$ 592,403</b>	<b>\$ 626,026</b>	<b>\$ 633,005</b>	
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>(9.37%)</b>	<b>19.91%</b>	<b>(71.82%)</b>	<b>(26.52%)</b>	<b>20.60%</b>	<b>53.64%</b>	<b>(8.54%)</b>	<b>32.90%</b>	<b>32.65%</b>	



**GRAFTON TOWNSHIP, ILLINOIS**  
**Multi-year Schedule of Pension Contributions**  
**Last 10 Calendar Years**  
*(schedule to be built prospectively from 2015)*

<b>Calendar Year Ending March 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2015	\$ 59,629	\$ 59,629	\$ -	\$ 633,005	9.42%
2016	55,591	55,590	1	626,026	8.88%
2017	51,776	51,776	-	592,403	8.74%
2018	43,622	43,620	2	499,104	8.74%
2019	35,147	35,145	2	502,812	6.99%
2020	42,462	42,460	2	460,539	9.22%
2021	50,262	50,262	-	511,830	9.82%
2022	40,821	40,821	-	500,252	8.16%
2023	33,897 *	33,898	(1)	548,494	6.18%

\* Estimated based on a contribution rate of 6.18% and covered valuation payroll of \$548,494

NOTES TO OTHER  
INFORMATION

# GRAFTON TOWNSHIP, ILLINOIS

*Notes to Other Information*  
*Year Ended March 31, 2024*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The Township prepares its budget on the modified cash basis of accounting. Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Township procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to June 1st the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding April 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to June 30th.
- The Township Treasurer, in conjunction with the Board, is authorized to expend the unexpended balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

# GRAFTON TOWNSHIP, ILLINOIS

*Notes to Other Information*

*Year Ended March 31, 2024*

- The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2024, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2023-2024 appropriations ordinance was adopted May 15, 2023 and amended on December 18, 2023 via a Transfer of Appropriation.

## NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations.