

**OSWEGO TOWNSHIP
KENDALL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2022**

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oswego Township, Illinois, as of and for the year ended March 31, 2022 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Oswego Township, Illinois, as of March 31, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oswego Township, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oswego Township, Illinois' basic financial statements. The other information and combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures other in accordance with auditing standards generally accepted in the United States of America.

Supplementary Information

Management is responsible for the supplementary information included in the annual report. The supplemental information comprises the IMRF supplemental schedules and the assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We previously audited Oswego Township, Illinois' March 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 14, 2022

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position
Modified Cash Basis
March 31, 2022

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash in bank	\$ 5,275,993	3,505,509
Investments	192,189	151,662
Cash-restricted	239,351	248,726
Capital assets		
Equipment	2,112,975	1,971,016
Buildings	1,211,423	2,637,829
Land	123,605	323,605
Accumulated depreciation	<u>(1,724,440)</u>	<u>(1,796,661)</u>
Total assets	<u>7,431,096</u>	<u>7,041,686</u>
<u>Liabilities</u>		
Security deposits	-	57,000
Payroll liabilities	<u>8,758</u>	<u>-</u>
Total liabilities	<u>8,758</u>	<u>57,000</u>
<u>Net Position</u>		
Net investment in capital assets	1,723,563	3,135,789
Unrestricted net position	2,756,900	2,157,362
Restricted net position	<u>2,941,875</u>	<u>1,691,535</u>
Total net position	<u>\$ 7,422,338</u>	<u>6,984,686</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, 2022

Program Activities	Expenditures	Program Revenues		Net (Expenditures) Revenues And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2022	2021
Governmental activities:					
Administration	\$ 1,187,439	-	145	(1,187,294)	(1,152,547)
Cemetery Maintenance	86,206	43,000	-	(43,206)	(66,073)
Road & Bridge	2,483,247	5,726	78,026	(2,399,495)	(2,224,406)
Total governmental activities	3,756,892	48,726	78,171	(3,629,995)	(3,443,026)
Total government	\$ 3,756,892	48,726	78,171	(3,629,995)	(3,443,026)
General revenues:					
Taxes:					
Property taxes				\$ 3,494,182	3,457,010
Motor fuel tax				139,592	166,253
Illinois replacement taxes				465,606	208,267
Rental income				30,416	141,060
Reimbursements				25,653	23,454
Interest on investments				52,019	66,076
Miscellaneous				35,473	4,336
Total general revenues				4,242,941	4,066,456
Special Item:					
Gain (loss) on sale of capital assets				(175,294)	72,350
Change in net position				437,652	695,780
Net position at beginning of year				6,984,686	6,288,906
Net position at end of year				\$ 7,422,338	6,984,686

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, 2022

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2022	2021
<u>Assets</u>								
Cash in bank	\$ 2,416,772	348,886	1,476,236	575,075	221,404	237,620	5,275,993	3,505,509
Investments	-	-	-	192,189	-	-	192,189	151,662
Motor fuel tax cash-restricted	-	239,351	-	-	-	-	239,351	248,726
Total Assets	\$ 2,416,772	588,237	1,476,236	767,264	221,404	237,620	5,707,533	3,905,897
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Payroll liability	\$ 8,758	-	-	-	-	-	8,758	-
Security deposits	-	-	-	-	-	-	-	57,000
Total liabilities	8,758	-	-	-	-	-	8,758	57,000
Fund Balances:								
Unassigned	2,408,014	-	-	-	-	-	2,408,014	1,821,603
Assigned	-	348,886	-	-	-	-	348,886	335,759
Restricted	-	239,351	1,476,236	767,264	221,404	237,620	2,941,875	1,691,535
Total Fund Balances	2,408,014	588,237	1,476,236	767,264	221,404	237,620	5,698,775	3,848,897
Total Liabilities and Fund Balances	\$ 2,416,772	588,237	1,476,236	767,264	221,404	237,620	5,707,533	3,905,897

Reconciliation to Statement of Net Position:

Fund Balance, Governmental Funds \$ 5,698,775 3,848,897

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

Capital assets used in governmental activities of \$3,488,003 (net of accumulated depreciation of \$1,724,440), are not financial resources and, therefore, are not reported in the funds. 1,723,563 3,135,789

Net position of governmental activities \$ 7,422,338 6,984,686

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, 2022

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2022	2021
<u>Revenues Received</u>								
Property taxes	\$ 1,055,035	177,767	2,147,353	21,970	4,951	87,106	3,494,182	3,457,010
Illinois replacement taxes	74,765	147,336	217,126	3,115	-	23,264	465,606	208,267
Grant revenue	145	78,026	-	-	-	-	78,171	113,659
Motor fuel revenue	-	139,592	-	-	-	-	139,592	166,253
Fees and charges for services	-	5,726	-	43,000	-	-	48,726	34,640
Investment income	2,763	463	2,028	45,467	1,170	128	52,019	66,076
Rental income	10,761	-	-	-	-	19,655	30,416	141,060
Reimbursements	-	-	25,653	-	-	-	25,653	23,454
Miscellaneous	33,331	750	-	1,392	-	-	35,473	4,336
Total Revenues Received	1,176,800	549,660	2,392,160	114,944	6,121	130,153	4,369,838	4,214,755
<u>Expenditures Disbursed</u>								
Current:								
General and administrative	594,115	95,619	-	-	17,767	-	707,501	763,306
Assessor	450,872	-	-	-	-	-	450,872	359,858
Cemetery maintenance	-	-	-	84,082	-	-	84,082	93,871
Home relief	-	-	-	-	-	-	-	2,632
Road and bridge maintenance	-	450,289	2,009,969	-	-	-	2,460,258	2,154,999
Capital outlay	5,802	-	-	5,000	-	63,845	74,647	89,392
Total Expenditures Disbursed	1,050,789	545,908	2,009,969	89,082	17,767	63,845	3,777,360	3,464,058
Excess (deficiency) of revenues received over (under) expenditures disbursed	126,011	3,752	382,191	25,862	(11,646)	66,308	592,478	750,697
Other Financing Sources (uses)								
Sale of property	1,200,400	-	-	-	-	57,000	1,257,400	65,000
Transfers in (out)	(740,000)	-	240,000	500,000	-	-	-	-
Total Other Financing Sources (uses)	460,400	-	240,000	500,000	-	57,000	1,257,400	65,000
Net change in fund balance	586,411	3,752	622,191	525,862	(11,646)	123,308	1,849,878	815,697
Fund balances - beginning	1,821,603	584,485	854,045	241,402	233,050	114,312	3,848,897	3,033,200
Fund balances - ending	\$ 2,408,014	588,237	1,476,236	767,264	221,404	237,620	5,698,775	3,848,897

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, 2022

	Total Governmental Funds	
	2022	2021
Reconciliation to the Statement of Activities:		
Net change in fund balances - total governmental funds	\$ 1,849,878	815,697
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 expense.		
Capital asset purchases	209,214	100,609
Capital Asset disposal, net	(1,432,694)	(1,900)
Depreciation	(188,746)	(218,626)
Change in net position of governmental activities (Statement B)	<u>\$ 437,652</u>	<u>695,780</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, 2022

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, 2022

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, 2022

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, 2022**

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, 2022**

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, 2022**

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, 2022, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 3,448,003
Less: Accumulated depreciation	<u>(1,724,440)</u>
Net investment in capital assets	<u>\$ 1,723,563</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, 2022

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 2020 property tax levy in the amount of \$3,611,804 (adjusted to \$3,494,182) was passed on December 8, 2020 and was received by the Township during the current fiscal year. The 2021 property tax levy in the amount of \$3,734,531 (adjusted to \$3,711,542) was passed on December 14, 2021 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, 2022

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 \$5,275,993 and the bank balance was \$5,278,027. As of March 31, 2022, 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, 2022, the Township's investments consist of the following stocks, valued using quoted market prices (Level 1 inputs):

<u>Corporation</u>	<u>Shares</u>	<u>Fair Value</u>
Constellation Energy Corporation	70	\$ 3,669
Exelon Corporation	210	10,034
Consolidated Edison, Inc.	652	62,298
South Jersey Industries, Inc.	96	3,330
Public Service Enterprise Group Inc.	146	10,344
Marathon Oil Corporation	270	6,950
Marathon Petroleum Corporation	270	22,850
United States Steel Corp.	27	1,016
Sentinel Common Stock Fund	1271.94	71,698
Total Investments		<u>\$ 192,189</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, 2022**

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, 2022, the Township’s investments in the following stocks exceeds 5% of total investments: Exelon Corporation (5.22%), Consolidated Edison, Inc. (32.41%), Public Service Enterprise Group, Inc. (5.38%), Marathon Petroleum Corporation (11.89%), and Sentinel Common Stock Fund (37.31%).

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

Capital Assets	April 1, 2021	Additions	Deletions	March 31, 2022
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 323,605	-	200,000	123,605
Total Capital Assets Not Being Depreciated	323,605	-	200,000	123,605
Capital Assets being depreciated:				
Equipment	1,971,016	209,214	67,255	2,112,976
Building	2,637,829	-	1,426,407	1,211,423
Total Capital Assets Being Depreciated	4,608,845	209,214	1,493,662	3,324,398
Total Capital Assets	4,932,450	209,214	1,693,662	3,448,003
Accumulated Depreciation				
Equipment	1,225,532	146,206	28,934	1,342,805
Building	571,129	42,540	232,034	381,635
Total Accumulated Depreciation	1,796,661	188,746	260,968	1,724,440
Capital Assets Net Accumulated Depreciation	\$ 3,135,789	20,468	1,432,695	1,723,563

Significant purchases for the year included the following:

2003 International Truck	\$ 151,214
2006 Refurbished Pelican Sweeper	47,500
2021 John Deere X734 Tractor	10,500

For the year ended March 31, 2022, depreciation expense was charged as follows:

Administration	\$ 23,264
Road & Bridge	157,858
Cemetery Maintenance	7,624
 Total	 \$ 188,746

During the year, the Township sold the 84 Templeton Dr. building and the asset is included in the capital asset deletions.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2022

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, 2022

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, 2021, the following Township employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	<u>17</u>
Total	<u>45</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 2021 and the fiscal year ended March 31, 2022 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 2021	12.73%
Township required contribution rate for 2022	10.37%
Township actual contributions for 2021	\$ 122,982
Township actual contributions for fiscal year 2022	\$ 117,433

OSWEGO TOWNSHIP, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2022**

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, 2022:

Balance: March 31, 2021	\$ 248,726
Allotments received	139,592
Rebuild Illinois Grant	78,026
Interest earned	75
Less: Disbursements	<u>(227,068)</u>
Balance: March 31, 2022	<u>\$ 239,351</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, 2022:

Assessed valuation (2021)	<u>\$ 1,623,384,058</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 140,016,875
Amount of debt applicable to debt limitation	<u>-</u>
Legal Debt Margin	<u>\$ 140,016,875</u>

NOTE 11: LEASE CONTRACTS

The Township has a lease contract with Chicago SMSA LP, d/b/a Verizon Wireless by Celco 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 \$1,470/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, 2022

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 is \$4,250, plus monthly taxes and CAM.

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

On April 29, 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 were received by the Township after April 2021 for the office leases.

The Township recognized total rental income of \$30,416 in fiscal year 2022.

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

<u>Year</u>	<u>Chicago SMSA</u>	<u>Buell Consulting</u>	<u>Total</u>
2023	\$ 20,245	1,470	21,715
2024	20,852	1,470	22,322
2025	21,478	1,470	22,948
2026	22,122	1,470	23,592
2027	22,786	1,470	24,256
2028-2032	124,603	10,290	134,893
2033-2035	57,636	-	57,636
	<u>289,722</u>	<u>17,640</u>	<u>307,362</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, 2022

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, 2022, the Township's Road & Bridge Fund reported a restricted fund balance of \$239,351. 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 \$1,476,236.
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 \$767,264.
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 \$221,404.
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, 2022, a restricted fund balance of \$237,620 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, 2022**

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, \$348,886 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, 2022, the unassigned fund balance of the Town Fund was \$2,408,014.

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: TRANSFERS

Inter-fund transfers for the year ended March 31, 2022 consisted of the following.

Fund	Transfers to Other Funds	Transfers from Other Funds
Town Fund	\$ 740,000	-
Hard Road Fund	-	240,000
Cemetery Fund	-	500,000
	<u>\$ 740,000</u>	<u>740,000</u>

The Town Fund transferred \$240,000 to the Hard Road Fund and \$500,000 to the Cemetery Fund to cover the costs of future capital outlay projects planned for the next fiscal year.

NOTE 14: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 14, 2022, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2022.

OTHER INFORMATION

Statement of Assets, Liabilities,
and Fund Balance - Arising from Cash Transactions
March 31, 2022

<u>Assets</u>		
Cash in bank		<u>\$ 2,416,772</u>
Total assets		<u>\$ 2,416,772</u>
 <u>Liabilities & Fund Balance</u> 		
Liabilities:		
Payroll liabilities		<u>\$ 8,758</u>
Fund balance - unassigned		<u>2,408,014</u>
Total liabilities & fund balance		<u>\$ 2,416,772</u>

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2022

	Original & Final Budget	Year Ended March 31, 2022	2021
Revenues Received:			
Property taxes	\$ 1,055,405	1,055,035	1,073,984
Replacement taxes	32,000	74,765	33,443
Interest income	12,000	2,763	7,412
Rental income	-	10,761	121,977
Grant revenue	-	145	35,633
Miscellaneous revenues	1,086,000	33,331	3,395
Total revenues received	2,185,405	1,176,800	1,275,844
Expenditures Disbursed:			
Administrative:			
Personnel:			
Salaries	280,000	266,145	265,015
Deputy Clerk	4,000	4,000	4,000
Health insurance	110,000	88,929	109,608
Social Security contribution and Medicare	22,000	21,148	21,090
Retirement contribution	38,000	31,160	33,424
IDES	100	-	-
Worker's Compensation	100	-	-
Contractual services:			
Maintenance service - building	35,000	8,630	33,823
Maintenance service - equipment	3,500	3,362	2,503
Maintenance service - ground	45,000	27,002	12,317
Accounting service	9,000	6,263	6,045
Legal service	25,000	21,534	23,641
Postage	500	228	663
Telephone	2,800	2,288	2,383
Publishing	900	512	839
Printing	500	584	-
Internet/Website	500	-	397
Dues	3,500	2,420	3,174
Travel expenses	2,000	-	-
Training	2,500	1,312	1,330
Utilities	14,000	8,005	11,762
General insurance	45,000	31,283	32,930
Mosquito management	21,000	18,562	18,288
Plan commission expense	500	-	-
Bank charges	2,500	1,236	2,263
Interest & Fees	100	261	-
Ordinance Enforcement	5,000	6,988	3,119
Commodities:			
Office Equipment	1,000	1,601	936
Office Supplies	1,700	4,316	6,026
Operating Supplies	3,000	-	-
Software/Licenses	500	-	-
Capital outlay:			
Equipment	3,500	-	2,917
Other expenditures:			
Real estate taxes	-	-	8,630
Senior services	25,000	22,500	30,000
Other	1,000	13,178	5,284

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2022

	Original & Final Budget	Year Ended March 31, 2022	2021
Expenditures Disbursed - (Continued):			
Assessor:			
Personnel:			
Salaries	\$ 256,492	242,360	234,910
Health Insurance	70,000	70,041	66,428
Social Security/Medicare Contribution	19,650	17,833	17,294
Retirement Contribution	32,000	28,345	29,343
Contractual services:			
Maintenance service - equipment	1,000	90	-
Maintenance service - vehicle	2,000	402	-
Legal	2,000	244	68
Postage	500	-	-
Telephone	750	503	479
Dues	300	-	-
Travel expenses	2,000	807	-
Training	2,300	1,140	2,564
Internet/Website	3,500	7,340	6,713
Website maintenance	-	1,820	1,860
Other professional services	-	78,312	-
Commodities:			
Office supplies	1,500	1,380	71
Software license maintenance	8,000	27	10
Fuel & Oil	500	228	118
Capital outlay:			
Vehicle	20,000	-	-
Equipment	6,000	5,802	603
Other expenditures:			
Plat maps	1,000	-	-
Other assessor	-	668	500
Total expenditures disbursed	<u>1,138,192</u>	<u>1,050,789</u>	<u>1,003,368</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>1,047,213</u>	<u>126,011</u>	<u>272,476</u>
Other financing sources (uses):			
Sale proceeds	-	1,200,400	-
Transfers out	(740,000)	(740,000)	-
Total other financing sources (uses):	<u>(740,000)</u>	<u>460,400</u>	<u>-</u>
Net change in fund balance	<u>\$ 307,213</u>	586,411	272,476
Fund balance, beginning of year		<u>1,821,603</u>	<u>1,549,127</u>
Fund balance, end of year		<u>2,408,014</u>	<u>1,821,603</u>

OSWEGO TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2022

		<u>Assets</u>	
Cash in bank			\$ 348,886
Cash Restricted (MFT)			<u>239,351</u>
Total assets			<u>\$ 588,237</u>
		<u>Fund Balance</u>	
Assigned			\$ 348,886
Restricted			<u>239,351</u>
Total fund balance			<u>\$ 588,237</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, 2022**

	Original & Final Budget	Year Ended March 31,	
		2022	2021
Revenues Received:			
Property taxes	\$ 174,000	177,767	173,734
Illinois replacement taxes	68,000	147,336	65,904
Motor fuel tax	-	139,592	166,253
Rebuild Illinois grant	-	78,026	78,026
Court fines	8,500	5,726	8,815
Interest income	2,000	463	1,576
Miscellaneous	1,000	750	791
Total revenues received	253,500	549,660	495,099
Expenditures Disbursed:			
Administrative:			
Contractual services:			
Accounting	500	500	168
Legal service	24,000	11,628	18,919
Postage	500	357	766
Telephone	4,000	2,294	3,339
Publishing	1,200	353	693
Printing	4,500	3,937	2,945
Travel expenses	1,200	-	-
Training	3,000	1,178	2,429
Dues	1,600	1,335	485
Website	2,000	1,492	1,484
Late fee	100	-	11
Bank Fees	600	426	488
General insurance	75,000	60,726	63,922
Interest expense	100	-	-
Commodities:			
Software	7,500	6,031	5,855
Office supplies	3,000	2,425	2,436
Capital outlay:			
Equipment	1,500	-	285
Building and land	150,000	-	-
Other expenditures:			
Municipal replacement tax	2,000	2,937	1,314
Maintenance:			
Contractual services:			
Maintenance service - building	20,000	65,378	13,888
Maintenance service - equipment	90,000	84,987	68,887
Maintenance service - snow removal	30,000	23,494	27,838
Utilities	15,000	10,063	11,444
Intersection lights	20,000	9,966	15,973
Commodities:			
Operating supplies	35,000	29,333	26,979
Motor fuel tax expenditures	-	227,068	104,154
Total expenditures disbursed	492,300	545,908	374,702
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (238,800)	3,752	120,397
Fund balance, beginning of year		584,485	464,088
Fund balance, end of year		588,237	584,485

**OSWEGO TOWNSHIP, ILLINOIS
CEMETERY FUND**

SCHEDULE B-3

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2022**

	<u>Assets</u>	
Cash in bank		\$ 575,075
Investments		<u>192,189</u>
Total assets		<u>\$ 767,264</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 767,264</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, 2022**

	Original & Final Budget	Year Ended March 31,	
		2022	2021
Revenues Received:			
Property taxes	\$ 21,878	21,970	22,381
Illinois replacement taxes	1,600	3,115	1,393
Interest and Dividend Income	6,000	4,939	4,219
Market value increase (decrease) on investments	2,000	40,528	36,944
Burials and lot fees	20,000	43,000	25,825
Miscellaneous	500	1,392	125
Total revenues received	<u>51,978</u>	<u>114,944</u>	<u>90,887</u>
Expenditures Disbursed:			
Personnel:			
Salaries	38,000	44,008	35,575
Social Security contribution and Medicare	3,000	3,367	2,722
Retirement contribution	200	254	52
Contractual services:			
Bank Fees	300	331	271
Maintenance service - building	2,000	13	-
Maintenance service - equipment	4,000	3,357	2,823
Maintenance service - grounds & road	20,000	17,912	35,604
Legal	3,000	4,689	3,000
Other professional services - grave opening	3,000	-	-
Publishing	250	55	-
Printing	100	-	-
Utilities	400	300	301
Rentals	1,000	342	238
Commodities:			
Maintenance supplies - grounds	3,000	2,990	1,641
Operating supplies	1,500	991	180
Fuel & oil	2,500	3,033	1,487
Software/Licenses/IT	3,000	1,540	9,977
Miscellaneous expense	1,301	900	-
Capital outlay:			
Land	1,000	-	-
Equipment	5,000	5,000	3,000
Scatter garden	150,000	-	-
Cremation vaults	2,000	-	-
Total expenditures disbursed	<u>244,551</u>	<u>89,082</u>	<u>96,871</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(192,573)	25,862	(5,984)
Other financing sources (uses):			
Transfer In	500,000	500,000	-
Net change in fund balance	<u>\$ 307,427</u>	525,862	(5,984)
Fund balance, beginning of year		<u>241,402</u>	<u>247,386</u>
Fund balance, end of year		<u>767,264</u>	<u>241,402</u>

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2022

	<u>Assets</u>	
Cash in bank		<u>\$ 1,476,236</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 1,476,236</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, 2022**

	Original & Final Budget	Year Ended March 31,	
		2022	2021
Revenues Received:			
Property taxes	\$ 2,120,000	2,147,353	2,096,641
Illinois replacement taxes	100,000	217,126	97,121
Interest income	5,000	2,028	3,725
Miscellaneous	27,100	25,653	23,454
Total revenues received	2,252,100	2,392,160	2,220,941
Expenditures Disbursed:			
Maintenance:			
Personnel:			
Salaries	607,500	505,791	496,831
Health insurance	135,000	36,179	37,782
Social Security contribution and Medicare	40,200	95,090	109,196
Retirement contribution	82,000	57,674	60,540
Workers compensation	10,000	-	7,501
IDES	10,000	241	-
Contractual services:			
Bank Fees	2,000	1,371	1,712
Maintenance service - road	1,315,000	1,069,387	998,487
Engineering service	100,000	84,276	62,019
Rentals	10,000	3,640	3,624
Commodities:			
Operating supplies	10,000	6,593	11,494
Fuel & oil	40,000	39,327	26,849
Salt	100,000	93,695	54,665
Other expenditures:			
Retiree Health Premiums	16,000	15,163	14,626
Capital Reserves/Contingency	100,000	-	510
Other miscellaneous	6,100	1,542	-
Total expenditures disbursed	2,583,800	2,009,969	1,885,836
Excess (deficiency) of revenues received over (under) expenditures disbursed	(331,700)	382,191	335,105
Other financing sources (uses):			
Transfer In	240,000	240,000	-
Net change in fund balance	\$ (91,700)	622,191	335,105
Fund balance, beginning of year		854,045	518,940
Fund balance, end of year		1,476,236	854,045

**OSWEGO TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND**

SCHEDULE B-7

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2022**

	<u>Assets</u>	
Cash in bank		<u>\$ 221,404</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 221,404</u>

**Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2022**

SCHEDULE B-8

	Original & Final Budget	Year Ended March 31,	
		2022	2021
Revenues Received:			
Property taxes	\$ 4,900	4,951	5,073
Interest income	4,000	1,170	11,705
Total revenues received	<u>8,900</u>	<u>6,121</u>	<u>16,778</u>
Expenditures Disbursed:			
Administrative:			
Salaries	15,000	15,000	15,000
Contractual Services:			
Bank Fees	600	282	393
Maintenance service - equipment	150	-	-
GA- Home Relief	35,000	-	2,632
Legal	2,000	-	-
Training	500	125	24
General Insurance	3,000	2,360	2,360
Commodities:			
Office supplies	200	-	-
Flat grant	20,000	-	-
Total expenditures disbursed	<u>76,450</u>	<u>17,767</u>	<u>20,409</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (67,550)</u>	<u>(11,646)</u>	<u>(3,631)</u>
Fund balance, beginning of year		<u>233,050</u>	<u>236,681</u>
Fund balance, end of year		<u>221,404</u>	<u>233,050</u>

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

SCHEDULE B-9

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2022**

	<u>Assets</u>	
Cash in bank		<u>\$ 237,620</u>
	<u>Fund Balance</u>	
Restricted fund balance		<u>\$ 237,620</u>

**Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2022**

SCHEDULE B-10

	Original & Final Budget	Year Ended March 31,	
		2022	2021
Revenues Received:			
Property taxes	\$ 86,000	87,106	85,197
Illinois replacement taxes	11,000	23,264	10,406
Interest income	1,000	128	495
Rental income	19,000	19,655	19,083
Miscellaneous	-	-	25
	<u>117,000</u>	<u>130,153</u>	<u>115,206</u>
Total revenues received			
Expenditures Disbursed:			
Contractual services:			
Bank fees	600	359	430
Capital outlay:			
Equipment	100,000	63,486	82,442
Building	6,500	-	-
	<u>107,100</u>	<u>63,845</u>	<u>82,872</u>
Total expenditures disbursed			
Excess (deficiency) of revenues received over (under) expenditures disbursed	9,900	66,308	32,334
Other financing sources (uses)			
Sale of property	-	57,000	65,000
	<u>-</u>	<u>57,000</u>	<u>65,000</u>
Total other financing sources (uses)			
Net change in fund balance	<u>\$ 9,900</u>	123,308	97,334
Fund balance, beginning of year		<u>114,312</u>	<u>16,978</u>
Fund balance, end of year		<u>237,620</u>	<u>114,312</u>

NOTES TO OTHER INFORMATION

OSWEGO TOWNSHIP, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2022

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, 2021. There was no amendment in the fiscal year 2022.

OSWEGO TOWNSHIP, ILLINOIS

**Notes to Other Information
For the Year Ended March 31, 2022**

NOTE 3: BUDGETARY COMPARISONS

The following is an analysis of budget versus actual expenditures for each major fund for the year ended March 31, 2022.

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>(Over)/Under Budget</u>
Town Fund	\$ 1,138,192	1,050,789	87,403
Road and Bridge*	492,300	318,840	173,460
Cemetery	244,551	89,082	155,469
Hard Road	2,583,800	2,009,969	573,831
General Assistance	76,450	17,767	58,683
Building and Equipment	107,100	63,845	43,255

*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,	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service Cost	\$ 95,072	99,220	98,382	94,847	95,064	107,074
Interest on the Total Pension Liability	410,138	398,602	382,492	405,044	403,502	401,927
Benefit Changes	-	-	-	-	-	-
Difference between Expected and Actual Experience	71,424	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	(336,465)	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Net Change in Total Pension Liability	240,169	196,799	224,457	(163,223)	81,333	36,108
Total Pension Liability - Beginning	5,777,767	5,580,968	5,356,511	5,519,734	5,438,401	5,402,293
Total Pension Liability - Ending	\$ 6,017,936	5,777,767	5,580,968	5,356,511	5,519,734	5,438,401
Plan Fiduciary Net Position						
Employer Contributions	\$ 122,982	129,123	134,800	150,324	152,218	142,908
Employee Contributions	43,900	44,053	41,406	42,572	44,393	41,840
Pension Plan Net Investment Income	1,028,666	784,168	882,978	(268,856)	747,455	289,584
Benefit Payments and Refunds	(336,465)	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Other	26,210	39,188	28,360	108,923	(302,476)	(185,741)
Net Change in Plan Fiduciary Net Position	885,293	731,280	827,631	(300,174)	429,768	123,652
Plan Fiduciary Net Position - Beginning	6,162,475	5,431,195	4,603,564	4,903,738	4,473,970	4,350,318
Plan Fiduciary Net Position - Ending	\$ 7,047,768	6,162,475	5,431,195	4,603,564	4,903,738	4,473,970
Net Pension Liability (Asset) - Ending	\$ (1,029,832)	(384,708)	149,773	752,947	615,996	964,431
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.11%	106.66%	97.32%	85.94%	88.84%	82.27%
Covered Valuation Payroll	\$ 965,612	978,952	920,135	946,034	986,510	929,780
Net Pension Liability as a Percentage of the Covered Valuation Payroll	(106.65)%	(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
12/31/21	\$ 122,922	122,982	(60)	965,612	12.74%
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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was 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					
	2016	2017	2018	2019	2020	2021
Assessed valuations	<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>	<u>1,623,384,058</u>
Tax rates:						
Town	0.0832	0.0793	0.0744	0.0720	0.0682	0.0644
Road and Bridge	0.0223	0.0212	0.0199	0.0192	0.0190	0.0188
Hard Road	0.1628	0.1549	0.1453	0.1405	0.1388	0.1376
Equipment & Building	0.0066	0.0063	0.0059	0.0058	0.0056	0.0056
General Assistance	0.0012	0.0009	0.0008	0.0003	0.0003	0.0001
Cemetery	0.0012	0.0012	0.0012	0.0015	0.0014	0.0036
Revenue Recapture	-	-	-	-	-	0.0001
Totals	<u>0.2773</u>	<u>0.2638</u>	<u>0.2474</u>	<u>0.2393</u>	<u>0.233337</u>	<u>0.23021</u>
Tax extensions:						
Town	\$ 1,045,628	1,047,735	1,047,719	1,075,351	1,055,539	1,045,297
Road and Bridge	280,108	280,004	280,068	286,989	293,799	302,599
Hard Road	2,047,001	2,047,107	2,047,116	2,099,311	2,148,383	2,212,672
Equipment & Building	83,102	83,116	83,119	85,305	87,149	89,773
General Assistance	14,458	12,421	10,848	5,079	4,953	1,136
Cemetery	15,338	15,328	16,906	22,409	21,981	57,955
Revenue Recapture	-	-	-	-	-	2,110
Total tax extension	<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>	<u>3,711,542</u>
Total collections	\$ 3,481,969	3,483,445	3,483,382	3,344,118	3,378,291	-
Road and Bridge Distribution	<u>(110,759)</u>	<u>(110,704)</u>	<u>(110,609)</u>	<u>(112,892)</u>	<u>(115,891)</u>	<u>-</u>
Net Tax collections	<u>\$ 3,371,210</u>	<u>3,372,741</u>	<u>3,372,773</u>	<u>3,457,010</u>	<u>3,494,182</u>	<u>-</u>