

**TENTATIVE AND PRELIMINARY  
DRAFT FOR REVIEW AND  
DISCUSSION.  
[SUBJECT TO CHANGE]**

**PALOS TOWNSHIP**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**MARCH 31, 2020**

Prepared By:

**HEARNE & ASSOCIATES, P.C.**  
Certified Public Accountants &  
Business Consultants

Palos Township, Illinois  
Annual Financial Report  
For the Year Ended March 31, 2020

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To the Honorable Supervisor  
and Members of the Board of Trustees  
Palos Township, Illinois

### **INDEPENDENT AUDITORS' REPORT**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion of Governmental Activities**

As more fully described in Note 3 to the financial statements, the Township has not recorded certain land (right-of-way) in governmental activities. In our opinion, accounting principles generally accepted in the United States of America require that land (right-of-way) be capitalized, which would increase the assets and net position of governmental activities. The amount by which this departure would affect the assets and net position of the governmental activities is not reasonably determinable.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion of Governmental Activities" paragraph, the township-wide financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Palos Township as of March 31, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Township as of March 31, 2020 and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

June XX, 2020  
Mokena, Illinois

Hearne & Associates, P.C.  
Certified Public Accountants

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Palos Township, Illinois

Management's Discussion and Analysis  
March 31, 2020

As management of Palos Township, we offer the readers of the Township's statements, this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our basic financial statements and notes to the financial statements to enhance their understanding of the Township's financial performance.

**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of resources of the Township exceeded its deferred inflows of resources and liabilities at the close of the most recent fiscal year by \$1,618,558. This is an increase of \$119,730 or 7.99% compared to the prior year. Of the net position, \$486,996 (unrestricted) may be used to meet the Township's ongoing obligations to citizens and creditors.

During the year, the Township had government-wide expenses of \$1,667,570 and \$1,787,300 of revenues generated from tax and other Township programs. This is an increase of \$155,510 (10.28%) and a decrease of \$21,727 (1.20%) compared to the prior year. This is the result of increased expenditures for the Town Fund and General Assistance Fund during fiscal year 2020 and a decrease in tax revenues and Motor Fuel Tax.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$906,456 or 96.78% of the total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT**

The financial statement's focus is on the Township as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in similar manner to a private sector business. The Township's annual report includes two government-wide financial statements, the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds, current financial resources with capital assets and long-term obligations. It uses the accrual basis of accounting and economic resources measurement focus. The Statement of Net Position can be found on page 9 of this report.

The Statement of Activities is focused on both the growth and net costs of various activities. These activities are supported by the Township's general taxes and other resources. This is intended to summarize and simplify the users' analysis of the costs of various governmental services. The Statement of Activities can be found on page 10 of this report.

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The governmental activities reflect the Township's basic services, which are general assistance, road and bridge, senior assistance and administration. Property taxes finance the majority of these services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be combined into one category: governmental funds.

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds rather than fund types.

The governmental fund presentation is presented on a sources and uses of liquid resources (cash & cash equivalents) basis. This is the manner in which the financial plan is usually developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of the Township. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond or loan proceeds and interfund transfers as other sources and uses as well as capital expenditures and bond or loan principal payments as expenditures. The reconciliations eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in government-wide statements. The fund financial statements can be found on pages 11-14 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 15.

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Township's progress in funding its obligation to provide pension benefits to its employees.

**GOVERNMENT-WIDE STATEMENTS & ANALYSIS**

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

	<u>2020</u>	<u>2019</u>
Assets:		
Current Assets	\$ 2,763,747	\$ 2,538,947
Capital Assets	284,217	300,602
Total Assets	<u>3,047,964</u>	<u>2,839,549</u>

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	<u>2020</u>	<u>2019</u>
Deferred Outflows of Resources:		
Related to Pension	<u>181,239</u>	<u>263,619</u>
Liabilities:		
Current Liabilities	90,371	105,911
Noncurrent Liabilities	<u>444,126</u>	<u>557,025</u>
Total Liabilities	<u>534,497</u>	<u>662,936</u>
Deferred Inflows of Resources:		
Related to Pension	216,247	88,004
Unavailable Property Taxes	<u>859,901</u>	<u>853,400</u>
Total Deferred Inflows of Resources	<u>1,076,148</u>	<u>941,404</u>
Net Position:		
Net Investment in Capital Assets	284,217	300,602
Restricted	847,345	671,753
Unrestricted	<u>486,996</u>	<u>526,473</u>
Total Net Position	<u>\$ 1,618,558</u>	<u>\$ 1,498,828</u>

At the end of the fiscal year, the Township is able to report positive balances in all categories of net position, as well as for the Township as a whole.

The Township's net position of \$284,217 or 17.56%, reflect its investment in net capital assets. The Township uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is divided between the General Assistance Fund (\$243,555) and the Road and Bridge Fund (\$603,790). The remaining balance of unrestricted net position, \$486,996, may be used to meet the Township's ongoing obligations to citizens and creditors. The overall incremental increase in net position was \$119,730.

Statement of Activities

The following chart reflects the condensed Statement of Activities:

	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues		
Charges for Service	\$ 17,515	\$ 17,730
Operating Grants and Contributions	12,120	11,999
General Revenues		
Taxes	1,723,293	1,749,460
Interest Income	25,416	22,879
Other General Revenues	<u>8,956</u>	<u>6,959</u>
Total Revenues	<u>1,787,300</u>	<u>1,809,027</u>

Palos Township, Illinois

Management's Discussion and Analysis  
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Expenses:	<u>2020</u>	<u>2019</u>
General Government	563,875	465,812
Culture and Recreation	32,235	28,480
Social Services	401,186	398,091
Road and Bridge	541,861	512,098
General Assistance	105,159	82,158
Unallocated Depreciation	<u>23,254</u>	<u>25,421</u>
Total Expenses	<u>1,667,570</u>	<u>1,512,060</u>
Changes in Net Position	119,730	296,967
Net Position, Beginning of Year,	<u>1,498,828</u>	<u>1,201,861</u>
Net Position, End of Year	<u>\$ 1,618,558</u>	<u>\$ 1,498,828</u>

Fiscal year 2020 showed general revenues of \$1,757,665. Governmental activities are broken out by functional area for program revenues and expenses: General Government, Culture and Recreation, Social Services, Road and Bridge and General Assistance. General revenues are separated by taxes and investment earnings. The taxes consist of property taxes, replacement taxes and the motor fuel tax. The overall increase in revenues is primarily due to the increased property tax revenue. Expenditures have increased in Road and Bridge due to large projects in the current year.

There are seven basic impacts on revenues and expenses as reflected below:

***Normal Impacts***

*Revenues*

Economic Condition - which can reflect a declining, stable or growing economic environment and have a substantial impact on tax revenues.

Increases/Decreases in Township approved rates - while certain tax rates are set by statute, the Township Board has the significant authority to impose and periodically increase/decrease service fees.

Changing Patterns in Intergovernmental and Grant Revenue - certain recurring service fees may experience significant changes periodically, while non-recurring (or one time) grants are less predictable and often distorting in their impact on a year-to-year comparison.

*Expenses*

Introduction of New Programs - within the functional expense categories (General Government, Culture and Recreation, Road and Bridge, General Assistance, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - changes in service demand may cause the Township Board to increase/decrease authorized staffing.



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Salary Increases (annual adjustments and merit) - the ability to attract and retain human and intellectual resources requires the Township to strive to approach a competitive salary range position in the marketplace.

Inflation - while overall inflation appears to be reasonably modest, the Township is a major consumer of certain commodities such as supplies, fuels and parts. Some fluctuations may experience unusual commodity specific increases.

**FINANCIAL ANALYSIS OF TOWNSHIP'S FUNDS**

Governmental Funds

The Township's major funds are the General Fund, Road and Bridge Fund, and General Assistance Fund. Generally speaking, a major fund meets the following criteria:

- Total assets, liabilities, revenues or expenditures of that individual government fund are at least 10% of the corresponding total (assets, liabilities and so forth) for all government funds, and;
- Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Budgetary Highlights

The Township operates under the Budget Ordinance process and is cash basis. The budget is adopted by the Township Board and filed at the Cook County Courthouse preceding April 1st of the budgeted fiscal year. No major amendments or addendums were necessary during fiscal year 2020.

Historically, the Township has taken a very conservative approach in developing their budgets. During fiscal year 2020, revenues and expenses versus budgeted amounts for the major funds showed the following variances:

<u>Fund</u>	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>	<u>Budgeted Expenses</u>	<u>Actual Expenses</u>	<u>Variance</u>
General	\$ 981,100	\$ 1,022,318	\$ 41,218	\$ 959,457	\$ 938,512	\$ (20,945)
Road and Bridge	618,550	683,336	64,786	583,723	535,967	(47,756)
General Assistance	132,000	138,518	6,518	108,143	89,864	(18,279)

The General Fund revenues were over budget by \$41,218 due primarily to an increase in interest on investments. Expenses in the General Fund were under budget by \$20,945 due to spending less than expected on health services by the Township.

In the Road and Bridge Fund, revenues were over budget by \$64,786 due primarily to increase in tax revenues. Expenses were under budget by \$47,756 due to paving and other repair projects not occurring as expected.

Finally, in the General Assistance Fund, revenues were over budget by \$6,518 mainly due to more property taxes for General Assistance. Expenses were \$18,279 under budget due to the less spending on services than what was expected.

Palos Township, Illinois

Management's Discussion and Analysis  
March 31, 2020

**CAPITAL ASSETS**

At the end of fiscal year 2020, the Township had a combined total, net capital assets of \$284,217 invested in land and buildings. As allowed by Governmental Accounting Standards Board Statement No. 34, the Township, as a phase three government, has elected to only report infrastructure assets prospectively. The Township has not capitalized right-of-way (land) associated with the streets the Township owns which is required by accounting principles generally accepted in the United States of America. The amount by which this unrecorded land understates assets and net position of governmental activities is not reasonably determinable. (For more information, see note 3 to the financial statements)

**Governmental Activities Change in Capital Assets**

	<u>Balance</u> <u>March 31, 2019</u>	<u>Net Additions/ Deletions</u>	<u>Balance</u> <u>March 31, 2020</u>
Non-depreciable Capital Assets			
Land	\$ 78,772	\$ -	\$ 78,772
Depreciable Capital Assets			
Buildings and Improvements	386,697	-	386,697
Infrastructure	168,734	-	168,734
Equipment	13,097	6,869	19,966
Accumulated Depreciation	<u>(346,698)</u>	<u>(23,254)</u>	<u>(369,952)</u>
Total Capital Assets, Net	<u>\$ 300,602</u>	<u>\$ (16,385)</u>	<u>\$ 284,217</u>

**DEBT ADMINISTRATION**

There was no debt outstanding during the fiscal year.

**FUTURE EVENTS**

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the Township's financial position (net position) or results of operations (revenues, expenses, and other changes in net position) in the next fiscal year.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general knowledge of the Township's finances and to demonstrate the Township's accountability for the money it receives. Questions concerning this report or request for additional financial information should be directed to the Township Office, 10802 S. Roberts Road, Palos Hills, Illinois 60465.

Palos Township, Illinois  
Statement of Net Position  
March 31, 2020

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 1,594,823
Certificates of Deposit	262,790
Property Tax Receivable	825,991
Replacement Taxes Receivable	8,457
Prepaid Expenses	71,686
Capital Assets not Being Depreciated	78,772
Capital Assets Being Depreciated, net	<u>205,445</u>
Total Assets	<u>3,047,964</u>
 <b>Deferred Outflows of Resources</b>	
Related to Pensions	<u>181,239</u>
 <b>Liabilities</b>	
Current Liabilities:	
Accrued Payroll	49,580
Accrued Expenditures	577
Accrued IMRF	214
Cash Bonds	40,000
Long-term obligations, due in more than one year:	
Compensated Absences	20,121
Net Pension Liability	<u>424,005</u>
Total Liabilities	<u>534,497</u>
 <b>Deferred Inflows of Resources</b>	
Property Taxes	859,901
Related to Pensions	<u>216,247</u>
Total Deferred Inflows of Resources	<u>1,076,148</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	284,217
Restricted for:	
General Assistance	243,555
Road and Bridge	603,790
Unrestricted	<u>486,996</u>
Total Net Position	<u>\$ 1,618,558</u>

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See the accompanying notes to the financial statements

Palos Township, Illinois  
Statement of Activities  
 Year Ended March 31, 2020

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Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
General Government	\$ 563,875	\$ -	\$ 12,120	\$ (551,755)
Culture and Recreation	32,235	-	-	(32,235)
Social Services	401,186	17,515	-	(383,671)
Road and Bridge	541,861	-	-	(541,861)
General Assistance	105,159	-	-	(105,159)
Unallocated Depreciation	23,254	-	-	(23,254)
<b>Total Governmental Activities</b>	<u>\$ 1,667,570</u>	<u>\$ 17,515</u>	<u>\$ 12,120</u>	<u>(1,637,935)</u>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property Taxes				1,236,227
Hard Road Tax				423,326
Personal Property Replacement Tax				47,176
Motor Fuel Tax				16,564
Investment Earnings				25,416
Other General Revenues				8,956
<b>Total General Revenues</b>				<u>1,757,665</u>
<b>Change in Net Position</b>				119,730
<b>Net Position, Beginning of Year,</b>				<u>1,498,828</u>
<b>Net Position, End of Year</b>				<u>\$ 1,618,558</u>

See the accompanying notes to the financial statements

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Palos Township, Illinois  
 Balance Sheet  
 Governmental Funds  
 March 31, 2020

	Major Funds			
	General	Road and Bridge Fund	General Assistance	Total
<b>Assets</b>				
Cash	\$ 861,576	\$ 579,132	\$ 154,115	\$ 1,594,823
Certificates of Deposit	84,444	75,182	103,164	262,790
Property Taxes Receivable	469,464	290,190	66,337	825,991
Replacement Taxes Receivable	4,816	3,641	-	8,457
Due From Other Funds	10,879	-	-	10,879
Prepaid Expenditures	59,674	9,772	2,240	71,686
<b>Total Assets</b>	<b>\$ 1,490,853</b>	<b>\$ 957,917</b>	<b>\$ 325,856</b>	<b>\$ 2,774,626</b>
<b>Liabilities</b>				
Accrued Payroll	\$ 41,823	\$ 4,482	\$ 3,275	\$ 49,580
Accrued Expenditures	-	577	-	577
Accrued IMRF	-	67	147	214
Cash Bonds	-	40,000	-	40,000
Due to Other Funds	-	-	10,879	10,879
<b>Total Liabilities</b>	<b>41,823</b>	<b>45,126</b>	<b>14,301</b>	<b>101,250</b>
<b>Deferred Inflows of Resources</b>				
Deferred Revenues	482,900	309,001	68,000	859,901
<b>Total Deferred Inflows of Resources</b>	<b>482,900</b>	<b>309,001</b>	<b>68,000</b>	<b>859,901</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>524,723</b>	<b>354,127</b>	<b>82,301</b>	<b>961,151</b>
<b>Fund Balance</b>				
Non-spendable: Prepaid Expenses	59,674	9,772	2,240	71,686
Restricted for:				
General Assistance	-	-	241,315	241,315
Road and Bridge	-	594,018	-	594,018
Unassigned	906,456	-	-	906,456
<b>Total Fund Balance</b>	<b>966,130</b>	<b>603,790</b>	<b>243,555</b>	<b>1,813,475</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,490,853</b>	<b>\$ 957,917</b>	<b>\$ 325,856</b>	<b>\$ 2,774,626</b>

See the accompanying notes to the financial statements

Palos Township, Illinois  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
March 31, 2020

Total Governmental Fund Balance \$ 1,813,475

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

Capital Assets used in governmental activities are not financial resources and are not reported in the funds:

Capital Assets	\$	654,169	
Accumulated Depreciation		(369,952)	
Net Capital Assets			284,217

Some assets and deferred outflows of resources reported in the Statement of Net Position do not require current financial resources and therefore are not reported as assets or deferred outflows of resources in governmental funds.

Deferred Outflows of Resources Related to Pensions	181,239
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Some liabilities and deferred inflows of resources reported in the Statement of Net Position do not require current financial resources and therefore are not reported as liabilities or deferred inflows of resources in governmental funds.

Compensated Absences	\$	(20,121)	
Net Pension Liability		(424,005)	
Deferred Inflows of Resources Related to Pensions		(216,247)	

Total Long-term Liabilities and Deferred Inflows	(660,373)
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Net Position of Governmental Activities	\$	1,618,558
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See the accompanying notes to the financial statements

Palos Township, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended March 31, 2020

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>General Assistance</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 917,132	\$ 189,559	\$ 129,536	\$ 1,236,227
Hard Road Tax	-	423,326	-	423,326
Replacement Taxes	26,862	20,314	-	47,176
Motor Fuel Tax	-	16,564	-	16,564
Health Services - Chol. Test Fees	17,515	-	-	17,515
Donations	12,120	-	-	12,120
Investment Income	15,432	8,161	1,823	25,416
Miscellaneous Revenue	5,750	3,148	58	8,956
Total Revenues	<u>994,811</u>	<u>661,072</u>	<u>131,417</u>	<u>1,787,300</u>
<b>Expenditures</b>				
Current:				
Compensation of Elected Officials	120,360	-	-	120,360
Townhall Expenses	35,377	-	-	35,377
Services	223,525	-	39,885	263,410
Road Expenses	-	429,346	-	429,346
Administration	104,340	86,645	50,277	241,262
Senior Services	32,235	-	-	32,235
Health Service Expenses	401,186	-	-	401,186
Community Support	6,349	-	-	6,349
Contingencies	13,193	10,744	-	23,937
Debt Service				
Total Expenditures	<u>936,565</u>	<u>526,735</u>	<u>90,162</u>	<u>1,553,462</u>
Net Change in Fund Balance	58,246	134,337	41,255	233,838
Fund Balance, Beginning of Year	<u>907,884</u>	<u>469,453</u>	<u>202,300</u>	<u>1,579,637</u>
Fund Balance, End of Year	<u>\$ 966,130</u>	<u>\$ 603,790</u>	<u>\$ 243,555</u>	<u>\$ 1,813,475</u>

**TENTATIVE AND PRELIMINARY  
DRAFT FOR REVIEW AND  
DISCUSSION.  
(SUBJECT TO CHANGE)**

See the accompanying notes to the financial statements

Palos Township, Illinois  
Reconciliation of Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) of Governmental Funds to the Statement of Activities  
Year Ended March 31, 2020

Net Change in Fund Balances - Total Government Funds	\$ 233,838
Amounts reported for governmental activities in the Statement of Activities are different because: these costs are record as capital assets.	6,869
Governmental Funds allocate the cost of capital assets over their estimated useful lives as depreciation	(23,254)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds.	
Change in Deferred Inflows and Deferred Outflows Related to Pensions and Net Pension Liability	(109,567)
Change in Compensated Absences	<u>11,844</u>
Net Change in Net Position of Governmental Activities.	<u><u>\$ 119,730</u></u>

**TENTATIVE AND PRELIMINARY  
DRAFT FOR REVIEW AND  
DISCUSSION.  
(SUBJECT TO CHANGE)**

See the accompanying notes to the financial statements



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Palos Township, Illinois ("Township"), as reflected in the accompanying financial statements for the year ended March 31, 2020, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The Township's reporting entity includes the Township's governing board and any related organizations for which the elected officials of the Township are financially accountable.

Financial accountability is defined as: (1) appointment of the voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government or (2) fiscal dependency on the primary government.

Based on the foregoing criteria, the Township does have any component units included in the Township's reporting entity. Also, the Township is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

The Township operates under the Township form of government, with a Supervisor, Clerk, Assessor, Highway Commissioner, and four Trustees elected by the people. The Board of Trustees in the Township's legislative body, enacting the laws and establishing the policies which govern them in activities of the Township. The Township's budgetary operations are governed by the appropriation law and administered by the Township Supervisor.

Basis of Presentation

The Township's basic financial statements consist of Township-wide statements, including a statement of net position, statement of activities and fund financial statements, which provide a more detailed level of financial information. The Township-wide focus is more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

*Township-wide Financial Statements* - The statement of net position and the statement of activities display information about the township as a whole. In the Township-wide statement of net position, the governmental activities are presented on a consolidated basis. These statements include the financial activities of the primary government. The effect of interfund activity has been removed from these statements. The Township-wide statement of activities reflects both the direct expenses and net cost of each function of the Township's governmental activities.

Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the Township.

Palos Township, Illinois

Notes to the Financial Statements

March 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Fund Financial Statements* - The financial transactions of the Township are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as nonmajor funds.

Measurement Focus and Basis of Accounting

*Township-wide Financial Statements* - The Township-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Township has reported two categories of program revenues in the Statement of Activities: (1) charges for services, and (2) program-specific operating grants and contributions. Program revenues are derived directly from the program itself or from external sources; they reduce the net cost of each function to be financed from the Township's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the Statement of Net Position to remove the "grossing-up" effect on assets, deferred outflows of resources, liabilities, and deferred inflows of resources within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the Statement of Activities.

*Fund Financial Statements* - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from property taxes are recognized in the year that it becomes available. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Differences occur from the manner in which the governmental activities and the Township-wide financial statements are prepared due to the inclusion of capital assets and long-term debt activity. Governmental Fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the Township-wide statements and the statements for governmental funds.

Palos Township, Illinois

Notes to the Financial Statements

March 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Township reports the following major governmental funds:

General Fund - The General Fund (also known as the Town Fund) is used to account for and report all financial resources not reported in another fund.

Road and Bridge Fund - The Road and Bridge Fund is used to account for and report all revenues and expenditures applicable to the upkeep, repair and administration of the Township's roads.

General Assistance Fund - The General Assistance Fund is used to account for and report all revenues and expenditures applicable to the services provided to the residents of the township.

Cash, Cash Equivalents and Investments

The Township considers cash and investments with an original maturity of less than 90 days to be cash equivalents. Cash and cash equivalents consisted of checking and money market accounts at financial institutions. Investments are stated at fair value.

Short-term Interfund Receivable/Payables

During the course of operation, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

Capital Assets

Capital Assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental columns in the township-wide financial statements. Capital Assets are defined by the Township as assets with a useful life of more than one year and an initial individual cost of more than \$5,000. As allowed by Governmental Accounting Standards Board Statement 34, the Township, as a phase three government, has elected to only report infrastructure assets prospectively.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	40 Years
Equipment	8-20 Years
Infrastructure	20-50 Years

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property Taxes

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County. The taxes are payable in two installments in the following year. The first installment is an estimate based on prior year's tax and is due in March. The second installment, adjusted to reflect any increase or decrease from the previous year, is due approximately in August. Cook County bills and collects all property taxes and remits them to the Township.

Property taxes are considered to be measurable when they have been collected by Cook County. The Township recognized property tax revenue in the fiscal year for which they were levied – intended to finance operations. Based on the historical tax collection cycle, the Township has intended to finance its operations with portions of the 2017 and 2018 property tax levies. The property tax revenue in the current fiscal year financial statements represents the collections from the first half of the 2018 tax levy, the second half of the 2017 levy and minimal amounts from prior year levies.

Property taxes to be received greater than sixty days after the end of the fiscal year, which will be the collection of the second installment of the 2018 tax levy, are intended to finance operations of the fiscal year ended March 31, 2020. That portion of the 2018 levy has been recorded as receivable and deferred inflows of resources and will be recognized as revenue next fiscal year.

Deferred Revenue

Deferred revenue is recorded where asset recognition criteria has been met, but where revenue recognition criteria has not. Such amounts have been deemed to be measurable but not available.

Compensated Absences

The liability for compensated absences, (unused vacation time of the Township at March 31, 2020, of \$20,121 is recorded in the Township-wide financial statements.

For governmental fund financial statements, the portion of the liability which is currently due and payable is recorded as a liability in the appropriate fund. The Township-wide financial statements record unused vacation and sick leave as expenses and liabilities when earned by employees. The long-term portion of compensated absences will be paid from the fund from which the employee is paid.

Fund Equity: The Township's fund balances are required to be reported using five separate classifications as listed below. The Township may not necessarily utilize each classification in a given fiscal year.

Non-Spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.

Palos Township, Illinois

Notes to the Financial Statements

March 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners of the Township (the highest level of decision making authority for the Township). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Township's adopted policy, only the Township may assign amounts for specific purposes.

Unassigned - all other spendable amounts; positive amounts that are reported only in the general fund.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township's Board of Trustees has provided otherwise in its commitment or assignment actions.

Net Position: Net Position represents the difference between the sum of assets and deferred outflows of resources and the sum of deferred inflows of resources and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net Positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

***Cash***

The carrying amount of cash was \$1,594,823 at March 31, 2020, while the bank balances were \$1,589,390. Petty cash in the amount of \$700 is not included in the above carrying amount. As of March 31, 2020, total balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or Local Governments.

***Certificates of Deposit***

Certificates of Deposit amounted to \$262,790 at March 31, 2020. In accordance with Township policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds deposit. All investment collateral is held in safekeeping in the Township's name by financial institutions acting as the Township's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

***Investments***

The investments which the Township may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market mutual funds and certain other instruments.

*Interest Rate Risk.* The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Custodial Credit Risk.* For an investment, custodial credit risk 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 possession of an outside party. The Township's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Township investment or any other high-quality, interest bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

*Concentration of Credit Risk.* The Township places no limit on the amount the Township may invest in any one issuer.

Reconciliation of Note 2 to Financial Statements:

Per Statement of Net Position:		Per Note 2:	
Cash	\$ 1,594,823	Cash	\$ 1,594,123
Certificates of Deposit	262,790	Petty Cash	700
Total per Statement		Certificates of Deposit	262,790
of Net Position	\$ 1,857,613	Total per Note 2	\$ 1,857,613

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the Township's capital assets for the period ending March 31, 2020 follows:

	Balance March 31, 2019	Additions	Disposals	Balance March 31, 2020
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 78,772	\$ -	\$ -	\$ 78,772

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 3 - CAPITAL ASSETS (continued)**

	Balance March 31, 2019	Additions	Disposals	Balance March 31, 2020
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	386,697	-	-	386,697
Infrastructure	168,734	-	-	168,734
Equipment	13,097	6,869	-	19,966
Total Capital Assets Being Depreciated, Gross	568,528	6,869	-	575,397
<b>Accumulated Depreciation</b>				
Buildings and Improvements	(308,763)	(12,155)	-	(320,918)
Infrastructure	(34,988)	(9,728)	-	(44,716)
Equipment	(2,947)	(1,371)	-	(4,318)
Total Accumulated Depreciation	(346,698)	(23,254)	-	(369,952)
Capital Assets Being Depreciated, Net of Depreciation	221,830	(16,385)	-	205,445
Total Governmental Activities, Capital Assets, Net of Depreciation	\$ 300,602	\$ (16,385)	\$ -	\$ 284,217

Depreciation expense of \$23,254 was unallocated in the Governmental Activities.

The Township has not capitalized infrastructure assets and right-of-way (land) associated with the streets the Township owns which is required by accounting principles generally accepted in the United States of America. The amount by which these unrecorded capital assets understate assets and net position of governmental activities is not reasonably determinable.

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables recorded in the combined balance sheet at March 31, 2020, are summarized as follows:

	Due From	Due To
General Assistance Fund	\$ -	\$ 10,879
General Fund	10,879	-
Total Interfund Balance	\$ 10,879	\$ 10,879

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES (continued)**

The General Assistance Fund borrowed from the General Fund to cover expenditures. This interfund balance is expected to be repaid in the next fiscal year.

**NOTE 5 - LONG-TERM LIABILITIES**

The following is a summary of changes to the Township's long-term liabilities for the fiscal year.

	Balance April 1, 2019	Issued	Retired	Balance March 31, 2020	Due Within One Year
Net Pension Liability	\$ 525,061	\$ -	\$ 101,056	\$ 424,005	\$ -
Compensated Absences	31,964	-	11,843	20,121	-
Total Long-Term Liabilities	<u>\$ 557,025</u>	<u>\$ -</u>	<u>\$ 112,899</u>	<u>\$ 444,126</u>	<u>\$ -</u>

Compensated absences are paid out of the fund the employee's salary is paid from. Currently, this is the General Fund and Road and Bridge Fund.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

Illinois Municipal Retirement Fund

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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-Township public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

Benefits Provided

The Township participates in the Regular Plan (RP).

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



Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

earnings is 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.

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 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 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	14
Inactive Plan Members entitled to but not yet receiving benefits	5
Active Plan Members	<u>9</u>
Total	<u><u>28</u></u>

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires Townships 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 for calendar year 2019 was 15.81%. For the calendar year 2019, the Township contributed \$56,264 to the plan. 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.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the MP-2017 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-2014 (base year 2015). The IMRF-specific rates were developed from the RP-2017 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00%	5.75%
International Equity	18.00%	6.50%
Fixed Income	28.00%	3.25%
Real Estate	9.00%	5.20%
Alternative Investments	7.00%	3.60-7.60
Cash Equivalents	<u>1.00%</u>	1.85%
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in the total pension liability and changes in the plan net position. The Schedule of Changes in Net Pension Liability and Related Ratios, is presented as follows:

Palos Township, Illinois

Notes to the Financial Statements

March 31, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

	Liability (a)	Net Position (b)	Liability/(Asset) (a) - (b)
<b>Balances Beginning at 1/1/2019</b>	\$ 2,211,498	\$ 1,686,437	\$ 525,061
<b>Charges for the year:</b>			
Service Cost	33,435	-	33,435
Interest	156,520	-	156,520
Actuarial Experience	82,203	-	82,203
Assumptions Changes	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	56,264	(56,264)
Contributions - Employee	-	16,014	(16,014)
Contributions - Other	-	-	-
Net Investment Income	-	316,277	(316,277)
Benefit Payments from Trust	(138,639)	(138,639)	-
	-	-	-
Other (Net Transfer)	-	(15,341)	15,341
<b>Net Changes</b>	<u>133,519</u>	<u>234,575</u>	<u>(101,056)</u>
<b>Balances Ending at 12/31/2019</b>	<u>\$ 2,345,017</u>	<u>\$ 1,921,012</u>	<u>\$ 424,005</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 2,549,291	\$ 2,345,017	\$ 2,170,344
Less: Plan Fiduciary Net Position	<u>1,921,012</u>	<u>1,921,012</u>	<u>1,921,012</u>
Net Pension Liability	<u>\$ 628,279</u>	<u>\$ 424,005</u>	<u>\$ 249,332</u>

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2020, the Township recognized pension expense of \$121,835. At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Palos Township, Illinois

Notes to the Financial Statements  
March 31, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,749	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	134,291	216,247
Contributions made subsequent to the measurement date	<u>14,199</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 181,239</u>	<u>\$ 216,247</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 10,009
2021	(24,576)
2022	4,756
2023	<u>(39,396)</u>
Total	<u>\$ (49,207)</u>

**NOTE 7 – CONTINGENCIES**

The Township currently participates in various grant programs. Grant programs are subject to program compliance audits by the grantor agency. The Township’s compliance with applicable grant requirements may be established at some future date. However, the Township believes that any noncompliance (if any) will not have a material effect on the financial statements.

**NOTE 8 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The township also purchased its employee health and accident insurance from commercial carriers. The Township did not have any significant reduction in insurance coverage from coverage in the prior year nor did settlements exceed insurance coverage during the past three fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

Palos Township, Illinois

Budgetary Comparison Schedule  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (Cash Basis) and Actual  
General Fund and Major Special Revenue Funds  
For the Year Ended March 31, 2020

	<u>General Fund</u>		
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<b>Revenues:</b>			
Property Tax	\$ 920,000	\$ 944,431	\$ 24,431
Replacement Tax	20,000	27,071	7,071
Health Service - Cholesterol Test Fees	16,000	17,515	1,515
Investment Income	14,000	15,432	1,432
Miscellaneous Revenue	11,100	17,869	6,769
<b>Total Revenues</b>	<u>981,100</u>	<u>1,022,318</u>	<u>41,218</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Total Compensation of Elected Officials	120,626	120,360	(266)
Total Town Hall Expenses	47,600	35,377	(12,223)
Services	226,182	226,701	519
Administration	103,075	104,340	1,265
Senior Services	19,000	32,235	13,235
Health Services	431,974	399,957	(32,017)
Community Support	5,000	6,349	1,349
Contingencies	6,000	13,193	7,193
<b>Total Expenditures</b>	<u>959,457</u>	<u>938,512</u>	<u>(20,945)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 21,643</u>	83,806	<u>\$ 62,163</u>
<b>Net Changes in Budgetary Basis to GAAP</b>			
Adjustments for Revenue Accruals and Deferrals		(27,507)	
Adjustments for Expenditure Accruals and Prepaids		1,947	
<b>Net Change in Fund Balances</b>		<u>58,246</u>	
<b>Fund Balance, Beginning of the Year, as restated</b>		<u>907,884</u>	
<b>Fund Balance, End of the Year</b>		<u>\$ 966,130</u>	

See accompanying notes to the required supplementary information

Palos Township, Illinois

Budgetary Comparison Schedule  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (Cash Basis) and Actual  
General Fund and Major Special Revenue Funds  
For the Year Ended March 31, 2020

	<u>Road and Bridge Fund</u>		
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
Revenues:			
Property Tax	\$ 190,000	\$ 211,663	\$ 21,663
Hard Road Tax	400,000	423,326	23,326
Replacement Tax	15,000	20,474	5,474
Motor Fuel Tax	-	16,564	16,564
Investment Income	6,000	8,161	2,161
Miscellaneous Revenue	<u>7,550</u>	<u>3,148</u>	<u>(4,402)</u>
Total Revenues	<u>618,550</u>	<u>683,336</u>	<u>64,786</u>
Expenditures:			
Current:			
Road Services	478,700	439,156	(39,544)
Administration	95,023	86,067	(8,956)
Contingencies	<u>10,000</u>	<u>10,744</u>	<u>744</u>
Total Expenditures	<u>583,723</u>	<u>535,967</u>	<u>(47,756)</u>
Net Change in Fund Balance	<u>\$ 34,827</u>	147,369	<u>\$ 112,542</u>
Net Changes in Budgetary Basis to GAAP			
Adjustments for Revenue Accruals and Deferrals		(22,264)	
Adjustments for Expenditure Accruals and Prepaids		<u>9,232</u>	
Net Change in Fund Balances		134,337	
Fund Balance, Beginning of the Year, as restated		<u>469,453</u>	
Fund Balance, End of the Year		<u>\$ 603,790</u>	

See accompanying notes to the required supplementary information



Palos Township, Illinois

Budgetary Comparison Schedule  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (Cash Basis) and Actual  
General Fund and Major Special Revenue Funds  
For the Year Ended March 31, 2020

	<u>General Assistance Fund</u>		
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
Revenues:			
Property Tax	\$ 130,000	\$ 136,637	\$ 6,637
Investment Income	2,000	1,823	(177)
Miscellaneous Revenue	-	58	58
Total Revenues	<u>132,000</u>	<u>138,518</u>	<u>6,518</u>
Expenditures:			
Current:			
Services	57,000	39,885	(17,115)
Administration	49,143	49,979	836
Contingencies	2,000	-	(2,000)
Total Expenditures	<u>108,143</u>	<u>89,864</u>	<u>(18,279)</u>
Net Change in Fund Balance	<u>\$ 23,857</u>	48,654	<u>\$ 24,797</u>
Net Changes in Budgetary Basis to GAAP			
Adjustments for Revenue Accruals and Deferrals		(7,101)	
Adjustments for Expenditure Accruals and Prepaids		(298)	
Net Change in Fund Balances		<u>41,255</u>	
Fund Balance, Beginning of the Year, as restated		<u>202,300</u>	
Fund Balance, End of the Year		<u>\$ 243,555</u>	

**TENTATIVE AND PRELIMINARY  
DRAFT FOR REVIEW AND  
DISCUSSION.  
(SUBJECT TO CHANGE)**

See accompanying notes to the required supplementary information

Palos Township, Illinois  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

Year Ended March 31, 2020

(schedule to be built prospectively from 2015)

	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost	\$ 33,435	\$ 33,255	\$ 40,862	\$ 39,201	\$ 38,558
Interest	156,520	147,449	144,021	132,143	126,831
Differences Between Expected and Actual Experience	82,203	96,008	44,339	77,567	(8,638)
Changes of Assumptions	-	43,053	(61,045)	(34,234)	(6,345)
Benefit Payments, Including Refunds of Member Contributions	(138,639)	(115,245)	(122,104)	(88,712)	(86,341)
Net Change in Total Pension Liability	133,519	204,520	46,073	125,965	64,065
Total Pension Liability - Beginning	2,211,498	2,006,978	1,960,905	1,834,940	1,770,875
Total Pension Liability - Ending	\$ 2,345,017	\$ 2,211,498	\$ 2,006,978	\$ 1,960,905	\$ 1,834,940
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 56,264	\$ 50,810	\$ 49,942	\$ 65,148	\$ 60,635
Contributions - Member	16,014	14,638	13,950	16,849	14,607
Net Investment Income	316,277	(90,976)	256,058	93,513	6,468
Benefit Payments, Including Refunds of Member Contributions	(138,639)	(115,245)	(122,104)	(88,712)	(86,341)
Net Transfer	(15,341)	143,779	(3,958)	60,157	48,126
Net Change in Plan Fiduciary Net Position	234,575	3,006	193,888	146,955	43,495
Plan Fiduciary Net Position - Beginning	1,686,437	1,683,431	1,489,543	1,342,588	1,299,093
Plan Fiduciary Net Position - Ending	\$ 1,921,012	\$ 1,686,437	\$ 1,683,431	\$ 1,489,543	\$ 1,342,588
<b>Employer's Net Pension Liability</b>	\$ 424,005	\$ 525,061	\$ 323,547	\$ 471,362	\$ 492,352
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.92 %	76.26 %	83.88 %	75.96 %	73.17 %
Covered-Valuation Payroll	\$ 355,877	\$ 325,286	\$ 310,007	\$ 374,419	\$ 324,599
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	119.14 %	161.42 %	104.37 %	125.89 %	151.68 %

See accompanying notes to the required supplementary information

Palos Township, Illinois  
Schedule of Employer Contributions - Illinois Municipal Retirement Fund  
Last Ten Calendar Years  
(schedule to be built prospectively from 2015)

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 60,635	\$ 60,635	\$ -	\$ 324,599	18.68 %
2016	65,149	65,148	(1)	374,419	17.40 %
2017	49,942	49,942	-	310,007	16.11 %
2018	50,810	50,810	-	325,286	15.62 %
2019	56,264	56,264	-	355,877	15.81 %

See accompanying notes to the required supplementary information

**INDIVIDUAL FUND FINANCIAL SCHEDULES**

Palos Township, Illinois

Notes to the Required Supplementary Information  
March 31, 2020

**I. Stewardship, Compliance and Accountability**

The procedures used in establishing the budgetary data reflected in the financial statements are as follows:

1. The Township Supervisor submits to the Town Board, a proposed operating budget for the fiscal year commencing on April 1st. The operating budget (cash basis) includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through Board action.
4. Transfers up to 10% of the total budget may be made between the various items within any fund. The budget may be amended by Board action by the same procedure provided for in the original adoption of the budget.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The Township budgets and records activity on the cash basis of accounting. The original budget was not amended during the fiscal year.

The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for the General, General Assistance, and Road and Bridge Funds. No encumbrances are used.

The Township prepares its annual budget on a cash basis of accounting, which is an acceptable method under the Illinois Revised Statutes. Schedules in the supplemental information section present comparisons of the legally adopted budget with actual data on a budgetary basis.

**II. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate**

**Valuation Date**

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

**Methods and Assumptions Used to Determine 2019 Contribution Rates**

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24-year closed period until remaining period reaches 15 years (then 15- year rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor

Palos Township, Illinois

Notes to the Required Supplementary Information  
March 31, 2020

**II. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate (continued)**

**Methods and Assumptions Used to Determine 2019 Contribution Rates (continued)**

Wage Growth:	3.25%
Price Inflation:	2.50%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study 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 t

**Other Information**

There were no benefit changes during the year.

Palos Township, Illinois  
Schedule of Revenues and Expenditures  
Budget (Cash Basis) and Actual  
General Fund  
Year Ended March 31, 2020

	Original and Final Budget	Actual	Variance Over(Under)
<b>Revenues</b>			
Taxes Collected	\$ 920,000	\$ 944,431	\$ 24,431
Taxes Collected - RT	20,000	27,071	7,071
Health Service Fees	16,000	17,515	1,515
Interest on Investments	14,000	15,432	1,432
Donations	10,000	12,120	2,120
Prescription Cards	400	197	(203)
Miscellaneous Income	700	5,552	4,852
<b>Total Revenues Received</b>	<b>981,100</b>	<b>1,022,318</b>	<b>41,218</b>
<b>Expenditures</b>			
<b>Compensation of Elected Officials</b>			
Supervisor	33,000	29,400	(3,600)
Town Clerk	18,000	18,000	-
Assessor	16,200	16,200	-
Highway Commissioner	27,026	26,760	(266)
Trustees	26,400	30,000	3,600
<b>Total Compensation of Elected Officials</b>	<b>120,626</b>	<b>120,360</b>	<b>(266)</b>
<b>Town Hall Expenses</b>			
Maintenance - Building	3,500	3,493	(7)
Landscaping/Grounds Maintenance	7,000	6,710	(290)
Janitorial	10,000	9,540	(460)
Capital Improvements	10,000	-	(10,000)
Building Maintenance Supplies	1,000	325	(675)
Alarm System	2,100	1,367	(733)
General Waste Disposal	1,000	859	(141)
Utilities	7,500	6,820	(680)
Telephone	5,500	6,263	763
<b>Total Town Hall Expenses</b>	<b>47,600</b>	<b>35,377</b>	<b>(12,223)</b>
<b>Services</b>			
FICA Expense - Assessor	4,401	4,401	-
IMRF Expense - Assessor	9,095	9,126	31
Employees' Life & Health Insurance - Assessor	138	11,940	11,802
Legal	30,000	21,442	(8,558)
Labor	39,400	20,478	(18,922)
Office Assistant	17,200	-	(17,200)
Finance Assistant	4,500	43,432	38,932
Assistant to Clerk	8,600	8,784	184
Bonds - Employees & Others	150	-	(150)
IL Municipal Retirement Fund	23,988	23,894	(94)

Palos Township, Illinois  
Schedule of Revenues and Expenditures  
Budget (Cash Basis) and Actual  
General Fund  
Year Ended March 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
F.I.C.A. Expense	14,560	14,769	209
Insurance - General	200	-	(200)
Insurance - Workers Compensation	5,200	4,606	(594)
Insurance - Property & Liability	15,000	13,461	(1,539)
Insurance - Employees'	25,950	20,853	(5,097)
Licenses & Permits	500	-	(500)
Handicapped Placards	200	175	(25)
Independent Audit	13,000	12,585	(415)
Bookkeeping Service	10,000	9,865	(135)
Banking Services	500	-	(500)
Payroll Processing	1,100	3,160	2,060
Document Disposal	700	643	(57)
Unemployment Compensation	1,600	2,987	1,387
Newletter (Publishing)	200	100	(100)
<b>Total Services</b>	<u>226,182</u>	<u>226,701</u>	<u>519</u>
<b>Administration</b>			
Office Supplies	7,000	4,126	(2,874)
Dues	-	7,706	7,706
Technology Equipment	3,800	-	(3,800)
Operating Supplies	-	4,247	4,247
Printing	2,500	555	(1,945)
Books & Publications	4,100	6,551	2,451
Printing	1,000	360	(640)
Postage	1,400	550	(850)
Training (Workshops)	500	-	(500)
Conferences & Meetings	2,500	1,093	(1,407)
Office Equipment	500	6,371	5,871
Transportation	12,600	448	(12,152)
Conferences & Dues	-	5,966	5,966
Office Supplies Assessor	150	92	(58)
Printing - Assessor	150	-	(150)
Books & Publications - Assessor	400	-	(400)
Printing - Assesor	150	360	210
Technology & Automation - Assessor	1,100	1,025	(75)
General Office	150	6,137	5,987
Assessor's Deputy	57,525	57,525	-
Travel Assessor	50	238	188
Training (Professional)	6,500	-	(6,500)
Conferences & Dues Assessor	350	-	(350)
Memberships & Dues - Assessor	-	220	220
Conferences and Meetings	150	150	-
Furniture	-	120	120



Palos Township, Illinois  
Schedule of Revenues and Expenditures  
Budget (Cash Basis) and Actual  
General Fund  
Year Ended March 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Income Tax Service Expense	500	500	-
Total Administration	<u>103,075</u>	<u>104,340</u>	<u>1,265</u>
Senior Services			
Senior Advisory Board Expenses	1,000	280	(720)
Senior Service Contract Agreements	18,000	18,660	660
Grants	-	12,250	12,250
Senior - Income Tax Service Expenses	-	1,045	1,045
Total Senior Services	<u>19,000</u>	<u>32,235</u>	<u>13,235</u>
Community Support			
Community Support - Food Pantry	1,000	798	(202)
Community Support - Holiday Meal Distribution	3,000	5,400	2,400
Community Support - School Supply Program	<u>1,000</u>	<u>151</u>	<u>(849)</u>
Total Community Support	<u>5,000</u>	<u>6,349</u>	<u>1,349</u>
Health Service Expense			
Director of Health Services	60,173	60,172	(1)
Medical Doctors	146,000	144,186	(1,814)
Nurses	102,840	99,040	(3,800)
Podiatrist	33,071	35,667	2,596
Health Service Assistant	9,854	9,768	(86)
F.I.C.A.	26,923	18,180	(8,743)
IMRF Expense	11,013	9,528	(1,485)
Employees' Life & Health Insurance	1,500	11,547	10,047
Professional Development	500	-	(500)
Office Supplies	1,000	399	(601)
Medical Supplies	6,500	7,551	1,051
Medical Waste Disposal	400	419	19
Equipment	6,000	-	(6,000)
Other Supplies & Materials	200	1,557	1,357
Contingencies	1,200	-	(1,200)
Special Event Expenses	800	615	(185)
Printing	200	272	72
Technology & Automation	<u>23,800</u>	<u>1,056</u>	<u>(22,744)</u>
Total Health Service Expense	<u>431,974</u>	<u>399,957</u>	<u>(32,017)</u>
Contingencies	<u>6,000</u>	<u>13,193</u>	<u>7,193</u>
Total Expenditures	<u>959,457</u>	<u>938,512</u>	<u>(20,945)</u>
Net Change in Fund Balance	<u>\$ 21,643</u>	<u>\$ 83,806</u>	<u>\$ 62,163</u>

Palos Township, Illinois  
Schedule of Revenues and Expenditures  
Budget (Cash Basis) and Actual  
Road and Bridge Fund  
Year Ended March 31, 2020

	Original and Final Budget	Actual	Variance Over(Under)
<b>Revenues</b>			
Taxes Collected	\$ 190,000	\$ 211,663	\$ 21,663
Taxes Collected - RT	15,000	20,474	5,474
Miscellaneous Income	7,500	3,023	(4,477)
Inspection Fees	50	125	75
Miscellaneous Income	6,000	8,161	2,161
Tax Levy - Hard Road Fund	400,000	423,326	23,326
Motor Fuel Tax	-	16,564	16,564
<b>Total Revenues Received</b>	<u>618,550</u>	<u>683,336</u>	<u>64,786</u>
<b>Expenditures</b>			
<b>Road Expenses</b>			
Street Lights	1,200	942	(258)
Construction of Roads	-	43,193	43,193
Furniture	50,000	-	(50,000)
Materials & Supplies	16,000	6,902	(9,098)
Machinery Rental	70,000	-	(70,000)
Light Rental	5,500	6,438	938
Equipment Purchase	-	295	295
Equipment Rental	41,000	-	(41,000)
Labor	27,000	-	(27,000)
Materials and Supplies	45,000	22,227	(22,773)
Hire of Machinery	150,000	334,127	184,127
Con. Drainage Facility	53,000	3,782	(49,218)
Paving	20,000	21,250	1,250
<b>Total Road Expenses</b>	<u>478,700</u>	<u>439,156</u>	<u>(39,544)</u>
<b>Administration</b>			
Office Help	53,700	53,574	(126)
Legal Services	12,000	11,430	(570)
Insurance	7,500	-	(7,500)
Publishing	250	98	(152)
F.I.C.A. Expense	4,102	4,098	(4)
Unemployment Insurance	-	495	495
Office - Medical Insurance	4,500	3,635	(865)
Travel	3,000	2,967	(33)
Telephone	1,500	1,300	(200)
I.M.R.F. Employer Contrib.	8,471	8,470	(1)
<b>Total Administration</b>	<u>95,023</u>	<u>86,067</u>	<u>(8,956)</u>
<b>Contingencies</b>	<u>10,000</u>	<u>10,744</u>	<u>744</u>
<b>Total Expenditures</b>	<u>583,723</u>	<u>535,967</u>	<u>(47,756)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 34,827</u>	<u>\$ 147,369</u>	<u>\$ 112,542</u>

Palos Township, Illinois  
Schedule of Revenues and Expenditures  
Budget (Cash Basis) and Actual  
General Assistance Fund  
Year Ended March 31, 2020

	Original and Final Budget	Actual	Variance Over(Under)
<b>Revenues</b>			
Taxes Collected	\$ 130,000	\$ 136,637	\$ 6,637
Miscellaneous Income	-	58	58
Interest Income	2,000	1,823	(177)
<b>Total Revenues Received</b>	<u>132,000</u>	<u>138,518</u>	<u>6,518</u>
<b>Expenditures</b>			
Services			
Food	8,500	6,260	(2,240)
Rent	40,000	28,051	(11,949)
Fuel	2,500	1,580	(920)
Light	2,500	1,580	(920)
Clothing	2,500	1,729	(771)
Bookkeeping Service	1,000	685	(315)
<b>Total Services</b>	<u>57,000</u>	<u>39,885</u>	<u>(17,115)</u>
Administration			
Office Supplies	500	-	(500)
F.I.C.A. Expense	3,014	2,999	(15)
Unemployment Insurance	-	244	244
Salary - Office Assistant	39,400	39,208	(192)
Insurance	-	2,888	2,888
I.M.R.F. Expense	6,229	4,640	(1,589)
<b>Total Administration</b>	<u>49,143</u>	<u>49,979</u>	<u>836</u>
Contingencies	2,000	-	(2,000)
<b>Total Expenditures</b>	<u>108,143</u>	<u>89,864</u>	<u>(18,279)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 23,857</u>	<u>\$ 48,654</u>	<u>\$ 24,797</u>

**MENTATIVE AND PRELIMINARY  
DRAFT FOR REVIEW AND  
DISCUSSION.  
(SUBJECT TO CHANGE)**

**OTHER SUPPLEMENTARY INFORMATION**

Palos Township  
Comparison of Property Taxes Levied and Collected  
for the Last Five Years Available

	2018	2017	2016	2015	2014
Assessed Valuations Cook County	\$ 1,508,998,298	\$ 1,576,907,753	\$ 1,349,872,656	\$ 1,290,011,747	\$ 1,330,142,521
	Amount	Amount	Amount	Amount	Amount
Tax Rates					
Town Fund	0.0640	0.0600	0.0680	0.0692	0.0659
General Assistance Fund	0.0090	0.0080	0.0078	0.0075	0.0070
Road and Bridge Fund (1)	0.0410	0.0374	0.0418	0.0423	0.0400
Total Rate	0.1140	0.1054	0.1176	0.1190	0.1129
Tax Extensions					
Town Fund	\$ 961,231	\$ 941,420	\$ 917,913	\$ 892,688	\$ 876,563
General Assistance Fund	128,264	111,240	105,290	96,750	87,789
Road and Bridge Fund (1)	615,671	589,976	564,314	546,062	531,391
Total Extension	\$ 1,705,166	\$ 1,642,636	\$ 1,587,517	\$ 1,535,500	\$ 1,495,743
Tax Collections to Date	\$ 1,701,721	\$ 1,602,204	\$ 1,540,675	\$ 1,536,810	\$ 1,500,137
Percent of Extension Collected	99.80%	97.54%	97.05%	100.09%	100.29%

(1) Palos Township's portion of shared funds - full tax rates and extensions were as follows:

Tax Year	Rate	Extension
2018	0.0510	769,589
2017	0.0470	738,289
2016	0.0550	716,782
2015	0.0543	700,476
2014	0.0512	681,032