



McHENRY TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2023

MCHENRY TOWNSHIP
TABLE OF CONTENTS
MARCH 31, 2023

| | PAGE |
|---|------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Management's Discussion and Analysis | 4 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 9 |
| Statement of Activities | 10 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds | 11 |
| Reconciliation of the Balance Sheet to the Statement of Net Position | 12 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 13 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities | 14 |
| Notes to Financial Statements | 15 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios | 28 |
| Illinois Municipal Retirement Fund – Schedule of Employer Contribution | 29 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund | 30 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund | 34 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Permanent Road Fund | 37 |

MCHENRY TOWNSHIP
TABLE OF CONTENTS
MARCH 31, 2023

| | PAGE |
|--|------|
| REQUIRED SUPPLEMENTARY INFORMATION (Continued) | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Assistance Fund | 38 |
| Notes to Required Supplementary Information | 39 |



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
McHenry Township
Johnsburg, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of

MCHENRY TOWNSHIP

as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of McHenry Township as of March 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 McHenry Township 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.

Change in Accounting Principle

As described in Note 13 to the financial statements, the Township implemented GASB Statement No. 87, *Leases*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 McHenry Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about McHenry Township's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Eccezion". The letters are cursive and fluid, with a prominent 'E' at the beginning and a long, sweeping tail on the 'n'.

Eccezion
Consulting • CPAs • Technology

McHenry, Illinois
July 19, 2023

REQUIRED SUPPLEMENTARY INFORMATION

MCHENRY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of McHenry 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, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Township's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference 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 when comparing year to year results.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and other governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, directly funded community services, community assistance and services, parks and recreation, assessor, and highways and roads. The Township does not conduct any business-type activities.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are governmental funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. 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 governmental activities.

The Township maintains four individual governmental funds. Information is presented separately in the governmental fund Statement of Assets, Liabilities, and Fund Balance and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road and Bridge Fund, Permanent Road Fund, and General Assistance Fund, all of which are considered to be major funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township’s progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The Township adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this appropriation.

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 the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,493,332 at March 31, 2023.

A portion of the Township’s net position (51%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, office equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

McHenry Township's Net Position at Year-End

| | Governmental Activities | |
|---------------------------------------|-------------------------|----------------------|
| | FY 2023 | FY 2022 |
| ASSETS | | |
| Current and Other Assets | \$ 8,028,431 | \$ 9,940,704 |
| Capital Assets | 4,307,073 | 4,656,696 |
| Total Assets | <u>\$ 12,335,504</u> | <u>\$ 14,597,400</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Expense - IMRF | \$ 865,695 | \$ 43,412 |
| Total Deferred Outflows of Resources | <u>\$ 865,695</u> | <u>\$ 43,412</u> |
| LIABILITIES | | |
| Long-Term Liabilities Outstanding | \$ 80,440 | \$ 70,149 |
| Other Liabilities | 259,662 | 359,513 |
| Total Liabilities | <u>\$ 340,102</u> | <u>\$ 429,662</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue - Property Taxes | \$ 4,250,814 | \$ 4,066,154 |
| Pension Revenue - IMRF | 116,951 | 1,438,955 |
| Total Deferred Inflows of Resources | <u>\$ 4,367,765</u> | <u>\$ 5,505,109</u> |
| NET POSITION | | |
| Investment in Capital Assets | \$ 4,307,073 | \$ 4,656,696 |
| Restricted | - | 142,246 |
| Unrestricted | 4,186,259 | 3,907,099 |
| Total Net Position | <u>\$ 8,493,332</u> | <u>\$ 8,706,041</u> |

No 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, \$4,186,259, may be used to meet the Township’s ongoing obligations to citizens and creditors.

At March 31, 2023, the Township is able to report positive balances in all three categories of net position.

The Township's net position decreased by \$212,709 during the year ended March 31, 2023.

Governmental activities - Governmental activities decreased the Township's net position by \$212,709. Key elements of this decrease are as follows:

| | Governmental Activities | |
|---|-------------------------|---------------------|
| | FY 2023 | FY 2022 |
| McHenry Township's Change in Net Position | | |
| Revenues: | | |
| Program Revenues | | |
| Charges for Services | \$ 90,396 | \$ 76,630 |
| Operating Grants and Contributions | 426,739 | 2,003,466 |
| General Revenues: | | |
| Property Taxes | 4,075,051 | 2,507,139 |
| Other Taxes | 586,225 | 431,102 |
| Unrestricted Investment Earnings | 71,899 | 3,158 |
| Other Income | 87,545 | 32,706 |
| Total Revenues | <u>\$ 5,337,855</u> | <u>\$ 5,054,201</u> |
| Expenses: | | |
| General Government | \$ 872,981 | \$ 1,260,944 |
| Directly Funded Community Services | 113,746 | 97,732 |
| Community Assistance and Services | 208,003 | 129,731 |
| Parks and Recreation | 342,501 | 288,408 |
| Assessor | 491,097 | 388,615 |
| Highways and Roads | 3,522,236 | 3,853,709 |
| Total Expenses | <u>\$ 5,550,564</u> | <u>\$ 6,019,139</u> |
| Change in Net Position | \$ (212,709) | \$ (964,938) |
| Net Position - Beginning | 8,706,041 | 9,670,979 |
| Net Position - Ending | <u>\$ 8,493,332</u> | <u>\$ 8,706,041</u> |

The most significant change was the increase in Property Taxes due to an increase in the rates.

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 near-term 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 March 31, 2023, the Township's governmental funds reported combined ending fund balances of \$3,181,528, an increase of \$79,634 in comparison with the prior year. Of this amount, \$593,310 constitutes unassigned fund balance, which is available for spending at the Township's discretion.

The General Fund is the chief operating fund of the Township. At March 31, 2023, fund balance in the General Fund was \$1,456,100, an increase of \$98,681 in comparison with the prior year. The increase is mainly due to the increase in property tax revenue.

The Road and Bridge Fund is used to account for revenues restricted for road and bridge district expenditures. At March 31, 2023, fund balance in the Road and Bridge Fund was \$856,238, an increase of \$63,776 in comparison with the prior year. The increase was mainly due to an increase in property tax revenue over the prior year.

The Permanent Road Fund is used to account for revenues restricted for road improvements and maintenance within the road district. At March 31, 2023, fund balance in the Permanent Road Fund was \$597,467, an increase of \$18,918 in comparison with the prior year. The increase is due to higher property tax revenue and higher expenditures.

The General Assistance Fund is used to account for revenues restricted for general assistance expenditures. At March 31, 2023, fund balance in the General Assistance Fund was \$271,723, a decrease of \$101,741 in comparison with the prior year. The higher property taxes offset by increased expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Township’s working budget was not amended, therefore the amounts shown as original and final are the same. Since many of the Township’s expenditures can be impacted by factors not controllable by the Township, such as the weather and economy, budget line items are best estimates based on past typical experience.

Significant differences between the budget and actual amounts are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$66,973 (favorable) and was primarily due to more replacement taxes and rental income received than anticipated.
- The difference between the estimated expenditures and the actual expenditures was \$215,641 (favorable) and was primarily due to less than anticipated health reimbursement and personnel expenditures throughout the fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Township’s investment in capital assets for its governmental activities as of March 31, 2023 amounts to \$4,307,073 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, office equipment and infrastructure. There were no major capital asset events during the year ended March 31, 2023.

McHenry Township's Capital Assets at Year-End
(net of depreciation)

| | Governmental Activities | |
|--------------------------------|-------------------------|---------------------|
| | 2023 | 2022 |
| Land | \$ 157,430 | \$ 157,430 |
| Buildings | 2,398,247 | 2,477,328 |
| Improvements | 367,744 | 413,361 |
| Machinery and Equipment | 1,046,249 | 1,267,774 |
| Office Equipment | 520 | 5,180 |
| Infrastructure - Rights of Way | 336,883 | 335,623 |
| Total | <u>\$ 4,307,073</u> | <u>\$ 4,656,696</u> |

For more detail on the Township's capital assets, see Note 4 in the Notes to the Financial Statements.

Long-term debt - At March 31, 2023, the Township had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

McHenry Township does not receive any sales tax revenue such as municipalities and villages do. The majority of McHenry Township’s revenue comes from only one major source, which is property tax revenue. The McHenry Township Road District, in addition to property tax revenue, also receives Motor Fuel Tax (MFT) revenue distributed to its budget for the maintenance of roads by the McHenry County Department of Transportation. The amount distributed is based on the number of miles of roads under the McHenry Township Road District’s jurisdiction.

McHenry Township continues to be a local government leader in keeping property tax levies low. McHenry Township has kept the tax levy flat for six consecutive years starting in 2012 through 2017. In 2018-2019, McHenry Township reduced tax levies by 10% through a property tax abatement. All McHenry Township taxpayers, without the need to apply for the abatement, received this abatement. In 2019-2020 McHenry Township approved a 10% property tax levy decrease. In 2020-2021 McHenry Township approved a flat levy. The 2021-2022 property tax levy was reduced by 70% for the Road District comprising of the Road and Bridge Fund and the Permanent Road Fund and 56% for Town which comprises of the General Fund and the General Assistance Fund. The 2022-2023 tax levy was increased substantially with support from the electors at the hearings for General Road and Bridge, Permanent Hard Road, General Assistance and the Town fund. The county did not extend the full amount requested. McHenry Township approved an increase of less than 5% for 2023-2024. McHenry Township will request another increase in the coming year with support of the electors. The goal is to get back to where we were prior to 2018. This will help build a reserve so that the Township is not in a compromised position. This will allow the Township to give the electors the services they want and need.

The Township is working to maintain reserves to manage deferred maintenance on facilities and the replacement of equipment, when its useful life has expired.

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 the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: The Office of the Supervisor, McHenry Township, 3703 N. Richmond Road, Johnsburg, Illinois 60051.

BASIC FINANCIAL STATEMENTS

MCHENRY TOWNSHIP
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
MARCH 31, 2023

| | <u>Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u> |
|---|---|
| ASSETS | |
| Cash and Cash Equivalents | \$ 2,989,797 |
| Restricted Cash and Cash Equivalents | 229,024 |
| Property Taxes Receivable, net of allowance of \$42,938 | 4,250,814 |
| Inventory | 196,187 |
| Security Deposits | 3,000 |
| Prepaid Items | 23,182 |
| Net Pension Asset | 336,427 |
| Capital Assets: | |
| Land and Other Non-Depreciable Assets | 494,313 |
| Other Capital Assets, Net of Depreciation | <u>3,812,761</u> |
| Total Assets | <u>\$ 12,335,504</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension Expense - IMRF | <u>\$ 865,695</u> |
| Total Deferred Outflows of Resources | <u>\$ 865,695</u> |
| LIABILITIES | |
| Accounts Payable | \$ 139,625 |
| Deposits | 23,122 |
| Payroll Liabilities | 96,417 |
| Accrued Payroll | 498 |
| Non-Current Liabilities | |
| Due Within One Year | <u>80,440</u> |
| Total Liabilities | <u>\$ 340,102</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable Revenue - Property Taxes | \$ 4,250,814 |
| Pension Revenue - IMRF | <u>116,951</u> |
| Total Deferred Inflows of Resources | <u>\$ 4,367,765</u> |
| NET POSITION | |
| Investment in Capital Assets | \$ 4,307,073 |
| Unrestricted/(Deficit) | <u>4,186,259</u> |
| Total Net Position | <u>\$ 8,493,332</u> |

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED MARCH 31, 2023

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u> |
|------------------------------------|---------------------|---------------------------------|---|--|
| | | <u>Charges For Services</u> | <u>Operating Grants and Contributions</u> | |
| Functions/Programs | | | | |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General Government | \$ 872,981 | \$ 73,009 | \$ 198,542 | \$ (601,430) |
| Directly Funded Community Services | 113,746 | - | - | (113,746) |
| Community Assistance and Services | 208,003 | - | - | (208,003) |
| Parks and Recreation | 342,501 | - | - | (342,501) |
| Assessor | 491,097 | - | - | (491,097) |
| Highways and Roads | <u>3,522,236</u> | <u>17,387</u> | <u>228,197</u> | <u>(3,276,652)</u> |
| Total Primary Government | <u>\$ 5,550,564</u> | <u>\$ 90,396</u> | <u>\$ 426,739</u> | <u>\$ (5,033,429)</u> |
| General Revenues | | | | |
| Taxes | | | | |
| Property Taxes | | | | \$ 4,075,051 |
| Replacement Tax | | | | 273,056 |
| Motor Fuel Tax | | | | 313,169 |
| Unrestricted Investment Earnings | | | | 71,899 |
| Other Income | | | | <u>87,541</u> |
| Total General Revenues | | | | <u>\$ 4,820,725</u> |
| Change in Net Position | | | | \$ (212,709) |
| Net Position - Beginning of Year | | | | <u>8,706,041</u> |
| Net Position - End of Year | | | | <u>\$ 8,493,332</u> |

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 MARCH 31, 2023

| | General Fund | Road and Bridge Fund | Permanent Road Fund | General Assistance Fund | Total Governmental Funds |
|--|----------------------------|----------------------------|----------------------------|-------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 1,521,110 | \$ 546,682 | \$ 607,744 | \$ 314,261 | \$ 2,989,797 |
| Restricted Cash and Cash Equivalents | - | 229,024 | - | - | 229,024 |
| Property Taxes Receivable, net of allowance of \$42,938 | 1,407,808 | 816,335 | 1,930,511 | 96,160 | 4,250,814 |
| Inventory | - | 196,187 | - | - | 196,187 |
| Security Deposits | 1,000 | 2,000 | - | - | 3,000 |
| Prepaid Items | 12,790 | 9,802 | - | 590 | 23,182 |
| Due from Other Funds | 20,324 | - | 29,890 | 1,454 | 51,668 |
| Total Assets | <u>\$ 2,963,032</u> | <u>\$ 1,800,030</u> | <u>\$ 2,568,145</u> | <u>\$ 412,465</u> | <u>\$ 7,743,672</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 30,035 | \$ 85,361 | \$ 3,660 | \$ 20,569 | \$ 139,625 |
| Deposits | 14,122 | 9,000 | - | - | 23,122 |
| Payroll Liabilities | 53,513 | 3,206 | 36,507 | 3,191 | 96,417 |
| Accrued Payroll | - | - | - | 498 | 498 |
| Due to Other Funds | 1,454 | 29,890 | - | 20,324 | 51,668 |
| Total Liabilities | <u>\$ 99,124</u> | <u>\$ 127,457</u> | <u>\$ 40,167</u> | <u>\$ 44,582</u> | <u>\$ 311,336</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue - Property Taxes | <u>\$ 1,407,808</u> | <u>\$ 816,335</u> | <u>\$ 1,930,511</u> | <u>\$ 96,160</u> | <u>\$ 4,250,814</u> |
| Total Deferred Inflows of Resources | <u>\$ 1,407,808</u> | <u>\$ 816,335</u> | <u>\$ 1,930,511</u> | <u>\$ 96,160</u> | <u>\$ 4,250,814</u> |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid Items | \$ 12,790 | \$ 9,802 | \$ - | \$ 590 | \$ 23,182 |
| Inventory | - | 196,187 | - | - | 196,187 |
| Restricted | | | | | |
| Permanent Hard Road | - | - | - | - | - |
| Committed | | | | | |
| General Assistance | 300,000 | - | - | - | 300,000 |
| Improvements | 550,000 | 30,000 | - | - | 580,000 |
| Assigned | | | | | |
| General Assistance | - | - | - | 271,133 | 271,133 |
| Road and Bridge | - | 620,249 | - | - | 620,249 |
| Permanent Hard Road | - | - | 597,467 | - | 597,467 |
| Unassigned | 593,310 | - | - | - | 593,310 |
| Total Fund Balances | <u>\$ 1,456,100</u> | <u>\$ 856,238</u> | <u>\$ 597,467</u> | <u>\$ 271,723</u> | <u>\$ 3,181,528</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,963,032</u> | <u>\$ 1,800,030</u> | <u>\$ 2,568,145</u> | <u>\$ 412,465</u> | <u>\$ 7,743,672</u> |

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 MARCH 31, 2023

Fund Balances - Total Governmental Funds \$ 3,181,528

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

| | | |
|--------------------------------|--------------------|-----------|
| Capital Assets | \$ 10,670,795 | |
| Less: Accumulated Depreciation | <u>(6,363,722)</u> | |
| | | 4,307,073 |

Some assets used in governmental activities are not financial resources and therefore are not reported in the funds.

| | | |
|-------------------|--|---------|
| Net Pension Asset | | 336,427 |
|-------------------|--|---------|

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

| | | |
|----------------------|--|----------|
| Compensated Absences | | (80,440) |
|----------------------|--|----------|

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.

| | | |
|--------------------------|----------------|----------------|
| Deferred Inflows - IMRF | \$ (116,951) | |
| Deferred Outflows - IMRF | <u>865,695</u> | |
| | | <u>748,744</u> |

| | | |
|---|--|----------------------------|
| Net Position of Governmental Activities | | <u><u>\$ 8,493,332</u></u> |
|---|--|----------------------------|

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED MARCH 31, 2023

| | <u>General Fund</u> | <u>Road and Bridge Fund</u> | <u>Permanent Road Fund</u> | <u>General Assistance Fund</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|---------------------------------|--------------------------------|--|---|
| REVENUES | | | | | |
| Property Taxes | \$ 1,348,294 | \$ 784,961 | \$ 1,849,662 | \$ 92,134 | \$ 4,075,051 |
| Replacement Tax | 48,023 | 106,602 | 107,889 | 10,542 | 273,056 |
| Motor Fuel Tax | - | 313,169 | - | - | 313,169 |
| Road Fines | - | 10,208 | - | - | 10,208 |
| Interest Income | 33,233 | 18,942 | 14,391 | 5,333 | 71,899 |
| Rental Income | 67,127 | - | - | - | 67,127 |
| Grant Income | 20,000 | - | 178,542 | - | 198,542 |
| Senior Transportation Fees | 5,882 | - | - | - | 5,882 |
| Miscellaneous Income | 103 | 26,216 | 59,250 | 51 | 85,620 |
| Intergovernmental Agreements | - | 228,197 | - | - | 228,197 |
| Fees | - | 7,179 | - | - | 7,179 |
| Reimbursements | - | 1,925 | - | - | 1,925 |
| | <u>\$ 1,522,662</u> | <u>\$ 1,497,395</u> | <u>\$ 2,209,734</u> | <u>\$ 108,060</u> | <u>\$ 5,337,851</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | \$ 456,366 | \$ 293,181 | \$ - | \$ - | \$ 749,547 |
| Directly Funded Community Services | 102,835 | - | - | - | 102,835 |
| Community Assistance and Services | - | - | - | 209,801 | 209,801 |
| Parks and Recreation | 340,041 | - | - | - | 340,041 |
| Assessor | 503,935 | - | - | - | 503,935 |
| Highways and Roads | - | 1,065,671 | 2,190,816 | - | 3,256,487 |
| Capital Outlay | 20,802 | 74,771 | - | - | 95,573 |
| | <u>\$ 1,423,981</u> | <u>\$ 1,433,629</u> | <u>\$ 2,190,816</u> | <u>\$ 209,801</u> | <u>\$ 5,258,221</u> |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 98,681 | \$ 63,776 | \$ 18,918 | \$ (101,741) | \$ 79,634 |
| OTHER FINANCING SOURCES/(USES) | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | \$ 98,681 | \$ 63,776 | \$ 18,918 | \$ (101,741) | \$ 79,634 |
| FUND BALANCES - APRIL 1, 2021 | 1,357,419 | 792,462 | 578,549 | 373,464 | 3,101,894 |
| FUND BALANCES - MARCH 31, 2022 | <u>\$ 1,456,100</u> | <u>\$ 856,238</u> | <u>\$ 597,467</u> | <u>\$ 271,723</u> | <u>\$ 3,181,528</u> |

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED MARCH 31, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 79,634

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

| | | |
|----------------------|------------------|-----------|
| Capital Outlays | \$ 72,175 | |
| Depreciation Expense | <u>(418,701)</u> | (346,526) |

Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

| | | |
|----------------------|---------------|--------|
| Compensated Absences | \$ (10,291) | |
| Pension Expense | <u>29,296</u> | 19,005 |

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

| | | |
|-------------------------------------|-------------------|---------|
| Gain/(Loss) on Sale of Fixed Assets | <u>\$ (3,097)</u> | (3,097) |
|-------------------------------------|-------------------|---------|

Employer Pension Contributions are expensed in the fund financial statements but treated as a reduction in the Net Pension Liability on the government-wide financial statements.

| | | |
|-------------------------------|--|---------------|
| Employer Pension Contribution | | <u>38,275</u> |
|-------------------------------|--|---------------|

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ (212,709)</u></u> |
|---|--|----------------------------|

The Notes to Financial Statements are an integral part of this statement.

MCHENRY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McHenry Township's (Township) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting polices established in GAAP and used by the Township are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Township. Component units are legally separate entities for which the Township (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Township's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Township. Using these criteria, the Township has no component units. In addition, the Township is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Financial Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund (reporting the Township's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Township as governmental activities. The Township does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, replacement tax, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, directly funded community services, community assistance and services, parks and recreation, assessor, highways and roads). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Township had no capital grants for the year ended March 31, 2023.

The net costs (by function) are normally covered by general revenue (property taxes, replacement tax, unrestricted investment earnings, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

The Township does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The Township electively made all funds major funds.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Township reports these major governmental funds:

1. The General Fund is the Township's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
2. The Road and Bridge Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintenance of the Township's roads.
3. The Permanent Road Fund is used to account for revenues restricted for road improvements and maintenance within the road district.
4. The General Assistance Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for various services provided to lower income residents.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e.,

NOTES TO FINANCIAL STATEMENTS (Continued)

both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The Township reports unavailable revenue on its governmental funds Balance Sheet. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. At March 31, 2023, the Township had \$4,250,814 of unavailable revenue from property taxes.

E. *Cash and Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Separate bank accounts are maintained for all Township funds. Occasionally, certain cash accounts may incur overdrafts (deficits) in an account. None of the Township's bank accounts had a cash overdraft at March 31, 2023.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

State statutes authorize the Township to invest in obligations of the U.S. Treasury, Certificates of Deposit, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool known as The Illinois Funds.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

H. *Inventories*

Inventories consist of the cost of salt for the roads. The salt inventory as of March 31, 2023 was \$196,187.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. In the process of aggregating data for the government-wide financial statements, some

NOTES TO FINANCIAL STATEMENTS (Continued)

amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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:

| | |
|-------------------------|---------------|
| Buildings | 10 - 50 years |
| Improvements | 7 - 20 years |
| Machinery and Equipment | 7 - 25 years |
| Office Equipment | 5 - 10 years |

GASB Statement No. 34 requires the Township to report and depreciate new infrastructure assets effective as of April 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and thereafter will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

The Township accrues accumulated unpaid vacation and personal leave time when earned (or estimated to be earned) by the employee. At March 31, 2023, this amount was \$80,440. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and is reported as a reconciling item between the fund and government-wide presentations.

M. *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. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS (Continued)

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – all other net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The Township has delegated this authority to the Supervisor.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt service fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Township itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in the Road and Bridge Fund, Permanent Road Fund and General Assistance Fund.

The Township permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

NOTES TO FINANCIAL STATEMENTS (Continued)

P. *Property Tax Calendar and Revenues*

The Township's property tax is levied each calendar year on all taxable real property located in the Township on or before the last Tuesday in December. The 2022 levies were passed by the Board on December 8, 2022. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year 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.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured and collateralized by securities held in the Township's name.

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Interest Rate Risk. The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific types of investment instruments. See Note 1E for types allowable under state law.

Concentration of Credit Risk. The Township places no limit on the amount the Township may invest in any one investment instrument.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's custodial credit risk policy requires collateral for any deposits in excess of insured amounts. At March 31, 2023, \$10,676 of the Township's bank balances were exposed to custodial credit risk.

NOTE 3 - RESTRICTED CASH AND CASH EQUIVALENTS

The Road and Bridge Fund reflects a restricted cash and cash equivalents balance in the amount of \$229,024 representing the amount of Motor Fuel Tax funds available at March 31, 2023. This amount is to be expended on road maintenance and improvements approved by the Illinois Department of Transportation.

NOTE 4 - CAPITAL ASSETS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

| | Balance | | | | Balance |
|---|---------------|--------------|-----------|--|----------------|
| | April 1, 2022 | Increases | Decreases | | March 31, 2023 |
| Governmental Activities | | | | | |
| Capital Assets not being depreciated | | | | | |
| Land | \$ 157,430 | \$ - | \$ - | | \$ 157,430 |
| Infrastructure | 335,623 | 1,260 | - | | 336,883 |
| Total Capital Assets not being depreciated | \$ 493,053 | \$ 1,260 | \$ - | | \$ 494,313 |
| Other Capital Assets | | | | | |
| Buildings | \$ 4,226,650 | \$ 27,800 | \$ - | | \$ 4,254,450 |
| Improvements | 1,028,920 | - | - | | 1,028,920 |
| Machinery and Equipment | 4,796,979 | 43,115 | - | | 4,840,094 |
| Office Equipment | 84,865 | - | 31,847 | | 53,018 |
| Total Other Capital Assets at historical cost | \$ 10,137,414 | \$ 70,915 | \$ 31,847 | | \$ 10,176,482 |
| Less Accumulated Depreciation for | | | | | |
| Buildings | \$ 1,749,322 | \$ 106,881 | \$ - | | \$ 1,856,203 |
| Improvements | 615,559 | 45,617 | - | | 661,176 |
| Machinery and Equipment | 3,529,205 | 264,640 | - | | 3,793,845 |
| Office Equipment | 79,685 | 1,563 | 28,750 | | 52,498 |
| Total Accumulated Depreciation | \$ 5,973,771 | \$ 418,701 | \$ 28,750 | | \$ 6,363,722 |
| Other Capital Assets, Net | \$ 4,163,643 | \$ (347,786) | \$ 3,097 | | \$ 3,812,760 |
| Governmental Activities Capital Assets, Net | \$ 4,656,696 | \$ (346,526) | \$ 3,097 | | \$ 4,307,073 |

Upon adoption of GASB 34 financial reporting, the Township elected to use the prospective method of reporting its infrastructure assets. Under the prospective method, no value was assigned to the existing roads, bridges, and other infrastructure. Only the rights of way were recorded. Subsequent to the adoption of GASB 34, the cost of new roads, bridges and major improvements thereto are to be capitalized.

Depreciation expense was charged to functions as follows:

| | |
|--|------------|
| Governmental Activities | |
| General Government | \$ 130,112 |
| Highways and Streets | 288,589 |
| Total Governmental Activities Depreciation Expense | \$ 418,701 |

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended March 31, 2023 was as follows:

| | Balance | | | | Balance | Amounts |
|---------------------------------|---------------|-----------|-------------|--|----------------|------------|
| | April 1, 2022 | Additions | Retirements | | March 31, 2023 | Due Within |
| | | | | | | One Year |
| Governmental Activities: | | | | | | |
| Other Long-Term Obligations | | | | | | |
| Compensated Absences | \$ 70,149 | \$ 80,440 | \$ 70,149 | | \$ 80,440 | \$ 80,440 |
| Total Long-Term Obligations | \$ 70,149 | \$ 80,440 | \$ 70,149 | | \$ 80,440 | \$ 80,440 |

The liability for compensated absences is 31% liquidated by the General Fund, 5% liquidated by the General Assistance Fund, 32% liquidated by the Road and Bridge Fund, and 32% liquidated by the Permanent Road Fund.

NOTE 6 - INTERFUND BALANCES

Interfund balances as of March 31, 2023 consisted of the following:

NOTES TO FINANCIAL STATEMENTS (Continued)

| Due from | Due to | Amount |
|---------------------|----------------------|-----------|
| General Assistance | General Fund | \$ 18,965 |
| Permanent Road Fund | Road and Bridge Fund | 29,890 |

The above interfund balances resulted from the time lag between the dates that expenditures were incurred and reimbursed between funds.

NOTE 7 - DEFICIT FUND BALANCE

There were no funds which reflected a deficit fund balance as of March 31, 2023.

NOTE 8 - INVESTMENT IN CAPITAL ASSET CALCULATION

Investment in capital assts as of March 31, 2023 was as follows:

| Governmental Activities | |
|---|--------------|
| Fixed Assets, Net of Accumulated Depreciation | \$ 4,307,073 |
| Less: | |
| Non Capital Related Debt | - |
| Investment in Capital Assets | \$ 4,307,073 |

NOTE 9 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2021 tax levies. A summary of the assessed valuations, rates, and extensions for the years 2022, 2021, and 2020 follows:

| TAX YEAR ASSESSED VALUATION | 2022 | | 2021 | | 2020 | |
|--------------------------------|--------|--------------|--------|--------------|--------|--------------|
| | Rate | Extension | Rate | Extension | Rate | Extension |
| Corporate | 0.0967 | 1,417,398 | 0.0999 | \$ 1,349,989 | 0.0582 | \$ 750,011 |
| General Assistance | 0.0066 | 97,131 | 0.0068 | 92,421 | 0.0039 | 50,012 |
| Road and Bridge | 0.0853 | 1,250,009 | 0.0884 | 1,194,449 | 0.0853 | 1,100,004 |
| Permanent Hard Road | 0.1331 | 1,950,011 | 0.1373 | 1,855,401 | 0.0772 | 995,004 |
| Revenue Recapture | 0.0011 | 14,652 | - | - | - | - |
| | 0.3229 | \$ 4,729,200 | 0.3324 | \$ 4,492,260 | 0.2245 | \$ 2,895,031 |

NOTE 10 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended March 31, 2023, the Road and Bridge fund had expenditures that exceeded budget by \$293,769.

NOTE 11 - RETIREMENT FUND COMMITMENTS

A. *Illinois Municipal Retirement Fund*

Plan Description

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 ten 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 ten 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

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2022, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Retirees and beneficiaries currently receiving benefits | 34 |
| Inactive plan members entitled to but not yet receiving benefits | 27 |
| Active plan members | 30 |
| Total | <u>91</u> |

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2023 and 2022 was .98% and 2.79% respectively. For the fiscal year ended March 31, 2023, the Township contributed \$38,274 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2021, and a measurement date as of December 31, 2022, calculated in accordance with GASB Statement No. 68, were as follows

| | |
|---|--------------|
| Total Pension Liability (Asset) | \$ 8,082,205 |
| IMRF Fiduciary Net Position | 8,418,632 |
| Tow nship's Net Pension Liability (Asset) | (336,427) |
| IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability | 104.16% |

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions:

| | |
|--------------------------|--|
| Assumptions | |
| Inflation | 2.25% |
| Salary Increases | 2.85% - 13.75% including inflation |
| Interest Rate | 7.25% |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value of Assets |
| Projected 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. |

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 were used. 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 were used. 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 were used.

Long-Term Expected Rate of Return

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, 2022:

NOTES TO FINANCIAL STATEMENTS (Continued)

| Asset Class | Target Allocation | Projected Return |
|------------------------|-------------------|------------------|
| Equities | 39.0% | 1.90% |
| International Equities | 15.0% | 3.15% |
| Fixed Income | 25.0% | -0.60% |
| Real Estate | 10.0% | 3.30% |
| Alternatives | 10.0% | |
| Private Equity | | 5.50% |
| Hedge Funds | | N/A |
| Commodities | | 1.70% |
| Cash | 1.0% | -0.90% |
| | 100.0% | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A)-(B) |
|---|--------------------------------|------------------------------------|----------------------------------|
| Balances at December 31, 2021 | \$ 7,596,520 | \$ 10,009,663 | \$ (2,413,143) |
| Changes for the year: | | | |
| Service Cost | \$ 148,196 | \$ - | \$ 148,196 |
| Interest on the Total Pension Liability | 540,512 | - | 540,512 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 227,529 | - | 227,529 |
| Contributions - Employer | - | 44,711 | (44,711) |
| Contributions - Employee | - | 72,737 | (72,737) |
| Net Investment Income | - | (1,340,677) | 1,340,677 |
| Benefit Payments, including Refunds of Employee Contributions | (430,552) | (430,552) | - |
| Other (Net Transfer) | - | 62,750 | (62,750) |
| Net Changes | \$ 485,685 | \$ (1,591,031) | \$ 2,076,716 |
| Balances at December 31, 2022 | \$ 8,082,205 | \$ 8,418,632 | \$ (336,427) |

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:

NOTES TO FINANCIAL STATEMENTS (Continued)

| | 1% Lower 6.25% | Current Discount Rate 7.25% | 1% Higher 8.25% |
|-------------------------------|-------------------|-----------------------------------|--------------------|
| Net Pension Liability/(Asset) | \$ 553,124 | \$ (336,427) | \$ (1,047,747) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2023, the Township recognized pension expense/(income) of \$(29,296). At March 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Expense in Future Periods | Deferred Outflow s of Resources | Deferred Inflow s of Resources | Net Outflow s of Resources |
|--|---------------------------------------|--------------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 159,389 | \$ 97,410 | \$ 61,979 |
| Changes of assumptions | - | 19,541 | (19,541) |
| Net difference between projected and actual earnings on pension plan investments | 702,482 | - | 702,482 |
| Total deferred amounts to be recognized in pension expense in future periods | \$ 861,871 | \$ 116,951 | \$ 744,920 |
| Pension contributions made subsequent to the measurement date | 3,824 | - | 3,824 |
| Total deferred amounts related to pensions | <u>\$ 865,695</u> | <u>\$ 116,951</u> | <u>\$ 748,744</u> |

\$3,824 reported as deferred outflows of resources related to pensions resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31 | Net Deferred Outflow s of Resources |
|----------------------------|--|
| 2023 | \$ (96,702) |
| 2024 | 175,984 |
| 2025 | 254,176 |
| 2026 | 411,462 |
| | <u>\$ 744,920</u> |

B. Social Security

All employees are covered under Social Security. The Township paid the total required contribution for the current fiscal year.

NOTE 12 - INTERFUND TRANSFERS

As of March 31, 2023, there were no interfund transfers.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

The Township has implemented GASB Statement No. 87, *Leases*. These statements establish financial reporting standards related to leases and subscription-based information technology arrangements. Implementation of these standards resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), a joint risk management pool of townships through which property, general liability, automobile liability, uninsured motorists, underinsured motorists, public officials and employees liability, employee benefits liability, and workers' compensation and employers' liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Township and TOIRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions for TOIRMA, to report claims on a timely basis, cooperate with TOIRMA, its claims administrator, and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by TOIRMA. Members have a contractual obligation to fund any deficit of TOIRMA attributable to a membership year during which they were a member.

TOIRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. TOIRMA also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

For each of the past three years, the Township has had no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Township is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended March 31, 2023, there were no significant adjustments in premiums based on actual experience.

NOTE 15 - LEGAL DEBT LIMITATION

The State of Illinois limits the amount of indebtedness to 2.875% of the most recent available equalized assessed valuation (EAV) of the Township. The Township's legal debt limitation is as follows:

| | | |
|-----------------------|----|-------------------|
| 2022 EAV | \$ | 1,465,237,567 |
| Rate | | <u>2.875%</u> |
| Debt Margin | \$ | 42,125,580 |
| Current Debt | | <u>-</u> |
| Remaining Debt Margin | \$ | <u>42,125,580</u> |

NOTE 16 - CONTINGENCIES

The Township is not aware of any litigation which might have a material adverse effect on the Township's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

MCHENRY TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
MARCH 31, 2023

| | 3/31/2023* | 3/31/2022* | 3/31/2021* | 3/31/2020* | 3/31/2019* | 3/31/2018 * | 3/31/2017 * | 3/31/2016 * |
|--|----------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL PENSION LIABILITY | | | | | | | | |
| Service Cost | \$ 148,196 | \$ 164,900 | \$ 191,334 | \$ 182,361 | \$ 152,320 | \$ 167,297 | \$ 158,993 | \$ 153,080 |
| Interest on the Total Pension Liability | 540,512 | 524,379 | 531,814 | 503,856 | 474,170 | 461,753 | 431,572 | 431,659 |
| Differences Between Expected and Actual Experience | 227,529 | (35,346) | (327,109) | 84,629 | 170,144 | 78,532 | 107,956 | (303,025) |
| Changes of Assumptions | - | - | (77,852) | - | 179,139 | (202,662) | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (430,552) | (415,540) | (399,519) | (379,899) | (346,737) | (317,005) | (283,516) | (288,147) |
| Net Change in Total Pension Liability | \$ 485,685 | \$ 238,393 | \$ (81,332) | \$ 390,947 | \$ 629,036 | \$ 187,915 | \$ 415,005 | \$ (6,433) |
| Total Pension Liability - Beginning | 7,596,520 | 7,358,127 | 7,439,459 | 7,048,512 | 6,419,476 | 6,231,561 | 5,816,556 | 5,822,989 |
| Total Pension Liability - Ending | \$ 8,082,205 | \$ 7,596,520 | \$ 7,358,127 | \$ 7,439,459 | \$ 7,048,512 | \$ 6,419,476 | \$ 6,231,561 | \$ 5,816,556 |
| PLAN FIDUCIARY NET POSITION | | | | | | | | |
| Contributions - Employer | \$ 44,711 | \$ 92,613 | \$ 106,474 | \$ 73,828 | \$ 114,016 | \$ 97,994 | \$ 94,619 | \$ 102,424 |
| Contributions - Member | 72,737 | 73,115 | 77,155 | 84,004 | 77,503 | 67,531 | 66,702 | 63,235 |
| Net Investment Income | (1,340,677) | 1,524,879 | 1,159,687 | 1,327,784 | (444,522) | 1,119,650 | 410,268 | 32,482 |
| Benefit Payments, Including Refunds of Member Contributions | (430,552) | (415,540) | (399,519) | (379,899) | (346,737) | (317,005) | (283,516) | (288,147) |
| Other (Net Transfers) | 62,750 | (79,084) | (121,958) | 47,576 | 147,221 | (40,272) | 71,195 | (463,651) |
| Net Change in Plan Fiduciary Net Position | \$ (1,591,031) | \$ 1,195,983 | \$ 821,839 | \$ 1,153,293 | \$ (452,519) | \$ 927,898 | \$ 359,268 | \$ (553,657) |
| Plan Net Position - Beginning | 10,009,663 | 8,813,680 | 7,991,841 | 6,838,548 | 7,291,067 | 6,363,169 | 6,003,901 | 6,557,558 |
| Plan Net Position - Ending | \$ 8,418,632 | \$ 10,009,663 | \$ 8,813,680 | \$ 7,991,841 | \$ 6,838,548 | \$ 7,291,067 | \$ 6,363,169 | \$ 6,003,901 |
| Township's Net Pension Liability (Asset) | \$ (336,427) | \$ (2,413,143) | \$ (1,455,553) | \$ (552,382) | \$ 209,964 | \$ (871,591) | \$ (131,608) | \$ (187,345) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 104.16% | 131.77% | 119.78% | 107.43% | 97.02% | 113.58% | 102.11% | 103.22% |
| Covered-Valuation Payroll | \$ 1,602,512 | \$ 1,624,790 | \$ 1,714,564 | \$ 1,859,638 | \$ 1,722,293 | \$ 1,500,679 | \$ 1,473,822 | \$ 1,393,510 |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | -20.99% | -148.52% | -84.89% | -29.70% | 12.19% | -58.08% | -8.93% | -13.44% |

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
MARCH 31, 2023

| | <u>3/31/2023*</u> | <u>3/31/2022*</u> | <u>3/31/2021*</u> | <u>3/31/2020*</u> | <u>3/31/2019*</u> | <u>3/31/2018 *</u> | <u>3/31/2017 *</u> | <u>3/31/2016*</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| Actuarially-Determined Contribution | \$ 44,711 | \$ 92,613 | \$ 106,474 | \$ 73,828 | \$ 114,016 | \$ 97,994 | \$ 94,619 | \$ 102,423 |
| Contributions in Relation to Actuarially-Determined Contribution | <u>44,711</u> | <u>92,613</u> | <u>106,474</u> | <u>73,828</u> | <u>114,016</u> | <u>97,994</u> | <u>94,619</u> | <u>102,424</u> |
| Contribution Deficiency/(Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1)</u> |
| Covered-Valuation Payroll | \$ 1,624,994 | \$ 1,586,713 | \$ 1,671,371 | \$ 1,788,196 | \$ 1,809,386 | \$ 1,500,679 | \$ 1,473,822 | \$ 1,393,510 |
| Contributions as a Percentage of Covered-Valuation Payroll | 2.75% | 5.84% | 6.37% | 4.13% | 6.30% | 6.53% | 6.42% | 7.35% |

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2021 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 22-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS ORIGINAL AND FINAL | ACTUAL |
|-----------------------------------|--|---------------------|
| REVENUES | | |
| Property Taxes | \$ 1,349,989 | \$ 1,348,294 |
| Replacement Tax | 27,000 | 48,023 |
| Interest Income | 1,400 | 33,233 |
| Rental Income | 51,100 | 67,127 |
| Grant Income | 20,000 | 20,000 |
| Senior Transportation Fees | 6,000 | 5,882 |
| Miscellaneous Income | <u>200</u> | <u>100</u> |
| Total Revenues | <u>\$ 1,455,689</u> | <u>\$ 1,522,662</u> |
| EXPENDITURES | | |
| Current | | |
| General Government | | |
| Personnel | | |
| Salaries | \$ 262,464 | \$ 283,716 |
| Health Insurance | 38,000 | 37,432 |
| Health Reimbursement Account | 15,300 | 12,374 |
| Retirement Contribution | 10,000 | 5,443 |
| Social Security/Unemployment | <u>22,500</u> | <u>23,442</u> |
| | <u>\$ 348,264</u> | <u>\$ 362,407</u> |
| Contractual Services | | |
| Maintenance Service - Equipment | \$ 4,600 | \$ 4,487 |
| Risk Management Premiums | 15,900 | 9,602 |
| Telephone | 5,640 | 4,794 |
| Dues | 2,100 | 1,130 |
| Travel Expense | 2,500 | 3,843 |
| Postage | 1,500 | 1,503 |
| Printing/Publishing | 1,500 | 853 |
| Accounting Service | 12,000 | 12,417 |
| Nextel/Radio | 1,000 | 972 |
| Legal Service | 30,000 | 6,900 |
| Training | 3,000 | 2,328 |
| Bank Fees | 100 | 93 |
| Data Processing Support | 25,000 | 24,852 |
| Consultant Services | <u>3,800</u> | <u>3,760</u> |
| | <u>\$ 108,640</u> | <u>\$ 77,530</u> |
| Commodities | | |
| Office Supplies | \$ 3,000 | \$ 2,110 |
| Operating Supplies | 2,500 | 2,178 |
| Furniture/Equipment/Software | <u>5,000</u> | <u>4,810</u> |
| | <u>\$ 10,500</u> | <u>\$ 9,098</u> |
| Other Expenditures | | |
| Senior Citizen Service | \$ 5,000 | \$ 3,006 |
| McHenry County Historical Society | 1,000 | 900 |
| Special Events | 2,500 | 2,046 |
| Nuisance Ordinance Enforcement | 2,100 | 193 |
| Miscellaneous | <u>2,500</u> | <u>1,177</u> |
| | <u>\$ 13,100</u> | <u>\$ 7,322</u> |
| Total General Government | <u>\$ 480,504</u> | <u>\$ 456,366</u> |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2023

| | <u>BUDGETED AMOUNTS ORIGINAL AND FINAL</u> | <u>ACTUAL</u> |
|--|--|-------------------|
| EXPENDITURES (Continued) | | |
| Current (Continued) | | |
| Directly Funded Community Services | | |
| Personnel | | |
| Salaries | \$ 66,103 | \$ 61,867 |
| Health Insurance | 15,200 | 2,396 |
| Health Reimbursement Account | 8,775 | 9 |
| Retirement Contribution | 1,200 | 1,082 |
| Social Security/Unemployment | 6,159 | 6,342 |
| Training/Travel | 400 | 38 |
| | <u>\$ 97,837</u> | <u>\$ 71,734</u> |
| Contractual Services | | |
| Vehicle Maintenance | \$ 3,500 | \$ 4,647 |
| Nextel/Radio | 1,500 | 1,509 |
| PACE Lease | 3,600 | 4,100 |
| Dispatch | - | 3,221 |
| Risk Mgmt. Ins. | 2,090 | 1,961 |
| | <u>\$ 10,690</u> | <u>\$ 15,438</u> |
| Commodities | | |
| Operating Supplies | \$ 500 | \$ 560 |
| Other Expenditures | | |
| Miscellaneous | \$ 300 | \$ 367 |
| Fuel | 13,000 | 13,000 |
| Occupational Health | 1,500 | 1,730 |
| | <u>\$ 14,800</u> | <u>\$ 15,097</u> |
| Total Directly Funded Community Services | <u>\$ 123,827</u> | <u>\$ 102,835</u> |
| Parks and Recreation | | |
| Personnel | | |
| Salaries | \$ 144,150 | \$ 131,458 |
| Overtime | 3,000 | 2,126 |
| Health Insurance | 22,500 | 22,682 |
| Health Reimbursement Account | 13,000 | 499 |
| Retirement Contribution | 2,415 | 2,113 |
| Social Security/Unemployment | 13,000 | 12,730 |
| | <u>\$ 198,070</u> | <u>\$ 171,618</u> |
| Contractual Services | | |
| Security | \$ 3,000 | \$ 4,650 |
| Maintenance Service - Building | 32,500 | 39,881 |
| Maintenance Service - Equipment | 5,000 | 3,773 |
| Maintenance Service - Vehicles | 5,900 | 6,218 |
| Travel | - | 2,816 |
| Training | 1,000 | 843 |
| Nextel/Radio | 1,000 | 1,325 |
| Utilities - Food Pantry | 16,000 | 15,137 |
| Utilities - Town Hall | 19,000 | 15,656 |
| Utilities - WHCC | 3,500 | 3,145 |
| Utilities - Park Garage | 2,000 | 1,626 |
| Utilities - Ball Fields | 3,000 | 1,046 |
| Utilities - Recreation Center | 16,000 | 12,519 |
| Telephone/Internet | - | 68 |
| Uniform Services | 800 | 1,243 |
| Security | 7,000 | 7,426 |
| Fuel | 9,000 | 9,000 |
| Dues & Subscriptions | - | 155 |
| Risk Mgmt. Ins. | 11,390 | 15,470 |
| | <u>\$ 136,090</u> | <u>\$ 141,990</u> |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS ORIGINAL AND FINAL | ACTUAL |
|-------------------------------------|--|--------------|
| EXPENDITURES (Continued) | | |
| Current (Continued) | | |
| Parks and Recreation (Continued) | | |
| Commodities | | |
| Office Supplies | \$ 100 | \$ 44 |
| Operating Supplies | 600 | 663 |
| Small Tools | 1,300 | 1,314 |
| Grounds Maintenance Supplies | 10,000 | 9,251 |
| Ball Field Maintenance Supplies | 15,000 | 15,119 |
| | \$ 27,000 | \$ 26,391 |
| Other Expenditures | | |
| Miscellaneous | \$ 650 | \$ 38 |
| Total Parks and Recreation | \$ 361,816 | \$ 340,041 |
| Assessor | | |
| Personnel | | |
| Salaries | \$ 343,000 | \$ 333,148 |
| Health Insurance | 61,000 | 59,655 |
| Health Reimbursement Account | 30,500 | 4,950 |
| Retirement Contribution | 10,000 | 7,769 |
| Social Security/Unemployment | 30,000 | 26,850 |
| | \$ 474,500 | \$ 432,372 |
| Contractual Services | | |
| Maintenance Service - Equipment | \$ 2,000 | \$ 1,581 |
| Maintenance Vehicle | 500 | 1,144 |
| Computer Maintenance/Software | 21,000 | 23,929 |
| Computer License/Software | 15,500 | 15,400 |
| Telephone | 5,400 | 5,859 |
| Internet/Website | 2,760 | - |
| Dues and Subscriptions | 1,500 | 1,369 |
| Travel Expense | 2,000 | 1,094 |
| Postage | 1,000 | 700 |
| Printing/Publishing | 500 | 369 |
| Training | 1,500 | 2,280 |
| Consulting Service/Public Relations | 2,200 | 7,426 |
| Professional Services | 3,000 | 563 |
| Fuel IGA Road | 3,000 | 3,000 |
| Risk Mgmt. Ins. | 4,115 | 3,985 |
| | \$ 65,975 | \$ 68,699 |
| Commodities | | |
| Office Supplies | \$ 1,500 | \$ 1,581 |
| Clothing | 1,000 | 97 |
| Office Supplies | 2,500 | 2,556 |
| Other Expenditures | | |
| Miscellaneous Expenses | \$ 500 | \$ 30 |
| Total Assessor | \$ 543,475 | \$ 503,936 |
| Total Current | \$ 1,509,622 | \$ 1,403,177 |
| Capital Outlay | | |
| General Government | | |
| Directly Funded Community Services | \$ 30,000 | \$ 13,614 |
| Parks and Recreation | - | 7,190 |
| | \$ 30,000 | \$ 20,804 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS | |
|---|-----------------------|--------------|
| | ORIGINAL AND FINAL | ACTUAL |
| EXPENDITURES (Continued) | | |
| Town Fund Contingencies | \$ 100,000 | \$ - |
| Total Expenditures | \$ 1,639,622 | \$ 1,423,981 |
| | | |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (183,933) | \$ 98,681 |
| | | |
| OTHER FINANCING SOURCES/(USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ (183,933) | \$ 98,681 |
| | | |
| FUND BALANCE - APRIL 1, 2022 | | 1,357,419 |
| FUND BALANCE - MARCH 31, 2023 | | \$ 1,456,100 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS ORIGINAL AND FINAL | ACTUAL |
|------------------------------|--|--------------|
| REVENUES | | |
| Property Taxes | \$ 781,792 | \$ 784,961 |
| Replacement Tax | 35,000 | 106,602 |
| Motor Fuel Tax | - | 313,169 |
| Road Fines | 6,000 | 10,208 |
| Interest Income | 100 | 18,942 |
| Miscellaneous Income | 13,000 | 26,216 |
| Intergovernmental Agreements | 220,000 | 228,197 |
| Fees | 6,200 | 7,179 |
| Sale of Equipment | 2,000 | - |
| Reimbursements | 500 | 1,925 |
| Total Revenues | \$ 1,064,592 | \$ 1,497,399 |
| EXPENDITURES | | |
| Current | | |
| General Government | | |
| Personnel | | |
| Salaries | \$ 99,399 | \$ 103,533 |
| Health Insurance | 31,300 | 29,774 |
| Health Reimbursement Account | 17,550 | 5,141 |
| Retirement Contribution | 3,051 | 2,438 |
| Social Security/Unemployment | 8,504 | 8,563 |
| | \$ 159,804 | \$ 149,449 |
| Contractual Services | | |
| Telephone | \$ 20,000 | \$ 12,652 |
| Internet/Website | 3,500 | 1,958 |
| Computer Maintenance | 15,500 | 17,529 |
| Dues and Subscriptions | 6,500 | 7,375 |
| Travel | 6,000 | 6,350 |
| Postage | 600 | 362 |
| Printing/Publishing | 1,200 | 323 |
| Accounting Services | 12,000 | 11,564 |
| Legal Services | 25,000 | 9,369 |
| Training | 5,000 | 2,688 |
| Consultant Services | 5,000 | 7,353 |
| Recycling | 1,500 | 1,675 |
| General Insurance | 57,500 | 46,869 |
| | \$ 159,300 | \$ 126,067 |
| Commodities | | |
| Office Supplies | \$ 4,000 | \$ 2,701 |
| Other Expenditures | | |
| Municipal Replacement Tax | \$ 6,000 | \$ 11,970 |
| Bank Fees | - | 38 |
| Miscellaneous | 4,000 | 2,956 |
| | \$ 10,000 | \$ 14,964 |
| Total General Government | \$ 333,104 | \$ 293,181 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS | | ACTUAL |
|--|-----------------------|--|--------------|
| | ORIGINAL AND FINAL | | |
| EXPENDITURES (Continued) | | | |
| Current (Continued) | | | |
| Highways and Roads | | | |
| Contractual Services | | | |
| Bridge Repair | \$ 10,000 | | \$ - |
| Maintenance Service - Building | 13,000 | | 12,842 |
| Maintenance Service - Equipment | 20,000 | | 19,135 |
| Maintenance Service - Road | 2,000 | | - |
| Engineering Services | 120,000 | | 119,386 |
| Tree Trimming | 30,000 | | 19,350 |
| Street Lighting | 45,000 | | 42,879 |
| Utilities | 26,500 | | 27,709 |
| Rentals | 10,000 | | 1,021 |
| Subcontractor Snow Plowing | 15,000 | | 13,863 |
| | \$ 291,500 | | \$ 256,185 |
| Commodities | | | |
| Maintenance Supplies - Building | \$ 5,000 | | \$ 8,369 |
| Maintenance Supplies - Paint & Beads | 15,000 | | 10,088 |
| Maintenance Supplies - Equipment | 55,000 | | 71,572 |
| Maintenance Supplies - Snow | - | | 122,503 |
| Maintenance Supplies - Road | 10,000 | | 436,811 |
| Maintenance Supplies - Sand and Gravel | 1,500 | | - |
| Small Tools | 9,000 | | 2,728 |
| Operating Supplies | 25,000 | | 21,745 |
| Fuel | 90,000 | | 109,244 |
| Sign Replacement Program | 15,000 | | 22,826 |
| | \$ 225,500 | | \$ 805,886 |
| Other Expenditures | | | |
| Miscellaneous | \$ 1,000 | | \$ 1,000 |
| NDR Subdivisions | 26,000 | | 2,600 |
| | \$ 27,000 | | \$ 3,600 |
| Total Highway and Roads | \$ 544,000 | | \$ 1,065,671 |
| Total Current | \$ 877,104 | | \$ 1,358,852 |
| Capital Outlay | | | |
| General Government | \$ 4,000 | | \$ 664 |
| Highways and Roads | 228,750 | | 74,107 |
| | \$ 232,750 | | \$ 74,771 |
| Contingencies | \$ 30,000 | | \$ - |
| Total Expenditures | \$ 1,139,854 | | \$ 1,433,623 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - BUDGET AND ACTUAL
 ROAD AND BRIDGE FUND
 YEAR ENDED MARCH 31, 2023

| | <u>BUDGETED AMOUNTS ORIGINAL AND FINAL</u> | <u>ACTUAL</u> |
|--|--|-------------------|
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (75,262) | \$ 63,776 |
| OTHER FINANCING SOURCES/(USES) Proceeds from Sale of Fixed Assets | <u>2,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (73,262)</u> | \$ 63,776 |
| FUND BALANCE - APRIL 1, 2022 | | <u>792,462</u> |
| FUND BALANCE - MARCH 31, 2023 | | <u>\$ 856,238</u> |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
PERMANENT ROAD FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS ORIGINAL AND FINAL | ACTUAL |
|---|--|--------------|
| REVENUES | | |
| Property Taxes | \$ 1,855,400 | \$ 1,849,662 |
| Replacement Tax | 40,000 | 107,889 |
| Grants | 192,000 | 178,542 |
| Interest Income | 500 | 14,391 |
| Miscellaneous Income | 2,000 | 59,250 |
| Total Revenues | \$ 2,089,900 | \$ 2,209,734 |
| EXPENDITURES | | |
| Current | | |
| Highways and Roads | | |
| Salaries | \$ 782,404 | \$ 771,744 |
| IMRF | 24,012 | 17,847 |
| Social Security and Medicare Contribution | 65,504 | 64,556 |
| Employee Insurance | 181,500 | 175,152 |
| HRA | 87,500 | 31,383 |
| Road Repair and Construction | 1,255,000 | 1,130,134 |
| Total Highways and Roads | \$ 2,395,920 | \$ 2,190,816 |
| Contingencies | \$ 100,000 | \$ - |
| Total Expenditures | \$ 2,495,920 | \$ 2,190,816 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (406,020) | \$ 18,918 |
| OTHER FINANCING SOURCES/(USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ (406,020) | \$ 18,918 |
| FUND BALANCE - APRIL 1, 2022 | | 578,549 |
| FUND BALANCE - MARCH 31, 2023 | | \$ 597,467 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
YEAR ENDED MARCH 31, 2023

| | BUDGETED AMOUNTS ORIGINAL AND FINAL | ACTUAL |
|---|--|--------------|
| REVENUES | | |
| Property Taxes | \$ 92,421 | \$ 92,134 |
| Replacement Tax | 5,000 | 10,542 |
| Interest Income | 200 | 5,333 |
| Miscellaneous Income | - | 51 |
| Total Revenues | \$ 97,621 | \$ 108,060 |
| EXPENDITURES | | |
| Current | | |
| Community Assistance and Services | | |
| Personnel | | |
| Salaries | \$ 56,500 | \$ 70,343 |
| Health Insurance | 15,500 | 16,332 |
| Health Reimbursement Account | 6,550 | 2,556 |
| Retirement Account | 1,158 | 1,922 |
| Social Security/Unemployment | 5,273 | 6,266 |
| | \$ 84,981 | \$ 97,419 |
| Contractual and Other | | |
| Office Supplies | \$ 700 | \$ 442 |
| GA Software | 1,200 | 1,200 |
| Data Processing/Computer Equipment | 1,500 | 1,435 |
| Catastrophic Insurance | 2,360 | 2,360 |
| Travel/Training | 1,500 | 45 |
| Internet/Phone | 2,760 | 2,143 |
| Postage | 300 | 300 |
| Miscellaneous | 700 | 152 |
| | \$ 11,020 | \$ 8,077 |
| General Assistance | \$ 40,000 | \$ 5,848 |
| Emergency Assistance | \$ 100,000 | \$ 98,457 |
| Total Community Assistance and Services | \$ 236,001 | \$ 209,801 |
| Total Expenditures | \$ 236,001 | \$ 209,801 |
| EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (138,380) | \$ (101,741) |
| OTHER FINANCING SOURCES/(USES) | - | - |
| NET CHANGE IN FUND BALANCE | \$ (138,380) | \$ (101,741) |
| FUND BALANCE - APRIL 1, 2022 | | 373,464 |
| FUND BALANCE - MARCH 31, 2023 | | \$ 271,723 |

See Accompanying Independent Auditor's Report

MCHENRY TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2023

NOTE 1 - BUDGETARY PROCESS

- A. The Township Board of Trustees adopts the budgets for all governmental type funds; however, two separate budgets are prepared. The Township budget was passed on March 31, 2022. The Road District budget was passed on March 31, 2022.
1. Town Funds (General, General Assistance, etc.)
 - i. The tentative budget is prepared by the Township Supervisor and filed with the Town Clerk.
 - ii. The Town Clerk makes the tentative budget conveniently available for public inspection for a period of at least 30 days prior to final action.
 - iii. At least 30 days prior, notice of the public hearing is published in a newspaper published in the town.
 - iv. The tentative budget is adopted by the Town Board of Trustees prior to April 30.
 2. Road Fund (Road and Bridge, Permanent Hard Road, etc.)
 - i. The tentative budget is prepared by the Highway Commissioner and filed with the Town Clerk
 - ii. The Town Clerk makes the tentative budget conveniently available for public inspection for a period of at least 30 days prior to final action.
 - iii. At least 30 days prior, notice of the public hearing is published in a newspaper published in the town.
 - iv. The tentative budget is adopted by the Town Board of Trustees prior to April 30.
- B. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. The budgets are adopted using the modified accrual basis of accounting.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended March 31, 2023, the Road and Bridge fund had expenditures that exceeded budget by \$293,769.