

OSWEGO TOWNSHIP



Est. 1849

July 13, 2021

Mack & Associates, P.C.
116 E. Washington Street, Suite One
Morris, Illinois 60450

This representation letter is provided in connection with your audit of the financial statements of Oswego Township, Illinois, which comprise the respective financial position of the governmental activities and each major fund as of March 31, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 13, 2021 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 17, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

Physical Address:

99 Boulder Hill Pass, Montgomery IL 60538
Admin- 630-554-3211
Assessor- 630-554-3214
Fax 630-554-2950

Mailing Address:

PO Box 792, Oswego IL 60543

www.oswegotownship.com

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the cash basis of accounting.
- 10) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 11) Guarantees, whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Township and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Township's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

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- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of the Township's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) The Township has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units, and properly disclose all other joint ventures and other related organizations.

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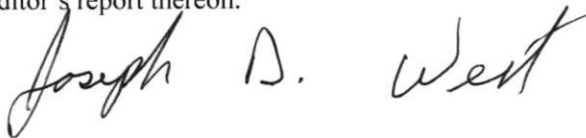
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- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended, and GASBS No. 84 .
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments are properly valued.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 40) Capital assets are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed the Township's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 43) With respect to the individual fund financial statements
- a) We acknowledge our responsibility for presenting the individual fund financial statements in accordance with accounting principles generally accepted in the United States of America, and we believe the individual fund financial statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the individual fund financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the individual fund financial statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Sincerely,



Joseph D. West
Oswego Township Supervisor

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STATE OF ILLINOIS
COUNTY OF KENDALL

- FILED -

SEP 13 2021

Debra H. Heltzer

COUNTY CLERK
KENDALL COUNTY

OSWEGO TOWNSHIP
KENDALL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2021

OSWEGO TOWNSHIP, ILLINOIS

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OSWEGO TOWNSHIP, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
CHRIS CHRISTENSEN

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, 2021, 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, 2021, 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, notes to other information, and supplementary information 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, 2020, which are presented for comparison purposes with the accompanying financial statements. In our report dated July 14, 2020, we expressed an unmodified opinion on the respective financial statements.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 13, 2021

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position
Modified Cash Basis
March 31, 2021

		Governmental Activities	
		2021	2020
<u>Assets</u>			
Cash in bank	\$	3,505,509	2,864,966
Investments		151,662	114,718
Cash-restricted		248,726	108,516
Capital assets			
Equipment		1,971,016	2,005,080
Buildings		2,637,829	2,637,829
Land		323,605	323,605
Accumulated depreciation		(1,796,661)	(1,710,808)
Total assets		7,041,686	6,343,906
<u>Liabilities</u>			
Security deposits		57,000	55,000
Total liabilities		57,000	55,000
<u>Net Position</u>			
Net investment in capital assets		3,135,789	3,255,706
Unrestricted net position		2,157,362	1,904,699
Restricted net position		1,691,535	1,128,501
Total net position	\$	6,984,686	6,288,906

Government-wide Financial Statement
Statement of Activities
Modified Cash Basis
For the Year Ended March 31, 2021

Program Activities	Expenditures	Program Revenues		Net (Expenditures) Revenues And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2021	2020
Governmental activities:					
Administration	\$ 1,188,180	-	35,633	(1,152,547)	(320,765)
Cemetery Maintenance	91,898	25,825	-	(66,073)	(82,721)
Road & Bridge	2,311,247	8,815	78,026	(2,224,406)	(4,154,515)
Total governmental activities	3,591,325	34,640	113,659	(3,443,026)	(4,558,001)
Total government	\$ 3,591,325	34,640	113,659	(3,443,026)	(4,558,001)
General revenues:					
Taxes:					
Property taxes				\$ 3,457,010	3,372,773
Motor fuel tax				166,253	123,834
Illinois replacement taxes				208,267	232,448
Rental income				141,060	126,312
Reimbursements				23,454	27,115
Interest on investments				66,076	108,076
Miscellaneous				4,336	7,846
Total general revenues				4,066,456	3,998,444
Special Item:					
Sale of capital asset				72,350	-
Change in net position				695,780	(559,557)
Net position at beginning of year				6,288,906	6,848,463
Net position at end of year				\$ 6,984,686	6,288,906

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, 2021

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2021	2020
<u>Assets</u>								
Cash in bank	\$ 1,878,603	335,759	854,045	89,740	233,050	114,312	3,505,509	2,864,966
Investments	-	-	-	151,662	-	-	151,662	114,718
Motor fuel tax cash-restricted	-	248,726	-	-	-	-	248,726	108,516
Total Assets	\$ 1,878,603	584,485	854,045	241,402	233,050	114,312	3,905,897	3,088,200
<u>Liabilities and Fund Balances</u>								
<u>Liabilities:</u>								
Security deposits	\$ 57,000	-	-	-	-	-	57,000	55,000
Total liabilities	57,000	-	-	-	-	-	57,000	55,000
<u>Fund Balances:</u>								
Unassigned	1,821,603	-	-	-	-	-	1,821,603	1,549,127
Assigned	-	335,759	-	-	-	-	335,759	355,572
Restricted	-	248,726	854,045	241,402	233,050	114,312	1,691,535	1,128,501
Total Fund Balances	1,821,603	584,485	854,045	241,402	233,050	114,312	3,848,897	3,033,200
Total Liabilities and Fund Balances	\$ 1,878,603	584,485	854,045	241,402	233,050	114,312	3,905,897	3,088,200
<u>Reconciliation to Statement of Net Position:</u>								
Fund Balance, Governmental Funds							\$ 3,848,897	3,033,200
Amounts reported for governmental activities in the Statement of Net Position are different because:								
Capital assets used in governmental activities of \$4,932,450 (net of accumulated depreciation of \$1,796,661), are not financial resources and, therefore, are not reported in the funds.								
Net position of governmental activities							3,135,789	3,255,706
							\$ 6,984,686	6,288,906

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

OSWEGO TOWNSHIP, ILLINOIS

Statement D

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended March 31, 2021

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2021	2020
<u>Revenues Received</u>								
Property taxes	\$ 1,073,984	173,734	2,096,641	22,381	5,073	85,197	3,457,010	3,372,773
Illinois replacement taxes	33,443	65,904	97,121	1,393	-	10,406	208,267	232,488
Grant revenue	35,633	78,026	-	-	-	-	113,659	-
Motor fuel revenue	-	166,253	-	-	-	-	166,253	123,834
Fees and charges for services	-	8,815	-	25,825	-	-	34,640	18,045
Investment income	7,412	1,576	3,725	41,163	11,705	495	66,076	108,076
Rental income	121,977	-	-	-	-	19,083	141,060	126,312
Reimbursements	-	-	23,454	-	-	-	23,454	27,115
Miscellaneous	3,395	791	-	125	-	25	4,336	7,846
Total Revenues Received	1,275,844	495,099	2,220,941	90,887	16,778	115,206	4,214,755	4,016,489
<u>Expenditures Disbursed</u>								
Current:								
General and administrative	639,990	105,539	-	-	17,777	-	763,306	734,083
Assessor	359,858	-	-	-	-	-	359,858	357,829
Cemetery maintenance	-	-	-	93,871	-	-	93,871	94,475
Home relief	-	-	-	-	2,632	-	2,632	10,304
Road and bridge maintenance	-	269,163	1,885,836	-	-	-	2,154,999	3,182,208
Capital outlay	3,520	-	-	3,000	-	82,872	89,392	1,282,526
Total Expenditures Disbursed	1,003,368	374,702	1,885,836	96,871	20,409	82,872	3,464,058	5,661,425
Excess (deficiency) of revenues received over (under) expenditures disbursed	272,476	120,397	335,105	(5,984)	(3,631)	32,334	750,697	(1,644,936)
Other Financing Sources (uses)								
Sale of property	-	-	-	-	-	65,000	65,000	-
Net change in fund balance	272,476	120,397	335,105	(5,984)	(3,631)	97,334	815,697	(1,644,936)
Fund balances - beginning	1,549,127	464,088	518,940	247,386	236,681	16,978	3,033,200	4,678,136
Fund balances - ending	\$ 1,821,603	584,485	854,045	241,402	233,050	114,312	3,848,897	3,033,200

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, 2021

	Total Governmental Funds	
	2021	2020
Reconciliation to the Statement of Activities:		
Net change in fund balances - total governmental funds	\$ 815,697	(1,644,936)
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 depreciation		
Capital asset purchases	100,609	1,302,311
Capital Asset disposal, net	(1,900)	-
Depreciation	(218,626)	(216,932)
Change in net position of governmental activities (Statement B)	\$ 695,780	(559,557)

NOTES TO BASIC FINANCIAL STATEMENTS

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 4,932,450
Less: Accumulated depreciation	<u>(1,796,661)</u>
Net investment in capital assets	<u>\$ 3,135,789</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, 2021

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 2019 property tax levy in the amount of \$3,633,507 (adjusted to \$3,574,444) was passed on November 5, 2019 and was received by the Township during the current fiscal year. The 2020 property tax levy in the amount of \$3,611,421 (adjusted to \$3,611,804) was passed on December 8, 2020 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, 2021

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 \$3,505,509 and the bank balance was \$3,639,203. As of March 31, 2021, 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.

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At March 31, 2021, the Township's investments consist of the following stocks, valued using quoted market prices (Level 1 inputs):

Corporation	Shares	Fair Value
Exelon Corporation	210	\$ 9,185
Consolidated Edison, Inc.	652	48,770
South Jersey Industries, Inc.	96	2,168
Public Service Enterprise Group Inc.	146	8,791
Marathon Oil Corporation	270	2,884
Marathon Petroleum Corporation	270	14,442
United States Steel Corp.	27	707
Sentinel Common Stock Fund	1191.60	64,715
Total Investments		<u>\$ 151,662</u>

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, 2021

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, 2021, the Township's investments in the following stocks exceeds 5% of total investments: Exelon Corporation (6.1%), Consolidated Edison, Inc. (32.2%), Public Service Enterprise Group, Inc. (5.8%), Marathon Petroleum Corporation (9.5%), and Sentinel Common Stock Fund (42.7%).

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

Capital Assets	April 1, 2020 Restated	Additions	Deletions	March 31, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 323,605	-	-	323,605
Total Capital Assets Not Being Depreciated	323,605	-	-	323,605
Capital Assets being depreciated:				
Equipment	2,005,080	100,609	134,673	1,971,016
Building	2,637,829	-	-	2,637,829
Total Capital Assets Being Depreciated	4,642,909	100,609	134,673	4,608,845
Total Capital Assets	4,966,514	100,609	134,673	4,932,450
Accumulated Depreciation				
Equipment	1,218,458	139,847	132,773	1,225,532
Building	492,350	78,779	-	571,129
Total Accumulated Depreciation	1,710,808	218,626	132,773	1,796,661
Capital Assets Net Accumulated Depreciation	\$ 3,255,706	(118,017)	1,900	3,135,789

Significant purchases for the year included the following:

Titan Pro Leaf Vac & Box	\$ 76,468
2012 Ford Edge - Ordinance Vehicle	11,273

Capital Assets at April 1, 2020 have been restated to record fully depreciated assets that had been omitted from the capital asset schedule and to reclass assets between functions. There was no effect in net position at April 1, 2020.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2021

NOTE 5: CAPITAL ASSETS – (Continued)

For the year ended March 31, 2021, depreciation expense was charged as follows:

Administration	\$	58,864
Road & Bridge		153,188
Cemetery Maintenance		<u>6,574</u>
Total	\$	<u>218,626</u>

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.

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, 2021

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, 2020, 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	14
Total	<u>40</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 2020 and the fiscal year ended March 31, 2021 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 2020	13.19%
Township required contribution rate for 2021	12.73%
Township actual contributions for 2020	\$ 129,123
Township actual contributions for fiscal year 2021	\$ 123,359

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2021

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, 2021:

Balance: March 31, 2020	\$ 108,516
Allotments received	166,252
Rebuild Illinois Grant	78,026
Interest earned	86
Less: Disbursements	(104,154)
Balance: March 31, 2021	<u>\$ 248,726</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, 2021:

Assessed valuation (2020)	<u>\$ 1,547,597,999</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 133,480,327
Amount of debt applicable to debt limitation	<u>-</u>
Legal Debt Margin	<u>\$ 133,480,327</u>

NOTE 11: LEASE CONTRACTS

The Township has a lease contract with Chicago SMSA LP, d/b/a Verizon Wireless by Cellco Partnership for the period May 1, 2019 through April 30, 2034 for the use of the Township's real estate for a cell phone tower. Monthly rental income is \$1,544/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 pays \$200 per pole per month through the lease term.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2021

NOTE 11: LEASE CONTRACTS – (Continued)

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 pays the Township \$61,194 for the first lease year, with base rent increases of 3% per annum.

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

The Township rents a portion of its office building to Oswegoland Seniors, beginning August 1, 2020 and ending July 31, 2021. Monthly rental income is \$1,500.

The Township recognized total rental income of \$141,060 in fiscal year 2021.

Subsequent to March 31, 2021, the Township sold its 84 Templeton Drive building. The lease agreements with Family Counseling Service, Apple-A-Day Pediatrics, and Oswegoland Seniors were transferred to the new owners. No future lease payments will be received by the Township after April 2021 for the office leases.

Future lease payments for the continuing leases discussed above are as follows:

Year	Office Leases	Chicago SMSA	Buell Consulting	Total
2022	\$ 11,788	19,082	2,400	33,270
2023	-	19,654	2,400	22,054
2024	-	20,244	2,400	22,644
2025	-	20,851	2,400	23,251
2026	-	21,477	2,400	23,877
2027-2031	-	117,446	8,200	125,646
2032-2035	-	81,600	-	81,600
	<u>\$ 11,788</u>	<u>300,354</u>	<u>20,200</u>	<u>332,342</u>

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.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2021

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

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, 2021, the Township's Road & Bridge Fund reported a restricted fund balance of \$248,726. 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 \$854,045.
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 \$241,402.
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 \$233,050.
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, 2021, a restricted fund balance of \$114,312 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.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2021

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

D. Assigned Fund Balance – (Continued)

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, \$335,759 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, 2021, the unassigned fund balance of the Town Fund was \$1,821,603.

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 13, 2021, the date the financial statements were available to be issued. On April 29, 2021, Oswego Township sold their rental property at 84 Templeton Dr., for \$1,070,006, net of fees. This property was used as the rental property which will result in a significant decrease in rental income in fiscal year 2022. No other amounts were required to be recorded or disclosed in the financial statements as of March 31, 2021, as a result of events occurring between April 1, 2021 and July 13, 2021.

OTHER INFORMATION

OSWEGO TOWNSHIP, ILLINOIS
TOWN FUND

SCHEDULE A-1

Statement of Assets, Liabilities,
and Fund Balance - Arising from Cash Transactions
March 31, 2021

<u>Assets</u>	
Cash in bank	\$ 1,878,603
Total assets	<u>\$ 1,878,603</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
Security deposits	\$ 57,000
Fund balance - unassigned	<u>1,821,603</u>
Total liabilities & fund balance	<u>\$ 1,878,603</u>

OSWEGO TOWNSHIP, ILLINOIS
TOWN FUND

SCHEDULE A-2

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2021

	Original & Final Budget	Year Ended March 31, 2021	2020
Revenues Received:			
Property taxes	\$ 1,076,944	1,073,984	1,047,417
Replacement taxes	32,000	33,443	36,829
Interest income	35,000	7,412	41,480
Rental income	113,000	121,977	106,280
Grant revenue	-	35,633	-
Miscellaneous revenues	2,000	3,395	6,723
Total revenues received	1,258,944	1,275,844	1,238,729
Expenditures Disbursed:			
Administrative:			
Personnel:			
Salaries	280,000	265,015	261,685
Deputy Clerk	4,000	4,000	4,000
Health insurance	116,000	109,608	106,777
Social Security contribution and Medicare	22,000	21,090	20,309
Retirement contribution	45,000	33,424	35,189
IDES	500	-	-
Worker's Compensation	1,000	-	-
Contractual services:			
Maintenance service - building	75,000	33,823	35,183
Maintenance service - equipment	4,500	2,503	6,075
Maintenance service- ground	10,000	12,317	-
Accounting service	6,500	6,045	5,849
Legal service	20,000	23,641	12,960
Postage	500	663	242
Telephone	2,800	2,383	2,822
Publishing	600	839	339
Printing	1,000	-	77
Internet/Website	500	397	-
Dues	3,500	3,174	2,771
Travel expenses	2,000	-	-
Training	2,500	1,330	1,884
Utilities	18,000	11,762	14,209
General insurance	45,000	32,930	32,604
Mosquito management	21,000	18,288	17,756
Plan commission expense	500	-	-
Bank charges	2,500	2,263	2,281
Interest & Fees	150	-	235
Ordinance Enforcement	5,000	3,119	3,268
Commodities:			
Office Equipment	1,000	936	-
Office Supplies	1,700	6,026	4,021
Operating Supplies	3,000	-	-
Software/Licenses	1,000	-	-
Capital outlay:			
Building	-	-	585,623
Equipment	2,000	2,917	12,378
Other expenditures:			
Real estate taxes	6,000	8,630	9,490
Senior services	25,000	30,000	23,000
Other	1,000	5,284	-

OSWEGO TOWNSHIP, ILLINOIS
TOWN FUND

SCHEDULE A-2
(CONTINUED)

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2021

	Original & Final Budget	Year Ended March 31, 2021	2020
Expenditures Disbursed - (Continued):			
Assessor:			
Personnel:			
Salaries	\$ 298,700	234,910	232,204
Health Insurance	64,300	66,428	65,086
Social Security/Medicare Contribution	23,000	17,294	17,097
Retirement Contribution	33,000	29,343	31,554
Contractual services:			
Maintenance service - equipment	1,000	-	694
Maintenance service - vehicle	2,000	-	187
Legal	2,000	68	-
Postage	500	-	-
Telephone	750	479	-
Dues	300	-	50
Travel expenses	2,000	-	53
Training	2,300	2,564	1,268
Appraisals	100	-	-
Internet/Website	3,500	6,713	6,419
Website maintenance	-	1,860	2,093
Commodities:			
Office supplies	1,500	71	1,124
Software license maintenance	7,000	10	-
Fuel & Oil	1,000	118	-
Capital outlay:			
Building	-	-	250,000
Vehicle	5,000	-	-
Equipment	6,000	603	4,704
Other expenditures:			
Plat maps	1,000	-	-
Other assessor	-	500	-
Total expenditures disbursed	1,185,700	1,003,368	1,813,560
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ 73,244	272,476	(574,831)
Fund balance, beginning of year		1,549,127	2,123,958
Fund balance, end of year		1,821,603	1,549,127

OSWEGO TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2021

<u>Assets</u>	
Cash in bank	\$ 335,759
Cash Restricted (MFT)	<u>248,726</u>
Total assets	<u>\$ 584,485</u>
 <u>Fund Balance</u>	
Assigned	\$ 335,759
Restricted	<u>248,726</u>
Total fund balance	<u>\$ 584,485</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, 2021

	Original & Final Budget	Year Ended March 31, 2021	2020
Revenues Received:			
Property taxes	\$ 178,000	173,734	169,218
Illinois replacement taxes	68,000	65,904	73,758
Motor fuel tax	-	166,253	123,834
Rebuild Illinois grant	-	78,026	-
Court fines	10,000	8,815	12,399
Interest income	6,000	1,576	7,923
Miscellaneous	1,000	791	1,123
Total revenues received	263,000	495,099	388,255
Expenditures Disbursed:			
Administrative:			
Contractual services:			
Accounting	1,000	168	-
Legal service	30,000	18,919	24,775
Postage	1,500	766	984
Telephone	3,500	3,339	2,754
Publishing	1,200	693	1,108
Printing	4,500	2,945	2,922
Travel expenses	1,200	-	518
Training	2,500	2,429	1,561
Dues	600	485	635
Website	2,000	1,484	1,325
Late fee	100	11	10
Bank Fees	800	488	483
General insurance	75,000	63,922	63,289
Interest expense	100	-	-
Commodities:			
Software	6,000	5,855	5,753
Office supplies	3,000	2,436	897
Capital outlay:			
Equipment	1,500	285	2,294
Building and land	40,000	-	-
Other expenditures:			
Municipal replacement tax	1,500	1,314	1,470
Maintenance:			
Contractual services:			
Maintenance service- building	20,000	13,888	-
Maintenance service - equipment	70,000	68,887	65,269
Maintenance service - snow removal	30,000	27,838	4,509
Utilities	20,000	11,444	15,962
Intersection lights	25,000	15,973	19,881
Commodities:			
Operating supplies	40,000	26,979	26,156
Capital outlay:			
Building	-	-	5,633
Motor fuel tax expenditures	-	104,154	64,304
Total expenditures disbursed	381,000	374,702	312,492
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (118,000)	120,397	75,763
Fund balance, beginning of year		464,088	388,347
Fund balance, end of year		584,485	464,088

OSWEGO TOWNSHIP, ILLINOIS
CEMETERY FUND

SCHEDULE B-3

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2021

<u>Assets</u>	
Cash in bank	\$ 89,740
Investments	<u>151,662</u>
Total assets	<u>\$ 241,402</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>\$ 241,402</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, 2021

	Original & Final Budget	Year Ended March 31, 2021	2020
Revenues Received:			
Property taxes	\$ 22,325	22,381	16,891
Illinois replacement taxes	1,600	1,393	1,559
Interest and Dividend Income	11,000	4,219	7,870
Market value increase (decrease) on investments	1,000	36,944	(15,153)
Burials and lot fees	20,000	25,825	26,699
Miscellaneous	500	125	5,646
Total revenues received	56,425	90,887	43,512
Expenditures Disbursed:			
Personnel:			
Salaries	37,350	35,575	32,990
Social Security contribution and Medicare	3,500	2,722	2,524
Retirement contribution	200	52	57
Contractual services:			
Bank Fees	400	271	265
Maintenance service - building	2,000	-	-
Maintenance service - equipment	4,000	2,823	2,723
Maintenance service - grounds & road	40,000	35,604	41,682
Legal	2,700	3,000	2,700
Other professional services - grave opening	3,000	-	2,500
Publishing	500	-	61
Utilities	500	301	331
Rentals	1,000	238	600
Commodities:			
Maintenance supplies - grounds	7,500	1,641	4,892
Operating supplies	1,500	180	1,109
Fuel & oil	3,500	1,487	1,945
Software/Licenses/IT	20,000	9,977	-
Miscellaneous expense	1,300	-	96
Capital outlay:			
Land	1,000	-	-
Equipment	10,000	3,000	6,550
Scatter garden	57,550	-	-
Cremation vaults	5,000	-	315
Total expenditures disbursed	202,500	96,871	101,340
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (146,075)	(5,984)	(57,828)
Fund balance, beginning of year		247,386	305,214
Fund balance, end of year		241,402	247,386

OSWEGO TOWNSHIP, ILLINOIS
HARD ROAD FUND

SCHEDULE B-5

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2021

<u>Assets</u>	
Cash in bank	<u>\$ 854,045</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>\$ 854,045</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, 2021

	Original & Final Budget	Year Ended March 31, 2021	2020
Revenues Received:			
Property taxes	\$ 2,120,000	2,096,641	2,045,361
Illinois replacement taxes	100,000	97,121	108,696
Interest income	20,000	3,725	29,502
Miscellaneous	25,000	23,454	27,115
Total revenues received	2,265,000	2,220,941	2,210,674
Expenditures Disbursed:			
Maintenance:			
Personnel:			
Salaries	580,000	496,831	481,545
Health insurance	110,000	37,782	36,574
Social Security contribution and Medicare	40,000	109,196	100,641
Retirement contribution	82,000	60,540	66,024
Workers compensation	10,000	7,501	6,980
IDES	10,000	-	-
Contractual services:			
Bank Fees	3,000	1,712	1,858
Maintenance service - road	1,480,000	998,487	2,028,587
Engineering service	100,000	62,019	77,815
Rentals	10,000	3,624	6,101
Commodities:			
Operating supplies	25,000	11,494	6,669
Fuel & oil	50,000	26,849	28,124
Salt	150,000	54,665	131,947
Other expenditures:			
Retiree Health Premiums	16,500	14,626	13,163
Capital Reserves/Contingency	100,000	510	99
Total expenditures disbursed	2,766,500	1,885,836	2,986,127
Excess (deficiency) of revenues received over (under) expenditures disbursed	(501,500)	335,105	(775,453)
Other financing sources (uses):			
Transfer to Building and Equipment Fund	-	-	(250,000)
Net change in fund balance	\$ (501,500)	335,105	(1,025,453)
Fund balance, beginning of year		518,940	1,544,393
Fund balance, end of year		854,045	518,940

OSWEGO TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND

SCHEDULE B-7

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2021

	<u>Assets</u>	
Cash in bank		\$ 233,050
	<u>Fund Balance</u>	
Restricted fund balance		\$ 233,050

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2021

SCHEDULE B-8

	Original & Final Budget	Year Ended March 31,	
		2021	2020
Revenues Received:			
Property taxes	\$ 5,000	5,073	10,838
Interest income	4,000	11,705	5,871
Total revenues received	9,000	16,778	16,709
Expenditures Disbursed:			
Administrative:			
Salaries	15,000	15,000	5,900
Contractual Services:			
Bank Fees	600	393	415
Maintenance service - equipment	150	-	-
GA- Home Relief	35,000	2,632	-
Legal	2,000	-	90
Training	500	24	200
General Insurance	3,000	2,360	2,360
Commodities:			
Office supplies	200	-	-
Flat grant	20,000	-	10,304
Capital Outlay:			
Building	-	-	11,292
Total expenditures disbursed	76,450	20,409	30,561
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (67,450)	(3,631)	(13,852)
Fund balance, beginning of year		236,681	250,533
Fund balance, end of year		233,050	236,681

OSWEGO TOWNSHIP, ILLINOIS
BUILDING AND EQUIPMENT FUND

SCHEDULE B-9

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2021

<u>Assets</u>	
Cash in bank	\$ 114,312
<u>Fund Balance</u>	
Restricted fund balance	\$ 114,312

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2021

SCHEDULE B-10

	Original & Final Budget	Year Ended March 31,	
		2021	2020
Revenues Received:			
Property taxes	\$ 86,000	85,197	83,048
Illinois replacement taxes	11,000	10,406	11,646
Interest income	2,500	495	3,884
Rental income	16,000	19,083	20,032
Miscellaneous	-	25	20,032
Total revenues received	115,500	115,206	138,642
Expenditures Disbursed:			
Contractual services:			
Bank fees	1,000	430	487
Capital outlay:			
Equipment	115,000	82,442	412,016
Building	6,500	-	4,820
Total expenditures disbursed	122,500	82,872	417,323
Excess (deficiency) of revenues received over (under) expenditures disbursed	(7,000)	32,334	(278,681)
Other financing sources (uses)			
Transfer from Hard Road Fund	-	-	250,000
Sale of property	-	65,000	-
Total other financing sources (uses)	-	65,000	250,000
Net change in fund balance	\$ (7,000)	97,334	(28,681)
Fund balance, beginning of year		16,978	65,691
Fund balance, end of year		114,312	37,010

NOTES TO OTHER INFORMATION

OSWEGO TOWNSHIP, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2021

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 27, 2020. There was no amendment in the fiscal year 2021.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Other Information
For the Year Ended March 31, 2021

NOTE 3: BUDGETARY COMPARISONS

The following is an analysis of budget versus actual expenditures for each major fund for the year ended March 31, 2021.

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>(Over)/Under Budget</u>
Town Fund	\$ 1,185,700	1,003,368	182,332
Road and Bridge*	381,000	270,548	110,452
Cemetery	202,500	96,871	105,629
Hard Road	2,766,500	1,885,836	880,664
General Assistance	76,450	20,409	56,041
Building and Equipment	122,500	82,872	39,628

*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,	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 99,220	98,382	94,847	95,064	107,074
Interest on the Total Pension Liability	398,602	382,492	405,044	403,502	401,927
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	39,471	3,496	(499,071)	(22,608)	(294,165)
Changes of Assumptions	(75,242)	-	169,094	(182,803)	(13,789)
Benefit Payments, including Refunds of Employee Contributions	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Net Change in Total Pension Liability	196,799	224,457	(163,223)	81,333	36,108
Total Pension Liability - Beginning	5,580,968	5,356,511	5,519,734	5,438,401	5,402,293
Total Pension Liability - Ending	\$ 5,777,767	5,580,968	5,356,511	5,519,734	5,438,401
Plan Fiduciary Net Position					
Employer Contributions	\$ 129,123	134,800	150,324	152,218	142,908
Employee Contributions	44,053	41,406	42,572	44,393	41,840
Pension Plan Net Investment Income	784,168	882,978	(268,856)	747,455	289,584
Benefit Payments and Refunds	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Other	39,188	28,360	108,923	(302,476)	(185,741)
Net Change in Plan Fiduciary Net Position	731,280	827,631	(300,174)	429,768	123,652
Plan Fiduciary Net Position - Beginning	5,431,195	4,603,564	4,903,738	4,473,970	4,350,318
Plan Fiduciary Net Position - Ending	\$ 6,162,475	5,431,195	4,603,564	4,903,738	4,473,970
Net Pension Liability (Asset) - Ending	\$ (384,708)	149,773	752,947	615,996	964,431
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.66%	97.32%	85.94%	88.84%	82.27%
Covered Valuation Payroll	\$ 978,952	920,135	946,034	986,510	929,780
Net Pension Liability as a Percentage of the Covered Valuation Payroll	(39.30)%	16.28%	79.59%	62.44%	103.73%

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
12/31/20	\$ 129,124	129,123	1	942,354	13.62%
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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four were financed over 28 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	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 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	2020
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>	<u>1,547,597,999</u>
Tax rates:						
Town	0.0880	0.0832	0.0793	0.0744	0.0720	0.0682
Road and Bridge	0.0236	0.0223	0.0212	0.0199	0.0192	0.0190
Hard Road	0.1722	0.1628	0.1549	0.1453	0.1405	0.1388
Equipment & Building	0.0070	0.0066	0.0063	0.0059	0.0058	0.0056
General Assistance	0.0012	0.0012	0.0009	0.0008	0.0003	0.0003
Cemetery	0.0012	0.0012	0.0012	0.0012	0.0015	0.0014
Totals	<u>0.2931</u>	<u>0.2773</u>	<u>0.2638</u>	<u>0.2474</u>	<u>0.2393</u>	<u>0.233337</u>
Tax extensions:						
Town	\$ 1,045,618	1,045,628	1,047,735	1,047,719	1,075,351	1,055,539
Road and Bridge	280,100	280,108	280,004	280,068	286,989	293,799
Hard Road	2,047,011	2,047,001	2,047,107	2,047,116	2,099,311	2,148,383
Equipment & Building	83,103	83,102	83,116	83,119	85,305	87,149
General Assistance	14,504	14,458	12,421	10,848	5,079	4,953
Cemetery	14,504	15,338	15,328	16,906	22,409	21,981
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>	<u>3,611,804</u>
Total collections	\$ 3,484,289	3,481,969	3,483,445	3,483,382	3,344,118	-
Road and Bridge Distribution	(110,957)	(110,759)	(110,704)	(110,609)	(112,892)	-
Net Tax collections	<u>\$ 3,373,332</u>	<u>3,371,210</u>	<u>3,372,741</u>	<u>3,372,773</u>	<u>3,457,010</u>	<u>-</u>