

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended March 31, 2025

SOUTH GROVE TOWNSHIP
TABLE OF CONTENTS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position – Modified Cash Basis	3
Statement of Activities – Modified Cash Basis	4
Fund Financial Statements	
Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis - Governmental Funds	5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets – Modified Cash Basis	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis - Governmental Funds	7
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis to the Governmental Activities on the Statement of Activities – Modified Cash Basis	8
Notes to Financial Statements	9-16
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis - Budget and Actual	
General Town Fund	17
General Assistance Fund	18
Road and Bridge Fund	19
Permanent Road Fund	20
Equipment and Building Fund	21
Joint Bridge Fund	22
Notes to Supplementary Information	23



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
South Grove Township
DeKalb County, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of South Grove Township, DeKalb County, Illinois (Township) as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of South Grove Township as of March 31, 2025, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Grove 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.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Grove 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 South Grove 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Grove Township's basic financial statements. The individual fund financial statements – budget vs. actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements – budget vs. actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Plano, Illinois
October 14, 2025

FINANCIAL SECTION

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

March 31, 2025

	Primary Government	
	Governmental	
	Activities	Total
ASSETS		
Cash and investments	\$ 257,858	\$ 257,858
Capital assets not being depreciated	25,000	25,000
Capital assets being depreciated (net of accumulated depreciation)	240,405	240,405
Total assets	<u>\$ 523,263</u>	<u>\$ 523,263</u>
LIABILITIES		
Current liabilities		
Payroll liabilities	\$ -	\$ -
Current portion of long-term debt	29,396	29,396
Noncurrent liabilities		
Noncurrent portion of long-term debt	24,516	24,516
Total liabilities	<u>53,912</u>	<u>53,912</u>
NET POSITION		
Net investment in capital assets	211,493	211,493
Restricted for		
Road and bridge construction	35,169	35,169
Tort liability	11,717	11,717
Social security	27,220	27,220
Audit	828	828
General assistance	132,342	132,342
Unrestricted (deficit)	50,582	50,582
Total net position	469,351	469,351
TOTAL LIABILITIES AND NET POSITION	<u>\$ 523,263</u>	<u>\$ 523,263</u>

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended March 31, 2025

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
PRIMARY GOVERNMENT						
Governmental Activities						
General government	\$ 109,518	\$ -	\$ -	\$ -	\$ (109,518)	\$ (109,518)
Streets and highways	181,115	-	-	-	(181,115)	(181,115)
Interest	2,245	-	-	-	(2,245)	(2,245)
Total governmental activities	292,878	-	-	-	(292,878)	(292,878)
TOTAL PRIMARY GOVERNMENT	\$ 292,878	\$ -	\$ -	\$ -	(292,878)	(292,878)
General Revenues						
Taxes						
Property					220,712	220,712
Replacement					8,930	8,930
Motor Fuel Tax					23,697	23,697
Investment income					4,431	4,431
Miscellaneous					1,479	1,479
Total					259,249	259,249
CHANGE IN NET ASSETS					(33,629)	(33,629)
NET POSITION, APRIL 1					502,980	502,980
NET POSITION, MARCH 31					\$ 469,351	\$ 469,351

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

March 31, 2025

	Town	General Assistance	Road and Bridge	Permenant Road	Building and Equipment	Joint Bridge	Total Governmental Funds
ASSETS							
Cash and investments	\$ 90,347	\$ 132,342	\$ 13,770	\$ 9,105	\$ 2,437	\$ 9,857	\$ 257,858
TOTAL ASSETS	\$ 90,347	\$ 132,342	\$ 13,770	\$ 9,105	\$ 2,437	\$ 9,857	\$ 257,858
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Payroll liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
FUND BALANCES							
Restricted for							
Road and bridge construction	-	-	13,770	9,105	2,437	9,857	35,169
Tort liability	11,717	-	-	-	-	-	11,717
Social security	27,220	-	-	-	-	-	27,220
Audit	828	-	-	-	-	-	828
General assistance	-	132,342	-	-	-	-	132,342
Unrestricted							
Unassigned	50,582	-	-	-	-	-	50,582
Total fund balances	90,347	132,342	13,770	9,105	2,437	9,857	257,858
TOTAL LIABILITIES AND FUND BALANCES	\$ 90,347	\$ 132,342	\$ 13,770	\$ 9,105	\$ 2,437	\$ 9,857	\$ 257,858

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS
MODIFIED CASH BASIS

March 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 257,858
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	265,405
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Note Payable	<u>(53,912)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 469,351</u></u>

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended March 31, 2025

	Town	General Assistance	Road and Bridge	Permenant Road	Building and Equipment	Joint Bridge	Total Governmental Funds
REVENUES							
Property taxes	\$ 73,235	\$ 4,010	\$ 74,392	\$ 35,578	\$ 25,195	\$ 8,302	\$ 220,712
Replacement tax	2,572	-	6,358	-	-	-	8,930
Motor fuel tax	-	-	-	-	23,697	-	23,697
Interest income	1,566	1,928	423	196	168	150	4,431
Miscellaneous income	793	-	686	-	-	-	1,479
Total revenues	78,166	5,938	81,859	35,774	49,060	8,452	259,249
EXPENDITURES							
Current							
General government	91,780	11,819	-	-	-	-	103,599
Streets and highways	-	-	82,583	31,630	13,291	250	127,754
Capital outlay	-	-	-	-	30,000	2,476	32,476
Debt service	-	-	-	-	33,697	-	33,697
Total expenditures	91,780	11,819	82,583	31,630	76,988	2,726	297,526
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,614)	(5,881)	(724)	4,144	(27,928)	5,726	(38,277)
OTHER FINANCING SOURCES (USES)							
Loan proceeds	-	-	-	-	30,000	-	30,000
Interfund transfers in (out)	3,198	-	(4,244)	1,046	-	-	-
Total other financing sources (uses)	3,198	-	(4,244)	1,046	30,000	-	30,000
NET CHANGE IN FUND BALANCES	(10,416)	(5,881)	(4,968)	5,190	2,072	5,726	(8,277)
FUND BALANCE, APRIL 1	100,763	138,223	18,738	3,915	365	4,131	266,135
FUND BALANCE, MARCH 31	\$ 90,347	\$ 132,342	\$ 13,770	\$ 9,105	\$ 2,437	\$ 9,857	\$ 257,858

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS

For the Year Ended March 31, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (8,277)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	28,040
Depreciation on capital assets is reported as an expense in the statement of activities	(54,844)
Repayment of principal on long-term debt is reported as an expenditure when paid in the governmental funds but as a reduction in a liability on the statement of net position	31,452
The proceeds from issuance of long-term debt are reported as an other financing source when received in governmental funds but as a liability on the statement of net position	<u>(30,000)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (33,629)</u></u>

See accompanying notes to financial statements

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the South Grove Township, DeKalb County, Illinois (the Township) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as GAAP), except as described in Note 1(d). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the other significant accounting policies:

a. Reporting Entity

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

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

These standards require governments to include entities for which there is a financial benefit or burden between the primary government and the component unit or the primary government can impose its will on significant elements of the component unit's operations. The Road District serves all the citizens of the Township and is governed by the Township Board of Trustees. The budget and appropriation ordinance are approved by the Township Board. The Road District is presented as a blended component unit.

b. Fund Accounting

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The Township does not have any proprietary funds.

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position – modified cash basis and the statement of activities – modified cash basis) report information on all of the nonfiduciary activities of the Township. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities – modified cash basis demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The General (Town) Fund is the general operating fund of the Township and is used to account for all financial resources of the Township unless required to be accounted for in another fund.

The Road and Bridge Fund is used to account for revenues derived from taxes for road and bridge projects and expenditures for highway, bridge, and street construction and maintenance.

The General Assistance Fund is used to account for revenues derived from property taxes for general assistance and expenditures for general assistance of township residents.

The Permanent Road Fund is used to account for revenues derived from property taxes for permanent road maintenance and expenditures for gravel and other road maintenance expenditures.

The Building and Equipment Fund is used to account for revenues derived from property taxes and expenditures for the purchase and maintenance of buildings and equipment.

The Joint Bridge Fund is used to account for revenues derived from property taxes and expenditures for highway, bridge, and street construction and maintenance.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements using the current financial resources measurement focus and the modified cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the Township. Expenses are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recorded at the time of receipt by the Township. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with GAAP.

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

e. Appropriations

The Township prepares an appropriation ordinance, which includes all funds, and is prepared on a basis consistent with the modified cash basis of accounting. The appropriation ordinance represents the legal spending limits for the Township. The appropriation ordinance was passed on June 11, 2024. The appropriations lapse at the end of each fiscal year. The Township does not utilize an encumbrance system.

The Township follows these procedures in establishing the appropriations data reflected in the financial statements:

1. During the first quarter of the fiscal year, the proposed appropriations for the year commencing April 1 are submitted to the Board of Trustees.
2. A public hearing is conducted to obtain comments on the proposed appropriations, prior to adoption.
3. Prior to June 1, the appropriations are legally enacted through passage of an ordinance.
4. The Board of Trustees may make transfers between the various items in a fund not exceeding in the aggregate 10% of the total of such fund as set forth in the appropriations.
5. The Township may amend its appropriations in accordance with Illinois statute.

f. Cash and cash equivalents

For purposes of the financial statements, cash and cash equivalents represent cash on hand, demand deposits, money market accounts, repurchase agreements, and certificates of deposit with maturities of 3 months or less.

g. Capital Assets

Capital assets, which include land, infrastructure, buildings and improvements, and equipment, are reported in the government-wide financial statements as a result of cash transactions. Capital assets are defined by the Township as assets with a cost of more than \$2,500 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated in the government-wide statements, using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life (in Years)</u>
Land	N/A
Infrastructure	10-40
Buildings & improvements	10-40
Equipment	5-7

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

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

h. Long-Term Obligations

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt in governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures.

i. Fund Balance/Net Position

Government-wide Statements

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Township. Committed fund balance is constrained by formal actions of the Township's Board, which is considered the Township's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance remains with the Board. Any residual fund balance is reported as unassigned.

The Township's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Township considers committed funds to be expended first followed by assigned and then unassigned funds.

The Township has not established fund balance reserve policies for their governmental funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Township's net position is restricted as a result of enabling legislation adopted by the Township.

j. Interfund Transactions

Interfund transfers, where repayment is not expected, are reported as transfers in and out. When repayment is required, interfund receivables and payables are reported. For the purposes of the Statement of Activities, all interfund transfers between individual governmental activities have been eliminated.

k. Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the Township requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives of capital assets in determining depreciation). Actual results could differ from those estimates.

l. Leases

The Township accounts for leases as follows:

Lease expenditures are recognized in the individual funds as capital outlay. The Township does not have any leases.

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

m. Subscription-Based Information Technology Arrangements

The Township accounts for subscription-based technology arrangements by recognizing expenditures in the individual funds when paid. No right-of-use asset and corresponding liability has been recorded in the financial statements in accordance with the basis of accounting described in this note. The Township does not have any subscription-based technology arrangements.

NOTE 2. PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The 2023 levy was passed by the board on December 19, 2023. Property taxes attach as an enforceable lien on property as of January 1st. Tax bills are prepared and issued by DeKalb County and are payable in two installments in June and September. The Township receives significant distributions of tax receipts from the County approximately one month after the due dates. Taxes recorded in the fund financial statements are from the 2023 and prior tax levies.

The following are the tax rate limits permitted by the Illinois Compiled Statutes and by local referendum and the actual rates levied per \$100 of assessed valuation:

	2023 Levy		2024 Levy	
	Limit	Actual	Limit	Actual
Corporate (Town)	.32000	.21344	.30000	.19861
Audit	.00500	.00435	.00500	.00404
Liability insurance	none	.02171	none	.02020
Social security	none	.02460	none	.02289
General assistance	none	.01448	none	.01347
Equipment and building	.10000	.09098	.10000	.08888
Road and bridge	.66000	.26803	.66000	.26185
Joint bridge	.25000	.02998	.25000	.02929
Permanent road	.25000	<u>.12847</u>	.25000	<u>.12550</u>
		<u>0.79604</u>		<u>0.76473</u>

NOTE 3. DEPOSITS AND INVESTMENTS

The Township invests in securities as authorized by Illinois statutes. The Township does not have a formal investment policy.

Deposits and Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township's deposits may not be returned to it. At March 31, 2025 \$9,579 of the Township's deposits were not covered by FDIC insurance or collateral and thus were exposed to custodial credit risk.

Investments

At March 31, 2025, the Township held no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Capital assets being depreciated:				
Buildings and improvements	140,300	24,112	-	164,412
Other equipment	336,109	3,928	-	340,037
Vehicles	<u>338,952</u>	<u>-</u>	<u>-</u>	<u>338,952</u>
Total capital assets being depreciated	<u>815,361</u>	<u>28,040</u>	<u>-</u>	<u>843,401</u>
Less accumulated depreciation for:				
Buildings and improvements	60,260	5,919	-	66,179
Other equipment	281,771	10,504	-	292,275
Vehicles	<u>206,121</u>	<u>38,421</u>	<u>-</u>	<u>244,542</u>
Total accumulated depreciation	<u>548,152</u>	<u>54,844</u>	<u>-</u>	<u>602,996</u>
Total capital assets being depreciated, net	<u>267,209</u>	<u>(26,804)</u>	<u>-</u>	<u>240,405</u>
Capital Assets, Net	<u>\$ 292,209</u>	<u>\$ (26,804)</u>	<u>\$ -</u>	<u>\$ 265,405</u>

Depreciation expense was charged to functions as follows:

General Government	\$ 5,919
Streets and Highways	<u>48,925</u>
	\$ <u>54,844</u>

NOTE 5. LONG TERM DEBT

The following is a summary of changes in long-term debt of the governmental activities of the Township for the year ended March 31, 2025:

	<u>Balances, April 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances, March 31, 2025</u>	<u>Current Portion</u>
GOVERNMENTAL ACTIVITIES					
Note payable – Tractor	-	30,000	-	30,000	5,484
Note payable – Plow	5,145	-	3,454	1,691	1,691
Note payable – Mack Truck	<u>50,219</u>	<u>-</u>	<u>27,998</u>	<u>22,221</u>	<u>22,221</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 55,364</u>	<u>\$ 30,000</u>	<u>\$ 31,452</u>	<u>\$ 53,912</u>	<u>\$ 29,396</u>

Governmental Activities long-term debt is comprised of the following issues:

On August 14, 2024 the Township obtained a loan from Resource Bank for the purchase of a tractor in the amount of \$30,000. The note is payable in 5 annual principal and interest installments beginning on June 30, 2025. Interest will accrue at a rate of 5.58%. This debt is repaid by the Building and Equipment Fund.

NOTE 5. LONG TERM DEBT (Continued)

On December 30, 2020, the Township received approval for a \$163,057 secured note payable from KS State Bank to purchase a Mack Truck. The note is payable in 6 annual principal and interest installments beginning on December 31, 2021. Interest will accrue at a rate of 3.27%. This debt is repaid by the Building and Equipment Fund.

On April 5, 2021, the Township received approval for a \$9,895 secured note payable from KS State Bank to purchase a snow plow. The note is payable in 6 annual principal and interest installments beginning on December 30, 2021. Interest will accrue at a rate of 3.27%. This debt is repaid by the Building and Equipment Fund.

Amounts required to be paid for the retirement of principal and interest is as follows:

Fiscal Year Ending March 31,	Note Payable – Tractor		
	Principal	Interest	Total
2026	5,484	1,525	7,009
2027	5,588	1,422	7,010
2028	5,912	1,098	7,010
2029	6,254	755	7,009
2030	6,762	392	7,154
TOTAL	\$ 30,000	\$ 5,192	\$ 35,192

Fiscal Year Ending March 31,	Note Payable – Mack Truck		
	Principal	Interest	Total
2026	22,221	727	22,948
TOTAL	\$ 22,221	\$ 727	\$ 22,948

Fiscal Year Ending March 31,	Note Payable – Plow		
	Principal	Interest	Total
2026	1,691	55	1,746
TOTAL	\$ 1,691	\$ 55	\$ 1,746

NOTE 6. LEGAL DEBT MARGIN

2024 Equalized Assessed Valuation	<u>\$ 29,707,293</u>
Statutory debt limitation (2.875% of 2024 equalized assessed valuation)	854,085
Debt subject to legal debt margin	<u>53,912</u>
Legal debt margin	<u>\$ 800,173</u>

NOTE 7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions, injuries to employees; and natural disasters. Significant losses are covered by the Township's participation in Township Officials of Illinois Risk Management Association. Estimated payments are made annually to the Association to cover claims. However, additional assessments could be required if the Association reflects a deficit. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 8. INTERFUND TRANSFERS

The following amounts during the year ending March 31, 2025 represent interfund transfers. All transfers are permanent and will not be repaid.

- \$3,198 was transferred from the Road and Bridge Fund to the Town Fund for employee compensation and payroll taxes.
- \$1,046 was transferred from the Road and Bridge Fund to the Permanent Road Fund for payroll taxes.

SUPPLEMENTARY INFORMATION

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
TOWN FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 73,102	\$ 73,235	\$ 133
Replacement tax	4,000	2,572	(1,428)
Interest income	800	1,566	766
Miscellaneous income	1,150	793	(357)
Total revenues	79,052	78,166	(886)
EXPENDITURES			
Current			
General government			
Wages	56,500	55,498	(1,002)
Insurance	5,500	5,282	(218)
Administrative	750	698	(52)
Legal and professional fees	2,000	925	(1,075)
Dues	300	290	(10)
Building maintenance	11,000	25,281	14,281
Utilities	3,500	3,099	(401)
Miscellaneous	6,000	707	(5,293)
Capital Outlay	12,000	-	(12,000)
Total expenditures	97,550	91,780	(5,770)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,498)	(13,614)	4,884
OTHER FINANCING SOURCES (USES)			
Transfers from Road & Bridge	7,000	3,198	(3,802)
NET CHANGE IN FUND BALANCE	<u>\$ (11,498)</u>	<u>(10,416)</u>	<u>\$ 1,082</u>
FUND BALANCE, APRIL 1		100,763	
FUND BALANCE, MARCH 31		<u>\$ 90,347</u>	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
GENERAL ASSISTANCE FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 4,003	\$ 4,010	\$ 7
Interest income	1,500	1,928	428
Total revenues	5,503	5,938	435
EXPENDITURES			
Current			
General government			
Miscellaneous administration	1,500	-	(1,500)
Assistance	15,000	11,819	(3,181)
Total expenditures	16,500	11,819	(4,681)
NET CHANGE IN FUND BALANCE	<u>\$ (10,997)</u>	(5,881)	<u>\$ 5,116</u>
FUND BALANCE, APRIL 1		<u>138,223</u>	
FUND BALANCE, MARCH 31		<u>\$ 132,342</u>	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 74,090	\$ 74,392	\$ 302
Replacement taxes	-	6,358	6,358
Interest income	200	423	223
Motor fuel tax	39,606	-	(39,606)
Miscellaneous income	-	686	686
Total revenues	<u>113,896</u>	<u>81,859</u>	<u>(32,037)</u>
EXPENDITURES			
Current			
Streets and highways			
Salaries	26,000	16,427	(9,573)
Administration	-	-	-
Insurance	-	4,876	4,876
Maintenance	56,606	46,339	(10,267)
Miscellaneous	3,500	2,600	(900)
Fuel	22,000	7,925	(14,075)
Rentals	-	-	-
Snow removal	-	-	-
Utilities	-	4,416	4,416
Debt service	23,000	-	(23,000)
Total expenditures	<u>131,106</u>	<u>82,583</u>	<u>(48,523)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,210)	(724)	16,486
OTHER FINANCING SOURCES (USES)			
Transfers to Town	-	(4,244)	(4,244)
NET CHANGE IN FUND BALANCE	<u>\$ (17,210)</u>	<u>(4,968)</u>	<u>\$ 12,242</u>
FUND BALANCE, APRIL 1		<u>18,738</u>	
FUND BALANCE, MARCH 31		<u>\$ 13,770</u>	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
PERMANENT ROAD FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 35,511	\$ 35,578	\$ 67
Miscellaneous income	16,212	-	(16,212)
Interest Income	100	196	96
Total revenues	<u>51,823</u>	<u>35,774</u>	<u>(16,049)</u>
EXPENDITURES			
Current			
Streets and highways			
Salaries	12,000	4,154	(7,846)
Miscellaneous administration	-	500	500
Maintenance services	23,012	-	(23,012)
Maintenance supplies	15,000	19,292	4,292
Rentals	2,000	1,485	(515)
Fuel	3,500	6,199	2,699
Total expenditures	<u>55,512</u>	<u>31,630</u>	<u>(23,882)</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers in (out)	<u>-</u>	<u>1,046</u>	<u>1,046</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,689)</u>	5,190	<u>\$ 8,879</u>
FUND BALANCE, APRIL 1		<u>3,915</u>	
FUND BALANCE, MARCH 31		<u>\$ 9,105</u>	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
EQUIPMENT AND BUILDING FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 25,149	\$ 25,195	\$ 46
Motor fuel tax	-	23,697	23,697
Interest income	100	168	68
Total revenues	25,249	49,060	23,811
EXPENDITURES			
Current			
Streets and highways			
Building electric	1,000	3,953	2,953
Repairs and supplies	-	9,338	9,338
Equipment	20,000	30,000	10,000
Debt Service			
Principal	2,000	31,451	29,451
Interest	-	2,246	2,246
Total expenditures	23,000	76,988	53,988
OTHER FINANCING SOURCES (USES)			
Loan proceeds	-	30,000	30,000
NET CHANGE IN FUND BALANCE	\$ 2,249	2,072	\$ (177)
FUND BALANCE, APRIL 1		365	
FUND BALANCE, MARCH 31		\$ 2,437	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MODIFIED CASH BASIS
JOINT BRIDGE FUND

For the Year Ended March 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 7,892	\$ 8,302	\$ 410
Interest income	25	150	125
Total revenues	7,917	8,452	535
EXPENDITURES			
Current			
Streets and highways			
Maintenance/improvements	2,000	250	(1,750)
Culverts	9,000	2,476	(6,524)
Total expenditures	11,000	2,726	(8,274)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,083)	5,726	8,809
NET CHANGE IN FUND BALANCE	<u>\$ (3,083)</u>	5,726	<u>\$ 8,809</u>
FUND BALANCE, APRIL 1		4,131	
FUND BALANCE, MARCH 31		<u>\$ 9,857</u>	

(See independent auditor's report)

SOUTH GROVE TOWNSHIP
DEKALB COUNTY, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION
March 31, 2025

NOTE 1. BASIS OF ACCOUNTING

Budgets are adopted on a cash basis of accounting which is not consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted (at the fund level) for all of the funds on the cash basis with a line item budget by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level.

The Township adopted its annual budget and appropriation ordinance for the year ended March 31, 2025 at its June 11, 2024 meeting.

The line item budget is used by management for control purposes in the day-to-day operations. The Board of Trustee may make transfers between line items while retaining the total appropriation for the fund. The Board of Trustees also may increase the appropriation amount by following the same procedures as required for the original appropriation. The amounts shown on the financial statements reflect the original and final budget as adopted by the Board of Trustees.

Budget revenues are based on estimates approved by the Board of Trustees.

NOTE 2. OPERATING BUDGET

The Township operated within the legal confines of the Appropriation Ordinance during the fiscal year ended March 31, 2025, with no instances of over expending the budgeted amounts in the individual funds except for the following:

- The Building & Equipment Fund which expended \$76,988 and only budgeted \$23,000