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CERTIFIED PUBLIC ACCOUNTANTS

To the Chairman and Members
Of the Oswego Township Board
Oswego, Illinois

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Oswego Township, Illinois as of and for the year ended March 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Oswego Township, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oswego Township, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Oswego Township, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies in the current year.

During our audit, we became aware of the certain deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency. These are described in the attachment to this letter (2023-01).

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various governmental unit personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management the Board of Trustees, and others within the Township, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants
Morris, Illinois

June 13, 2023

OSWEGO TOWNSHIP, ILLINOIS

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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, 2023, 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, 2023, 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

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 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 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 in accordance with auditing standards generally accepted in the United States of America.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the IMRF supplemental schedules and the assessed valuations, tax rates, tax extensions, and tax collections schedule but does not include the basic financial statements and our auditors' 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2022. The summarized comparative information presented herein as of and for the year ended March 31, 2022, 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 13, 2023

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position
Modified Cash Basis
March 31, 2023

		Governmental Activities	
		2023	2022
<u>Assets</u>			
Cash in bank	\$	6,379,131	5,275,993
Investments		199,387	192,189
Cash-restricted		195,472	239,351
Capital assets			
Equipment		2,224,609	2,112,975
Buildings		1,231,111	1,211,423
Land		123,605	123,605
Accumulated depreciation		(1,802,664)	(1,724,440)
Total assets		8,550,651	7,431,096
<u>Liabilities</u>			
Payroll liabilities		-	8,758
Total liabilities		-	8,758
<u>Net Position</u>			
Net investment in capital assets		1,776,661	1,723,563
Unrestricted net position		3,123,832	2,756,900
Restricted net position		3,650,158	2,941,875
Total net position	\$	8,550,651	7,422,338

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, 2023

Program Activities	Expenditures	Program Revenues		Net (Expenditures) Revenues And Changes in Net Position	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2023	2022
Governmental activities:					
Administration	\$ 1,127,832	-	11,678	(1,116,154)	(1,187,294)
Cemetery Maintenance	76,282	33,935	-	(42,347)	(43,206)
Road & Bridge	2,634,682	8,408	389,013	(2,237,261)	(2,399,495)
Total governmental activities	3,838,796	42,343	400,691	(3,395,762)	(3,629,995)
Total government	\$ 3,838,796	42,343	400,691	(3,395,762)	(3,629,995)
General revenues:					
Taxes:					
Property taxes				\$ 3,587,397	3,494,182
Motor fuel tax				144,994	139,592
Illinois replacement taxes				703,061	465,606
Rental income				22,885	30,416
Reimbursements				15,329	25,653
Interest on investments				20,363	52,019
Miscellaneous				36,413	35,473
Total general revenues				4,530,442	4,242,941
Special Item:					
Gain (loss) on sale of capital assets				(6,367)	(175,294)
Change in net position				1,128,313	437,652
Net position at beginning of year				7,422,338	6,984,686
Net position at end of year				\$ 8,550,651	7,422,338

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, 2023

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2023	2022
<u>Assets</u>								
Cash in bank	\$ 2,654,153	469,679	2,250,334	601,831	193,952	209,182	6,379,131	5,275,993
Investments	-	-	-	199,387	-	-	199,387	192,189
Motor fuel tax cash-restricted	-	195,472	-	-	-	-	195,472	239,351
Total Assets	<u>\$ 2,654,153</u>	<u>665,151</u>	<u>2,250,334</u>	<u>801,218</u>	<u>193,952</u>	<u>209,182</u>	<u>6,773,990</u>	<u>5,707,533</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Payroll liability	\$ -	-	-	-	-	-	-	8,758
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,758</u>
Fund Balances:								
Unassigned	2,654,153	-	-	-	-	-	2,654,153	2,408,014
Assigned	-	469,679	-	-	-	-	469,679	348,886
Restricted	-	195,472	2,250,334	801,218	193,952	209,182	3,650,158	2,941,875
Total Fund Balances	<u>2,654,153</u>	<u>665,151</u>	<u>2,250,334</u>	<u>801,218</u>	<u>193,952</u>	<u>209,182</u>	<u>6,773,990</u>	<u>5,698,775</u>
Total Liabilities and Fund Balances	<u>\$ 2,654,153</u>	<u>665,151</u>	<u>2,250,334</u>	<u>801,218</u>	<u>193,952</u>	<u>209,182</u>	<u>6,773,990</u>	<u>5,707,533</u>
Reconciliation to Statement of Net Position:								
Fund Balance, Governmental Funds							\$ 6,773,990	5,698,775
Amounts reported for governmental activities in the Statement of Net Position are different because:								
Capital assets used in governmental activities of \$3,579,325 (net of accumulated depreciation of \$1,802,664), are not financial resources and, therefore, are not reported in the funds.							1,776,661	1,723,563
Net position of governmental activities							<u>\$ 8,550,651</u>	<u>7,422,338</u>

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, 2023

	Town Fund	Road and Bridge Fund	Hard Road Fund	Cemetery Fund	General Assistance Fund	Building and Equipment Fund	Total Governmental Funds	
							2023	2022
<u>Revenues Received</u>								
Property taxes	\$ 1,044,690	182,533	2,210,028	57,885	1,135	91,126	3,587,397	3,494,182
Illinois replacement taxes	112,894	222,476	327,859	4,704	-	35,128	703,061	465,606
Grant revenue	11,678	39,013	350,000	-	-	-	400,691	78,171
Motor fuel revenue	-	144,994	-	-	-	-	144,994	139,592
Fees and charges for services	-	8,408	-	33,935	-	-	42,343	48,726
Investment income	4,243	1,542	2,309	12,011	257	1	20,363	52,019
Rental income	2,640	-	-	-	-	20,245	22,885	30,416
Reimbursements	-	-	15,329	-	-	-	15,329	25,653
Miscellaneous	24,377	4,806	-	7,230	-	-	36,413	35,473
Total Revenues Received	1,200,522	603,772	2,905,525	115,765	1,392	146,500	4,973,476	4,369,838
<u>Expenditures Disbursed</u>								
Current:								
General and administrative	560,244	121,342	-	-	25,072	-	706,658	707,501
Assessor	390,597	-	-	-	-	-	390,597	450,872
Cemetery maintenance	-	-	-	74,956	-	-	74,956	84,082
Home relief	-	-	-	-	3,772	-	3,772	-
Road and bridge maintenance	-	373,663	2,131,427	-	-	-	2,505,090	2,460,258
Capital outlay	3,542	31,853	-	6,855	-	174,938	217,188	74,647
Total Expenditures Disbursed	954,383	526,858	2,131,427	81,811	28,844	174,938	3,898,261	3,777,360
Excess (deficiency) of revenues received over (under) expenditures disbursed	246,139	76,914	774,098	33,954	(27,452)	(28,438)	1,075,215	592,478
Other Financing Sources (uses)								
Sale of property	-	-	-	-	-	-	-	1,257,400
Total Other Financing Sources (uses)	-	-	-	-	-	-	-	1,257,400
Net change in fund balance	246,139	76,914	774,098	33,954	(27,452)	(28,438)	1,075,215	1,849,878
Fund balances - beginning	2,408,014	588,237	1,476,236	767,264	221,404	237,620	5,698,775	3,848,897
Fund balances - ending	\$ 2,654,153	665,151	2,250,334	801,218	193,952	209,182	6,773,990	5,698,775

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, 2023

	Total Governmental Funds	
	2023	2022
Reconciliation to the Statement of Activities:		
Net change in fund balances - total governmental funds	\$ 1,075,215	1,849,878
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	261,439	209,214
Capital Asset disposal, net	(6,367)	(1,432,694)
Depreciation	(201,974)	(188,746)
Change in net position of governmental activities (Statement B)	\$ 1,128,313	437,652

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, 2023

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.

While GABS 87 was in effect as of March 31, 2023, the financial statements have not been adjusted for this as the Township's financial statements are reported on the cash basis of accounting. Lease expenditures are recorded in their applicable funds when incurred. See Note 11 for information on lease commitments.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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

Capital assets, at cost	\$ 3,579,325
Less: Accumulated depreciation	<u>(1,802,664)</u>
Net investment in capital assets	<u>\$ 1,776,661</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, 2023

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 2021 property tax levy in the amount of \$3,734,531 (adjusted to \$3,711,542) was passed on December 14, 2021 and was received by the Township during the current fiscal year. The 2022 property tax levy in the amount of \$3,709,433 (adjusted to \$3,714,544) was passed on December 13, 2022 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, 2023

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 \$6,379,131 and the bank balance was \$6,429,203. As of March 31, 2023, 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, 2023, the Township's investments consist of the following stocks, valued using quoted market prices (Level 1 inputs):

Corporation	Shares	Fair Value
Constellation Energy Corporation	70	\$ 5,495
Exelon Corporation	210	8,797
Consolidated Edison, Inc.	652	62,378
South Jersey Industries, Inc.	96	3,465
Public Service Enterprise Group Inc.	146	9,118
Marathon Oil Corporation	270	6,469
Marathon Petroleum Corporation	270	36,404
United States Steel Corp.	27	704
Sentinel Common Stock Fund	1289.62	66,557
Total Investments		<u>\$ 199,387</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, 2023

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, 2023, the Township's investments in the following stocks exceeds 5% of total investments: Consolidated Edison, Inc. (31.28%), Marathon Petroleum Corporation (18.26%), and Touchstone Dynamic Global Allocation Fund (33.38%).

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

Capital Assets	April 1, 2022	Additions	Deletions	March 31, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 123,605	-	-	123,605
Total Capital Assets Not Being Depreciated	123,605	-	-	123,605
Capital Assets being depreciated:				
Equipment	2,112,975	241,751	130,117	2,224,609
Building	1,211,423	19,688	-	1,231,111
Total Capital Assets Being Depreciated	3,324,398	261,439	130,117	3,455,720
Total Capital Assets	3,448,003	261,439	130,117	3,579,325
Accumulated Depreciation				
Equipment	1,342,805	158,394	123,750	1,377,449
Building	381,635	43,580	-	425,215
Total Accumulated Depreciation	1,724,440	201,974	123,750	1,802,664
Capital Assets Net Accumulated Depreciation	\$ 1,723,563	59,465	6,367	1,776,661

Significant purchases for the year included the following:

2022 John Deere 544P 4WD Loader	\$ 204,307
Sand-Broadcasted 3-System Flooring	19,688
2021 EnviroSight Jetscan HD Video Nozzle	13,625
2022 John Deere X734 Mower & 54" Deck	12,500

For the year ended March 31, 2023, depreciation expense was charged as follows:

Administration	\$ 23,264
Road & Bridge	6,971
Cemetery Maintenance	171,739
Total	\$ 201,974

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023

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, 2022, 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	12
Active Plan Members	<u>16</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 2022 and the fiscal year ended March 31, 2023 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 2022	10.37%
Township required contribution rate for 2023	8.03%
Township actual contributions for 2022	\$ 101,273
Township actual contributions for fiscal year 2023	\$ 97,990

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

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, 2023:

Balance: March 31, 2022	\$ 239,351
Allotments received	144,994
Rebuild Illinois Grant	39,013
Interest earned	1,099
Less: Disbursements	(228,985)
Balance: March 31, 2023	<u>\$ 195,472</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, 2023:

Assessed valuation (2022)	<u>\$ 1,743,426,131</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 150,370,504
Amount of debt applicable to debt limitation	<u>-</u>
Legal Debt Margin	<u>\$ 150,370,504</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 \$1,470/month for the first lease year, with annual increases of 3% thereafter.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2023

NOTE 11: LEASE CONTRACTS - (Continued)

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

<u>Year</u>	<u>Chicago SMSA</u>
2024	\$ 20,852
2025	21,478
2026	22,122
2027	22,786
2028	23,469
2029-2033	128,342
2034-2035	30,429
	<u>\$ 269,478</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.

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, 2023, the Township's Road & Bridge Fund reported a restricted fund balance of \$195,472. 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 \$2,250,334.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2023

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

B. Restricted Fund Balance – (Continued)

3. Cemetery Levy. Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Cemetery Fund. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$801,218.
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 \$193,952.
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, 2023, a restricted fund balance of \$209,182 was reported.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Board itself or (b) by the Treasurer/Administrator when the Board has delegated the authority to assign amounts to be used for specific purposes.

Unexpended funds in the Road & Bridge Fund are to be held for the purpose of paying road maintenance salaries and other expenditures related to road repairs and maintenance. Under the assigned fund balance definition, \$469,679 of the Road and Bridge Fund Balance is assigned fund balance for this purpose.

D. 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, 2023, the unassigned fund balance of the Town Fund was \$2,654,153.

OSWEGO TOWNSHIP, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2023**

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

E. 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

During the year ended March 31, 2023, there were no interfund transfers.

NOTE 14: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 13, 2023, 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, 2023.

OTHER INFORMATION

OSWEGO TOWNSHIP, ILLINOIS
TOWN FUND

SCHEDULE A-1

Statement of Assets, Liabilities,
and Fund Balance - Arising from Cash Transactions
March 31, 2023

	<u>Assets</u>	
Cash in bank		<u>\$ 2,654,153</u>
	<u>Fund Balance</u>	
Unrestricted fund balance		<u>\$ 2,654,153</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, 2023

	Original & Final Budget	Year Ended March 31, 2023	2022
Revenues Received:			
Property taxes	\$ 1,045,946	1,044,690	1,055,035
Replacement taxes	35,000	112,894	74,765
Interest income	1,500	4,243	2,763
Rental income	2,400	2,640	10,761
Grant revenue	-	11,678	145
Miscellaneous revenues	50,000	24,377	33,331
Total revenues received	1,134,846	1,200,522	1,176,800
Expenditures Disbursed:			
Administrative:			
Personnel:			
Salaries	344,000	245,387	266,145
Deputy Clerk	4,000	4,000	4,000
Health insurance	105,000	88,104	88,929
Social Security contribution and Medicare	27,000	20,532	21,148
Retirement contribution	45,000	24,562	31,160
IDES	100	-	-
Worker's Compensation	100	-	-
Contractual services:			
Maintenance service - building	35,000	13,499	8,630
Maintenance service - equipment	3,500	-	3,362
Maintenance service - ground	30,000	3,880	27,002
Maintenance service - vehicle	5,000	8,236	-
Accounting service	10,000	4,506	6,263
Legal service	25,000	12,338	21,534
Postage	750	650	228
Telephone	2,800	2,297	2,288
Publishing	1,000	671	512
Printing	1,000	-	584
Internet/Website	500	254	-
Dues	2,000	1,754	2,420
Travel expenses	2,000	1,894	-
Training	2,500	1,317	1,312
Utilities	10,000	9,469	8,005
General insurance	45,000	31,283	31,283
Mosquito management	25,000	19,304	18,562
Plan commission expense	500	-	-
Bank charges	2,000	-	1,236
Interest & Fees	100	-	261
Ordinance Enforcement	7,000	4,046	6,988
Commodities:			
Office Equipment	1,500	250	1,601
Office Supplies	2,000	2,744	4,316
Operating Supplies	3,000	-	-
Software/Licenses	2,300	-	-
Capital outlay:			
Equipment	3,500	-	-
Other expenditures:			
Senior services	42,500	42,500	22,500
Retiree Health Premiums	18,000	16,052	-
Contingency	50,000	-	-
Other	2,000	41	13,178

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, 2023

	Original & Final Budget	Year Ended March 31, 2023	2022
Expenditures Disbursed - (Continued):			
Assessor:			
Personnel:			
Salaries	\$ 269,316	261,167	242,360
Health Insurance	85,000	72,750	70,041
Social Security/Medicare Contribution	20,630	19,289	17,833
Retirement Contribution	30,000	24,536	28,345
Contractual services:			
Maintenance service - equipment	1,000	375	90
Maintenance service - vehicle	2,000	141	402
Legal	2,000	-	244
Postage	500	-	-
Telephone	750	543	503
Dues	300	100	-
Travel expenses	2,000	387	807
Training	3,000	935	1,140
Internet/Website	3,500	7,590	7,340
Website maintenance	-	1,827	1,820
Other professional services	-	-	78,312
Commodities:			
Office supplies	1,500	94	1,380
Software license maintenance	9,000	633	27
Fuel & Oil	500	230	228
Capital outlay:			
Vehicle (reserve)	25,000	-	5,802
Equipment	6,000	3,542	-
Other expenditures:			
Plat maps	1,000	-	-
Other assessor	-	674	668
Total expenditures disbursed	1,323,646	954,383	1,050,789
Excess (deficiency) of revenues received over (under) expenditures disbursed	(188,800)	246,139	126,011
Other financing sources (uses):			
Sale proceeds	-	-	1,200,400
Transfers out	-	-	(740,000)
Total other financing sources (uses):	-	-	460,400
Net change in fund balance	\$ (188,800)	246,139	586,411
Fund balance, beginning of year		2,408,014	1,821,603
Fund balance, end of year		\$ 2,654,153	2,408,014

OSWEGO TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2023

<u>Assets</u>	
Cash in bank	\$ 469,679
Cash Restricted (MFT)	<u>195,472</u>
Total assets	<u>\$ 665,151</u>
<u>Fund Balance</u>	
Assigned	\$ 469,679
Restricted	<u>195,472</u>
Total fund balance	<u>\$ 665,151</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, 2023

	Original & Final Budget	Year Ended March 31, 2023	2022
Revenues Received:			
Property taxes	\$ 182,754	182,533	177,767
Illinois replacement taxes	68,000	222,476	147,336
Motor fuel tax	-	144,994	139,592
Rebuild Illinois grant	-	39,013	78,026
Court fines	8,500	8,408	5,726
Interest income	2,000	1,542	463
Miscellaneous	1,000	4,806	750
Total revenues received	262,254	603,772	549,660
Expenditures Disbursed:			
Administrative:			
Contractual services:			
Accounting	1,500	1,500	500
Legal service	29,000	28,801	11,628
Postage	1,200	476	357
Telephone	3,200	2,577	2,294
Publishing	1,200	1,151	353
Printing	2,500	30	3,937
Travel expenses	1,000	436	-
Training	9,000	5,548	1,178
Dues	2,300	2,249	1,335
Website	2,000	1,570	1,492
Late fee	100	-	-
Bank Fees	600	-	426
General insurance	75,000	60,726	60,726
Interest expense	100	-	-
Commodities:			
Software	8,000	6,221	6,031
Office supplies	3,000	1,814	2,425
Capital outlay:			
Equipment	5,000	3,808	-
Building and land	92,500	-	-
Other expenditures:			
Municipal replacement tax	3,500	3,500	2,937
Contingency	3,000	-	-
Miscellaneous	-	935	-
Maintenance:			
Contractual services:			
Maintenance service - building	20,000	17,326	65,378
Maintenance service - equipment	90,000	79,764	84,987
Maintenance service - snow removal	35,000	6,130	23,494
Utilities	13,000	10,514	10,063
Intersection lights	20,000	11,163	9,966
Commodities:			
Operating supplies	35,000	19,781	29,333
Motor fuel tax expenditures	-	228,985	227,068
Total expenditures disbursed	456,700	526,858	545,908
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (194,446)	76,914	3,752
Fund balance, beginning of year		588,237	584,485
Fund balance, end of year		\$ 665,151	588,237

OSWEGO TOWNSHIP, ILLINOIS
CEMETERY FUND

SCHEDULE B-3

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2023

<u>Assets</u>		
Cash in bank		\$ 601,831
Investments		<u>199,387</u>
Total assets		<u>\$ 801,218</u>
<u>Fund Balance</u>		
Restricted fund balance		<u>\$ 801,218</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, 2023

	Original & Final Budget	Year Ended March 31,	
		2023	2022
Revenues Received:			
Property taxes	\$ 57,955	57,885	21,970
Illinois replacement taxes	2,500	4,704	3,115
Interest and Dividend Income	6,000	4,814	4,939
Market value increase (decrease) on investments	2,000	7,197	40,528
Burials and lot fees	20,000	33,935	43,000
Miscellaneous	400	7,230	1,392
Total revenues received	88,855	115,765	114,944
Expenditures Disbursed:			
Personnel:			
Salaries	45,000	44,781	44,008
Social Security contribution and Medicare	6,885	3,426	3,367
Retirement contribution	250	-	254
Contractual services:			
Bank Fees	300	-	331
Maintenance service - building	2,000	54	13
Maintenance service - equipment	4,000	2,278	3,357
Maintenance service - grounds & road	20,000	12,058	17,912
Legal	5,000	1,680	4,689
Publishing	250	-	55
Printing	250	-	-
Utilities	400	294	300
Rentals	1,000	927	342
Commodities:			
Maintenance supplies - grounds	3,000	1,136	2,990
Operating supplies	1,500	1,558	991
Office Supplies	100	-	-
Fuel & oil	5,000	4,833	3,033
Software/Licenses/IT	2,500	1,397	1,540
Contingency	10,000	-	-
Miscellaneous expense	1,500	534	900
Capital outlay:			
Land	1,000	-	-
Equipment	5,000	6,350	5,000
Scatter garden	150,000	-	-
Cremation vaults	2,000	505	-
Total expenditures disbursed	266,935	81,811	89,082
Excess (deficiency) of revenues received over (under) expenditures disbursed	(178,080)	33,954	25,862
Other financing sources (uses):			
Transfer In	-	-	500,000
Net change in fund balance	\$ (178,080)	33,954	525,862
Fund balance, beginning of year		767,264	241,402
Fund balance, end of year		\$ 801,218	767,264

OSWEGO TOWNSHIP, ILLINOIS
HARD ROAD FUND

SCHEDULE B-5

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2023

<u>Assets</u>	
Cash in bank	\$ 2,250,334
<u>Fund Balance</u>	
Restricted fund balance	\$ 2,250,334

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2023

	Original & Final Budget	Year Ended March 31, 2023	2022
Revenues Received:			
Property taxes	\$ 2,212,672	2,210,028	2,147,353
Illinois replacement taxes	100,000	327,859	217,126
Interest income	5,000	2,309	2,028
Grants	350,000	350,000	-
Miscellaneous	11,100	15,329	26,653
Total revenues received	2,678,772	2,905,525	2,393,160
Expenditures Disbursed:			
Maintenance:			
Personnel:			
Salaries	597,000	511,743	505,791
Commissioner's Salary Transfer	27,500	-	-
Health insurance	138,800	37,737	36,179
Social Security contribution and Medicare	41,350	100,003	95,090
Retirement fund	84,345	48,893	57,674
Workers compensation	10,000	-	-
IDES	10,000	-	241
Contractual services:			
Bank Fees	2,000	-	1,371
Maintenance service - road	1,477,000	1,193,780	1,069,387
Engineering service	110,000	53,782	84,276
Rentals	10,000	6,369	3,640
Commodities:			
Operating supplies	30,000	25,688	6,593
Fuel & oil	78,000	50,394	39,327
Salt	150,000	103,006	93,695
Other expenditures:			
Retiree Health Premiums	-	-	15,163
Capital Reserves/Contingency	100,000	-	-
Other miscellaneous	5,000	32	1,542
Total expenditures disbursed	2,870,995	2,131,427	2,009,969
Excess (deficiency) of revenues received over (under) expenditures disbursed	(192,223)	774,098	382,191
Other financing sources (uses):			
Transfer In	-	-	240,000
Net change in fund balance	\$ (192,223)	774,098	622,191
Fund balance, beginning of year		1,476,236	854,045
Fund balance, end of year		\$ 2,250,334	1,476,236

OSWEGO TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND

SCHEDULE B-7

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2023

	<u>Assets</u>	
Cash in bank		\$ 193,952
	<u>Fund Balance</u>	
Restricted fund balance		\$ 193,952

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2023

SCHEDULE B-8

	Original & Final Budget	Year Ended March 31, 2023	2022
Revenues Received:			
Property taxes	\$ 1,136	1,135	4,951
Interest income	1,200	257	1,170
Total revenues received	2,336	1,392	6,121
Expenditures Disbursed:			
Administrative:			
Salaries	16,000	15,760	15,000
Contractual Services:			
Bank Fees	600	-	282
Maintenance service - equipment	200	-	-
GA- Home Relief	35,000	3,772	-
Legal	3,000	56	-
Training	1,000	953	125
General Insurance	3,500	2,360	2,360
Commodities:			
Office supplies	300	5,193	-
Flat grant	20,000	750	-
Total expenditures disbursed	79,600	28,844	17,767
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (77,264)	(27,452)	(11,646)
Fund balance, beginning of year		221,404	233,050
Fund balance, end of year		\$ 193,952	221,404

Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2023

<u>Assets</u>	
Cash in bank	<u>\$ 209,182</u>
<u>Fund Balance</u>	
Restricted fund balance	<u>\$ 209,182</u>

Statement of Revenues Received, Expenditures Disbursed, and
Changes in Fund Balance-Budget and Actual
For the Year Ended March 31, 2023

SCHEDULE B-10

	Original & Final Budget	Year Ended March 31, 2023	2022
Revenues Received:			
Property taxes	\$ 89,773	91,126	87,106
Illinois replacement taxes	11,000	35,128	23,264
Interest income	1,000	1	128
Rental income	19,000	20,245	19,655
Miscellaneous	100	-	-
Total revenues received	<u>120,873</u>	<u>146,500</u>	<u>130,153</u>
Expenditures Disbursed:			
Contractual services:			
Bank fees	600	-	359
Capital outlay:			
Equipment	175,000	174,938	63,486
Building	75,000	-	-
Total expenditures disbursed	<u>250,600</u>	<u>174,938</u>	<u>63,845</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(129,727)	(28,438)	66,308
Other financing sources (uses)			
Sale of property	-	-	57,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>57,000</u>
Net change in fund balance	<u>\$ (129,727)</u>	<u>(28,438)</u>	<u>123,308</u>
Fund balance, beginning of year		<u>237,620</u>	<u>114,312</u>
Fund balance, end of year		<u>\$ 209,182</u>	<u>237,620</u>

NOTES TO OTHER INFORMATION

OSWEGO TOWNSHIP, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2023

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 20, 2022. There was no amendment in the fiscal year 2023.

OSWEGO TOWNSHIP, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2023

NOTE 3: BUDGETARY COMPARISONS

The following is an analysis of budget versus actual expenditures for each major fund for the year ended March 31, 2023.

Fund	Final Budget	Actual Expenditures	(Over)/Under Budget
Town Fund	\$ 1,323,646	954,383	369,263
Road and Bridge*	456,700	297,873	158,827
Cemetery	266,935	81,811	185,124
Hard Road	2,870,995	2,131,427	739,568
General Assistance	79,600	28,844	50,756
Building and Equipment	250,600	174,938	75,662

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

SUPPLEMENTAL INFORMATION

Illinois Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service Cost	\$ 97,027	95,072	99,220	98,382	94,847	95,064	107,074
Interest on the Total Pension Liability	427,882	410,138	398,602	382,492	405,044	403,502	401,927
Benefit Changes	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(275,966)	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	(329,248)	(336,465)	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Net Change in Total Pension Liability	(80,305)	240,169	196,799	224,457	(163,223)	81,333	36,108
Total Pension Liability - Beginning	6,017,936	5,777,767	5,580,968	5,356,511	5,519,734	5,438,401	5,402,293
Total Pension Liability - Ending	<u>\$ 5,937,631</u>	<u>6,017,936</u>	<u>5,777,767</u>	<u>5,580,968</u>	<u>5,356,511</u>	<u>5,519,734</u>	<u>5,438,401</u>
Plan Fiduciary Net Position							
Employer Contributions	\$ 101,273	122,982	129,123	134,800	150,324	152,218	142,908
Employee Contributions	43,947	43,900	44,053	41,406	42,572	44,393	41,840
Pension Plan Net Investment Income	(914,479)	1,028,666	784,168	882,978	(268,856)	747,455	289,584
Benefit Payments and Refunds	(329,248)	(336,465)	(265,252)	(259,913)	(333,137)	(211,822)	(164,939)
Other	(61,816)	26,210	39,188	28,360	108,923	(302,476)	(185,741)
Net Change in Plan Fiduciary Net Position	(1,160,323)	885,293	731,280	827,631	(300,174)	429,768	123,652
Plan Fiduciary Net Position - Beginning	7,047,768	6,162,475	5,431,195	4,603,564	4,903,738	4,473,970	4,350,318
Plan Fiduciary Net Position - Ending	<u>\$ 5,887,445</u>	<u>7,047,768</u>	<u>6,162,475</u>	<u>5,431,195</u>	<u>4,603,564</u>	<u>4,903,738</u>	<u>4,473,970</u>
Net Pension Liability (Asset) - Ending	<u>\$ 50,186</u>	<u>(1,029,832)</u>	<u>(384,708)</u>	<u>149,773</u>	<u>752,947</u>	<u>615,996</u>	<u>964,431</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.15%	117.11%	106.66%	97.32%	85.94%	88.84%	82.27%
Covered Valuation Payroll	\$ 976,599	965,612	978,952	920,135	946,034	986,510	929,780
Net Pension Liability as a Percentage of the Covered Valuation Payroll	5.14%	(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
12/31/22	\$ 101,273	101,273	-	976,599	10.37%
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 2022 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): 21-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 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information

Notes

There were no benefit changes during the year.

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

	Tax Year				
	2018	2019	2020	2021	2022
Assessed valuations	<u>\$ 1,408,791,892</u>	<u>1,493,958,544</u>	<u>1,547,597,999</u>	<u>1,623,384,058</u>	<u>1,743,426,131</u>
Tax rates:					
Town	0.0744	0.0720	0.0682	0.0644	0.0566
Road and Bridge	0.0199	0.0192	0.0190	0.0188	0.0174
Hard Road	0.1453	0.1405	0.1388	0.1376	0.1163
Equipment & Building	0.0059	0.0058	0.0056	0.0056	0.0157
General Assistance	0.0008	0.0003	0.0003	0.0001	0.0001
Cemetery	0.0012	0.0015	0.0014	0.0036	0.0066
Revenue Recapture	-	-	-	0.0001	0.0003
Totals	<u>0.2474</u>	<u>0.2393</u>	<u>0.2333</u>	<u>0.23021</u>	<u>0.2131</u>
Tax extensions:					
Town	\$ 1,047,719	1,075,351	1,055,539	1,045,297	987,477
Road and Bridge	280,068	286,989	293,799	302,599	303,879
Hard Road	2,047,116	2,099,311	2,148,383	2,212,672	2,028,302
Equipment & Building	83,119	85,305	87,149	89,773	273,195
General Assistance	10,848	5,079	4,953	1,136	2,092
Cemetery	16,906	22,409	21,981	57,955	115,066
Revenue Recapture	-	-	-	2,110	4,533
Total tax extension	<u>\$ 3,485,774</u>	<u>3,574,444</u>	<u>3,611,804</u>	<u>3,711,542</u>	<u>3,714,544</u>
Total collections	\$ 3,483,382	3,569,902	3,610,073	3,707,099	-
Road and Bridge Distribution	(110,609)	(112,892)	(115,891)	(119,702)	-
Net Tax collections	<u>\$ 3,372,773</u>	<u>3,457,010</u>	<u>3,494,182</u>	<u>3,587,397</u>	<u>-</u>