

**OSWEGO TOWNSHIP  
KENDALL COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
MARCH 31, 2020**



**OSWEGO TOWNSHIP, ILLINOIS**

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***INDEPENDENT AUDITORS' REPORT***



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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

To the Board of Trustees  
Oswego Township, Illinois  
Kendall County

We have audited the accompanying financial statements of the governmental activities and each major fund of Oswego Township, Illinois as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Oswego Township, Illinois, as of March 31, 2020, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 23-33, notes to other information on pages 34-35, and supplementary information on pages 36-38 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The notes to other information, and the supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### *Comparative Information*

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Oswego Township for fiscal year ended March 31, 2019, which are presented for comparison purposes with the accompanying financial statements. In our report dated September 10, 2019, we expressed an unmodified opinion on the respective financial statements.

*Mack & Associates, P. C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
July 14, 2020

***BASIC FINANCIAL STATEMENTS***

**Government-wide Financial Statement**  
**Statement of Net Position**  
**Modified Cash Basis**  
**March 31, 2020**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash in bank	\$ 2,864,966	4,548,550
Investments	114,718	135,775
Cash-restricted	108,516	48,811
Capital assets		
Equipment	1,932,580	1,714,546
Buildings	2,702,529	1,827,427
Land	238,905	238,905
Accumulated depreciation	<u>(1,618,308)</u>	<u>(1,610,551)</u>
Total assets	<u>6,343,906</u>	<u>6,903,463</u>
<u>Liabilities</u>		
Security deposit	<u>55,000</u>	<u>55,000</u>
Total liabilities	<u>55,000</u>	<u>55,000</u>
<u>Net Position</u>		
Net investment in capital assets	3,255,706	2,170,327
Unrestricted net position	1,904,699	2,463,494
Restricted net position	<u>1,128,501</u>	<u>2,214,642</u>
Total net position	<u>\$ 6,288,906</u>	<u>6,848,463</u>

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



**Government-wide Financial Statement**  
**Statement of Activities**  
**Modified Cash Basis**  
**For the Year Ended March 31, 2020**

Program Activities	Expenditures	Program Revenues Fees and Charges for Services	Net (Expenditures) Revenues And Changes in Net Position	
			Governmental Activities	
			2020	2019
Governmental activities:				
Administration	\$ 320,765	-	(320,765)	(1,021,194)
Cemetery Maintenance	88,367	5,646	(82,721)	(94,520)
Road & Bridge	4,166,914	12,399	(4,154,515)	(2,675,295)
Total governmental activities	4,576,046	18,045	(4,558,001)	(3,791,009)
Total government	\$ 4,576,046	18,045	(4,558,001)	(3,791,009)
General revenues:				
Taxes:				
Property taxes			\$ 3,372,773	3,372,741
Motor fuel tax			123,834	90,611
Illinois replacement taxes			232,488	172,586
Rental income			126,312	48,121
Reimbursements			27,115	66,898
Interest on investments			108,076	106,976
Sale of property			-	479,267
Miscellaneous			7,846	5,851
Total general revenues			3,998,444	4,343,051
Change in net position			(559,557)	552,042
Net position at beginning of year			6,848,463	6,296,421
Net position at end of year			\$ 6,288,906	6,848,463

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

OSWEGO TOWNSHIP, ILLINOIS

Statement C

Statement of Assets, Liabilities, and Fund Balances  
 Modified Cash Basis  
 Governmental Funds  
 March 31, 2020

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equip Fund	Total Governmental Funds	
							2020	2019
<u>Assets</u>								
Cash in bank	\$ 1,604,127	355,572	518,940	132,668	236,681	16,978	2,864,966	4,548,550
Investments	-	-	-	114,718	-	-	114,718	135,775
Motor fuel tax cash-restricted	-	108,516	-	-	-	-	108,516	48,811
<b>Total Assets</b>	<b>\$ 1,604,127</b>	<b>464,088</b>	<b>518,940</b>	<b>247,386</b>	<b>236,681</b>	<b>16,978</b>	<b>3,088,200</b>	<b>4,733,136</b>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Security deposit	\$ 55,000	-	-	-	-	-	55,000	55,000
<b>Total liabilities</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,000</b>	<b>55,000</b>
Fund Balances:								
Unassigned	1,549,127	-	-	-	-	-	1,549,127	2,123,958
Assigned	-	355,572	-	-	-	-	355,572	339,536
Restricted	-	108,516	518,940	247,386	236,681	16,978	1,128,501	2,214,642
<b>Total Fund Balances</b>	<b>1,549,127</b>	<b>464,088</b>	<b>518,940</b>	<b>247,386</b>	<b>236,681</b>	<b>16,978</b>	<b>3,033,200</b>	<b>4,678,136</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,604,127</b>	<b>464,088</b>	<b>518,940</b>	<b>247,386</b>	<b>236,681</b>	<b>16,978</b>	<b>3,088,200</b>	<b>4,733,136</b>

**Reconciliation to Statement of Net Position:**

Fund Balance, Governmental Funds \$ 3,033,200 4,678,136

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

Capital assets used in governmental activities of \$4,874,014 (net of accumulated depreciation of \$1,618,308), are not financial resources and, therefore, are not reported in the funds. 3,255,706 2,170,327

Net position of governmental activities \$ 6,288,906 6,848,463

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended March 31, 2020**

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equip Fund	Total Governmental Funds	
							2020	2019
<u>Revenues Received</u>								
Property taxes	\$ 1,047,417	169,218	2,045,361	16,891	10,838	83,048	3,372,773	3,372,741
Illinois replacement taxes	36,829	73,758	108,696	1,559	-	11,646	232,488	172,586
Motor fuel revenue	-	123,834	-	-	-	-	123,834	90,611
Fees and charges for services	-	12,399	-	5,646	-	-	18,045	11,285
Investment income	41,480	7,923	29,502	19,416	5,871	3,884	108,076	106,976
Rental income	106,280	-	-	-	-	20,032	126,312	48,121
Reimbursements	-	-	27,115	-	-	-	27,115	66,898
Sale of property	-	-	-	-	-	-	-	479,267
Miscellaneous	6,723	1,123	-	-	-	-	7,846	5,851
<b>Total Revenues Received</b>	<b>1,238,729</b>	<b>388,255</b>	<b>2,210,674</b>	<b>43,512</b>	<b>16,709</b>	<b>118,610</b>	<b>4,016,489</b>	<b>4,354,336</b>
<u>Expenditures Disbursed</u>								
Current:								
General and administrative	603,026	110,800	-	-	20,257	-	734,083	631,663
Assessor	357,829	-	-	-	-	-	357,829	383,545
Cemetery maintenance	-	-	-	94,475	-	-	94,475	40,157
Home relief	-	-	-	-	10,304	-	10,304	-
Road and bridge maintenance	-	196,081	2,986,127	-	-	-	3,182,208	2,433,759
Capital outlay	852,705	5,633	-	6,865	-	417,323	1,282,526	252,821
<b>Total Expenditures Disbursed</b>	<b>1,813,560</b>	<b>312,514</b>	<b>2,986,127</b>	<b>101,340</b>	<b>30,561</b>	<b>417,323</b>	<b>5,661,425</b>	<b>3,741,945</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(574,831)	75,741	(775,453)	(57,828)	(13,852)	(298,713)	(1,644,936)	612,391
Fund balances - beginning	2,123,958	388,347	1,544,393	305,214	250,533	65,691	4,678,136	4,065,745
Fund balances - ending	\$ 1,549,127	464,088	518,940	247,386	236,681	16,978	3,033,200	4,678,136

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

OSWEGO TOWNSHIP, ILLINOIS

Statement D  
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2020

	Total Governmental Funds	
	2020	2019
<b>Reconciliation to the Statement of Activities:</b>		
Net change in fund balances - total governmental funds	\$ (1,644,936)	612,391
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay 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		
Capital asset purchases	1,302,311	150,341
Capital Asset disposal, net	-	(62,248)
Depreciation	(216,932)	(148,442)
Change in net position of governmental activities (Statement B)	<u>\$ (559,557)</u>	<u>552,042</u>

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Oswego Township is an Illinois unit of local government. The Township provides general government services, emergency assistance to individuals, and maintenance of roads and bridges within the Township.

These financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

##### *A. The Reporting Entity*

The Township follows the provision of Government 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, are 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 governments, or its component units, are entitled to, or have 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 Township 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.

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### *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 interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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 benefit 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.

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The funds of the financial reporting entity 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:

General 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. The expenditures for these special purposes are included as Town Fund expenditures.

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

1. The Road and Bridge Fund – used to account for road and bridge maintenance expenditures and is funded mainly by property, replacement, and motor fuel taxes.
2. Hard Road Fund – used to account for hard road project expenditures and is mainly funded by property taxes.
3. Cemetery Fund – used to account for Township Cemetery expenditures and is funded by fees and property taxes.
4. General Assistance Fund – used to account for approved general assistance disbursements such as rent and utilities and is funded mainly by property taxes.
5. Building and Equipment Fund – used to account for building and equipment purchases and maintenance and is funded mainly by rental fees, and property and replacement taxes.



**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)*

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 limitations of the modified cash basis of accounting.

In the fund financial statements, the governmental activities are presented using the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting.

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 given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position, Statement of Activities and fund financial statements the governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Township utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis. All government-wide financial statements would be presented using the accrual basis of accounting.

# OSWEGO TOWNSHIP, ILLINOIS

## Notes to Basic Financial Statements For the Year Ended March 31, 2020

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### *D. Assets, Liabilities and Net Position*

##### Deposits and Investments

Deposits – 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.

GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures to all fair value measurements. Investments are valued at fair value, and include stock certificates held by the Township Cemetery.

##### Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. All capital assets are reported at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to April 1, 2004. 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 the 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 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.

A capitalization threshold of \$2,500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements, other than buildings	10-25 years
Machinery, furniture, and equipment	3-20 years

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*D. Assets, Liabilities and Net Position - (Continued)*

Fund Financial Statements

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.

Equity Classification

*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, 2020, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 4,874,014
Less: Accumulated depreciation	<u>(1,618,308)</u>
Net investment in capital assets	<u>\$ 3,255,706</u>

- b. Restricted net position—Consists of net position 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 do not meet the definitions of “restricted” or “invested in capital assets, net of related debt.”

Reclassifications

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

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### **NOTE 2: PROPERTY TAXES**

Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The 2018 property tax levy in the amount of \$3,485,269 (adjusted to \$3,485,744) was passed on November 20, 2018 and was received by the Township during the current fiscal year. The 2019 property tax levy in the amount of \$3,633,507 (adjusted to \$3,574,444) was passed on November 5, 2019 and will be received by the Township in the subsequent fiscal year.

Under current procedures, the County Treasurer distributes all property taxes received to the Township including amounts paid by taxpayers that have filed tax objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due the Township.

#### **NOTE 3: 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 allocation is made at the discretion of the Board of Trustees.

#### **NOTE 4: CASH AND INVESTMENTS**

##### 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 Corporation (FDIC). 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 3 highest classifications by at least 2 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.

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit.

Custodial Credit Risk - the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk.

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### NOTE 4: CASH AND INVESTMENTS – (Continued)

##### Deposits - Continued

The Township's deposits and certificates of deposit are entirely covered by 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. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. As of year-end, the carrying amount of the Township's deposits was \$2,864,966 and the bank balance was \$3,140,986. As of March 31, 2020, the Township's deposits were fully collateralized or covered by the FDIC.

##### Investments

The Township's investments consist of stocks which were received as donated inheritance from a former resident of the Township.

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 235/2 and 235/6 and Chapter 105 Section 5/8-7. As of March 31, 2020, the Township diversified its investments held by the Cemetery as follows:

<u>Corporation</u>	<u>Shares</u>	<u>Fair Value</u>
Exelon Corporation	210	\$ 7,652
Consolidated Edison, Inc.	652	50,856
South Jersey Industries, Inc.	96	2,520
Public Service Enterprise Group Inc.	146	6,557
Marathon Oil Corporation	270	888
Marathon Petroleum Corporation	270	6,378
United States Steel Corp.	27	170
Sentinel Common Stock Fund	1129.03	39,697
Total Investments		<u>\$ 114,718</u>

Fair value has been determined on the basis of quoted market prices for each stock holding as of March 31, 2020. The shares are not rated as of March 31, 2020.

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

**NOTE 4: CASH AND INVESTMENTS – (Continued)**

*Investments - Continued*

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. At March 31, 2020, the Township's investments in the following stocks exceeds 5% of total investments: Exelon Corporation (6.7%), Consolidated Edison, Inc. (44.3%), Public Service Enterprise Group, Inc. (5.7%), Marathon Petroleum Corporation (5.6%), and Sentinel Common Stock Fund (34.6%).

**NOTE 5: CAPITAL ASSETS**

A summary of changes in capital assets follows:

Capital Assets	April 1, 2019	Additions	Deletions	March 31, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 238,905	-	-	238,905
Total Capital Assets Not Being Depreciated	<u>238,905</u>	<u>-</u>	<u>-</u>	<u>238,905</u>
Capital Assets being depreciated:				
Equipment	1,714,546	427,209	209,175	1,932,580
Building	1,827,427	875,102	-	2,702,529
Total Capital Assets Being Depreciated	<u>3,541,973</u>	<u>1,302,311</u>	<u>209,175</u>	<u>4,635,109</u>
Total Capital Assets	<u>3,780,878</u>	<u>1,302,311</u>	<u>209,175</u>	<u>4,874,014</u>
Accumulated Depreciation				
Equipment	1,219,098	136,035	209,175	1,145,958
Building	391,453	80,897	-	472,350
Total Accumulated Depreciation	<u>1,610,551</u>	<u>216,932</u>	<u>209,175</u>	<u>1,618,308</u>
Capital Assets Net Accumulated Depreciation	<u>\$ 2,170,327</u>	<u>1,085,379</u>	<u>-</u>	<u>3,255,706</u>

Significant purchases for the year included the following:

99 Boulder Hill Pass Building	\$ 385,000
Family Counseling Center Buildout	369,756
Peterbilt Dump Trucks & Chassis	390,540

For the year ended March 31, 2020, depreciation expense was charged as follows:

Administration	\$ 82,899
Road & Bridge	130,066
Cemetery Maintenance	3,966
Total	<u>\$ 216,932</u>

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### **NOTE 6: RISK MANAGEMENT**

Oswego Township is exposed to various risks of loss related to torts, theft or damage to or destruction of assets, errors and omissions, injuries to employees, natural disasters, and net income losses.

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage of the current year on the three prior years.

#### **NOTE 7: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)**

*Plan Description* – The Township’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Township’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information (RSI). The report may be obtained online at [www.imrf.org](http://www.imrf.org).

*Benefits Provided* – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All of the Township’s employees participate in the regular plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings in the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2020

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NOTE 7: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Benefits Provided – (Continued)

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms – As of December 31, 2019, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	16
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	<u>15</u>
Total	<u><u>41</u></u>

Contributions – As set by statute, the Township’s Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township’s annual contribution rate and actual Township contributions for calendar year 2019 and the fiscal year ended March 31, 2020 are summarized below. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Township required contribution rate for 2019	14.65%
Township required contribution rate for 2020	13.19%
Township actual contributions for 2019	\$ 134,800
Township actual contributions for fiscal year 2020	\$ 132,824



**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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**NOTE 8: CONTINGENCIES**

The Township is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time.

**NOTE 9: MOTOR FUEL TAX FUND**

The Township receives allotments of Motor Fuel Tax Funds from the State of Illinois. The allotments are paid directly to the Kendall County Treasurer. The Treasurer holds the funds and makes payments on approved road projects. The following is a summary of the activity of the Township's motor fuel tax allotment for the year ended March 31, 2020:

Balance: March 31, 2019	\$	48,811
Allotments received		123,834
Interest earned		175
Less: Disbursements		(64,304)
Balance: March 31, 2020	\$	<u>108,516</u>

**NOTE 10: LEGAL DEBT MARGIN**

Legal debt margin is the percent of the Township's assessed valuation which is subject to debt limitation. The statutory debt limitation for the Township is 8.625%. The Township's legal debt margin limitation is as follows for the fiscal year ended March 31, 2020.

Assessed valuation (2019)	\$	<u>1,493,958,544</u>
Statutory debt limitation (8.625% of assessed valuation)	\$	128,853,924
Amount of debt applicable to debt limitation		<u>-</u>
Legal Debt Margin	\$	<u>128,853,924</u>

**NOTE 11: LEASE CONTRACTS**

The Township had a lease contract with Chicago SMSA LP, d/b/a Verizon Wireless by Cellco Partnership for the period May 1, 2014 through April 30, 2019 for the use of the Township's real estate for a cell phone tower. Verizon Wireless paid the Township in total \$13,116 per year, in monthly installments of \$1,093. This lease agreement was renewed for the period of May 1, 2019 through April 30, 2034. Verizon Wireless will pay the Township \$1,344/month for the first lease year, with annual increases of 3% thereafter.

The Township entered into a lease contract with Buell Consulting o/b/o Verizon Wireless beginning in 2019 with a lease term of 10 years. Under the agreement, Buell paid one-time application fees totaling \$2,000 and will pay \$200 per pole per month through the lease term.

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2020

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#### NOTE 11: LEASE CONTRACTS – (Continued)

The Township recorded total tower lease income of \$20,032 for fiscal year 2020.

The Township entered into a lease contract for office space with Family Counseling Service beginning in 2019 with an expiration date of December 31, 2023. Family Counseling Service will pay the Township \$61,194 for the first lease year, with base rent increases of 3% per annum.

The Township also rents a portion of its office building to Apple-A-Day Pediatrics, beginning January 1, 2018 and ending December 31, 2022. Monthly rent ranges from \$3,292 to \$4,356, plus monthly taxes and CAM.

The Township recognized total office rental income of \$106,280 in fiscal year 2020.

#### NOTE 12: 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. Below are definitions of how these balances are reported.

##### 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. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has different funds that also fall into this category.

1. Motor Fuel Tax. Cash receipts and the related cash disbursements of these restricted funds are accounted for in the Road & Bridge Fund. As of March 31, 2020, the Township’s Road & Bridge Fund reported a restricted fund balance of \$108,516. See Note 9 for additional details.
2. Hard Road Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Hard Road Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$518,940.

**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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**NOTE 12: FUND BALANCE – GASB 54 PRESENTATION – (Continued)**

*B. Restricted Fund Balance – (Continued)*

3. Cemetery Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Cemetery Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$247,386.
4. General Assistance Levy. Proceeds from federal grants and the related expenditures have been included in the General Assistance Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$236,681.
5. Building and Equipment Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Building and Equipment Fund. As of March 31, 2020, a restricted fund balance of \$16,978 was reported.

*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.

*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 (a) the Board itself or (b) by the Treasurer/Administrator when the Board has delegated the authority to assign amounts to be used for specific purposes.

Unexpended funds in the Road & Bridge Fund are to be held for the purpose of paying road maintenance salaries and other expenditures related to road repairs and maintenance. Under the assigned fund balance definition, \$355,572 of the Road and Bridge Fund Balance is assigned fund balance for this purpose.

*E. Unassigned Fund Balance*

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. As of March 31, 2020, the unassigned fund balance of the Town Fund was \$1,549,127.

**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2020**

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**NOTE 12: FUND BALANCE – GASB 54 PRESENTATION – (Continued)**

*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 13: SUBSEQUENT EVENTS**

Management evaluated subsequent events through July 14, 2020, the date the financial statements were available to be issued. No other amounts were required to be recorded or disclosed in the financial statements as of March 31, 2020, as a result of events occurring between April 1, 2020 and July 14, 2020.

***OTHER INFORMATION***

**Statement of Assets, Liabilities,  
and Fund Balance - Arising from Cash Transactions  
March 31, 2020**

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<u>Assets</u>		
Cash in bank		<u>\$ 1,604,127</u>
Total assets		<u>\$ 1,604,127</u>
 <u>Liabilities &amp; Fund Balance</u>		
Liabilities:		
Security deposit		<u>\$ 55,000</u>
Fund balance - unassigned		<u>1,549,127</u>
Total liabilities & fund balance		<u>\$ 1,604,127</u>

Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
<b>Revenues Received:</b>				
Property taxes	\$ 1,045,000	1,045,000	1,047,417	1,047,154
Replacement taxes	28,900	28,900	36,829	27,712
Interest income	33,000	33,000	41,480	42,580
Rental income	106,600	106,600	106,280	48,121
Sale of property	-	-	-	479,267
Miscellaneous revenues	750	750	6,723	4,886
<b>Total revenues received</b>	<b>1,214,250</b>	<b>1,214,250</b>	<b>1,238,729</b>	<b>1,649,720</b>
<b>Expenditures Disbursed:</b>				
<b>Administrative:</b>				
<b>Personnel:</b>				
Salaries	275,000	275,000	261,685	263,375
Deputy Clerk	4,000	4,000	4,000	-
Health insurance	113,000	113,000	106,777	81,330
Social Security contribution and Medicare	28,000	28,000	20,309	20,243
Retirement contribution	50,000	50,000	35,189	50,346
Worker's Compensation	1,100	1,100	-	-
<b>Contractual services:</b>				
Maintenance service - building	25,000	25,000	35,183	20,154
Maintenance service - equipment	4,500	4,500	6,075	1,958
Accounting service	6,000	6,000	5,849	6,079
Legal service	25,000	25,000	12,960	24,720
Postage	450	450	242	-
Telephone	2,400	2,400	2,822	1,940
Publishing	600	600	339	591
Printing	1,200	1,200	77	976
Dues	3,000	3,000	2,771	1,512
Travel expenses	3,000	3,000	-	595
Training	2,000	2,000	1,884	1,426
Utilities	16,000	16,000	14,209	14,874
General insurance	46,000	46,000	32,604	15,022
Mosquito management	19,000	19,000	17,756	17,240
Plan commission expense	500	500	-	-
Bank charges	2,100	2,100	2,281	2,520
Interest & Fees	200	200	235	230
Ordinance Enforcement	5,000	5,000	3,268	3,276
<b>Commodities:</b>				
Office Equipment	1,000	1,000	-	-
Supplies	4,500	4,500	4,021	3,800
<b>Capital outlay:</b>				
Building	681,160	681,160	585,623	103,638
Equipment	5,000	5,000	12,378	113
<b>Other expenditures:</b>				
Real estate taxes	8,000	8,000	9,490	2,190
Senior services	23,000	23,000	23,000	20,700
PADS	500	500	-	500
Other	500	500	-	-

Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020

	Original Budget	Final Budget	Year Ended March 31, 2020	2019
Expenditures Disbursed - (Continued):				
Assessor:				
Personnel:				
Salaries	\$ 290,900	290,900	232,204	241,393
Health Insurance	63,500	63,500	65,086	75,462
Social Security/Medicare Contribution	15,000	15,000	17,097	17,784
Retirement Contribution	30,000	30,000	31,554	36,654
Contractual services:				
Maintenance service - equipment	1,000	1,000	694	12
Maintenance service - vehicle	1,000	1,000	187	163
Postage	500	500	-	304
Dues	300	300	50	152
Travel expenses	2,400	2,400	53	1,205
Training	2,360	2,360	1,268	505
Software license maintenance	6,700	6,700	6,419	6,192
Website maintenance	3,500	3,500	2,093	2,360
Commodities:				
Office supplies	1,500	1,500	1,124	1,359
Capital outlay:				
Building	250,000	250,000	250,000	-
Equipment	5,000	5,000	4,704	2,170
Other expenditures:				
Plat maps	1,000	1,000	-	8
Total expenditures disbursed	2,031,370	2,031,370	1,813,560	1,045,071
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (817,120)	(817,120)	(574,831)	604,649
Fund balance, beginning of year			2,123,958	1,519,309
Fund balance, end of year			1,549,127	2,123,958



OSWEGO TOWNSHIP, ILLINOIS  
ROAD AND BRIDGE FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2020

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Assets

Cash in bank	\$	355,572
Cash Restricted (MFT)		<u>108,516</u>
Total assets	\$	<u><u>464,088</u></u>

Fund Balance

Assigned	\$	355,572
Restricted		<u>108,516</u>
Total fund balance	\$	<u><u>464,088</u></u>

OSWEGO TOWNSHIP, ILLINOIS  
ROAD AND BRIDGE FUND

SCHEDULE B-2

Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues Received:				
Property taxes	\$ 170,000	170,000	169,218	169,286
Illinois replacement taxes	59,000	59,000	73,758	54,613
Motor fuel tax	-	-	123,834	90,611
Court fines	13,000	13,000	12,399	11,285
Interest income	5,500	5,500	7,923	8,701
Miscellaneous	1,000	1,000	1,123	965
Total revenues received	248,500	248,500	388,255	335,461
Expenditures Disbursed:				
Administrative:				
Contractual services:				
Accounting	1,250	1,250	-	-
Legal service	40,000	40,000	24,775	24,306
Postage	5,000	5,000	984	1,298
Telephone	5,000	5,000	2,754	2,249
Publishing	1,500	1,500	1,108	5,221
Printing	10,000	10,000	2,922	-
Travel expenses	1,000	1,000	518	469
Training	2,000	2,000	1,561	993
Dues	250	250	635	-
Website	1,000	1,000	1,347	1,325
Late fee	500	500	10	147
Bank Fees	1,000	1,000	483	574
General insurance	60,000	60,000	63,289	26,123
Interest expense	250	250	-	32
Commodities:				
Software	24,000	24,000	5,753	-
Office supplies	4,000	4,000	897	2,662
Capital outlay:				
Equipment	2,500	2,500	2,294	1,566
Other expenditures:				
Municipal replacement tax	1,500	1,500	1,470	1,089
Maintenance:				
Contractual services:				
Maintenance service - equipment	85,000	85,000	65,269	92,077
Maintenance service - snow removal	30,000	30,000	4,509	17,745
Utilities	20,000	20,000	15,962	16,904
Intersection lights	50,000	50,000	19,881	25,545
Commodities:				
Operating supplies	40,000	40,000	26,156	38,426
Capital outlay:				
Building	200,000	200,000	5,633	28,536
Motor fuel tax expenditures	-	-	64,304	114,827
Total expenditures disbursed	\$ 585,750	585,750	312,514	402,114
Excess (deficiency) of revenues received over (under) expenditures disbursed			75,741	(66,653)
Fund balance, beginning of year			388,347	455,000
Fund balance, end of year			464,088	388,347

**OSWEGO TOWNSHIP, ILLINOIS  
CEMETERY FUND**

SCHEDULE B-3

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2020**

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	<u>Assets</u>	
Cash in bank		\$ 132,668
Investments		<u>114,718</u>
Total assets		<u>\$ 247,386</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 247,386</u>

**OSWEGO TOWNSHIP, ILLINOIS  
CEMETERY FUND**

SCHEDULE B-4

**Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
<b>Revenues Received:</b>				
Property taxes	\$ 16,824	16,824	16,891	15,319
Illinois replacement taxes	1,500	1,500	1,559	1,155
Interest and Dividend Income	4,000	4,000	7,870	6,871
Market value increase (decrease) on investments	1,000	1,000	(15,153)	(4,195)
Burials and lot fees	10,000	10,000	26,699	7,050
Miscellaneous	-	-	5,646	-
<b>Total revenues received</b>	<b>33,324</b>	<b>33,324</b>	<b>43,512</b>	<b>26,200</b>
<b>Expenditures Disbursed:</b>				
<b>Personnel:</b>				
Salaries	30,000	30,000	32,990	16,123
Social Security contribution and Medicare	2,500	2,500	2,524	1,286
Retirement contribution	200	200	57	62
<b>Contractual services:</b>				
Bank Fees	500	500	265	266
Maintenance service - building	2,500	2,500	-	110
Maintenance service - equipment	5,000	5,000	2,723	2,049
Maintenance service - grounds & road	50,000	50,000	41,682	11,421
Legal	2,000	2,000	2,700	-
Other professional services - grave opening	10,000	10,000	2,500	6,537
Publishing	1,000	1,000	61	-
Utilities	500	500	331	362
Rentals	2,500	2,500	600	715
<b>Commodities:</b>				
Maintenance supplies - grounds	10,000	10,000	4,892	-
Operating supplies	2,500	2,500	1,109	478
Fuel & oil	1,000	1,000	1,945	683
Miscellaneous expense	1,300	1,300	96	65
<b>Capital outlay:</b>				
Land	1,000	1,000	-	-
Equipment	15,000	15,000	6,550	784
Cremation vaults	15,000	15,000	315	-
<b>Total expenditures disbursed</b>	<b>152,500</b>	<b>152,500</b>	<b>101,340</b>	<b>40,941</b>
<b>Excess (deficiency) of revenues received over (under) expenditures disbursed</b>	<b>\$ (119,176)</b>	<b>(119,176)</b>	<b>(57,828)</b>	<b>(14,741)</b>
<b>Fund balance, beginning of year</b>			<b>305,214</b>	<b>319,955</b>
<b>Fund balance, end of year</b>			<b>247,386</b>	<b>305,214</b>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2020**

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	<u>Assets</u>	
Cash in bank		<u>\$ 518,940</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 518,940</u>

**OSWEGO TOWNSHIP, ILLINOIS  
HARD ROAD FUND**

SCHEDULE B-6

**Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020**

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues Received:				
Property taxes	\$ 2,048,000	2,048,000	2,045,361	2,045,516
Illinois replacement taxes	90,000	90,000	108,696	80,483
Interest income	20,000	20,000	29,502	39,967
Miscellaneous	25,000	25,000	27,115	66,898
Total revenues received	2,183,000	2,183,000	2,210,674	2,232,864
Expenditures Disbursed:				
Maintenance:				
Personnel:				
Salaries	700,000	550,000	481,545	467,544
Health insurance	105,000	105,000	36,574	35,517
Social Security contribution and Medicare	40,000	40,000	100,641	99,365
Retirement contribution	80,000	80,000	66,024	44,195
Workers compensation	40,000	20,000	6,980	15,522
Contractual services:				
Bank Fees	3,500	3,000	1,858	2,920
Maintenance service - road	1,600,000	2,250,000	2,028,587	1,219,404
Engineering service	120,000	100,000	77,815	100,133
Rentals	15,000	14,000	6,101	2,559
Commodities:				
Operating supplies	40,000	37,000	6,669	27,118
Fuel & oil	40,000	37,000	28,124	31,258
Salt	150,000	150,000	131,947	82,700
Other expenditures:				
Retiree Health Premiums	15,000	15,000	13,163	-
Miscellaneous Expense	-	-	99	-
Total expenditures disbursed	2,948,500	3,401,000	2,986,127	2,128,235
Excess (deficiency) of revenues received over (under) expenditures disbursed	(765,500)	(1,218,000)	(775,453)	104,629
Other financing sources (uses):				
Transfer to Building and Equipment Fund	(250,000)	(250,000)	(250,000)	(70,000)
Net change in fund balance	<u>\$ (1,015,500)</u>	<u>(1,468,000)</u>	(1,025,453)	34,629
Fund balance, beginning of year			1,544,393	1,509,764
Fund balance, end of year			<u>518,940</u>	<u>1,544,393</u>

**OSWEGO TOWNSHIP, ILLINOIS  
GENERAL ASSISTANCE FUND**

SCHEDULE B-7

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2020**

	<u>Assets</u>	
Cash in bank		\$ 236,681
	<u>Fund Balance</u>	
Restricted fund balance		\$ 236,681

**Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020**

SCHEDULE B-8

	Original Budget	Final Budget	Year Ended March 31,	
			2020	2019
Revenues Received:				
Property taxes	10,800	10,800	10,838	12,414
Interest income	3,000	3,000	5,871	4,044
Total revenues received	13,800	13,800	16,709	16,458
Expenditures Disbursed:				
Administrative:				
Salaries	15,000	15,000	5,900	2,262
Contractual Services:				
Bank Fees	500	500	415	393
Maintenance service - equipment	150	150	-	-
Legal	2,000	2,000	90	-
Training	500	500	200	50
General Insurance	4,000	4,000	2,360	2,360
Commodities:				
Office supplies	200	200	-	-
Capital Outlay:				
Building	50,000	50,000	11,292	-
Other Expenditures:				
Miscellaneous expense	1,000	1,000	-	-
Home relief:				
Contractual services:				
Physician service	5,000	5,000	-	-
Hospital service - in patient	5,000	5,000	-	-
Hospital service - out patient	5,000	5,000	-	-
Dental service	1,000	1,000	-	-
Other medical services	4,000	4,000	-	-
Funeral & burial service	1,000	1,000	-	-
Shelter	10,000	10,000	-	-
Utility payment	6,000	6,000	-	-
Commodities:				
Flat grant	23,000	23,000	10,304	2,947
Other Expenditures:				
Miscellaneous expense	2,400	2,400	-	-
Total expenditures disbursed	135,750	135,750	30,561	8,012
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (121,950)	(121,950)	(13,852)	8,446
Fund balance, beginning of year			250,533	242,087
Fund balance, end of year			236,681	250,533

**OSWEGO TOWNSHIP, ILLINOIS  
BUILDING AND EQUIPMENT FUND**

SCHEDULE B-9

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2020**

<u>Assets</u>	
Cash in bank	<u>\$ 16,978</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>\$ 16,978</u>

**Statement of Revenues Received, Expenditures Disbursed, and  
Changes in Fund Balance-Budget and Actual  
For the Year Ended March 31, 2020**

SCHEDULE B-10

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Year Ended March 31,</u>	
			<u>2020</u>	<u>2019</u>
Revenues Received:				
Property taxes	\$ 84,000	84,000	83,048	83,052
Illinois replacement taxes	10,000	10,000	11,646	8,623
Interest income	1,000	1,000	3,884	1,958
Rental income	14,000	14,000	20,032	-
Total revenues received	<u>109,000</u>	<u>109,000</u>	<u>118,610</u>	<u>93,633</u>
Expenditures Disbursed:				
Contractual services:				
Bank fees	1,000	1,000	487	331
Capital outlay:				
Equipment	418,000	418,000	412,016	117,241
Building	5,000	5,000	4,820	-
Total expenditures disbursed	<u>424,000</u>	<u>424,000</u>	<u>417,323</u>	<u>117,572</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(315,000)	(315,000)	(298,713)	(23,939)
Other financing sources (uses):				
Transfer from Hard Road Fund	250,000	250,000	250,000	70,000
Net Change in Fund Balance	<u>\$ (65,000)</u>	<u>(65,000)</u>	(347,426)	22,122
Fund balance, beginning of year			<u>65,691</u>	<u>19,630</u>
Fund balance, end of year			<u>16,978</u>	<u>65,691</u>



***NOTES TO OTHER INFORMATION***

## OSWEGO TOWNSHIP, ILLINOIS

### Notes to Other Information For the Year Ended March 31, 2020

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#### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The budgetary comparison schedule for the major funds present comparison of the budget with actual data on a modified cash basis that is consistent with the modified cash basis of accounting used to prepare the schedules of revenues, expenditures, and changes in fund balance for that fund.

#### **NOTE 2: BUDGETARY PROCEDURES**

##### *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 budget and appropriation ordinance, formulated on the cash basis of accounting, was adopted by the Board on April 9, 2019. The Hard Road Budget was amended and adopted by the Board on November 5, 2019.

**OSWEGO TOWNSHIP, ILLINOIS**

**Notes to Other Information  
For the Year Ended March 31, 2020**

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**NOTE 3: BUDGETARY COMPARISONS**

The following is an analysis of budget versus actual expenditures for each major fund for the year ended March 31, 2020.

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>(Over)/Under Budget</u>
Town Fund	\$ 2,031,370	1,813,560	217,810
Road and Bridge*	585,750	248,210	337,540
Cemetery	152,500	101,340	51,160
Hard Road	3,401,000	2,986,127	414,873
General Assistance	135,750	30,561	105,189
Building and Equipment	424,000	417,323	6,677

\*Please note, MFT funds have been excluded, as these funds are held by the County on behalf of the Township.

***SUPPLEMENTARY INFORMATION***

**Illinois Municipal Retirement Fund  
Schedule of Changes in Net Pension Liability and Related Ratios**

Calendar Year Ending December 31,	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ 98,382	94,847	95,064	107,074	101,465
Interest on the Total Pension Liability	382,492	405,044	403,502	401,927	373,591
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	3,496	(499,071)	(22,608)	(294,165)	55,841
Changes of Assumptions	-	169,094	(182,803)	(13,789)	7,351
Benefit Payments, including Refunds of Employee Contributions	(259,913)	(333,137)	(211,822)	(164,939)	(146,185)
Net Change in Total Pension Liability	224,457	(163,223)	81,333	36,108	392,063
Total Pension Liability - Beginning	5,356,511	5,519,734	5,438,401	5,402,293	5,010,230
Total Pension Liability - Ending	\$ 5,580,968	5,356,511	5,519,734	5,438,401	5,402,293
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 134,800	150,324	152,218	142,908	128,349
Employee Contributions	41,406	42,572	44,393	41,840	42,406
Pension Plan Net Investment Income	882,978	(268,856)	747,455	289,584	21,979
Benefit Payments and Refunds	(259,913)	(333,137)	(211,822)	(164,939)	(146,185)
Other	28,360	108,923	(302,476)	(185,741)	(79,814)
Net Change in Plan Fiduciary Net Position	827,631	(300,174)	429,768	123,652	(33,265)
Plan Fiduciary Net Position - Beginning	4,603,564	4,903,738	4,473,970	4,350,318	4,383,583
Plan Fiduciary Net Position - Ending	\$ 5,431,195	4,603,564	4,903,738	4,473,970	4,350,318
<b>Net Pension Liability (Asset) - Ending</b>	\$ 149,773	752,947	615,996	964,431	1,051,975
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	97.32%	85.94%	88.84%	82.27%	80.53%
<b>Covered Valuation Payroll</b>	\$ 920,135	946,034	986,510	929,780	942,354
<b>Net Pension Liability as a Percentage of the Covered Valuation Payroll</b>	16.28%	79.59%	62.44%	103.73%	111.63%

**Notes to Schedule:**

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions**

Calendar Year	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/19	\$ 134,800	134,800	-	920,135	14.65%
12/31/18	150,325	150,324	1	946,034	15.89%
12/31/17	152,218	152,218	-	986,510	15.43%
12/31/16	142,907	142,908	(1)	929,780	15.37%
12/31/15	128,349	128,349	-	942,354	13.62%

**Note to Schedule**

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

**Methods and assumptions used to determine 2019 contribution rate:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four were financed over 29 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Price inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes: There were no benefit changes during the year.

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

	Tax Year				
	2015	2016	2017	2018	2019
Assessed valuations	<u>\$ 1,188,878,214</u>	<u>1,257,217,151</u>	<u>1,321,396,107</u>	<u>1,408,791,892</u>	<u>1,493,958,544</u>
Tax rates:					
Town	0.0880	0.0832	0.0793	0.0744	0.0720
Road and Bridge	0.0236	0.0223	0.0212	0.0199	0.0192
Hard Road	0.1722	0.1628	0.1549	0.1453	0.1405
Equipment & Building	0.0070	0.0066	0.0063	0.0059	0.0058
General Assistance	0.0012	0.0012	0.0009	0.0008	0.0003
Cemetery	<u>0.0012</u>	<u>0.0012</u>	<u>0.0012</u>	<u>0.0012</u>	<u>0.0015</u>
Totals	<u>0.2931</u>	<u>0.2773</u>	<u>0.2638</u>	<u>0.2474</u>	<u>0.2393</u>
Tax extensions:					
Town	\$ 1,045,618	1,045,628	1,047,735	1,047,719	1,075,351
Road and Bridge	280,100	280,108	280,004	280,068	286,989
Hard Road	2,047,011	2,047,001	2,047,107	2,047,116	2,099,311
Equipment & Building	83,103	83,102	83,116	83,119	85,305
General Assistance	14,504	14,458	12,421	10,848	5,079
Cemetery	<u>14,504</u>	<u>15,338</u>	<u>15,328</u>	<u>16,906</u>	<u>22,409</u>
Total tax extension	<u>\$ 3,484,840</u>	<u>3,485,635</u>	<u>3,485,711</u>	<u>3,485,774</u>	<u>3,574,444</u>
Total collections	\$ 3,484,289	3,481,969	3,483,445	3,483,382	
Road and Bridge Distribution	<u>(110,957)</u>	<u>(110,759)</u>	<u>(110,704)</u>	<u>(110,609)</u>	
Net Tax collections	<u>\$ 3,373,332</u>	<u>3,371,210</u>	<u>3,372,741</u>	<u>3,372,773</u>	