ERIENNA TOWNSHIP

GRUNDY COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2026

Prepared by:

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CERTIFIED PUBLIC ACCOUNTANTS

ERIENNA TOWNSHIP

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INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

To the Board of Trustees
Erienna Township, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erienna Township, Illinois, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Erienna Township, Illinois, as of March 31, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Erienna Township, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards 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 Erienna Township, 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.

Auditors' Responsibility 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government 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 GAAS and Government 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 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Management is responsible for the other information included in the annual report. The other information is comprised of the schedules of assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditors' 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 supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

The financial statements of Erienna Township, Illinois, as of and for the year ended March 31, 2025, were audited by other auditors, whose report dated January 12, 2026, expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended March 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2026, on our consideration of Erienna Township, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Erienna Township, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
October 12, 2026

BASIC FINANCIAL STATEMENTS

ERIENNA TOWNSHIP

Statement A

Government-wide Financial Statement
Statement of Net Position
March 31, 2026

	Governmental Activities	
	2026	2025
Assets		
Current Assets:		
Cash in bank and investments	$ 954,795	781,742
Cash restricted for MFT	42,580	66,789
Property taxes receivable	453,801	435,624
TIF surplus receivable	16,533	-
Capital assets:		
Land	150,000	150,000
Buildings and infrastructure	3,411,487	3,411,487
Equipment	307,946	277,946
Accumulated depreciation	(916,889)	(828,293)
Total assets	4,420,253	4,295,295
Liabilities		
Payroll liabilities	2,409	1,873
Deferred Inflows of Resources		
Deferred property taxes	453,801	435,624
Net Position		
Net investment in capital assets	2,952,544	3,011,140
Restricted	459,317	451,173
Unrestricted	552,182	395,485
Total net position	$ 3,964,043	3,857,798

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

ERIENNA TOWNSHIP

Statement B

Government -wide Financial Statement
Statement of Activities
For the Year Ended March 31, 2026

Program Activities	Expenditures	Program Revenues: Fees and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenditure) Revenue And Changes in Net Position: Governmental Activities 2026	Governmental Activities 2025
Governmental activities:					
General and administrative	$ 92,742	-	-	(92,742)	(2,280)
Road and bridge	320,566	-	-	(320,566)	(267,447)
Total governmental activities	$ 413,308	-	-	(413,308)	(269,727)
General revenues:					
Taxes:					
Property taxes				$ 435,624	410,521
Replacement taxes				4,828	4,883
TIF surplus				16,533	16,226
Investment income				32,168	32,696
Motor fuel tax allotments				29,064	28,466
Miscellaneous				1,336	4,408
Total general revenues				519,553	497,200
Change in net position				106,245	227,473
Net position at beginning of year				3,857,798	3,630,325
Net position at end of year				$ 3,964,043	3,857,798

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

ERIENNA TOWNSHIP

Statement C

Balance Sheet
Governmental Funds
March 31, 2026

	Town	Road & Bridge	Permanent Road	Joint Bridge	General Assistance	Road & Bridge Insurance	Total Governmental Funds 2026	Total Governmental Funds 2025
Assets								
Cash and investments	$ 210,382	327,676	237,396	122,583	32,600	24,158	954,795	781,742
Cash restricted for MFT	-	42,580	-	-	-	-	42,580	66,789
Property taxes receivable	101,626	124,551	172,756	36,951	9,010	8,907	453,801	435,624
TIF surplus receivable	3,579	12,954	-	-	-	-	16,533	-
Due from other funds	521	-	-	-	-	-	521	-
Total assets	$ 316,108	507,761	410,152	159,534	41,610	33,065	1,468,230	1,284,155
Liabilities								
Liabilities:								
Payroll liabilities	$ 1,567	842	-	-	-	-	2,409	1,873
Due to other funds	-	521	-	-	-	-	521	-
Total liabilities	1,567	1,363	-	-	-	-	2,930	1,873
Deferred Inflows of Resources								
Defered Inflows of Resources:								
Deferred property taxes	101,626	124,551	172,756	36,951	9,010	8,907	453,801	435,624
Total Deferred Inflows of Resources	101,626	124,551	172,756	36,951	9,010	8,907	453,801	435,624
Fund Balances								
Fund Balances:								
Restricted	-	42,580	237,396	122,583	32,600	24,158	459,317	451,173
Assigned	-	339,267	-	-	-	-	339,267	229,738
Unassigned	212,915	-	-	-	-		212,915	165,747
Total fund balance	212,915	381,847	237,396	122,583	32,600	24,158	1,011,499	846,658
Total liabilities, deferred inflows, and fund balances	$ 316,108	507,761	410,152	159,534	41,610	33,065	1,468,230	1,284,155

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

ERIENNA TOWNSHIP

Balance Sheet
Governmental Funds
March 31, 2026

Statement C
(Continued)

Reconciliation to Statement of Net Position:	2026	2025
Total fund balance - governmental funds	$ 1,011,499	846,658
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,952,544	3,011,140
Net position of governmental activities	$ 3,964,043	3,857,798

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

ERIENNA TOWNSHIP

Statement D

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2026

	Town	Road & Bridge	Permanent Road	Joint Bridge	General Assistance	Road & Bridge Insurance	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues								
Property taxes	$ 105,781	117,920	166,358	36,529	110	8,926	435,624	410,521
TIF Surplus	3,579	12,954	-	-	-	-	16,533	16,226
Replacement Taxes	521	4,307	-	-	-	-	4,828	4,883
Interest income	7,042	11,774	7,468	3,895	1,227	762	32,168	32,696
Motor fuel allotments	-	29,064	-	-	-	-	29,064	28,466
IL DECO Grant	-	-	-	-	-	-	-	79,688
Miscellaneous income	822	514	-	-	-	-	1,336	4,408
Total revenues	117,745	176,533	173,826	40,424	1,337	9,688	519,553	576,888
Expenditures								
General and administrative	70,577	8,507	-	-	6,010	7,648	92,742	81,968
Road and bridge	-	102,706	112,904	3,000	-	-	218,610	158,942
Capital outlay	-	30,000	-	13,361	-	-	43,361	339,559
Total expenditures	70,577	141,213	112,904	16,361	6,010	7,648	354,713	580,469
Excess (deficiency) of revenues over (under) expenditures	47,168	35,320	60,922	24,063	(4,673)	2,040	164,840	(3,581)
Other financing sources (uses)								
Transfers in (out)	-	50,000	(50,000)	-	-	-	-	-
Total other financing sources (uses)	-	50,000	(50,000)	-	-	-	-	-
Net change in fund balance	47,168	85,320	10,922	24,063	(4,673)	2,040	164,840	(3,581)
Fund balances - beginning	165,747	296,527	226,474	98,520	37,273	22,118	846,659	850,240
Fund balances - ending	$ 212,915	381,847	237,396	122,583	32,600	24,158	1,011,499	846,659

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2026

Reconciliation to the Statement of Activities:	2026	2025
Net change in fund balances - total governmental funds	$ 164,840	(3,581)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.		
Capital asset additions	30,000	320,139
Depreciation	(88,596)	(89,085)
Change in net position of governmental activities (Statement B)	$ 106,245	227,473

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Erienna Township (the Township) is an Illinois unit of local government. The Township maintains a public assistance fund which assists eligible residents within the Township's boundaries by subsidizing costs for shelter, food, and medical supplies. Assessing property values within the Township is an additional activity of the Township. The Township operates a road and bridge district which maintains the roads and bridges within the Township that are not under the jurisdiction of another governmental unit.

A. The Reporting Entity

The Township follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

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 otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The Township, for financial purposes, includes all funds relevant to the operations of the Township. The accompanying financial statements present the Township's primary government over which the Township exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Township.

The Township has determined that the Erienna Road District fits the definition of a component unit. Although legally separate from the Township, the Road District's purpose is to construct and maintain roads solely within the Township. The Road District's funds have been blended with the Township on the accompanying financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., The Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Government-wide Financial Statements – (Continued)

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. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefits from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity 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 that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Township does not report any proprietary or fiduciary funds.

A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

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

b. total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Three of the Township's funds are considered to be major funds. The funds reported by the Township are described below.

Governmental Fund Types – The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the governmental funds of the Township:

Town Fund – The Town Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements – (Continued)

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Funds of the Township are:

Road & Bridge Fund – The Road & Bridge Fund is the general operating fund of the Erienna Township Road District, which is included in these financial statements as a blended component unit of the Township. Proceeds of this specific tax levy may be used for any necessary expenditures of the Road District. As such, the balance of the Road & Bridge Fund is reported as restricted. The Road & Bridge Fund also maintains the Township's Motor Fuel Tax activity held by Grundy County.

Permanent Road Fund– The Permanent Road Fund accounts for the proceeds of a specific property tax levy restricted for the construction, improvement, maintenance, and repair of roads within the Erienna Township Road District. The fund balance is reported as restricted.

Joint Bridge Fund– The Joint Bridge Fund accounts for property tax revenues restricted for the construction and repair of bridges, culverts, drainage structures, grade separations, and related approaches within the Erienna Township Road District. The fund balance is reported as restricted.

General Assistance Fund – The General Assistance Fund is a nonmajor fund used to account for the proceeds of specific revenue sources for the expenditures for relief within the Township and related administration. The fund balance is reported as restricted for General Assistance.

Road & Bridge Insurance Fund – The Road and Bridge Insurance Fund accounts for property tax revenues and other resources restricted for insurance-related expenditures of the Erienna Township Road District. The fund balance is reported as restricted for road and bridge purposes.

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the accrual basis of accounting.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate.

All governmental funds utilize current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus and Basis of Accounting – (Continued)

Basis of Accounting – (Continued)

In the fund financial statements, the current financial resources measurement focus and the modified accrual basis of accounting are used. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Donations are not susceptible to accrual because they are generally not measurable until received in cash.

While GASB 87 was in effect as of March 31, 2026, there were no agreements that met the requirements of this pronouncement.

While GASB 96 was in effect as of March 31, 2026, there were no agreements that met the requirements of this pronouncement.

D. Assets, Liabilities, and Net Position

Cash & Cash Equivalents and Investments

Cash Equivalents – The Township considers cash equivalents as cash on hand, demand deposits, money market accounts, and short-term investments.

Investments – Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agency, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. At March 31, 2026, the Township has no investments other than the short-term investments reported as cash equivalents above.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of all exhaustible capital assets arising from cash transactions are 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities and Net Position

The range of estimated useful lives by type of asset is as follows:

Equipment	5-20 years
Buildings and improvements	30-50 years
Infrastructure	50 years

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Accumulated unpaid vacation and other employee benefits are not accrued in the governmental funds. As of March 31, 2026, the Township's liability for these benefits was immaterial.

Equity Classification

In the 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2026, net investment in capital assets consists of the following:

Capital assets, at cost	$	3,869,433
Less: Accumulated depreciation		(916,889)
Net investment in capital assets	$	2,952,544

b. Restricted Net Position—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted Net Position—All other net position that does 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.

Interfund Transactions

Interfund service transactions are accounted for as revenues in the fund providing the service and as expenditures or expenses in the fund receiving the service. Reimbursements for expenditures or expenses initially paid by one fund but attributable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund reimbursed. All other interfund transactions are reported as transfers.

Interfund balances arising from lending or borrowing arrangements that remain outstanding at the end of the fiscal year are reported as "due to/from other funds" for current amounts and "advances to/from other funds" for noncurrent amounts. All other outstanding interfund balances are reported as "due to/from other funds."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities and Net Position – (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets applicable to a future reporting period and are not recognized as an expense or expenditure until that period. The Township has no items that qualify for reporting as deferred outflows of resources.

In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period and are not recognized as revenue until that period. Under the modified accrual basis of accounting, the Township's governmental funds report unavailable property tax revenue as a deferred inflow of resources. These amounts are recognized as revenue in the period in which they become available.

Accounting Estimates

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets applicable to a future reporting period and are not recognized as an expense or expenditure until that period. The Township has no items that qualify for reporting as deferred outflows of resources.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2: PROPERTY TAXES

Property taxes are levied annually and attach as an enforceable lien on January 1 of the levy year. The 2024 property tax levy of $491,975, adjusted to $488,042, was recognized as revenue during the current fiscal year. The 2025 property tax levy of $537,225, adjusted to $510,002, was adopted on December 8, 2025, to finance operations for the fiscal year ending March 31, 2027. Accordingly, the collectible portion is reported as a receivable and deferred inflow of resources at March 31, 2026.

NOTE 3: RECEIVABLES

Property taxes are levied each year and attach as an enforceable lien on January 1 of the levy year. The 2025 property tax levy was adopted to finance the Township's operations for the fiscal year ending March 31, 2027. Accordingly, the collectible portion of the levy is reported as property taxes receivable and as a deferred inflow of resources at March 31, 2026. These amounts will be recognized as revenue in the fiscal year for which the property taxes were levied. The total amount of these deferred inflows is $453,801.

NOTE 4: PERSONAL PROPERTY REPLACEMENT TAXES

The Township receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

Revenues are collected by the State of Illinois under the replacement tax and are allocated and paid by the State eight times a year. The replacement tax law provides that monies received should be first applied toward payment of the proportionate share of the pension or retirement obligation which were previously levied on personal property. Remaining allocations are made at the discretion of the Board of Trustees.

NOTE 5: DEPOSITS

Illinois statute authorizes the Township to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Township may also invest in commercial paper of U.S. corporations with assets exceeding $500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township's investment policy required the financial institutions utilized by the Township to provide appropriate collateral for deposits in excess of FDIC insurance limits. Credit risk on investments is mitigated by limiting investments to those specific in state and local statute.

The Township's deposits and short-term investments may be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first $250,000 of the Township's deposits at each financial institution, for each account type. Deposit balances over $250,000 may be collateralized with securities held by the pledging financial institution at the discretion of the Supervisor. At March 31, 2026, the carrying amount of the Township's deposits was $954,795 and the bank balance was $955,141. At March 31, 2026, the Township's uninsured deposits were not collateralized with securities held by the pledging financial institution.

NOTE 6: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; natural disasters; and injuries to the Township's employees for which the Township has commercial insurance.

During the year ended March 31, 2026, there were no significant reductions in insurance coverage from the prior year. Also, there have been no significant amounts which have exceeded insurance coverage in the past three years.

NOTE 7: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance as of April 1, 2025	Additions	Deletions	Balance as of March 31, 2026
Capital Assets Not Being Depreciated				
Land	$ 150,000	-	-	150,000
Capital Assets Being Depreciated				
Equipment	277,946	30,000	-	307,946
Buildings and infrastructure	3,411,487	-	-	3,411,487
Total Capital Assets Being Depreciated	3,689,433	30,000	-	3,719,433
Total Capital Assets, at Cost	3,839,433	30,000	-	3,869,433
Accumulated Depreciation:				
Equipment	(155,201)	(20,367)	-	(175,568)
Buildings and infrastructure	(673,092)	(68,229)	-	(741,321)
Total Accumulated Depreciation	(828,293)	(88,596)	-	(916,889)
Total Capital Assets, Net	$ 3,011,140	(58,596)	-	2,952,544

Significant purchases for the year included the following:

2000 International 4900	$ 30,000

Depreciation totaled $88,596 during the year ended March 31, 2026.

NOTE 8: MOTOR FUEL TAX

The Township is entitled to a portion of the State's collections for Motor Fuel Tax. These funds, however, are not received directly by the Township, as they are remitted to the County of Grundy who administers the funds. The funds can only be used for approved projects. The approval comes from two outside independent governmental units, one of which is the County of Grundy. Once there is an approved project, the County of Grundy supervises it and administers the payments directly to the vendors. The following is a summary of the activity of the Township's Motor Fuel Tax allotment for the year ended March 31, 2026:

Balance, April 1, 2025	$ 66,789
Allotments received	29,064
Interest income	1,107
Less: disbursements	(54,380)
Balance, March 31, 2026	$ 42,580

NOTE 9: INTERFUND ACTIVITY

During the course of normal operations, the Township has transactions among funds, including transfers of resources primarily to allocate expenditures. The governmental fund financial statements generally reflect such transactions as transfers or due to/due from transactions.

Generally, transfers occur to meet the operating purposes of another fund. During the year ended March 31, 2026, the Township had the following transfer activity:

Fund	Transfer To	Transfer From
Road and Bridge Fund	$ 50,000	
Permanent Road Fund		$ 50,000

At March 31, 2026, the Township reported amounts due to and due from other funds related to the portion of personal property replacement tax receipts attributable to the Town Fund that had been recorded in the Road and Bridge Fund. These interfund balances are expected to be settled during the year ending March 31, 2027.

Fund	Due From Other Funds	Due To Other Funds
Town Fund	$ 521	
Road and Bridge Fund		$ 521

NOTE 10: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Non-spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Restrictions may be imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township reports restricted fund balances of $42,580 for motor fuel tax purposes within the Road and Bridge Fund, $237,396 for permanent road purposes within the Permanent Road Fund, $122,583 for road and bridge purposes within the Joint Bridge Fund, $24,158 for road and bridge related insurance within the Insurance Fund, and $32,600 for general assistance purposes within the General Assistance Fund.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (the Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. There were no committed fund balances as of March 31, 2026.

NOTE 10: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Intent may be expressed by the Board itself or the Supervisor when the Board has delegated the authority to assign amounts to be used for specific purposes. The Township reports assigned fund balances of $339,267 for road and bridge purposes within the Road and Bridge Fund.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts that have not been restricted, committed, or assigned to specific purposes. The Township had an unassigned fund balance of $212,915 in the Town Fund.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 11: SUBSEQUENT EVENTS

Management evaluated subsequent events through October 12, 2026, the date the financial statements were available to be issued. There were no other events that required adjustments or disclosure in the Township's financial statements as of March 31, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

ERIENNA TOWNSHIP
TOWN FUND

Schedule A-1

Balance Sheet
March 31, 2026

Assets		
Cash and investments	$	210,382
Property taxes receivable		101,626
TIF surplus receivable		3,579
Due from other funds		521
Total assets	$	316,108
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Payroll liabilities	$	1,567
Deferred Inflows of Resources:		
Deferred property taxes		101,626
Fund Balance:		
Unassigned		212,915
Total liabilities, deferred inflows, and fund balance	$	316,108

ERIENNA TOWNSHIP
TOWN FUND

Schedule A-2

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenues:			
Property taxes	$ 105,625	105,781	100,771
TIF surplus	-	3,579	3,542
Replacement taxes	-	521	-
Interest income	4,000	7,042	6,597
Miscellaneous income	700	822	3,783
Illinois DECO Grant	-	-	79,688
Total revenues	110,325	117,745	194,381
Expenditures:			
Administrative:			
Salaries	50,000	47,585	37,280
FICA	6,000	3,652	2,852
Accounting services	10,000	3,648	6,472
Legal service	10,000	3,893	402
Professional services	1,000	-	-
Postage	150	2	148
Online services	4,500	2,151	1,964
Publishing	2,500	791	608
Dues	1,000	549	540
Travel expense	1,000	-	-
Training	1,000	50	-
Electric	3,000	1,926	-
Propane	2,000	1,255	-
Liability insurance	3,500	2,285	2,355
Office supplies	3,000	287	1,143
Operating supplies	18,000	1,275	1,855
Computer expenses	2,500	-	914
Miscellaneous	17,408	219	10,911
Maintenance - equipment	5,000	-	-
Maintenance - building	5,000	1,009	1,100
Capital outlay - building	2,000	-	250,000
Capital outlay - equipment	7,000	-	-
Total expenditures	155,558	70,577	318,544
Net change in fund balance	$ (45,233)	47,168	(124,163)
Fund balance, beginning of year		165,747	289,910
Fund balance, end of year		$ 212,915	165,747

ERIENNA TOWNSHIP
ROAD AND BRIDGE FUND

SCHEDULE B-1

Balance Sheet
March 31, 2026

Assets		
Cash and investments	$	327,676
Cash restricted for MFT		42,580
Property taxes receivable		124,551
TIF surplus receivable		12,954
Total assets	$	507,761
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Payroll liabilities	$	842
Due to other funds		521
Total liabilities		1,363
Deferred Inflows of Resources:		
Deferred property taxes		124,551
Fund Balance:		
Assigned		339,267
Restricted - MFT		42,580
Total fund balance		381,847
Total liabilities, deferred inflows, and fund balance	$	507,761

ERIENNA TOWNSHIP
ROAD AND BRIDGE FUND

SCHEDULE B-2

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenues:			
Property taxes	$ 114,057	117,920	112,234
TIF surplus	-	12,954	12,684
Replacement taxes	-	4,307	4,883
Interest income	5,000	11,774	10,425
MFT allotments	-	29,064	28,466
Miscellaneous income	-	514	625
Total revenues	119,057	176,533	169,317
Expenditures:			
Administrative:			
Salaries	5,000	1,000	1,000
FICA	2,000	765	650
Professional services	13,000	938	816
Heatherfield grant	10,000	5,804	4,638
Maintenance:			
Maintenance - building	12,000	1,791	2,511
Maintenance - equipment	15,000	282	1,537
Maintenance - vehicles	10,000	2,141	4,249
Maintenance - road	100,000	24,568	23,053
Maintenance - snow removal	13,000	4,500	5,807
Maintenance building supply	2,000	365	-
Maintenance equipment supply	2,000	381	-
Maintenance road supply	2,000	976	-
Maintenance vehicle supply	5,000	1,168	-
Engineering services	3,000	-	-
Rentals	2,000	-	-
Small tools	8,000	4,565	3,496
Electric	2,000	287	-
Propane	10,000	3,801	-
Operating supplies	2,500	-	519
Automotive fuel & oil	5,000	3,385	1,698
Signs	1,000	31	300
MFT Expenses	-	54,380	650
Miscellaneous expenses	5,700	85	474
Capital Outlay:			
Building	15,000	-	30,139
Equipment	35,000	-	500
Vehicle	50,000	30,000	40,000
Contingencies	16,510	-	-
Total expenditures	346,710	141,213	122,037
Other financing sources (uses)			
Transfers in (out)	50,000	50,000	-
Total other financing sources (uses)	50,000	50,000	-
Net change in fund balance	$ (177,653)	85,320	47,280
Fund balance, beginning of year		296,527	249,247
Fund balance, end of year		$ 381,847	296,527

ERIENNA TOWNSHIP
PERMANENT ROAD FUND

SCHEDULE B-3

Balance Sheet
March 31, 2026

Assets	
Cash and investments	$ 237,396
Property taxes receivable	172,756
Total Assets	$ 410,152
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources:	
Deferred property taxes	$ 172,756
Fund Balance:	
Restricted	237,396
Total deferred inflows and fund balance	$ 410,152

SCHEDULE B-4

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	2025
Revenues:			
Property taxes	$ 160,000	166,358	154,043
Interest income	5,000	7,468	9,363
Total revenues	165,000	173,826	163,406
Expenditures:			
Salaries	10,000	9,000	7,500
Maintenance - building	10,000	3,000	-
Maintenance - road	204,575	100,904	96,477
Total expenditures	224,575	112,904	103,977
Excess (deficiency) of revenues over (under) expenditures	(59,575)	60,922	59,429
Other financing sources (uses)			
Transfers in (out)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	-
Net change in fund balance	$ (109,575)	10,922	59,429
Fund balance, beginning of year		226,474	167,045
Fund balance, end of year		$ 237,396	226,474

ERIENNA TOWNSHIP
JOINT BRIDGE FUND

SCHEDULE B-5

Balance Sheet
March 31, 2026

Assets	
Cash and investments	$ 122,583
Property taxes receivable	36,951
Total Assets	$ 159,534
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources:	
Deferred property taxes	$ 36,951
Fund Balance:	
Restricted	122,583
Total deferred inflows and fund balance	$ 159,534

SCHEDULE B-6

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	2025
Revenues:			
Property taxes	$ 36,450	36,529	34,803
Interest income	2,500	3,895	3,956
Total revenues	38,950	40,424	38,759
Expenditures:			
Contractual services - building	55,000	3,000	9,107
Capital outlay - drainage	57,350	13,361	18,920
Total expenditures	112,350	16,361	28,027
Net change in fund balance	$ (73,400)	24,063	10,732
Fund balance, beginning of year		98,520	87,788
Fund balance, end of year		$ 122,583	98,520

ERIENNA TOWNSHIP
GENERAL ASSISTANCE FUND

SCHEDULE B-7

Balance Sheet
March 31, 2026

Assets	
Cash and investments	$ 32,600
Property taxes receivable	9,010
Total Assets	$ 41,610
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources:	
Deferred property taxes	$ 9,010
Fund Balance:	
Restricted	32,600
Total deferred inflows and fund balance	$ 41,610

SCHEDULE B-8

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	2025
Revenues:			
Property taxes	$ 100	110	101
Interest income	750	1,227	1,539
Total revenues	850	1,337	1,640
Expenditures:			
Catastrophic insurance	10,000	2,760	-
Miscellaneous	18,350	3,250	-
Total expenditures	28,350	6,010	-
Net change in fund balance	$ (27,500)	(4,673)	1,640
Fund balance, beginning of year		37,273	35,633
Fund balance, end of year		$ 32,600	37,273

ERIENNA TOWNSHIP
ROAD & BRIDGE INSURANCE FUND

SCHEDULE B-9

Balance Sheet
March 31, 2026

Assets	
Cash and investments	$ 24,158
Property taxes receivable	8,907
Total Assets	$ 33,065
Deferred Inflows of Resources and Fund Balance	
Deferred Inflows of Resources:	
Deferred property taxes	$ 8,907
Fund Balance:	
Restricted	24,158
Total deferred inflows and fund balance	$ 33,065

SCHEDULE B-10

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended March 31, 2026
(with comparative figures for March 31, 2025)

	Original and Final Budget	Year Ended March 31, 2026	2025
Revenues:			
Property taxes	$ 8,900	8,926	8,569
Interest income	500	762	816
Total revenues	9,400	9,688	9,385
Expenditures:			
Risk Management	12,600	7,648	7,885
Total expenditures	12,600	7,648	7,885
Net change in fund balance	$ (3,200)	2,040	1,500
Fund balance, beginning of year		22,118	20,618
Fund balance, end of year		$ 24,158	22,118

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Township adheres to the following procedures in establishing the budgetary data included in the financial statements:

1. Within the first three months of its fiscal year, the Township Board prepares the proposed combined annual budget and appropriation ordinance for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to June 30, the annual budget and appropriations ordinance is legally adopted through passage of an ordinance.

4. The Township Board may transfer up to 10% of the total appropriation between various items within any fund.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.

6. The 2025-2026 budget and appropriation ordinances were adopted by the Board on June 23, 2025 and were not amended.

A summary of budget to actual comparisons for the major funds is disclosed below:

Description	Budget	Actual	Variance	Percent Variance
General Town Fund	$ 155,558	70,577	84,981	55%
Road and Bridge Fund	346,710	141,213	205,497	59%
Permanent Road Fund	224,575	112,904	111,671	50%
Joint Bridge Fund	112,350	16,361	95,989	85%
General Assistance Fund	28,350	6,010	22,340	79%
R&B Insurance Fund	12,600	7,648	4,952	39%

All funds operated within the confines of the approved budget for the year ended March 31, 2026.

SUPPLEMENTAL INFORMATION

SCHEDULE 1

ERIENNA TOWNSHIP

Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections

	2023	2024	2025
Assessed Valuations	$ 92,035,071	99,417,773	103,446,667
Tax Rates:			
Corporate	0.1092	0.1062	0.0982
General Assistance	0.0001	0.0001	0.0087
Road and Bridge	0.1774	0.1720	0.1747
Bridges	0.0377	0.0367	0.0357
Permanent Road	0.1670	0.1670	0.1670
Liability Insurance	0.0093	0.0090	0.0086
Totals	0.5007	0.4910	0.4930
Tax Extensions:			
Corporate	$ 100,502	105,532	101,626
General Assistance	101	109	9,010
Road and Bridge	163,252	171,009	180,752
Bridges	34,725	36,456	36,951
Permanent Road	153,699	166,028	172,756
Liability Insurance	8,550	8,908	8,907
Totals	460,829	488,042	510,002
Less: Road and Bridge	51,402	53,444	56,201
Total Extension	409,427	434,598	453,801
Tax Collections	$ 410,522	435,625	-

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Erienna Township, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erienna Township, Illinois, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise Erienna Township, Illinois' basic financial statements and have issued our report thereon dated October 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Erienna Township, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Erienna Township, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Erienna Township, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Erienna Township, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the management of Erienna Township, Illinois, in a separate letter dated October 12, 2026.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants