TOWNSHIP OF LYONS,
ILLINOIS

ANNUAL FINANCIAL
REPORT

YEAR ENDED FEBRUARY 28, 2026

TOWNSHIP OF LYONS

ANNUAL FINANCIAL REPORT
February 28, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Township of Lyons, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of the Township of Lyons, Illinois, as of and for the year ended February 28, 2026, and the related notes to the financial statements, which collectively comprise the Township of Lyons, Illinois' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of the Township of Lyons, Illinois, as of February 28, 2026, 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.

We did not audit the financial statements of the Lyons Township Mental Health Commission, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lyons Township Mental Health Commission, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Lyons, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Lyons, Illinois' 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 the Township of Lyons, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Lyons, Illinois' ability to continue as a going concern for a reasonable period of time.

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

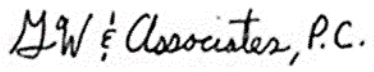
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Other Information

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

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



Hillside, Illinois
October 13, 2026

Township of Lyons
Management's Discussion and Analysis
For the Year Ended February 28, 2026

Management's discussion and analysis of the Township of Lyons' (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended February 28, 2026. The management of the Township encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by $1,014,034. This represents a 9.3% percent increase from 2025.
- Overall entity-wide revenues were $4,834,886 consisting primarily of general revenues, and entity-wide expenses were $3,820,852.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

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, deferred outflows of resources, 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.

The Statement of Activities presents information showing how the Township's net position changed during the fiscal year being reported. 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.

The government-wide financial statements present the functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities). The Township has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Township's governmental activities consist of general government, public safety, health and welfare and public works.

The Township includes the Lyons Mental Health Commission as a component unit in the report due to its financial accountability to the Township. The component unit is presented discretely in the financial statements. Separate financial statements can be obtained from the Lyons Township Mental Health Commission's administration. The financial statements of the Mental Health Commission are for the year ended June 30, 2025.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township fall under the category of 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 the Township'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 government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintained four individual governmental funds throughout the year. All four funds are presented as major funds (the General (Town), Road and Bridge, General Assistance, and Special Police). Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for each major fund.

The Township adopts an annual budget for all of the funds mentioned above. A budgetary comparison statement has been provided for the General (Town), Road and Bridge, General Assistance, and Special Police funds to demonstrate compliance with this budget.

Notes to the financial statements

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

Township-Wide Financial Analysis

The Township's combined net position increased by 9.3% to $11,922,866 as a result of operations in fiscal year 2026. Noncurrent assets increased as a result of increases in net pension assets as well as new capital asset additions such as construction in progress for stormwater storage products.

Table 1
Condensed Statement of Net Position
(in thousands of dollars)

	2026	2025
Current assets	$ 8,253	$ 7,893
Noncurrent assets	7,890	6,904
Total Assets	16,143	14,797
Deferred Outflows of Resources		
Deferred outflows related to pensions	235	149
Deferred charge on refunding	4	9
Total deferred outflows of resources	239	158
Long-term liabilities	281	524
Other liabilities	583	247
Total liabilities	864	771
Deferred inflows related to pensions	393	188
Property taxes levied for future periods	3,202	3,087
Total deferred inflows of resources	3,595	3,275
Net position:		
Net investment in capital assets	7,294	6,218
Restricted	1,813	1,305
Unrestricted	2,816	3,386
Total net position	$ 11,923	$ 10,909

The Township's net position increased $1,014,034 from the prior year. Revenues increased due to increases in property tax receipts and intergovernmental agreement revenue from the Metropolitan Water Reclamation District. Expenditures increased mainly as the result of current year depreciation costs increasing over the prior year.

Table 2
Changes in Net Position
(in thousands of dollars)

	2026	2025
Program Revenues:		
Capital grants & contributions	$ 984	$ 206
Total program revenues	984	206
General Revenues:		
Real estate taxes	3,565	3,221
Replacement taxes	167	187
Interest	105	128
Miscellaneous	15	19
Total general revenues	3,852	3,555
Expenses:		
General government	2,362	2,297
Public safety	93	89
Health and welfare	106	134
Public works	1,244	1,079
Interest and fees	17	22
Total expenses	3,822	3,621
Increase in net position	1,014	140
Net position, beginning of year	10,909	10,769
Net position, end of year	$ 11,923	$ 10,909

Financial Analysis of the Township's Funds

The financial position of the Township as a whole is reflected in its governmental funds as well. During the fiscal year actual revenues were less than actual expenditures by $93,215. As the Township completed the year, the governmental funds' balance decreased to $4,469,489. The most impactful increase to both revenues and expenditures across all funds related to the receipt of funding from an intergovernmental agreement with the MWRD of $984,000, which increased both revenues and expenditures by that amount in the Road & Bridge Fund.

General Fund Budgetary Highlights

> Actual revenues in the General fund were over budget by $73,159 primarily due to property taxes performing over budget by $105,539 and replacement taxes performing under budget by $21,686. Actual expenditures in the General fund were under-budget by $160,586 due to the Township budgeting conservatively.

Capital Assets

At the end of the year, before accumulated depreciation, the Township invested $1,958,802 in land, $986,974 in construction in progress, $2,294,212 in buildings, $1,196,212 in equipment, $6,780,851 in infrastructure, $111,665 in furniture and fixtures, and $37,291 in leased equipment. Current year depreciation/amortization expense was $572,965.

Table 3
Capital Assets (net of depreciation)
(in thousands of dollars)

	2026	2025
Land	$ 1,959	$ 1,959
Construction in progress	987	2,039
Building	1,221	1,194
Equipment	349	290
Furniture	41	46
Leased equipment	24	32
Infrastructure	2,927	1,176
Total	$ 7,508	$ 6,736

More information about the capital assets can be obtained from Note 3 C. of the financial statements.

Long-Term Debt

At year-end, the Township had $0.19 million in debt certificates principal outstanding, which relates to the advance refunding in fiscal year 2017. The Township completed payments related to an installment contract agreement for a bus. The Township also reported lease agreements for copiers and a postage machine in the amount of $0.03 million. Other liabilities related to compensated absences in the amount of $0.06 million.

Table 4
Outstanding Long-Term Debt
(in thousands of dollars)

	2026	2025
Debt certificates	$ 193	$ 371
Installment contracts	-	48
Lease payable	26	33
Other liabilities	62	72
Total	$ 281	$ 524

More detailed information about the Township's long-term liabilities is presented in Note 3 E. of the financial statements.

Factors Bearing on the Township's Future

Considering the current economic climate that exists throughout the United States, it is very difficult to make definitive pronouncements on the near- or long-term financial future of the Township of Lyons. The Township's future financial health may be affected by property tax appeals leading to assessment reductions and causing the Township to issue refunds. It is critical that the Township continue to practice sound financial management strategies to help weather the current economic conditions.

Requests for Information

This financial report is designed to provide the Township's citizens, taxpayers, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Township Supervisor at:

Lyons Township
6404 Joliet Road
Countryside, Illinois 60525

BASIC FINANCIAL STATEMENTS

TOWNSHIP OF LYONS
STATEMENT OF NET POSITION
FEBRUARY 28, 2026

	Primary Government	June 30, 2025 Component Unit
	Governmental Activities	Mental Health Commission
Assets		
Current Assets		
Cash and Investments	$ 4,990,543	$ 2,737,195
Receivables (Net):		
Real Estate Taxes	3,222,360	1,932,351
Replacement Taxes	8,597	140,396
Prepaid Expenses	16,416	-
Due From Discretely Presented Component Unit	14,916	-
Noncurrent Assets		
Net Pension Asset	381,764	32,503
Capital Assets:		
Land	1,958,802	-
Construction in Progress	986,974	-
Depreciable Buildings, Property and Equipment, Net Accumulated Depreciation	4,562,878	2,249
Total Assets	16,143,250	4,844,694
Deferred Outflows of Resources		
Deferred outflows related to pensions	234,554	32,059
Deferred charge on refunding	4,335	-
Total Deferred Outflows of Resources	238,889	32,059
Liabilities		
Current Liabilities		
Accounts payable	42,362	23,903
Salaries payable	13,566	840
Due to other governments	525,489	-
Interest payable	1,425	-
Current Portion of Long-Term Debt	233,638	-
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Debt	47,677	8,510
Total Liabilities	864,157	33,253
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	393,190	36,114
Property Taxes Levied for Future Periods	3,201,926	1,932,351
Total Deferred Inflows of Resources	3,595,116	1,968,465
Net Position		
Net Investment in Capital Assets	7,294,027	2,249
Restricted for:		
Pensions	381,764	32,503
General Assistance	456,034	-
Road and Bridge	697,351	-
Special Police	277,465	-
Unrestricted	2,816,225	2,840,283
Total Net Position	$ 11,922,866	$ 2,875,035

See accompanying notes to financial statements

TOWNSHIP OF LYONS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: For the Year Ended June 30, 2025 Component Unit Mental Health Commission
Primary Government:					
Governmental Activities					
General Government	$ 2,361,868	$ -	$ -	$ (2,361,868)	$ -
Public Safety	92,518	-	-	(92,518)	-
Health and Welfare	105,993	-	-	(105,993)	-
Public Works	1,243,174	-	983,771	(259,403)	-
Interest and Fees	17,299	-	-	(17,299)	-
Total Primary Government	$ 3,820,852	$ -	$ 983,771	$ (2,837,081)	$ -
Component Unit:					
Mental Health Commission	$ 4,352,412	$ -	$ -	-	$ (4,352,412)
General Revenues:					
Real Estate Taxes,					
Levied for Specific Purposes				3,565,066	3,809,454
Personal Property Replacement Taxes				166,693	259,954
Investment Earnings				104,608	135,269
Miscellaneous				14,748	-
Total General Revenues				3,851,115	4,204,677
Change in Net Position				1,014,034	(147,735)
Net Position Beginning of Year				10,908,832	3,022,770
Net Position End of Year				$ 11,922,866	$ 2,875,035

See accompanying notes to financial statements

TOWNSHIP OF LYONS
GOVERNMENTAL FUNDS - BALANCE SHEET
FEBRUARY 28, 2026

	General (Town) Fund	Road and Bridge Fund	General Assistance Fund	Special Police Fund	Total
ASSETS					
Cash and Investments	$ 1,956,191	$ 2,153,733	$ 572,370	$ 308,249	$ 4,990,543
Real Estate Taxes Receivable - Net	2,011,972	890,986	221,380	98,022	3,222,360
Replacement Taxes Receivable	5,328	2,751	-	518	8,597
Prepaid Expenses	12,312	4,104	-	-	16,416
Due from Other Funds	566,829	449	-	-	567,278
Due from Discretely Presented Component Unit	2,714	12,202	-	-	14,916
TOTAL ASSETS	$ 4,555,346	$ 3,064,225	$ 793,750	$ 406,789	$ 8,820,110
LIABILITIES					
Accounts Payable	32,968	2,104	-	7,290	42,362
Accrued Payroll	12,784	782	-	-	13,566
Due to Other Governments	-	525,489	-	-	525,489
Due to Other Funds	-	545,228	21,601	449	567,278
TOTAL LIABILITIES	45,752	1,073,603	21,601	7,739	1,148,695
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Future Periods	2,011,972	872,589	221,380	95,985	3,201,926
TOTAL DEFERRED INFLOWS OF RESOURCES	2,011,972	872,589	221,380	95,985	3,201,926
FUND BALANCES					
Nonspendable	12,312	4,104	-	-	16,416
Restricted	-	697,351	456,034	277,465	1,430,850
Committed	162,833	-	-	-	162,833
Assigned	-	416,578	94,735	25,600	536,913
Unassigned	2,322,477	-	-	-	2,322,477
TOTAL FUND BALANCES	2,497,622	1,118,033	550,769	303,065	4,469,489
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,555,346	$ 3,064,225	$ 793,750	$ 406,789	$ 8,820,110

See accompanying notes to financial statements

TOWNSHIP OF LYONS

RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

FEBRUARY 28, 2026

Total Fund Balances - Governmental Funds		$ 4,469,489
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
The cost of capital assets (land, buildings, equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Township as a whole.		
Cost of Capital Assets	13,366,007	
Accumulated Depreciation	(5,857,353)	
		7,508,654
Deferred outflows or resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		234,554
Deferred inflows or resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(393,190)
Deferred charge on refunding is reported in the statement of net position as deferred outflow of resources in the government-wide financial statements.		4,335
Long-term liabilities/assets applicable to the Township's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities/assets. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Long-term Debt - Debt certificates, installment contracts and leases		(216,084)
Premium		(2,878)
Interest Payable		(1,425)
Net Pension Asset (Liability)		381,764
Compensated Absences		(62,353)
Net Position - Governmental Activities		$ 11,922,866

See accompanying notes to financial statements

TOWNSHIP OF LYONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED FEBRUARY 28, 2026

	General (Town) Fund	Road and Bridge Fund	General Assistance Fund	Special Police Fund	Total
Revenues					
Taxes:					
Real Estate	$ 2,002,728	$ 1,122,721	$ 346,786	$ 92,831	$ 3,565,066
Replacement	103,314	53,341	-	10,038	166,693
Interest	73,599	24,159	6,508	342	104,608
Grants	-	983,771	-	-	983,771
Other	7,207	7,541	-	-	14,748
Total Revenues	2,186,848	2,191,533	353,294	103,211	4,834,886
Expenditures					
Current					
General Government	2,365,294	-	-	-	2,365,294
Health and Welfare	-	-	108,003	-	108,003
Public Works	-	1,127,792	-	-	1,127,792
Public Safety	-	-	-	92,518	92,518
Capital Outlay	-	986,973	-	-	986,973
Debt Service					
Principal	229,451	-	-	-	229,451
Interest and Fiscal Charges	18,070	-	-	-	18,070
Total Expenditures	2,612,815	2,114,765	108,003	92,518	4,928,101
Net Change in Fund Balance	(425,967)	76,768	245,291	10,693	(93,215)
Fund Balances - Beginning of Year	2,923,589	1,041,265	305,478	292,372	4,562,704
Fund Balances - End of Year	$ 2,497,622	$ 1,118,033	$ 550,769	$ 303,065	$ 4,469,489

See accompanying notes to financial statements

TOWNSHIP OF LYONS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2026

Net change in fund balances - total governmental funds	$	(93,215)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.		1,345,541
Depreciation is reported in the government-wide financial statements.		(572,965)
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 fund.		
Compensated Absences		9,805
Net Pension Asset/Liability		214,031
Deferred Outflows of Resources Related to Pensions		85,611
Deferred Inflows of Resources Related to Pensions		(204,996)
Interest Payable		2,231
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal Repaid		229,451
Governmental funds report the effects of debt premiums, discounts and similar items when debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		(1,460)
Change in net position of governmental activities	$	1,014,034

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Lyons, Illinois (the "Township") is located in Cook County, Illinois. The Township operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety, highways and streets, health and social services, public improvements, and general administrative services.

The accounting policies of the Township of Lyons, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Township. The reporting entity for the Township consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY *(continued)*

Discretely Presented Component Unit

Lyons Township Mental Health Commission

The government-wide financial statements include the Lyons Township Mental Health Commission (Commission) as a component unit. The Commission is a legally separate organization. As a component unit, the Commission's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2025. Separately issued financial statements of the Lyons Township Mental Health Commission may be obtained from the Commission's office, 6404 Joliet Road, Countryside, Illinois 60525.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Township does not allocate indirect expenses to functions in the statement of activities. 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Township are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS *(continued)*

Fund Financial Statements *(continued)*

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all fund types (governmental and enterprise funds) combined.

c. In addition, any other governmental fund that the Township believes is particularly important to financial statement users may be reported as a major fund.

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

The Township reports the following major governmental funds:

General (Town) Fund - is the general operating fund of the Township. It is used to account for all revenues and expenditures relating to the operations of the Township's office.

Road and Bridge Fund - used to account for and report property taxes legally restricted and other assigned revenues to fund road and maintenance and repair expenditures.

General Assistance Fund - used to account for and report property taxes legally restricted and other assigned revenues to fund health and welfare expenditures.

Special Police Fund - accounts for the property taxes used to reimburse the Cook County Sheriff for the policing of unincorporated areas of the Township of Lyons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are intended to finance. Taxes levied for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets that are valued at costs and are recorded as expenditures when they are consumed.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the year for which they are intended to finance.

Intergovernmental aids and grants are recognized as revenues in the period the Township is entitled to the resources and the amounts are available. Amounts owed to the Township which are not available are recorded as receivables and deferred inflows. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, replacement taxes and interest. Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

Illinois Statutes authorize the Township to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The Township has adopted an investment policy. That policy follows the State Statute for allowable investments.

Interest Rate Risk

The Township's investment policy seeks to ensure preservation of capital in the Township's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but states the Township will invest primarily in shorter-term securities, money market mutual funds, or similar investment pools. The policy also requires the Township's investment portfolio to be sufficiently liquid to enable the Township to meet all operating requirements as they come due.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Township's investment policy further attempts to minimize credit risk by:

- Limiting investments to the safest types of securities.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Township does business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Concentration of Credit Risk

The Township's policy states that it shall diversify its investments by avoiding over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasuries), investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY *(continued)*

1. Deposits and Investments *(continued)*

Custodial Credit Risk - Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township's investment policy limits the exposure to deposit custodial credit risk by requiring its deposits to be secured by collateral where allowed by state law.

Custodial Credit Risk - Investments

The Township's investment policy requires all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3. A. for further information.

2. Receivables

Property taxes for levy year 2025 attach as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills are prepared by the Cook County Collector and are usually issued on or about February 1, and July 1, and are payable in two installments, on or about March 1, and August 1, or within 30 days of the tax bills being issued. In fiscal year, the first installment was due on March 4, 2025, and the second installment was due on December 15, 2025.

The county collects such taxes and remits them periodically. The 2025 property tax levy is recognized as a receivable and deferred inflow in fiscal 2025, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At February 28, 2026, the property taxes receivable and deferred inflow consisted of the estimated amounts from the 2025 levy as it is the Township's intention to use the 2025 levy to finance the following year's operations.

The property tax receivable is shown net of an allowance for uncollectible taxes. The allowance is equal to 2% in all funds.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY *(continued)*

3. Capital Assets

Government-Wide Statements

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $500 for general capital assets and a useful life greater than 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of asset is as follows:

Building & Improvements	50 Years
Equipment	10 Years
Infrastructure	50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

4. Leases

The Township has recorded right to use lease assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets amounting to $500 or more are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. The Township recognizes short-term lease payments as outflows of resources based on the payment provisions of the lease contract. The Township recognizes an asset if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTLFOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY *(continued)*

6. Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements. In addition, certain salary-related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

The Township accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations or retirements.

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Vacations must be taken in the year following the year in which earned. Employees hired prior to November 17,1993, may accumulate up to a maximum of sixty days for future use. Employees hired after November 17, 1993, shall be paid no more than 42 accumulated vacation days at resignation or retirement. Employees hired prior to November 17, 1993 who accumulated sick days prior to November 17, 1993 could accumulate up to 60 days sick leave and may be paid up to that amount at resignation or retirement. Employees hired after November 17, 1993, shall not be allowed to accumulate unused sick days or carry unused sick days over from year to year. In the case of termination (voluntary or involuntary) or lay off, no employee will be paid for his/her unused, accumulated sick time.

7. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of debt certificates, installment contracts, lease liabilities, accrued compensated absences, and net pension liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the government-wide statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTLFOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY *(continued)*

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

a) Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b) Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c) Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Township. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Township that originally created the commitment.

d) Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following; 1) The Township adopts a financial policy through board action to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTLFOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY *(continued)*

9. Equity Classifications *(continued)*

e) Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

The Township considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Township would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The restricted and assigned fund balances are for the purpose of the respective funds as described above in the Fund Financial Statements section of Note 1.B. Committed fund balances in the General Fund are to be used for future capital projects purchases and are held in a separate bank account.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to February 28, the Township submits to the Township Board a proposed operating budget for the fiscal year commencing March 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to May 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The Township is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Township Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Township's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank Balances	Associated Risks
Deposits with financial institutions	$ 4,989,274	$ 5,141,456	Custodial credit risk
Petty cash	1,269	-	N/A
Total Deposits and Investments	$ 4,990,543	$ 5,141,456	

Deposits

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Township's deposits may not be returned to the Township. The Township has $26,619 in uncollateralized bank balances as of February 28, 2026. The Township does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. See Note 1.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Property taxes levied for subsequent year	$ 3,201,926
Total Unearned/Unavailable Revenue for Governmental Funds	$ 3,201,926

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2026, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not being Depreciated				
Land	$ 1,958,802	$ -	$ -	$ 1,958,802
Construction in Progress	2,039,405	1,001,292	2,053,723	986,974
Total Capital Assets not being Depreciated	3,998,207	1,001,292	2,053,723	2,945,776
Capital Assets being Depreciated				
Building & Improvements	2,221,885	72,327	-	2,294,212
Equipment	1,090,859	105,353	-	1,196,212
Infrastructure	4,560,559	2,220,292	-	6,780,851
Furniture and Fixtures	111,665	-	-	111,665
Leased equipment	37,291	-	-	37,291
Total Capital Assets being Depreciated	8,022,259	2,397,972	-	10,420,231
Total Capital Assets	12,020,466	3,399,264	2,053,723	13,366,007
Less: Accumulated Depreciation for:				
Building & Improvements	(1,028,187)	(44,439)	-	(1,072,626)
Equipment	(800,581)	(46,627)	-	(847,208)
Infrastructure	(3,385,179)	(468,400)	-	(3,853,579)
Furniture and Fixtures	(65,416)	(6,015)	-	(71,431)
Leased equipment	(5,025)	(7,484)	-	(12,509)
Total Accumulated Depreciation	(5,284,388)	(572,965)	-	(5,857,353)
Net Capital Assets Being Depreciated	2,737,871	1,825,007	-	4,562,878
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 6,736,078	$ 2,826,299	$ 2,053,723	$ 7,508,654

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	$ 98,533
Public Works	474,432
Total Governmental Activities Depreciation Expense	$ 572,965

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

D. INTERFUND

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General (Town)	Road and Bridge	$ 545,228
General (Town)	General Assistance	21,601
Road and Bridge	Special Police	449
Total		$ 567,278

All amounts are due within one year.

The interfund balance from the Road and Bridge Fund relates to payroll deductions and borrowing for a capital purchase owed to the General (Town) Fund. The General Assistance Fund interfund balance owed to the General (Town) Fund relates to payroll deductions that were paid on behalf of the fund. The Special Police Fund interfund balance owed to the Road and Bridge Fund is related to correcting an allocation of personal property replacement taxes.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended February 28, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Debt Certificates	$ 365,000	$ -	$175,000	$190,000	$ 190,000
Premium on Debt Certificates	5,757	-	2,880	2,877	-
Installment Contract Payable					
Huntington Bank 2023 Ford Van	47,663	-	47,663	-	-
Leases Payable					
Copiers	31,894	-	6,242	25,652	6,697
Postage Meter	979	-	546	433	433
Compensated Absences*	72,158	-	9,805	62,353	36,508
Total Governmental Activities Long-Term Liabilities	$ 523,451	$ -	$242,136	$281,315	$ 233,638

*The change in the compensated absences balance liability is presented as a net change.

Legal Debt Margin

The Township is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 2.875% of the most recent available equalized assessed valuation of the Township. As of February 28, 2026, the statutory debt limit for the Township was $161,481,029, providing a debt margin of $161,291,029.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS (continued)

Debt Certificates

Debt certificates have been issued to provide funds for the purpose of purchasing, renovating, and equipping a facility for use by the Township. Debt Certificates are direct obligations and pledge the full faith and credit of the Township.

Debt Certificates at February 28, 2026, consist of the following:

Governmental Activities Debt Certificates	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance February 28, 2026
Debt Certificates, Series 2016	3/22/2016	12/1/2026	1.15%-3%	$1,505,000	$ 190,000
Total Governmental Activities Debt Certificates					$ 190,000

The obligations for the Debt Certificates are repaid from the General (Town) Fund.

Debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities Debt Certificates Principal	Interest
2027	$ 190,000	$ 5,700
Totals	$ 190,000	$ 5,700

Installment Contracts Payable

The Township entered into an installment contract agreement with Huntington National Bank in November 2023 for a new van. The Township paid off the remaining balance during the fiscal year of $47,663. The contract had an interest rate of 6.95%.

Leases Payable

The Township entered into a copier machine lease on July 14, 2020, for 3 copiers. Monthly payments in the amount of $570 were to be made until the final payment date of June 20, 2025. The lease liability was measured at a discount rate of 6%, the incremental borrowing rate of the Township at that time. In September 2025, this lease was ended as the Township entered into a new lease for new copier equipment. Monthly payments in the amount of $691 are to be made until the final payment date of August 10, 2029. The lease liability is measured at a discount rate of 7.05%, the incremental borrowing rate of the Township at the beginning of the lease period.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E. LONG-TERM OBLIGATIONS (continued)

Leases Payable (continued)

The Township entered into an agreement for the use of a postage meter on May 11, 2021. Quarterly payments in the amount of $148 are to be made until the final payment date of September 15, 2026. The lease liability is measured at a discount rate of 6%, the incremental borrowing rate of the Township at the beginning of the lease period.

The detail of the intangible right-to-use leased equipment assets is discussed in more detail in Note 3.C.

Lease Payable at February 28, 2026, consisted of the following:

Governmental Activities Lease Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance February 28, 2026
Copier lease	9/10/2025	8/10/2029	7.05%	$ 34,855	$ 25,652
Postage meter	5/11/2021	9/15/2026	6.00%	2,436	433
Total Governmental Activities Lease Payable					$ 26,085

The obligations for the Lease Payable are repaid from the General (Town) Fund. Debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities Lease Payable	
	Principal	Interest
2027	$ 7,130	$ 1,608
2028	7,185	1,107
2029	7,708	584
2030	4,062	84
Totals	$ 26,085	$ 3,383

Lessor

The Township leased land to Mercy Housing Lakefront in fiscal year 2010 for the purpose of building a senior housing facility on the property. The lease term is 99 years and terminates in 2109. The Township received a rental payment in the amount of $99 upon execution of the lease agreement. No future rental payments are owed to the Township.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued**)**

E. NET INVESTMENT IN CAPITAL ASSETS

Net position reported on the government wide statement of net position at February 28, 2026, includes the following:

Net Investment in Capital Assets		
Land	$	1,958,802
Construction in Progress		986,974
Depreciable Buildings, Property and Equipment, Net of Accumulated Depreciation		4,562,878
Add: Deferred Charge on Refunding		4,335
Less: Debt Certificates		(190,000)
Less: Unamortized Premium		(2,877)
Less: Lease Payable		(26,085)
Total Net Investment in Capital Assets	$	7,294,027

F. COMPONENT UNIT

This report contains the Mental Health Commission ("Commission"), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The Commission's government-wide financial statements follow the full accrual basis of accounting and the flow of economic resources measurement focus. The Commission's governmental fund is reported on the modified accrual basis of accounting and uses the flow of current financial resources measurement focus.

Deposits and Investments

	Total	Associated Risks
Deposits with financial institutions*	$ 927,345	Custodial credit risk - deposits
Illinois Funds	1,809,850	Credit risk
Total Deposits and Investments	$ 2,737,195	

*Includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit which are valued at cost. The amount included above for certificates of deposit is $495,560.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued**)**

G. COMPONENT UNIT (continued)

Deposits and Investments *(continued)*

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Commission's deposits may not be returned to the Commission.

The Commission does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Commission does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission had investments in the following external pool which is rated AAAm.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2025, the Commission's investments were as follows:

Investment	Maturity Date		Fair Value
Illinois Funds	N/A	$	1,809,850

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued**)**

G. COMPONENT UNIT (continued)

Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Furniture and Fixtures	$43,933	$ -	$ -	$43,933	7-30
Computer Equipment	15,716	-	-	15,716	3-5
Less: Accumulated Depreciation	(55,392)	(2,008)	-	(57,400)	
Totals	$ 4,257	$(2,008)	$ -	$ 2,249	

Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated Absences	$ 666	$ 7,844	$ -	$8,510
Total Long-Term Obligations	$100,797	$ 7,844	$ -	$8,510

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNIT (continued)

Employee Retirement System

The Commission contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefits levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan description. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at $106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Under the employer number within IMRF, both the Township and the Mental Health Commission, contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the Township and the Mental Health Commission.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNIT (continued)

Employee Retirement System (continued)

Illinois Municipal Retirement Fund (continued)

Plan membership. At December 31, 2024, the measurement date, membership in the plan was as follows:

Retirees and Beneficiaries	36
Inactive, Non-Retired Members	4
Active Members	22
Total	62

Contributions. As set by statute, Mental Health Commission employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Township to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Mental Health Commission's actuarially determined contribution and actual rate for calendar year 2024 was 6.64% of annual covered payroll. The Mental Health Commission also contribute 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The Net Pension Liability/(Asset) was measured as of December 31, 2024 and the Total Pension Liability used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the Net Pension Liability/(Asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of IMRF and additions to/deductions from IMRF Fiduciary Net Position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the Total Pension Liability in the December 31, 2024 annual actuarial valuation included a 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, including (c) price inflation of 2.25%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNIT (continued)

Employee Retirement System (continued)

Illinois Municipal Retirement Fund (continued)

Mortality. For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

		Projected Returns/Risks	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	33.50%	5.70%	4.35%
International Equities	18.00%	7.10%	5.40%
Fixed Income	24.50%	5.30%	5.20%
Real Estate	10.50%	7.30%	6.40%
Alternatives	12.50%		
Private Equity		10.00%	6.25%
Commodities		6.05%	4.85%
Cash Equivalents	1.00%	3.60%	3.60%

Discount Rate. The discount rate used to measure the Total Pension Liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2024 measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township and the Mental Health Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the Total Pension Liability.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNIT (continued)

Employee Retirement System (continued)

Illinois Municipal Retirement Fund (continued)

Discount Rate Sensitivity. The following is a sensitivity analysis of the Net Pension Liability/(Asset) to changes in the discount rate. The table below presents the pension liability of the Mental Health Commission calculated using the discount rate of 7.25% as well as what the Net Pension Liability/(Asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Mental Health Commission:			
Total Pension Liability	$ 1,108,124	$ 951,878	$ 918,397
Plan Fiduciary Net Position	984,381	984,381	984,381
Net Pension Liability/(Asset)	$ 123,743	$ (32,503)	$ (65,984)

Changes in Net Pension Liability/(Asset). The Mental Health Commission's changes in net pension liability for the calendar year ended December 31, 2024 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a - b)
Mental Health Commission:			
Balances at December 31, 2023	$ 974,755	$ 995,723	$ (20,968)
Service Cost	17,541	-	17,541
Interest on the Total Pension Liability	73,116	-	73,116
Differences between expected and actual experience of the Total Pension Liability	(31,993)	-	(31,993)
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(81,541)	(81,541)	-
Contributions - employer	-	11,704	(11,704)
Contributions - employee	-	7,932	(7,932)
Net investment income	-	107,365	(107,365)
Other (Net Transfer)	-	(56,802)	56,802
Balances at December 31, 2024	$ 951,878	$ 984,381	$ (32,503)

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. COMPONENT UNIT (continued)

Employee Retirement System (continued)

Illinois Municipal Retirement Fund (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended June 30, 2025, the Township and Commission recognized pension expense of $406,925. The Mental Health Commission reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Mental Health Commission:		
Difference between expected and actual experience	$ -	$ 35,690
Assumption changes	-	424
Net difference between projected and actual earnings on pension plan investments	27,295	-
Contributions subsequent to the measurement date	4,764	-
Total	$ 32,059	$ 36,114

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions of ($8,819) will be recognized in pension expense as follows:

Year Ended June 30,	Mental Health Commission
2026	$ (8,418)
2027	23,146
2028	(16,601)
2029	(6,946)
Total	$ (8,819)

Risk Management

The Commission is exposed to various risks of loss related to employee health benefits; workers' compensation claims, theft of; damage to, and destruction of assets; and natural disasters. The Commission carries commercial insurance for all of these losses. Claims settlements have not exceeded these coverages for any of the preceding three years and there has been no significant reduction in coverage in the last year.

NOTE 4 - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The Township contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefits levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan description. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

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

Under the employer number within IMRF, both the Township and the Mental Health Commission, contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost- sharing occurs between the Township and the Mental Health Commission.

Plan membership. At December 31, 2025, the measurement date, membership in the plan was as follows:

Retirees and Beneficiaries	36
Inactive, Non-Retired Members	8
Active Members	19
Total	63

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Contributions. As set by statute, Township and the Mental Health Commission employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Township and the Mental Health Commission to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township and the Mental Health Commission's actuarially determined contribution rate for calendar year 2025 was 4.04% of annual covered payroll for IMRF. The Township and the Mental Health Commission also contribute 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The Net Pension Liability/(Asset) was measured as of December 31, 2025, and the Total Pension Liability used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the Net Pension Liability/(Asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of IMRF and additions to/deductions from IMRF Fiduciary Net Position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The Total Pension Liability for IMRF was determined by actuarial valuations performed as of December 31, 2025 using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Investment Rate of Return	7.25%
Salary Increases	2.85% to 13.75%, including inflation
Price Inflation	2.25%

Mortality. For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

		Projected Returns/Risks	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	32.5%	4.85%	7.35%
International Equities	18.0%	4.95%	7.45%
Fixed Income	24.0%	2.25%	4.75%
Real Estate	10.5%	3.75%	6.25%
Alternatives	14.0%		
Private Equity		6.00%	8.50%
Hedge Funds		N/A	N/A
Commodities		1.40%	3.90%
Cash Equivalents	1.0%	0.50%	3.00%

Discount rate. The discount rate used to measure the Total Pension Liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2024, measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township and Mental Health Commission contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the Total Pension Liability.

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Discount rate sensitivity. The following is a sensitivity analysis of the Net Pension Liability/(Asset) to changes in the discount rate. The table below presents Net Pension Liability/(Asset) of the Township and the Mental Health Commission calculated using the discount rate of 7.25% as well as what the Net Pension Liability/(Asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Township:			
Total Pension Liability	$ 6,220,820	$ 5,690,199	$ 5,248,891
Plan Fiduciary Net Pension	6,071,963	6,071,963	6,071,963
Net Pension Liability/(Asset)	$ 148,857	$ (381,764)	$ (823,072)
Mental Health Commission:			
Total Pension Liability	$ 1,115,394	$ 1,013,570	$ 928,885
Plan Fiduciary Net Pension	1,086,829	1,086,829	1,086,829
Net Pension Liability/(Asset)	$ 28,565	$ (73,259)	$ (157,944)
Total:			
Total Pension Liability	$ 7,336,214	$ 6,703,769	$ 6,177,776
Plan Fiduciary Net Pension	7,158,792	7,158,792	7,158,792
Net Pension Liability/(Asset)	$ 177,422	$ (455,023)	$ (981,016)

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Changes in Net Pension Liability/(Asset). The changes in Net Pension Liability/(Asset) for the calendar year ended December 31, 2025 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a - b)
Township:			
Balances at December 31, 2024	$ 5,368,716	$ 5,536,449	$ (167,733)
Service Cost	85,429	-	85,429
Interest on Total Pension Liability	370,703	-	370,703
Differences between expected and actual experience of the total pension liability	330,461	-	330,461
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(465,110)	(465,110)	-
Contributions - employer	-	34,060	(34,060)
Contributions - employee	-	37,937	(37,937)
Net investment income	-	873,530	(873,530)
Other (Net Transfer)	-	55,097	(55,097)
Balances at December 31, 2025	$ 5,690,199	$ 6,071,963	$ (381,764)
Mental Health Commission:			
Balances at December 31, 2024	$ 951,878	$ 984,381	$ (32,503)
Service Cost	16,394	-	16,394
Interest on Total Pension Liability	71,136	-	71,136
Differences between expected and actual experience of the total pension liability	63,414	-	63,414
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(89,252)	(89,252)	-
Contributions - employer	-	6,536	(6,536)
Contributions - employee	-	7,280	(7,280)
Net investment income	-	167,311	(167,311)
Other (Net Transfer)	-	10,573	(10,573)
Balances at December 31, 2025	$ 1,013,570	$ 1,086,829	$ (73,259)
Total:			
Balances at December 31, 2024	$ 6,320,594	$ 6,520,830	$ (200,236)
Service Cost	101,823	-	101,823
Interest on Total Pension Liability	441,839	-	441,839
Differences between expected and actual experience of the total pension liability	393,875	-	393,875
Change of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(554,362)	(554,362)	-
Contributions - employer	-	40,596	(40,596)
Contributions - employee	-	45,217	(45,217)
Net investment income	-	1,040,841	(1,040,841)
Other (Net Transfer)	-	65,670	(65,670)
Balances at December 31, 2025	$ 6,703,769	$ 7,158,792	$ (455,023)
Plan fiduciary net position as a percentage of the total pension liability			106.79%

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended February 28, 2026, the Township and the Mental Health Commission recognized pension income of $71,812. The Township and the Mental Health Commission reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Township:		
Difference between expected and actual experience	$ 227,504	$ 72,671
Assumption changes	-	383
Net difference between projected and actual earnings on pension plan investments	-	320,136
Contributions subsequent to the measurement date	7,050	-
Total	$ 234,554	$393,190
Mental Health Commission:		
Difference between expected and actual experience	$ 43,657	$ 13,945
Assumption changes	-	73
Net difference between projected and actual earnings on pension plan investments	-	61,432
Contributions subsequent to the measurement date	1,568	-
Total	$ 45,225	$ 75,450
Total:		
Difference between expected and actual experience	$ 271,161	$ 86,616
Assumption changes	-	456
Net difference between projected and actual earnings on pension plan investments	-	381,568
Contributions subsequent to the measurement date	8,618	-
Total	$ 279,779	$468,640

NOTE 4 - OTHER INFORMATION (continued)

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

Illinois Municipal Retirement Fund (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending February 28, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending February 28,	Township	Mental Health Commission	Total
2027	$ 125,799	$ 24,140	$ 149,939
2028	(81,327)	(15,606)	(96,933)
2029	(112,382)	(21,566)	(133,948)
2030	(97,776)	(18,761)	(116,537)
Total	$ (165,686)	$ (31,793)	$ (197,479)

Note: The balances presented for the Mental Health Commission will be reported in their June 30, 2026, financial statements. These balances differ from those found in Note 3G as those figures are from the December 31, 2024, measurement date that are reported as of June 30, 2025, the Commission's latest issued audited financial statements.

B. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

NOTE 4 - OTHER INFORMATION (continued)

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104*, Disclosure of Certain Capital Assets*
- Statement No. 105*, Subsequent Events*

Application of these standards may restate portions of these financial statements when they are effective.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF LYONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 28, 2026

Ten Most Recent Calendar Years

	2025			2024			2023		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Total pension liability									
Service Cost	$ 85,429	$ 16,394	$ 101,823	$ 91,410	$ 17,541	$ 108,951	$ 89,988	$ 17,268	$ 107,256
Interest	370,703	71,136	441,839	381,019	73,116	454,135	390,540	74,943	465,483
Differences between expected and actual experience	330,461	63,414	393,875	(166,723)	(31,993)	(198,716)	(192,577)	(36,955)	(229,532)
Changes of assumptions	-	-	-	-	-	-	(5,860)	(1,124)	(6,984)
Benefit payments, including refunds of member contributions	(465,110)	(89,252)	(554,362)	(424,923)	(81,541)	(506,464)	(403,338)	(77,399)	(480,737)
Net change in total pension liability	321,483	61,692	383,175	(119,217)	(22,877)	(142,094)	(121,247)	(23,267)	(144,514)
Total pension liability - beginning	5,368,716	951,878	6,320,594	5,487,933	974,755	6,462,688	5,609,180	998,022	6,607,202
Total pension liability - ending (a)	$ 5,690,199	$ 1,013,570	$ 6,703,769	$ 5,368,716	$ 951,878	$ 6,320,594	$ 5,487,933	$ 974,755	$ 6,462,688
Plan fiduciary net position									
Employer contributions	$ 34,060	$ 6,536	$ 40,596	$ 60,990	$ 11,704	$ 72,694	$ 24,225	$ 4,649	$ 28,874
Employee contributions	37,937	7,280	45,217	41,334	7,932	49,266	41,608	7,984	49,592
Net investment income	873,530	167,311	1,040,841	559,499	107,365	666,864	581,647	111,615	693,262
Benefit payments, including refunds of member contributions	(465,110)	(89,252)	(554,362)	(424,923)	(81,541)	(506,464)	(403,338)	(77,399)	(480,737)
Other (net transfer)	55,097	10,573	65,670	(296,006)	(56,802)	(352,808)	194,215	37,269	231,484
Net change in fiduciary net position	$ 535,514	$ 102,448	$ 637,962	$ (59,106)	$ (11,342)	$ (70,448)	$ 438,357	$ 84,118	$ 522,475
Plan fiduciary net position - beginning	5,536,449	984,381	6,520,830	5,595,555	995,723	6,591,278	5,157,198	911,605	6,068,803
Plan fiduciary net position - ending (b)	$ 6,071,963	$ 1,086,829	$ 7,158,792	$ 5,536,449	$ 984,381	$ 6,520,830	$ 5,595,555	$ 995,723	$ 6,591,278
Net pension liability/(asset) - ending (a) - (b)	$ (381,764)	$ (73,259)	$ (455,023)	$ (167,733)	$ (32,503)	$ (200,236)	$ (107,622)	$ (20,968)	$ (128,590)
Plan fiduciary net position as a percentage of the total pension liability	106.71%	107.23%	106.79%	103.12%	103.41%	103.17%	101.96%	102.15%	101.99%
Covered payroll			$ 1,045,732			$ 1,102,055			$ 1,102,055
Net pension liability as a percentage of covered payroll			-43.51%			-18.17%			-11.67%

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 28, 2026

Ten Most Recent Calendar Years

	2022			2021			2020		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Total pension liability									
Service Cost	$ 85,115	$ 16,333	$ 101,448	$ 82,819	$ 15,893	$ 98,712	$ 89,546	$ 17,184	$ 106,730
Interest	360,138	69,109	429,247	353,162	67,770	420,932	360,885	69,251	430,136
Differences between expected and actual experience	369,967	70,995	440,962	33,495	6,427	39,922	(120,402)	(23,105)	(143,507)
Changes of assumptions	-	-	-	-	-	-	(57,534)	(11,040)	(68,574)
Benefit payments, including refunds of member contributions	(393,286)	(75,470)	(468,756)	(355,504)	(68,220)	(423,724)	(395,797)	(75,951)	(471,748)
Net change in total pension liability	421,934	80,967	502,901	113,972	21,870	135,842	(123,302)	(23,661)	(146,963)
Total pension liability - beginning	5,187,246	917,055	6,104,301	5,073,274	895,185	5,968,459	5,196,576	918,846	6,115,422
Total pension liability - ending (a)	$ 5,609,180	$ 998,022	$ 6,607,202	$ 5,187,246	$ 917,055	$ 6,104,301	$ 5,073,274	$ 895,185	$ 5,968,459
Plan fiduciary net position									
Employer contributions	$ 39,021	$ 7,488	$ 46,509	$ 89,828	$ 17,238	$ 107,066	$ 122,977	$ 23,599	$ 146,576
Employee contributions	39,638	7,606	47,244	39,274	7,536	46,810	37,144	7,128	44,272
Net investment income	(887,720)	(170,349)	(1,058,069)	977,243	187,528	1,164,771	765,241	146,846	912,087
Benefit payments, including refunds of member contributions	(393,286)	(75,470)	(468,756)	(355,504)	(68,220)	(423,724)	(395,797)	(75,951)	(471,748)
Other (net transfer)	(14,700)	(2,821)	(17,521)	(121,024)	(23,224)	(144,248)	(62,160)	(11,928)	(74,088)
Net change in fiduciary net position	$ (1,217,047)	$ (233,546)	$ (1,450,593)	$ 629,817	$ 120,858	$ 750,675	$ 467,405	$ 89,694	$ 557,099
Plan fiduciary net position - beginning	6,374,245	1,145,151	7,519,396	5,744,428	1,024,293	6,768,721	5,277,023	934,599	6,211,622
Plan fiduciary net position - ending (b)	$ 5,157,198	$ 911,605	$ 6,068,803	$ 6,374,245	$ 1,145,151	$ 7,519,396	$ 5,744,428	$ 1,024,293	$ 6,768,721
Net pension liability/(asset) - ending (a) - (b)	$ 451,982	$ 86,417	$ 538,399	$ (1,186,999)	$ (228,096)	$ (1,415,095)	$ (671,154)	$ (129,108)	$ (800,262)
Plan fiduciary net position as a percentage of the total pension liability	91.94%	91.34%	91.85%	122.88%	124.87%	123.18%	113.23%	114.42%	113.41%
Covered payroll			$ 1,049,867			$ 1,040,220			$ 983,828
Net pension liability as a percentage of covered payroll			51.28%			-136.04%			-81.34%

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 28, 2026

Ten Most Recent Calendar Years

	2019			2018			2017			2016		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Total pension liability												
Service Cost	$ 87,851	$ 16,858	$ 104,709	$ 83,253	$ 15,976	$ 99,229	$ 87,176	$ 16,158	$ 103,334	$ 90,478	$ 15,902	$ 106,380
Interest	364,349	69,917	434,266	376,048	72,162	448,210	384,179	71,208	455,387	388,456	68,272	456,728
Differences between expected and actual experience	(122,040)	(23,419)	(145,459)	(227,394)	(43,636)	(271,030)	(72,333)	(13,407)	(85,740)	(219,239)	(38,532)	(257,771)
Changes of assumptions	-	-	-	108,775	20,873	129,648	(179,873)	(33,484)	(213,357)	(30,141)	967	(29,174)
Benefit payments, including refunds of member contributions	(361,794)	(69,426)	(431,220)	(301,108)	(57,781)	(358,889)	(293,297)	(54,363)	(347,660)	(271,419)	(47,702)	(319,121)
Net change in total pension liability	(31,634)	(6,070)	(37,704)	39,574	7,594	47,168	(74,148)	(13,888)	(88,036)	(41,865)	(1,093)	(42,958)
Total pension liability - beginning	5,228,210	924,916	6,153,126	5,188,636	917,322	6,105,958	5,262,784	931,210	6,193,994	5,304,649	932,303	6,236,952
Total pension liability - ending (a)	$ 5,196,576	$ 918,846	$ 6,115,422	$ 5,228,210	$ 924,916	$ 6,153,126	$ 5,188,636	$ 917,322	$ 6,105,958	$ 5,262,784	$ 931,210	$ 6,193,994
Plan fiduciary net position												
Employer contributions	$ 76,794	$ 14,736	$ 91,530	$ 96,969	$ 18,608	$ 115,577	$ 114,443	$ 21,212	$ 135,655	$ 111,797	$ 19,648	$ 131,445
Employee contributions	39,287	7,539	46,826	47,219	9,061	56,280	36,345	6,736	43,081	35,807	6,293	42,100
Net investment income	887,152	170,240	1,057,392	(290,075)	(55,664)	(345,739)	822,421	152,437	974,858	298,648	52,488	351,136
Benefit payments, including refunds of member contributions	(361,794)	(69,426)	(431,220)	(301,108)	(57,781)	(358,889)	(293,297)	(54,363)	(347,660)	(271,419)	(47,702)	(319,121)
Other (net transfer)	(152,125)	(29,192)	(181,317)	94,290	18,094	112,384	(164,623)	(30,513)	(195,136)	119,447	20,993	140,440
Net change in fiduciary net position	$ 489,314	$ 93,897	$ 583,211	$ (352,705)	$ (67,682)	$ (420,387)	$ 515,289	$ 95,509	$ 610,798	$ 294,280	$ 51,720	$ 346,000
Plan fiduciary net position - beginning	4,787,709	840,702	5,628,411	5,140,414	908,384	6,048,798	4,625,125	812,875	5,438,000	4,330,845	761,155	5,092,000
Plan fiduciary net position - ending (b)	$ 5,277,023	$ 934,599	$ 6,211,622	$ 4,787,709	$ 840,702	$ 5,628,411	$ 5,140,414	$ 908,384	$ 6,048,798	$ 4,625,125	$ 812,875	$ 5,438,000
Net pension liability/(asset) - ending (a) - (b)	$ (80,447)	$ (15,753)	$ (96,200)	$ 440,501	$ 84,214	$ 524,715	$ 48,222	$ 8,938	$ 57,160	$ 637,659	$ 118,335	$ 755,994
Plan fiduciary net position as a percentage of the total pension liability	101.55%	101.71%	101.57%	91.57%	90.89%	91.47%	99.07%	99.03%	99.06%	87.88%	87.29%	87.79%
Covered payroll			$ 1,004,727			$ 968,790			$ 957,339			$ 935,552
Net pension liability as a percentage of covered payroll			-9.57%			54.16%			5.97%			80.81%

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
ILLINOIS MUNICPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
FEBRUARY 28, 2026

Ten Most Recent Fiscal Years

	2026			2025			2024		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Actuarially Determined Contribution	$ 36,460	$ 6,081	$ 42,541	$ 60,013	$ 9,727	$ 69,740	$ 29,899	$ 5,972	$ 35,871
Contributions in Relation to the Actuarially Determined Contribution	(35,074)	(5,815)	(40,889)	(60,013)	(9,727)	(69,740)	(24,225)	(4,649)	(28,874)
Contribution Deficiency (Excess)	$ 1,386	$ 266	$ 1,652	$ -	$ -	$ -	$ 5,674	$ 1,323	$ 6,997
Covered Payroll			$ 1,004,971			$ 1,130,689			$ 1,102,055
Contributions as a Percentage of Covered Payroll			4.23%			6.17%			3.25%

Notes to Schedule:
Actuarially determined contribution rates are calculated as of December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	18 Years
Asset valuation method	5-Year smoothed market; 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2021 Mortality Table, adjusted to match current IMRF experience

Other information:
There were no benefit changes during the year.

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
ILLINOIS MUNICPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
FEBRUARY 28, 2026

Ten Most Recent Fiscal Years

	2023			2022			2021		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Actuarially Determined Contribution	$ 39,021	$ 7,488	$ 46,509	$ 73,048	$ 14,018	$ 87,066	$ 72,638	$ 13,939	$ 86,577
Contributions in Relation to the Actuarially Determined Contribution	(39,994)	(6,762)	(46,756)	(85,925)	(12,873)	(98,798)	(133,635)	(14,221)	(147,856)
Contribution Deficiency (Excess)	$ (973)	$ 726	$ (247)	$ (12,877)	$ 1,145	$ (11,732)	$ (60,997)	$ (282)	$ (61,279)
Covered Payroll			$ 1,049,867			$ 1,040,220			$ 983,828
Contributions as a Percentage of Covered Payroll			4.43%			8.37%			8.80%

Notes to Schedule:
Actuarially determined contribution rates are calculated as of December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	18 Years
Asset valuation method	5-Year smoothed market; 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2021 Mortality Table, adjusted to match current IMRF experience

Other information:
There were no benefit changes during the year.

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
ILLINOIS MUNICPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
FEBRUARY 28, 2026

Ten Most Recent Fiscal Years

	2020			2019			2018			2017		
	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total	Township	Mental Health Commission	Total
Actuarially Determined Contribution	$ 76,795	$ 14,736	$ 91,531	$ 96,969	$ 18,608	$ 115,577	$ 114,443	$ 21,212	$ 135,655	$ 111,797	$ 19,648	$ 131,445
Contributions in Relation to the Actuarially Determined Contribution	(76,794)	(14,736)	(91,530)	(96,969)	(18,608)	(115,577)	(114,443)	(21,212)	(135,655)	(111,797)	(19,648)	(131,445)
Contribution Deficiency (Excess)	$ 1	$ -	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll			$ 1,004,727			$ 968,790			$ 957,339			$ 935,552
Contributions as a Percentage of Covered Payroll			9.11%			11.93%			14.17%			14.05%

Notes to Schedule:
Actuarially determined contribution rates are calculated as of December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	18 Years
Asset valuation method	5-Year smoothed market; 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2021 Mortality Table, adjusted to match current IMRF experience

Other information:
There were no benefit changes during the year.

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL (TOWN) FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED FEBRUARY 28, 2025

	2026			2025
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Taxes:				
Real Estate	$ 1,897,189	$ 2,002,728	$ 105,539	$ 1,933,394
Replacement	125,000	103,314	(21,686)	115,949
Interest	85,000	73,599	(11,401)	95,881
PACE Reimbursement	-	-	-	-
Miscellaneous	6,500	7,207	707	13,514
Total Revenues	2,113,689	2,186,848	73,159	2,158,738
Expenditures				
General government:				
Compensation of Town Officers	368,420	364,791	(3,629)	307,489
Town Hall	325,375	63,452	(261,923)	105,344
Town Officers	1,290,520	1,227,327	(63,193)	1,028,116
Senior Programs	408,086	302,080	(106,006)	246,930
Community Projects	381,000	407,644	26,644	352,833
Debt Services				
Principal	-	229,451	229,451	210,984
Interest & Fees	-	18,070	18,070	22,861
Total Expenditures	2,773,401	2,612,815	(160,586)	2,274,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,712)	(425,967)	233,745	(115,819)
Other Financing Sources (Uses)				
Debt Issuance	-	-	-	34,855
Total Other Financing Sources (Uses)	-	-	-	34,855
Net Change in Fund Balance	$ (659,712)	(425,967)	$ 233,745	(80,964)
Fund Balance, Beginning of Year		2,923,589		3,004,553
Fund Balance, End of Year		$ 2,497,622		$ 2,923,589

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED FEBRUARY 28, 2025

	2026			
	Original and Final Budget	Actual	Variance with Final Budget	2025 Actual
Revenues				
Taxes:				
Real Estate Taxes	$ 960,000	$ 1,122,721	$ 162,721	$ 920,145
Replacement Taxes	78,000	53,341	(24,659)	59,863
Fines	500	-	(500)	-
Interest	25,000	24,159	(841)	25,583
Grants	-	983,771	983,771	205,620
Other	5,000	7,541	2,541	5,115
Total Revenues	1,068,500	2,191,533	1,123,033	1,216,326
Expenditures				
Public Works:				
Administration	213,924	156,418	(57,506)	150,149
Road Maintenance	1,099,794	955,214	(144,580)	1,405,289
Street Lighting	20,000	16,160	(3,840)	13,017
Capital Outlay	-	986,973	986,973	-
Total Expenditures	1,333,718	2,114,765	781,047	1,568,455
Net Change in Fund Balance	$ (265,218)	76,768	$ 341,986	(352,129)
Fund Balance				
Beginning of Year		1,041,265		1,393,394
End of Year		$ 1,118,033		$ 1,041,265

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED FEBRUARY 28, 2025

	2026			
	Original and Final Budget	Actual	Variance with Final Budget	2025 Actual
Revenues				
Taxes:				
Real Estate Taxes	$ 220,000	$ 346,786	$ 126,786	$ 277,790
Interest	500	6,508	6,008	5,218
Total revenues	220,500	353,294	132,794	283,008
Expenditures				
Health and Wefare				
Administration	121,575	57,460	(64,115)	92,013
Home Relief	41,425	35,543	(5,882)	18,875
Crisis - Contingencies Expense	3,500	-	(3,500)	-
Community Assistance	12,700	15,000	2,300	10,000
Total expenditures	179,200	108,003	(71,197)	120,888
Net Change in Fund Balance	$ 41,300	245,291	$ 203,991	162,120
Fund Balance				
Beginning of Year		305,478		143,358
End of Year		$ 550,769		$ 305,478

See accompanying notes to required supplementary information

TOWNSHIP OF LYONS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL POLICE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED FEBRUARY 28, 2025

	2026			
	Original and Final Budget	Actual	Variance with Final Budget	2025 Actual
Revenues				
Taxes:				
Real Estate Taxes	$ 93,000	$ 92,831	$ (169)	$ 89,433
Replacement Taxes	18,000	10,038	(7,962)	11,265
Interest	400	342	(58)	1,316
Total Revenues	111,400	103,211	(8,189)	102,014
Expenditures				
Public Safety:				
Cook County Sheriff	94,000	90,844	(3,156)	87,185
Audit	7,000	1,674	(5,326)	1,615
Special Events	75,000	-	(75,000)	-
Other	1,800	-	(1,800)	-
Total Expenditures	177,800	92,518	(85,282)	88,800
Net Change in Fund Balance	$ (66,400)	10,693	$ 77,093	13,214
Fund Balance				
Beginning of Year		292,372		279,158
End of Year		$ 303,065		$ 292,372

See accompanying notes to required supplementary information

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township Board of Trustees prepares the tentative budget.

2. Public hearings are conducted at a public meeting to obtain taxpayer comments.

3. The budget is legally enacted through the passage of an ordinance.

4. The Township may transfer up to 10% of the total budget between budget items within the fund; however, any revisions that alter the total disbursements of any fund must be formally approved by the Board of Trustees.

5. Formal budgetary integration is employed as a management control device during the year in all funds.

6. Budgeted amounts are as approved or amended by the Board of Trustees.

7. The budget is presented in the Financial Statements as originally approved and amended by the Trustees.

For the year ended February 28, 2026, the Road & Bridge fund spent in excess of budget by $781,047.

See auditors' report.

OTHER INFORMATION

TOWNSHIP OF LYONS
FIVE YEAR SUMMARY OF ASSESSED VALUATIONS, TAX RATES AND EXTENSIONS
FEBRUARY 28, 2026

	2025	2024	2023	2022	2021
General Town, General Assistance, and Road and Bridge Funds					
Assessed Valuation	$ 5,616,731,454	$ 5,632,390,142	$ 5,659,962,067	$ 4,364,342,449	$ 4,440,404,209
Rates					
General	0.0377	0.0359	0.0350	0.0450	0.0430
General assistance	0.0040	0.0040	0.0050	0.0050	0.0005
Road and bridge	0.0323	0.0315	0.0310	0.0400	0.0390
Total	0.0740	0.0714	0.0710	0.0900	0.0825
Tax extensions					
General	$ 2,113,071	$ 2,022,253	$ 1,937,258	$ 1,932,877	$ 1,906,265
General assistance	225,905	225,915	252,638	211,577	210,745
Road and bridge	1,815,665	1,773,696	1,726,220	1,709,528	1,700,956
Total	$ 4,154,641	$ 4,021,864	$ 3,916,116	$ 3,853,982	$ 3,817,966
Special Police Fund					
Assessed Valuation	$ 155,602,950	$ 155,958,267	$ 159,376,909	$ 120,913,961	$ 126,349,975
Tax Rate	0.0646	0.0621	0.0590	0.0780	0.0750
Tax Extension	$ 100,554	$ 96,791	$ 93,478	$ 93,773	$ 93,721

TOWNSHIP OF LYONS
CASH AND INVESTMENTS SUMMARY
AS OF FEBRUARY 28, 2026

General (Town) Fund - Petty Cash	$	1,269
General (Town) Fund - FNBC Bank & Trust Checking		8,945
General (Town) Fund - FNBC Bank & Trust Money Market		1,235,157
General (Town) Fund - FNBC Bank & Trust CDARS		100,000
General (Town) Fund - Marquette Bank Golden Money Market		(2,944)
General (Town) Fund - Hinsdale Bank Money Market		285,307
General (Town) Fund - Republic Bank Money Market		162,833
General (Town) Fund - Old National Bank CD		165,624
General Assistance Fund - Old National Interest Checking		452,702
General Assistance Fund - Marquette Bank Golden Money Market		10,000
General Assistance Fund - Old National Bank CD		109,668
Road & Bridge Fund - Heartland Bank & Trust Checking		7,172
Road & Bridge Fund - Heartland Bank & Trust Money Market		1,721,561
Road & Bridge Fund - Marquette Bank Golden Money Market		425,000
Special Police Fund - Countryside Bank Checking		2,565
Special Police Fund - Countryside Bank Money Market		265,684
Special Police Fund - Marquette Bank Golden Money Market		40,000
Total	$	4,990,543