

Grafton Township, Illinois

Annual Financial Report

For the Year Ended March 31, 2025

GRAFTON TOWNSHIP, ILLINOIS

Contents

Year Ended March 31, 2025

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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, 2025 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, 2025, 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

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Grafton Township's basic financial statements. The combining and individual fund financial statements and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In 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.

A handwritten signature in cursive script that reads "GW & Associates, P.C.".

GW & Associates, P.C.

Hillside, Illinois

August 4, 2025

OTHER INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

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, 2025. 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

- The assets of the Township exceeded its liabilities at March 31, 2025 by \$6,378,690 (net position). Of this amount, \$1,727,712 (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 \$161,516.
- At March 31, 2025, the Township's governmental funds reported combined ending fund balances of \$2,372,548, a decrease of \$218,070 from the prior year.
- At March 31, 2025, the fund balance for the Town Fund was \$1,730,165.
- The Township's total net capital assets increased by \$407,691 during the year ended March 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

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 schedule 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

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 \$6,378,690 for the year ended March 31, 2025. A portion of the Township's net position reflects its investment in capital assets; \$4,006,142. 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 \$2,372,548, of which \$644,836 is restricted, and \$1,727,712 is unrestricted.

GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

Grafton Township Net Position

	Governmental Activities	
	<u>3/31/2025</u>	<u>3/31/2024</u>
Assets		
Current and Other Assets	\$ 2,372,548	\$ 2,590,618
Capital Assets, Net of Depreciation	<u>4,034,247</u>	<u>3,681,782</u>
Total Assets	<u>6,406,795</u>	<u>6,272,400</u>
Liabilities		
Note payable - current portion	<u>28,105</u>	<u>55,226</u>
Total Liabilities	<u>28,105</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	4,006,142	3,626,556
Restricted - General Assistance	65,189	72,255
Restricted - Road & Bridge	550,343	827,703
Restricted - IMRF	26,851	20,368
Restricted - Insurance	2,453	17,366
Unrestricted	<u>1,727,712</u>	<u>1,652,926</u>
Total Net Position	<u>\$ 6,378,690</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 (\$1,712,712) may be used to meet the Township's ongoing obligations to citizens and creditors.

At March 31, 2025, the Township is able to report positive balances in all three categories of net position. The Township's net position increased by \$161,515 in comparison with the prior year.

GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

Governmental activities

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

<u>Grafton Township Changes in Net Position</u>		
	<u>Governmental Activities</u>	
	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Revenues		
Program Revenues - Charges for Services	\$ 4,164	\$ 7,684
General Revenues		
Property Taxes	1,441,722	1,400,299
Replacement Taxes	112,919	192,778
Other Income	9,291	77,722
Interest	70,036	81,553
Debt proceeds	55,226	
Intergovernmental Receipts	20,648	3,300
Total Revenues	<u>1,714,006</u>	<u>1,763,336</u>
Expenses		
General Government	478,295	541,145
Assessor	287,102	254,838
Road and Bridge	770,152	641,039
General Assistance	14,937	10,855
Debt service - interest	2,004	-
Total Expenses	<u>1,552,490</u>	<u>1,447,877</u>
Change in Net Position	161,516	315,459
Net Position - Beginning of Year	<u>6,217,174</u>	<u>5,901,715</u>
Net Position - End of Year	<u>\$ 6,378,690</u>	<u>\$ 6,217,174</u>

Replacement taxes were lower across all townships and decreased significantly from year to year. Intergovernmental revenues increased in the current year due to impact fees received in the current year. Expenses in general government were lower in the current year because of lower hourly wages expense and thus a lower health insurance expense. Road and bridge expenses were higher in the current year because of higher maintenance costs.

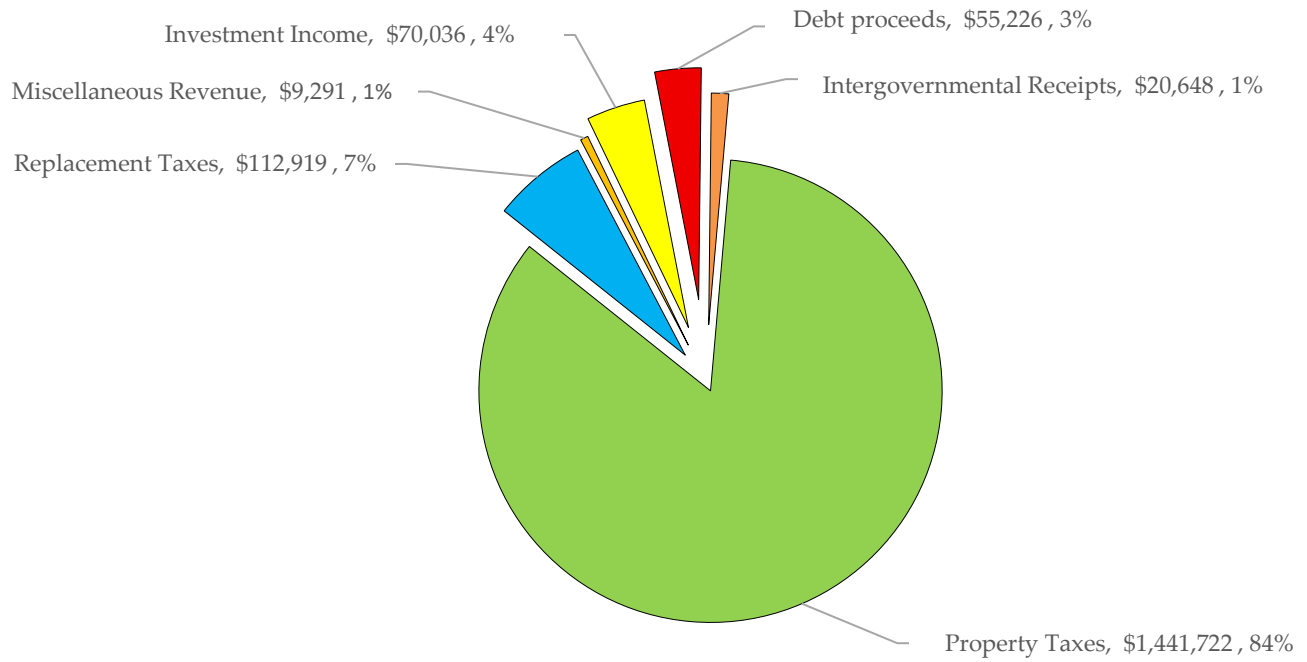
GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

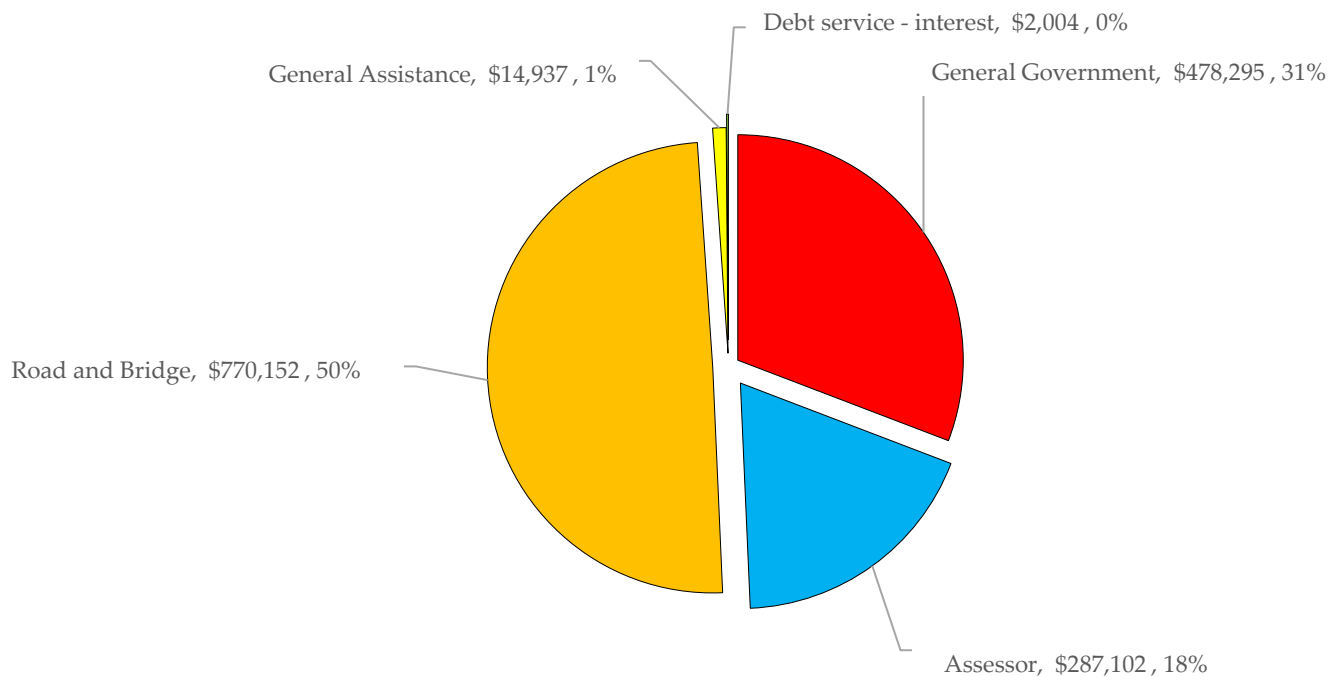
2025 REVENUES

ROUND TO NEAREST PERCENT



2025 EXPENSES

ROUND TO NEAREST PERCENT



GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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, 2025, the Township's governmental funds reported combined ending fund balances of \$2,372,548 a decrease of \$218,070 in comparison with the prior year.

The Town Fund is the main operating fund of the Township. At March 31, 2025, the fund balance of the Town Fund was \$1,730,165. This represents an increase of \$59,873 compared to the prior fiscal year.

Town Fund Budgetary Highlights

Expenditures in the General Town Fund of \$650,289 were over revenues by \$59,873 and were \$1,755,964, less than the appropriation of \$2,406,253.

CAPITAL ASSETS

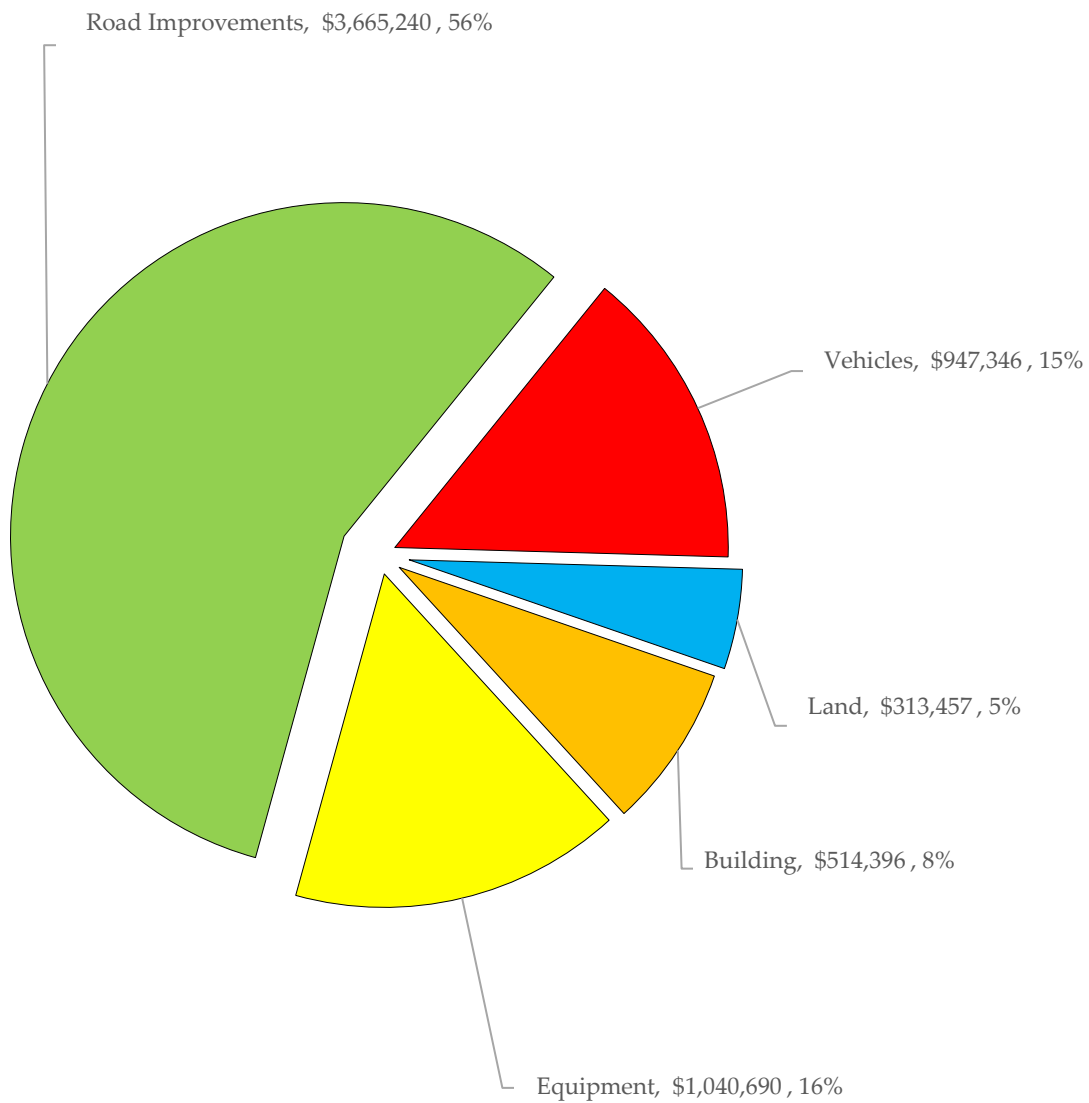
The Township's capital assets for its governmental activities as of March 31, 2025 amount to \$4,034,246 (net of accumulated depreciation). This investment in capital assets includes land, roads and improvements, buildings and improvements, vehicles, and other equipment. Major capital asset events during the current fiscal year included the following:

	Balance			Balance
Capital Assets	<u>April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2025</u>
Land	\$ 313,457	\$ -	\$ -	\$ 313,457
Buildings	484,509	29,887	-	514,396
Equipment	792,402	248,288	-	1,040,690
Road Improvements	3,276,534	388,706	-	3,665,240
Vehicles	947,346	-	-	947,346
Total Capital Assets	5,814,248	666,881	-	6,481,129
Less: Accumulated				
Depreciation	2,187,692	259,191	-	2,446,883
Capital Assets (Net)	\$ 3,626,556	\$ 407,690	\$ -	\$ 4,034,246

GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended March 31, 2025

CAPITAL ASSETS, AT COST



GRAFTON TOWNSHIP, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended March 31, 2025

NOTES PAYABLE

The Township entered into a 3-year financing agreement for a Kubota skid steer loader in the fiscal year ending March 31, 2024, for a total of \$81,397, with annual payments totaling \$29,125. Annual payments were discounted using a 3.63% interest rate and are as follows:

	Balance			Balance	Due Within
Governmental Activities: Long-Term Debt	April 1, 2024	Additions	Retirements	March 31, 2025	One Year
Kubota Lease	\$ 55,226	\$ -	\$ 27,121	\$ 28,105	\$ 28,105
Total Governmental Long-Term Debt Obligations		\$ -	\$ 27,121	\$ 28,105	\$ 28,105

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

Statement of Net Position - Modified Cash Basis

March 31, 2025

Assets	
Cash and investments - at cost	\$ 2,372,548
Capital assets, not being depreciated	313,457
Capital assets being depreciated, net of accumulated depreciation	3,720,790
Total Assets	6,406,795
Current Liabilities	
Notes payable - current portion	28,105
Total Liabilities	28,105
Net Position	
Net investment in capital assets	4,006,142
Restricted - General Assistance	65,189
Restricted - Road & Bridge	550,343
Restricted - IMRF	26,851
Restricted - Insurance	2,453
Unrestricted	1,727,712
Total Net Position	\$ 6,378,690

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

GRAFTON TOWNSHIP, ILLINOIS

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

Year Ended March 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
Governmental Activities					
General Government	\$ 478,295	\$ -	\$ -	\$ -	\$ (478,295)
Assessor	287,102	-	-	-	(287,102)
Road & Bridge	770,152	4,164	-	-	(765,988)
General Assistance	14,937	-	-	-	(14,937)
Debt service - interest	2,004	-	-	-	(2,004)
Total Governmental Activities	\$ 1,552,490	\$ 4,164	\$ -	\$ -	(1,548,326)

General Revenues:

Property taxes	1,441,722
Replacement taxes	112,919
Miscellaneous revenue	9,291
Investment income	70,036
Debt proceeds	55,226
Intergovernmental	20,648

Total Revenues

1,709,842

Changes in Net Position

161,516

Net Position Beginning of Year

6,217,174

Total Net Position

\$ 6,378,690

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

GRAFTON TOWNSHIP, ILLINOIS

Governmental Funds - Combined Balance Sheet - Modified Cash Basis

March 31, 2025

	Town Fund	General Assistance Fund	Road & Bridge Fund	Total
Assets				
Cash	\$ 1,729,105	\$ 69,331	\$ 574,112	\$ 2,372,548
Due from other funds	1,060	-	3,082	4,142
Total Assets	<u>1,730,165</u>	<u>69,331</u>	<u>577,194</u>	<u>2,376,690</u>
Liabilities				
Due to other funds	-	4,142	-	4,142
Total Liabilities	<u>-</u>	<u>4,142</u>	<u>-</u>	<u>4,142</u>
Fund Balance				
Restricted - General Assistance	-	65,189	-	65,189
Restricted - IMRF	-	-	26,851	26,851
Restricted - Insurance	2,453	-	-	2,453
Restricted - Road & Bridge	-	-	550,343	550,343
Assigned	600,000	-	-	600,000
Unassigned	1,127,712	-	-	1,127,712
Total Fund Balance	<u>1,730,165</u>	<u>65,189</u>	<u>577,194</u>	<u>2,372,548</u>
Total Liabilities and Fund Balance	<u>\$ 1,730,165</u>	<u>\$ 69,331</u>	<u>\$ 577,194</u>	<u>\$ 2,376,690</u>

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, 2025

	Town Fund	General Assistance Fund	Road & Bridge Fund	Total
Revenues				
Property taxes	\$ 620,275	\$ 29,942	\$ 791,505	\$ 1,441,722
Replacement taxes	41,813	-	71,106	112,919
Intergovernmental receipts	-	-	20,648	20,648
Fines	-	-	826	826
Interest income	45,623	1,934	22,479	70,036
Permits and bonds	-	-	3,338	3,338
Miscellaneous revenue	2,451	-	6,840	9,291
Total Revenues	710,162	31,876	916,742	1,658,780
Expenditures				
Current				
Administrative	362,838	24,005	77,525	464,368
Assessor	287,102	-	-	287,102
Transportation	349	-	-	349
Home relief	-	14,937	-	14,937
Maintenance	-	-	440,740	440,740
Permanent Road	-	-	695,455	695,455
Debt Service				
Principal	-	-	27,121	27,121
Interest	-	-	2,004	2,004
Total Expenditures	650,289	38,942	1,242,845	1,932,076
Other Financing Sources				
Debt proceeds	-	-	55,226	55,226
Total other financing sources	-	-	55,226	55,226
Net Change in Fund Balance				
Fund Balance	59,873	(7,066)	(270,877)	(218,070)
Balance, beginning of year	1,670,292	72,255	848,071	2,590,618
Total Fund Balance	\$ 1,730,165	\$ 65,189	\$ 577,194	\$ 2,372,548

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, 2025

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

Total Fund Balances -Total Governmental Funds	\$ 2,372,548
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amount net of depreciation	4,034,247
Notes payable are not recorded in the fund statement but is included as a liability in the Statement of Net Position	<u>(28,105)</u>
Total Net Position of Governmental Activities	<u>\$ 6,378,690</u>

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

Net Change in Fund Balance	\$ (218,070)
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)	407,691
Governmental funds report the payment of debt as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability.	27,121
Governmental funds recognize debt proceeds as an other financing source, but the amounts are not recognized as revenues for the Statement of Activities.	<u>(55,226)</u>
Changes in Net Position Governmental Funds	<u>\$ 161,516</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, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

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.

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.

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025.

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 future purchase of capital assets as of March 31, 2025.

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 2024 Town levy was passed by the board on December 16, 2024 and the Road levy was passed by the board on December 16, 2024. 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.

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements
Year Ended March 31, 2025

NOTE 2 – CASH AND INVESTMENTS

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, 2025, the carrying amount of the Township's deposits totaled \$2,372,548 and the bank balances totaled \$2,387,818. 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 loans, and the state treasurers' investment pool. During fiscal year ended March 31, 2025, 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, \$2,137,818 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

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.

BENEFITS PROVIDED

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2024, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	10
Inactive Plan Members entitled to but not yet receiving benefits	17
Active Plan Member	9
Total	36

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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 2024 was 3.45% and 3.73% for the 2025 calendar year. The Township's fiscal year contribution rate was 3.52%. For the fiscal year ended March 31, 2025, the Township contributed \$18,709 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.

NET PENSION LIABILITY

The Township's net pension liability was measured as of December 31, 2024. 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, 2024:

- 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 unadjusted) 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)

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

- 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, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	4.35%
International Equity	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternative Investments	12.5%	4.85 - 6.25%
Cash Equivalents	1.0%	3.60%
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 4.08%, and the resulting single discount rate is 7.25%.

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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	\$ 3,888,574	\$ 3,530,521	\$ 3,267,327
Plan Fiduciary Net Position	3,363,941	3,363,941	3,363,941
Net Pension Liability/(Asset)	\$ 524,633	\$ 166,580	\$ (96,614)

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 3,123,862	\$ 3,175,245	\$ (51,383)
Changes for the year:			
Service Cost	46,090	-	46,090
Interest on the Total Pension Liability	222,765	-	222,765
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	286,377	-	286,377
Changes of Assumptions	-	-	-
Contributions - Employer	-	18,635	(18,635)
Contributions - Employees	-	24,307	-
Net Investment Income	-	301,353	(301,353)
Benefit Payments, including Refunds			
of Employee Contributions	(148,573)	(148,573)	-
Other (Net Transfer)	-	(7,026)	7,026
Net Changes	406,659	188,696	217,963
Balances at December 31, 2024	<u>\$ 3,530,521</u>	<u>\$ 3,363,941</u>	<u>\$ 166,580</u>

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

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, 2025, the township recognized pension expense of \$175,855. At March 31, 2025, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following source:

Deferred Amounts Related to Pensions <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 157,406	\$ -
Changes of assumptions	-	32
Net difference between projected and actual earnings on pension plan investments	66,823	-
Total Deferred Amounts to be recognized in pension expense in future periods	224,229	32
Pension Contributions made subsequent to the Measurement Date	5,040	-
Total Deferred Amounts Related to Pensions	\$ 229,269	\$ 32

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
2026	\$ 178,055
2027	95,930
2028	(34,740)
2029	(15,048)
2030	-
Thereafter	-
Total	\$ 224,197

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, 2025

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate *

Valuation Date:

December 31, 2024

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 2024 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): 19-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 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, 2022 actuarial valuation

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements

Year Ended March 31, 2025

NOTE 4 – CHANGES IN CAPITAL ASSETS

	Balance April 1, 2024	Increases	Decreases	Balance March 31, 2025
Capital Assets not being depreciated				
Land	\$ 313,457	\$ -	\$ -	\$ 313,457
Capital Asset being depreciated				
Buildings	484,509	29,887	-	514,396
Equipment	792,402	248,288	-	1,040,690
Road Improvements	3,276,534	388,706	-	3,665,240
Vehicles	947,346	-	-	947,346
Total Capital Assets being depreciated	5,500,791	666,881	-	6,167,672
Less: Accumulated Depreciation				
Buildings	330,387	14,184	-	344,571
Equipment	635,261	54,352	-	689,613
Road Improvements	601,266	119,910	-	721,176
Vehicles	620,778	70,744	-	691,522
Total Accumulated Depreciation	2,187,692	259,190	-	2,446,882
Capital Assets being depreciated (net)	3,313,099	407,691	-	3,720,790
Capital Assets, net	\$ 3,626,556	\$ 407,691	\$ -	\$ 4,034,247
Depreciation by Governmental Activity				
General Government	\$ 13,578			
Road & Bridge	245,612			
Total Governmental Activities	\$ 259,190			

NOTE 5 – RISK MANAGEMENT

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.

NOTE 6 – NOTES PAYABLE

The Township entered into a 3 year financing agreement for a Kubota skid steer loader in the fiscal year ending March 31, 2024, for a total of \$81,397, with annual payments totaling \$29,125. Annual payments were discounted using a 3.63% interest rate and are as follows:

	Balance April 1, 2024	Additions	Retirements	Balance March 31, 2025	Due Within One Year
Governmental Activities: Long-Term Debt					
Kubota Lease	\$ 55,226	\$ -	\$ 27,121	\$ 28,105	\$ 28,105
Total Governmental Long-Term Debt Obligations		\$ -	\$ 27,121	\$ 28,105	\$ 28,105

	March 31,	Principal	Interest	Total
2026		\$ 28,105	\$ 1,020	\$ 29,125
		\$ 28,105	\$ 1,020	\$ 29,125

GRAFTON TOWNSHIP, ILLINOIS

Notes to the Basic Financial Statements
Year Ended March 31, 2025

NOTE 7 – INTERFUND ACTIVITY

During the fiscal year, the General Fund paid for some expenses to be reimbursed by the General Assistance Fund in the amount of \$4,142. During the fiscal year the Road & Bridge Fund paid for expenses to be reimbursed by the General Fund in the amount of \$3,082.

Interfund activity at March 31, 2025 consisted of the following:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
Road & Bridge	General	\$ 3,082
General	General Assistance	\$ 4,142

NOTE 8 – SUBSEQUENT EVENTS

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, 2025 and the date of this audit report requiring disclosure in the financial statements.

OTHER INFORMATION

GRAFTON TOWNSHIP, ILLINOIS*Town Fund- Schedule of Revenues and Expenditures - Budget and Actual**Year Ended March 31, 2025*

	Original Budget	Final Budget	Modified Cash Basis
Revenues			
Property taxes	\$ 621,520	\$ 621,520	\$ 620,275
Replacement taxes	62,564	62,564	41,813
Interest income	54,000	54,000	45,623
Miscellaneous revenue	500	500	2,451
Total Revenues	738,584	738,584	710,162
Expenditures			
General and Administrative			
Personnel			
Salaries	115,000	115,000	65,830
Elected officials	180,000	180,000	163,875
Health insurance	60,000	60,000	20,638
Social Security	25,000	25,000	16,482
Medicare	10,000	10,000	3,025
Unemployment insurance	10,000	10,000	756
Retirement contribution	28,000	28,000	5,146
Risk management contribution	25,000	25,000	14,913
Total Personnel	453,000	453,000	290,665
Contractual Services			
Maintenance - buildings	250,000	250,000	19,880
Maintenance - equipment	210,000	210,000	23,502
Accounting services	20,000	20,000	6,500
Legal services	165,000	165,000	450
Other professional services	50,000	50,000	-
Other contract services - clerk	5,000	5,000	216
Dues, memberships	5,000	5,000	1,279
Annual meeting	2,500	2,500	-
Postage	2,000	2,000	146
Printing	3,000	3,000	-
Publishing	2,000	2,000	404
Room rental	2,500	2,500	-
Telephone	5,000	5,000	2,044
Training and education	5,000	5,000	-
Travel expenses	2,000	2,000	-
Utilities	10,000	10,000	5,265

GRAFTON TOWNSHIP, ILLINOIS

Town Fund- Schedule of Revenues and Expenditures - Budget and Actual

Year Ended March 31, 2025

	Original Budget	Final Budget	Modified Cash Basis
General and Administrative (Continued)			
Fuel and oil	\$ 2,000	\$ 2,000	\$ 44
Total Contractual Services	741,000	741,000	59,730
Commodities			
Office supplies	5,000	5,000	570
Operating supplies	3,000	3,000	819
Total Commodities	8,000	8,000	1,389
Capital Expenditures			
Capital improvement reserve	303,821	303,821	10,065
Capital equipment reserve	285,000	285,000	-
Total Capital Expenditures	588,821	588,821	10,065
Other Expenditures			
Contingencies	60,000	60,000	-
Miscellaneous	50,000	50,000	989
Total Other Expenditures	110,000	110,000	989
Total General and Administrative	1,900,821	1,900,821	362,838
Assessor Office			
Personnel			
Salaries	285,500	285,500	217,225
Social Security	26,552	26,552	16,096
Health insurance	52,080	52,080	26,827
IMRF contribution	28,550	28,550	7,174
Total Personnel	392,682	392,682	267,322
Contractual Services			
Maintenance services	4,200	4,200	865
Dues, memberships	1,000	1,000	-
Postage	250	250	-
Printing	500	500	-
Publishing	600	600	-
Telephone	2,400	2,400	1,756
Training and education	3,000	3,000	1,870
Travel and meetings	2,500	2,500	338
Total Contractual Services	14,450	14,450	4,829
Commodities			
Office supplies	3,000	3,000	1,985
Periodicals and publications	300	300	-

GRAFTON TOWNSHIP, ILLINOIS

Town Fund- Schedule of Revenues and Expenditures - Budget and Actual

Year Ended March 31, 2025

	Original Budget	Final Budget	Modified Cash Basis
Commodities (Concluded)			
Other miscellaneous	\$ 1,500	\$ 1,500	\$ -
Uniforms	500	500	-
Total Commodities	<u>5,300</u>	<u>5,300</u>	<u>1,985</u>
Assessor's Office			
Capital Expenditures			
Software	13,000	13,000	11,293
Equipment	5,000	5,000	1,673
Total Capital Expenditures	<u>18,000</u>	<u>18,000</u>	<u>12,966</u>
Total Assessor Office	<u>430,432</u>	<u>430,432</u>	<u>287,102</u>
Senior Services			
Personnel			
Salaries	30,000	30,000	-
Payroll taxes	4,000	4,000	-
Health insurance	7,500	7,500	-
IMRF contribution	2,500	2,500	-
Total Personnel	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Contractual Services			
Postage	1,000	1,000	-
Printing	1,000	1,000	-
Telephone	2,000	2,000	-
Total Contractual Services	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Commodities			
Gas/diesel/oil	4,000	4,000	-
Office supplies	1,000	1,000	-
Utilities	2,000	2,000	-
Other miscellaneous	10,000	10,000	349
Total Commodities	<u>17,000</u>	<u>17,000</u>	<u>349</u>
Other Expenditures			
Community service/senior	10,000	10,000	-
Total Other Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Senior Services	<u>75,000</u>	<u>75,000</u>	<u>349</u>
Total Expenditures Town Fund	<u>2,406,253</u>	<u>2,406,253</u>	<u>650,289</u>
Net Change in Fund Balance	<u>\$ (1,667,669)</u>	<u>\$ (1,667,669)</u>	<u>\$ 59,873</u>

GRAFTON TOWNSHIP, ILLINOIS

General Assistance Fund - Schedule of Revenues and Expenditures - Budget and Actual

Year Ended March 31, 2025

	Original Budget	Final Budget	Modified Cash Basis
Revenues			
Property taxes	\$ 30,000	\$ 30,000	\$ 29,942
Interest income	2,000	2,000	1,934
Total Revenues	32,000	32,000	31,876
Expenditures			
General and Administrative			
Personnel			
Salaries	20,000	20,000	18,467
Health insurance	2,500	2,500	1,661
Total Personnel	22,500	22,500	20,128
Contractual Services			
Maintenance - equipment	1,000	1,000	677
Accounting services	3,500	3,500	3,200
Other professional services	500	500	-
Postage	250	250	-
Telephone	500	500	-
Printing	500	500	-
Training and education	1,000	1,000	-
Utilities	500	500	-
Total Contractual Services	7,750	7,750	3,877
Commodities			
Maintenance supplies building	500	500	-
Office supplies	500	500	-
Total Commodities	1,000	1,000	-
Total General and Administrative	31,250	31,250	24,005
Home Relief			
Contractual Services			
Transportation assistance	2,500	2,500	400
Other medical services insurance	5,000	5,000	-
Shelter	20,000	20,000	6,242
Utility payments	20,000	20,000	2,335
Total Contractual Services	47,500	47,500	8,977

GRAFTON TOWNSHIP, ILLINOIS

General Assistance Fund - Schedule of Revenues and Expenditures - Budget and Actual

Year Ended March 31, 2025

	Original Budget	Final Budget	Modified Cash Basis
Home Relief (Concluded)			
Commodities			
Food	\$ 1,000	\$ 1,000	\$ -
Personal incidentals	1,000	1,000	690
Household incidentals	1,000	1,000	-
Flat grant	1,000	1,000	-
Prescriptions	1,000	1,000	-
Fuel	1,000	1,000	-
Catastrophic deduction	19,505	19,505	5,270
Total Commodities	25,505	25,505	5,960
Total Home Relief	73,005	73,005	14,937
Total Expenditures General Assistance Fund	104,255	104,255	38,942
Net Change in Fund Balance	\$ (72,255)	\$ (72,255)	\$ (7,066)

GRAFTON TOWNSHIP, ILLINOIS*Road & Bridge Fund - Schedule of Revenues and Expenditures - Budget and Actual**Year Ended March 31, 2025*

	Original Budget	Final Budget	Modified Cash Basis
Revenues			
Property taxes	\$ 793,044	\$ 793,044	\$ 791,505
Replacement taxes	40,000	40,000	71,106
Interest income	685	685	22,479
Rental income	5	5	-
Intergovernmental agreement	105	105	20,648
Miscellaneous revenue	73,916	73,916	6,840
Court fines and permits	200	200	826
Grants and donations	10	10	-
Permits and bonds	2,000	2,000	3,338
Total Revenues	909,965	909,965	916,742
General and Administrative Expenditures			
Personnel			
Salaries	25,000	25,000	5,107
Unemployment insurance	2,330	2,330	3,027
Retirement contribution	46,270	46,270	6,698
Total Personnel	73,600	73,600	14,832
Contractual Services			
Maintenance - equipment	4,000	4,000	-
Accounting services	8,000	8,000	3,200
Legal services	15,000	15,000	5,362
Postage	600	600	14
Telephone	5,100	5,100	3,824
Publishing	1,500	1,500	-
Printing	300	300	-
Dues and memberships	400	400	350
Travel expenses	1,000	1,000	331
Training and education	1,000	1,000	-
TOIRMA insurance	28,911	28,911	21,852
Total Contractual Services	65,811	65,811	34,933
Commodities			
Office supplies	2,000	2,000	1,263
Total Commodities	2,000	2,000	1,263

GRAFTON TOWNSHIP, ILLINOIS*Road & Bridge Fund - Schedule of Revenues and Expenditures - Budget and Actual**Year Ended March 31, 2025*

	Original Budget	Final Budget	Modified Cash Basis
General and Administrative (Continued)			
Capital Expenditures/Debt Service			
Equipment	\$ 5,000	\$ 5,000	\$ -
Total Capital Expenditures/Debt Service	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Other Expenditures			
Miscellaneous expense	8,000	8,000	-
Municipal replacement tax	26,500	26,500	26,497
Total Other Expenditures	<u>34,500</u>	<u>34,500</u>	<u>26,497</u>
Total General and Administrative	<u>180,911</u>	<u>180,911</u>	<u>77,525</u>
Maintenance Department			
Personnel			
Contractual Services			
Maintenance services - building	60,000	60,000	59,858
Maintenance services - equipment	35,000	35,000	4,790
Maintenance services - vehicles	55,000	55,000	36,732
Maintenance services - roads	89,100	89,100	47,383
Maintenance services - snow removal	1,000	1,000	-
Maintenance services - bridge	25,000	25,000	-
Engineering service	2,000	2,000	-
Utilities	9,000	9,000	4,634
Garbage disposal	3,000	3,000	1,896
Rentals	500	500	-
Total Contractual Services	<u>279,600</u>	<u>279,600</u>	<u>155,293</u>
Maintenance Department			
Commodities			
Maintenance supplies - building	15,000	15,000	14,131
Maintenance supplies - equipment	15,000	15,000	10,994
Maintenance supplies - vehicle	20,000	20,000	8,619
Maintenance supplies - road	1,000	1,000	65
Maintenance supplies - snow removal	1,000	1,000	-
Maintenance supplies - bridge	5,000	5,000	-
Operating supplies	4,000	4,000	2,881
Small tools	6,000	6,000	2,063
Total Commodities	<u>67,000</u>	<u>67,000</u>	<u>38,753</u>

GRAFTON TOWNSHIP, ILLINOIS*Road & Bridge Fund - Schedule of Revenues and Expenditures - Budget and Actual**Year Ended March 31, 2025*

	Original Budget	Final Budget	Modified Cash Basis
Maintenance Department (Concluded)			
Other Expenditures			
Miscellaneous	\$ 5,000	\$ 5,000	\$ 3,209
Contingencies	28,000	28,000	-
Total Other Expenditures	<u>33,000</u>	<u>33,000</u>	<u>3,209</u>
Capital Expenditures			
Capital outlay	220,000	220,000	272,610
Other improvements	67,126	67,126	-
Total Capital Expenditures	<u>287,126</u>	<u>287,126</u>	<u>272,610</u>
Total Maintenance Department	<u>666,726</u>	<u>666,726</u>	<u>469,865</u>
Permanent Road Department			
Personnel			
Salaries	238,000	238,000	191,028
Health insurance	50,000	50,000	51,744
Social Security	17,000	17,000	12,160
Medicare	6,000	6,000	2,844
Uniforms	3,000	3,000	1,867
Payroll expenses	1,800	1,800	1,811
Total Personnel	<u>315,800</u>	<u>315,800</u>	<u>261,454</u>
Contractual Services			
Maintenance services - roads	367,347	367,347	363,342
Maintenance services - striping	34,000	34,000	25,365
Maintenance services - street lights	5,000	5,000	3,695
Road signage	4,500	4,500	2,028
Engineering	1,000	1,000	-
Rentals	5,000	5,000	-
Total Contractual Services	<u>416,847</u>	<u>416,847</u>	<u>394,430</u>
Commodities			
Maintenance supplies roads	30,000	30,000	22,263
Operating supplies	12,000	12,000	515
Auto fuel & oil	35,000	35,000	15,793
Salt, calcium, ice control	60,000	60,000	-
Total Commodities	<u>137,000</u>	<u>137,000</u>	<u>38,571</u>

GRAFTON TOWNSHIP, ILLINOIS

Road & Bridge Fund - Schedule of Revenues and Expenditures - Budget and Actual

Year Ended March 31, 2025

	Original Budget	Final Budget	Modified Cash Basis
Permanent Road Department (Continued)			
Other Expenditures			
Intergovernmental agreement	\$ 1,000	\$ 1,000	\$ -
Miscellaneous expenses	4,000	4,000	1,000
Contingencies	35,000	35,000	-
Total Other Expenditures	<u>40,000</u>	<u>40,000</u>	<u>1,000</u>
Total Permanent Road	<u>909,647</u>	<u>909,647</u>	<u>695,455</u>
Total Expenditures Road and Bridge Fund	<u>1,757,284</u>	<u>1,757,284</u>	<u>1,242,845</u>
Other Financing Sources			
Loan proceeds	-	-	55,226
Total other financing sources	<u>-</u>	<u>-</u>	<u>55,226</u>
Net Change in Fund Balance	<u>\$ (847,319)</u>	<u>\$ (847,319)</u>	<u>\$ (270,877)</u>

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

Calendar Year Ending	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 46,090	\$ 50,365	\$ 52,594	\$ 41,579	\$ 52,876	\$ 51,745	\$ 59,272	\$ 67,584	\$ 67,374	\$ 70,731
Interest on the Total Pension Liability	222,765	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	286,377	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	(148,573)	(128,366)	(147,915)	(122,377)	(121,480)	(111,114)	(88,224)	(93,227)	(84,008)	(86,220)
Net Change in Total Pension Liability	406,659	175,421	36,860	177,093	88,181	204,274	231,091	31,414	140,284	121,387
Total Pension Liability - Beginning	3,123,862	2,948,441	2,911,581	2,734,488	2,646,307	2,442,033	2,210,942	2,179,528	2,039,244	1,917,857
Total Pension Liability - Ending (a)	\$ 3,530,521	\$ 3,123,862	\$ 2,948,441	\$ 2,911,581	\$ 2,734,488	\$ 2,646,307	\$ 2,442,033	\$ 2,210,942	\$ 2,179,528	\$ 2,039,244
Plan Fiduciary Net Position										
Employer Contributions	18,635	33,898	40,821	50,262	42,460	35,145	43,620	51,776	55,590	59,629
Employee Contributions	24,307	24,682	22,511	23,032	21,465	22,627	22,460	26,658	28,171	28,485
Pension Plan Net Investment Income	301,353	305,763	(359,352)	464,164	354,123	376,487	(97,871)	335,192	128,557	9,036
Benefit Payments and Refunds	(148,573)	(128,366)	(147,915)	(122,377)	(121,480)	(111,114)	(88,224)	(93,227)	(84,008)	(86,220)
Other	(7,026)	90,425	13,588	7,490	17,334	45,251	32,797	(32,409)	12,685	15,336
Net Change in Plan Fiduciary Net Position	188,696	326,402	(430,347)	422,571	313,902	368,396	(87,218)	287,990	140,995	26,266
Plan Fiduciary Net Position - Beginning	3,175,245	2,848,843	3,279,190	2,856,619	2,542,717	2,174,321	2,261,539	1,973,549	1,832,554	1,806,288
Plan Fiduciary Net Position - Ending (b)	\$ 3,363,941	\$ 3,175,245	\$ 2,848,843	\$ 3,279,190	\$ 2,856,619	\$ 2,542,717	\$ 2,174,321	\$ 2,261,539	\$ 1,973,549	\$ 1,832,554
Net Pension Liability/(Asset) - Ending (a) - (b)	166,580	(51,383)	99,598	(367,609)	(122,131)	103,590	267,712	(50,597)	205,979	206,690
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.28%	101.64%	96.62%	112.63%	104.47%	96.09%	89.04%	102.29%	90.55%	89.86%
Covered Valuation Payroll	\$ 540,162	\$ 548,494	\$ 500,252	\$ 511,830	\$ 460,539	\$ 502,812	\$ 499,104	\$ 592,403	\$ 626,026	\$ 633,005
Net Pension Liability as a Percentage of Covered Valuation Payroll	30.84%	(9.37%)	19.91%	(71.82%)	(26.52%)	20.60%	53.64%	(8.54%)	32.90%	32.65%

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

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 59,629	\$ 59,629	\$ -	\$ 633,005	9.42%
2017	55,591	55,590	1	626,026	8.88%
2018	51,776	51,776	-	592,403	8.74%
2019	43,622	43,620	2	499,104	8.74%
2020	35,147	35,145	2	502,812	6.99%
2021	42,462	42,460	2	460,539	9.22%
2022	50,262	50,262	-	511,830	9.82%
2023	40,821	40,821	-	500,252	8.16%
2024	33,897	33,898	(1)	548,494	6.18%
2025	18,709	18,709	-	531,506	3.52%

NOTES TO OTHER
INFORMATION

GRAFTON TOWNSHIP, ILLINOIS

Notes to Other Information

Year Ended March 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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, 2025, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2024-2025 appropriations ordinance was adopted May 20, 2024.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations.