

PALOS TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
MARCH 31, 2016**

Prepared By:

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

PALOS TOWNSHIP, ILLINOIS

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Unaudited)	3-8
Basic Financial Statements:	
Township-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to the Financial Statements	15-26
Required Supplementary Information:	
Budgetary Comparison Schedule - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Cash Basis) and Actual - General Fund and Major Special Revenue Funds	27-29
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	30
Schedule of Employer Contributions - Last Ten Fiscal Years	31
Notes to the Required Supplementary Information	32-33
Individual Fund Financial Schedules:	
Major Governmental Funds:	
General Fund	
Schedule of Revenues and Expenditures - Budget (Cash Basis) and Actual	34-36
Special Revenue Funds	
Schedule of Revenues and Expenditures - Budget (Cash Basis) and Actual	
Road and Bridge Fund	37
General Assistance Fund	38
Other Supplementary Information:	
Comparison of Property Taxes Levied and Collected for the Last Five Years Available (Unaudited)	39



HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
Phillip M. Hearne, CPA
Anthony M. Scott, CPA
John C. Williams, CPA, MST

Elizabeth R. Shields, CPA, MBA
Matthew R. Truschka
Jessica L. Leonard

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, 2016, 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, 2016, 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, 2016 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.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, the Township adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* during the current fiscal year. Our opinion is not modified with respect to this matter.

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.

July 29, 2016
Mokena, Illinois


Heame & Associates, P.C.
Certified Public Accountants

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

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, 2016. 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 \$1,073,871. This is an increase of \$127,420 or 13.5% compared to the prior year. Of this amount, \$288,997 (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 \$1,465,703 and \$1,593,123 of revenues generated from tax and other Township programs. This is a decrease of \$46,905 (3.1%) and a decrease of \$26,265 (1.62%), respectively compared to the prior year. This is the result of decreased expenditures for the Road and Bridge during fiscal year 2016 and a decrease in the grant revenue.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$752,929 or 84.8% 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.

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

The governmental activities reflect the Township's basic services, which are general assistance, street and road, 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>2016</u>	<u>2015</u>
Assets:		
Current Assets	\$ 2,075,964	\$ 1,928,267
Capital Assets	<u>275,701</u>	<u>294,704</u>
Total Assets	<u>2,351,665</u>	<u>2,222,971</u>

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

	<u>2016</u>	<u>2015</u>
Deferred Outflows of Resources:		
Related to Pension	<u>34,246</u>	<u>14,850</u>
Liabilities:		
Current Liabilities	55,856	77,797
Noncurrent Liabilities	<u>504,294</u>	<u>471,782</u>
Total Liabilities	<u>560,150</u>	<u>549,579</u>
Deferred Inflows of Resources:		
Related to Pension	7,172	-
Unavailable Property Taxes	<u>744,718</u>	<u>741,791</u>
Total Deferred Inflows of Resources	<u>751,890</u>	<u>741,791</u>
Net Position:		
Net Investment in Capital Assets	275,701	294,704
Restricted	509,173	405,211
Unrestricted	<u>288,997</u>	<u>246,536</u>
Total Net Position	<u>\$ 1,073,871</u>	<u>\$ 946,451</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 \$275,701 or 25.7%, 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 (\$158,094) and the Road and Bridge Fund (\$351,079). The remaining balance of unrestricted net position, \$288,997, may be used to meet the Township's ongoing obligations to citizens and creditors. The overall incremental increase in net position of \$127,420 is due to the Township balancing on an overall basis, its revenue and expenditures.

Statement of Activities

The following chart reflects the condensed Statement of Activities:

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues		
Charges for Service	\$ 38,763	\$ 32,661
Operating Grants and Contributions	13,234	53,574
General Revenues		
Taxes	1,532,679	1,528,804
Interest Income	1,072	570
Other General Revenues	<u>7,375</u>	<u>3,779</u>
Total Revenues	<u>1,593,123</u>	<u>1,619,388</u>

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

	<u>2016</u>	<u>2015</u>
Expenses:		
General Government	\$ 470,016	\$ 498,911
Culture and Recreation	29,750	30,550
Social Services	381,614	364,085
Road and Bridge	473,379	502,006
General Assistance	91,941	98,379
Unallocated Depreciation	19,003	18,677
Total Expenses	<u>1,465,703</u>	<u>1,512,608</u>
Changes in Net Position	127,420	106,780
Net Position, Beginning of Year, as Restated	<u>946,451</u>	<u>839,671</u>
Net Position, End of Year	<u>\$ 1,073,871</u>	<u>\$ 946,451</u>

Fiscal year 2016 showed general revenues of \$1,541,126. 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 decrease in revenues is primarily due to a drop in grants due to the State budget crisis. Expenditures have decreased in Road and Bridge due to no large projects in the current year. The Township experienced increases in Social Services to more people utilizing the health.

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.

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

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 2016.

Historically, the Township has taken a very conservative approach in developing their budgets. During fiscal year 2016, 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	\$ 1,000,600	\$958,174	\$(42,426)	\$ 938,730	\$887,475	\$ (51,255)
Road and Bridge	618,450	613,176	(5,274)	1,136,202	465,543	(670,659)
General Assistance	86,150	97,955	11,805	113,025	90,971	(22,054)

The General Fund revenues were under budget by \$42,426 due primarily to grants not being received as a result of the State's budget crisis. Expenses in the General Fund were under budget by \$51,255 due to a concerted effort by the Township to save money in all functions.

In the Road and Bridge Fund, revenues were under budget by \$5,274 due primarily to property taxes and replacement taxes. These under budget categories were offset by Motor Fuel Tax payments received from Cook County. Expenses were under budget by \$670,659 due to paving and other repair projects not occurring as expected.

Finally, in the General Assistance Fund, revenues were over budget by \$11,805 mainly due to a higher levy for General Assistance. Expenses were \$22,054 under budget due to the Township keeping a conservative budget.

Palos Township, Illinois

Management's Discussion and Analysis
March 31, 2016

CAPITAL ASSETS

At the end of fiscal year 2016, the Township had a combined total capital assets of \$294,704 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

	Balance March 31, 2015	Net Additions/ Deletions	Balance March 31, 2016
Non-depreciable Capital Assets			
Land	\$ 78,772	\$ -	\$ 78,772
Depreciable Capital Assets			
Buildings and Improvements	374,166	-	374,166
Infrastructure	91,266	-	91,266
Equipment	13,097	-	13,097
Accumulated Depreciation	(262,597)	(19,003)	(281,600)
Total Capital Assets, Net	<u>\$ 294,704</u>	<u>\$ (19,003)</u>	<u>\$ 275,701</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, 2016

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	\$ 1,075,479
Certificates of Deposit	258,973
Property Taxes Receivable	712,669
Replacement Taxes Receivable	8,026
Prepaid Expenses	20,817
Capital Assets, Not Being Depreciated	78,772
Capital Assets, Net of Accumulated Depreciation	<u>196,929</u>
Total Assets	<u>2,351,665</u>
 Deferred Outflows of Resources:	
Related to Pension	<u>34,246</u>
 <u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	9,856
Accrued Payroll	7,499
Accrued Expenditures	837
Accrued IMRF	164
Cash Bonds	37,500
Long-term obligations, due in more than one year:	
Compensated Absences	11,942
Net Pension Liability	<u>492,352</u>
Total Liabilities	<u>560,150</u>
 <u>Deferred Inflows of Resources:</u>	
Related to Pension	7,172
Deferred Property Taxes	<u>744,718</u>
Total Deferred Inflows of Resources	<u>751,890</u>
 <u>Net Position:</u>	
Net Investment in Capital Assets	275,701
Restricted for:	
General Assistance	158,094
Road and Bridge	351,079
Unrestricted	<u>288,997</u>
 Total Net Position	<u>\$ 1,073,871</u>

See the accompanying notes to the financial statements.

Palos Township, Illinois

Statement of Activities
Year Ended March 31, 2016

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 470,016	\$ -	\$ 13,234	\$ (456,782)
Culture and Recreation	29,750	-	-	(29,750)
Social Services	381,614	38,763	-	(342,851)
Road and Bridge	473,379	-	-	(473,379)
General Assistance	91,941	-	-	(91,941)
Unallocated Depreciation	19,003	-	-	(19,003)
Total Government Activities	<u>\$ 1,465,703</u>	<u>\$ 38,763</u>	<u>\$ 13,234</u>	<u>(1,413,706)</u>
General Revenues:				
Taxes:				
Property Taxes				1,103,283
Hard Road Tax				373,127
Personal Property Replacement Tax				41,185
Motor Fuel Tax				15,084
Investment Earnings				1,072
Other General Revenues				<u>7,375</u>
Total General Revenues				<u>1,541,126</u>
Change in Net Position				127,420
Net Position - Beginning, as restated				<u>946,451</u>
Net Position - Ending				<u>\$ 1,073,871</u>

See accompanying notes to financial statements.

Palos Township, Illinois

Governmental Funds

Balance Sheet

March 31, 2016

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>General Assistance</u>	<u>Total</u>
<u>Assets</u>				
Cash	\$ 669,906	\$ 336,950	\$ 68,623	\$ 1,075,479
Certificates of Deposit	82,559	74,613	101,801	258,973
Property Taxes Receivable	418,321	247,978	46,370	712,669
Replacement Taxes Receivable	4,570	3,456	-	8,026
Due From Other Funds	10,879	-	-	10,879
Prepaid Expenditures	13,288	5,252	2,277	20,817
Total Assets	<u>\$ 1,199,523</u>	<u>\$ 668,249</u>	<u>\$ 219,071</u>	<u>\$ 2,086,843</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 9,856	\$ -	\$ 9,856
Accrued Payroll	304	4,151	3,044	7,499
Accrued Expenditures	48	789	-	837
Accrued IMRF	-	34	130	164
Cash Bonds	-	37,500	-	37,500
Due to Other Funds	-	-	10,879	10,879
Total Liabilities	<u>352</u>	<u>52,330</u>	<u>14,053</u>	<u>66,735</u>
<u>Deferred Inflows of Resources</u>				
Deferred Revenues	<u>432,954</u>	<u>264,840</u>	<u>46,924</u>	<u>744,718</u>
Total Liabilities and Deferred Inflows of Resources	<u>433,306</u>	<u>317,170</u>	<u>60,977</u>	<u>811,453</u>
<u>Fund Balance</u>				
Non-spendable: Prepaid Expenses	13,288	5,252	2,277	20,817
Restricted for:				
General Assistance	-	-	155,817	155,817
Road and Bridge	-	345,827	-	345,827
Unassigned	<u>752,929</u>	<u>-</u>	<u>-</u>	<u>752,929</u>
Total Fund Balance	<u>766,217</u>	<u>351,079</u>	<u>158,094</u>	<u>1,275,390</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,199,523</u>	<u>\$ 668,249</u>	<u>\$ 219,071</u>	<u>\$ 2,086,843</u>

See accompanying notes to the financial statements.

Palos Township, Illinois
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
March 31, 2016

Total Fund Balances - Governmental Funds \$ 1,275,390

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	\$ 557,301	
Accumulated Depreciation	<u>(281,600)</u>	
Net Capital Assets		275,701

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	34,246
--	--------

Some liabilities and deferred inflows of resources reported in the Statement of Net Position do not provide current financial resources and therefore are not reported as liabilities or deferred inflows of resources in governmental funds.

Compensated Absences	\$ (11,942)	
Net Pension Liability	(492,352)	
Deferred Inflows of Resources Related to Pensions	<u>(7,172)</u>	
Total Long-term Liabilities and Deferred Inflows		<u>(511,466)</u>

Net Position of governmental activities	<u>\$ 1,073,871</u>
---	---------------------

See accompanying notes to the financial statements.

Palos Township, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended March 31, 2016

	Major Funds			
	General Fund	Road and Bridge Fund	General Assistance	Total
Revenues				
Property Taxes	\$ 850,995	\$ 158,188	\$ 94,100	\$ 1,103,283
Hard Road Tax	-	373,127	-	373,127
Replacement Taxes	23,451	17,734	-	41,185
Motor Fuel Tax	-	15,084	-	15,084
Grant Income	2,550	-	-	2,550
Health Services - Chol. Test Fees	38,763	-	-	38,763
Donations	10,684	-	-	10,684
Investment Income	459	372	241	1,072
Miscellaneous Revenue	1,770	5,605	-	7,375
Total Revenues	928,672	570,110	94,341	1,593,123
Expenditures				
Current:				
Compensation of Elected Officials	104,331	-	-	104,331
Townhall Expenses	53,600	-	-	53,600
Services	234,271	-	43,750	278,021
Road Expenses	-	341,976	-	341,976
Administration	68,546	94,144	43,923	206,613
Senior Services	29,750	-	-	29,750
Health Service Expenses	381,614	-	-	381,614
Contingencies	15,952	33,149	3,547	52,648
Total Expenditures	888,064	469,269	91,220	1,448,553
Net Change in Fund Balances	40,608	100,841	3,121	144,570
Fund Balances at Beg. of Year	725,609	250,238	154,973	1,130,820
Fund Balances at End of Year	<u>\$ 766,217</u>	<u>\$ 351,079</u>	<u>\$ 158,094</u>	<u>\$ 1,275,390</u>

See accompanying notes to the financial statements.

Palos Township, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended March 31, 2016

Net Change in Fund Balances - Total Government Funds	\$ 144,570
--	------------

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

Governmental Funds allocate the cost of capital assets over their estimated useful lives as depreciation	(19,003)
--	----------

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	(8,346)
Change in Compensated Absences	<u>10,199</u>

Net Change in Net Position of Governmental Activities	<u><u>\$ 127,420</u></u>
---	--------------------------

See accompanying notes to the financial statements.

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

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, 2016, 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, 2016

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, 2016

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 for and 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 and 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, 2016

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 2014 and 2015 property tax levies. The property tax revenue in the current fiscal year financial statements represents the collections from the first half of the 2015 tax levy, the second half of the 2014 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 2015 tax levy, are intended to finance operations of the fiscal year ended March 31, 2017. That portion of the 2015 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, 2016, of \$11,942) 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, 2016

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 consist 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 \$1,075,479 at March 31, 2016, while the bank balances were \$1,084,407. Petty cash in the amount of \$700 is not included in the above carrying amount. As of March 31, 2016, 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 \$258,973 at March 31, 2016. 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, 2016

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:

<u>Per Statement of Net Position:</u>		<u>Per Note 2:</u>	
Cash	\$ 1,075,479	Cash	\$ 1,074,779
Investments	<u>258,973</u>	Petty Cash	700
Total per Statement		Certificates of Deposit	<u>258,973</u>
of Net Position	<u>\$ 1,334,452</u>	Total per Note 2	<u>\$ 1,334,452</u>

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Township's capital assets for the period ending March 31, 2016 follows:

	<u>Balance</u> <u>March 31,</u> <u>2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>March 31,</u> <u>2016</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	<u>\$ 78,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,772</u>

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

NOTE 3 - CAPITAL ASSETS (continued)

	Balance March 31, 2015	Additions	Disposals	Balance March 31, 2016
Capital Assets Being Depreciated				
Buildings and Improvements	374,166	-	-	374,166
Infrastructure	91,266	-	-	91,266
Equipment	13,097	-	-	13,097
Total Capital Assets Being Depreciated, Gross	478,529	-	-	478,529
Accumulated Depreciation				
Buildings and Improvements	(250,699)	(13,785)	-	(264,484)
Infrastructure	(11,571)	(4,563)	-	(16,134)
Equipment	(327)	(655)	-	(982)
Total Accumulated Depreciation	(262,597)	(19,003)	-	(281,600)
Capital Assets Being Depreciated, Net of Depreciation	215,932	(19,003)	-	196,929
Total Governmental Activities, Capital Assets, Net of Depreciation	\$ 294,704	\$ (19,003)	\$ -	\$ 275,701

Depreciation expense of \$19,003 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, 2016, are summarized as follows:

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

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.

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

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, 2015 As Restated	Issued	Retired	Balance March 31, 2016	Due Within One Year
Net Pension Liability	\$ 471,782	\$ 20,570	\$ -	\$ 492,352	\$ -
Compensated Absences	22,141	11,942	22,141	11,942	-
Total Long-Term Liabilities	<u>\$ 493,923</u>	<u>\$ 32,512</u>	<u>\$ 22,141</u>	<u>\$ 504,294</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.

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 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.

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

NOTE 6 - DEFINED BENEFIT PENSION PLAN (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 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, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	12
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	<u>10</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 2015 was 18.68%. For the calendar year 2015, the Township contributed \$60,635 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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- 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 2.75%.

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.30%.
- Projected Retirement Age was from the experience based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.60%
International Equity	17.00%	7.80%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.15%
Alternative Investments	9.00%	5.25-8.50%
Cash Equivalents	<u>1.00%</u>	2.25%
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.30% 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.

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

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 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.30%.

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, presented as required supplemental information (RSI) following the Notes to the Financial Statements, presents current period changes in the total pension liability and plan net position.

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 7.30%, 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 (6.30%)	Current (7.30%)	1% Higher (8.30%)
Total Pension Liability	\$ 2,011,055	\$ 1,834,940	\$ 1,685,943
Plan Fiduciary Net Position	1,342,588	1,342,588	1,342,588
Net Pension Liability	<u>\$ 668,467</u>	<u>\$ 492,352</u>	<u>\$ 343,355</u>

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

For the year ended March 31, 2016, the Township recognized pension expense of \$68,981. At December 31, 2015, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<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	\$ -	\$ 4,135
Changes of assumptions	-	3,037
Net difference between projected and actual earnings on pension plan investments	18,470	-
Contributions made subsequent to the measurement date	<u>15,776</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 34,246</u>	<u>\$ 7,172</u>

Palos Township, Illinois

Notes to the Financial Statements
March 31, 2016

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

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</u> <u>Outflows of</u> <u>Resources</u>
2016	\$ 11,298
2017	17,831
2018	18,470
2019	18,472
Total	<u>\$ 66,071</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.

NOTE 9 – PRIOR PERIOD ADJUSTMENT

The Township implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in 2015. As such, the Township must recognize Deferred Inflows and Outflows of Resources relating to the pension plan as a liability in the Township's Statement of Net Position. The Township added the net of the deferred outflows and the net pension liability to the Statement of Net Position resulting in a decrease of the beginning of the year net position of \$456,932. As a result, net position of governmental activities as of April 1, 2015 is \$946,451. The effect of this restatement is as follows:

Net Position as previously reported, April 1, 2015	\$ 1,403,383
To record deferred outflows of resources related to the contributions made between the measurement date of December 31, 2014 and the fiscal year-end of March 31, 2015	14,850
To record the net pension liability as of March 31, 2015	<u>(471,782)</u>
Net Position as restated, April 1, 2015	<u>\$ 946,451</u>

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
Year Ended March 31, 2016

	<u>General Fund</u>		<u>Variance</u>
	<u>Original & Final Budget</u>	<u>Actual</u>	<u>From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 835,000	\$ 877,707	\$ 42,707
Replacement Tax	20,000	24,787	4,787
Grant Income	85,000	4,004	(80,996)
Health Service - Cholesterol Test Fees	47,000	38,763	(8,237)
Investment Income	100	459	359
Miscellaneous Revenue	<u>13,500</u>	<u>12,454</u>	<u>(1,046)</u>
Total Revenues	<u>1,000,600</u>	<u>958,174</u>	<u>(42,426)</u>
<u>Expenditures</u>			
Current:			
Total Compensation of Elected Officials	103,748	104,256	508
Total Town Hall Expenses	69,000	51,875	(17,125)
Services	248,530	237,700	(10,830)
Administration	83,250	67,779	(15,471)
Senior Services	29,550	29,750	200
Health Services	390,000	380,163	(9,837)
Contingencies	<u>14,652</u>	<u>15,952</u>	<u>1,300</u>
Total Expenditures	<u>938,730</u>	<u>887,475</u>	<u>(51,255)</u>
Net Change in Fund Balance	<u>\$ 61,870</u>	70,699	<u>\$ 8,829</u>
Net Changes in Budgetary Basis to GAAP			
Adjustments for Revenue Accruals and Deferrals		(29,502)	
Adjustments for Expenditure Accruals and Prepaids		<u>(589)</u>	
Net Change in Fund Balances		40,608	
Fund Balance at Beginning of Year		<u>725,609</u>	
Fund Balance at End of Year		<u>\$ 766,217</u>	

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
Year Ended March 31, 2016

	<u>Road and Bridge Fund</u>		
	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 184,568	\$ 186,563	\$ 1,995
Hard Road Tax	386,645	373,127	(13,518)
Replacement Tax	38,424	18,744	(19,680)
Motor Fuel Tax	-	28,765	28,765
Investment Income	4,808	372	(4,436)
Miscellaneous Revenue	4,005	5,605	1,600
Total Revenues	<u>618,450</u>	<u>613,176</u>	<u>(5,274)</u>
<u>Expenditures</u>			
Current:			
Road Services	996,502	338,576	(657,926)
Administration	128,600	93,818	(34,782)
Contingencies	26,000	33,149	7,149
Total Expenditures	<u>1,151,102</u>	<u>465,543</u>	<u>(685,559)</u>
Net Change in Fund Balance	<u>\$ (532,652)</u>	147,633	<u>\$ 680,285</u>
Net Changes in Budgetary Basis to GAAP			
Adjustments for Revenue Accruals and Deferrals		(43,066)	
Adjustments for Expenditure Accruals and Prepaids		<u>(3,726)</u>	
Net Change in Fund Balances		100,841	
Fund Balance at Beginning of Year		<u>250,238</u>	
Fund Balance at End of Year		<u>\$ 351,079</u>	

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
Year Ended March 31, 2016

	<u>General Assistance Fund</u>		
	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Over (Under)</u>
<u>Revenues</u>			
Property Tax	\$ 86,000	\$ 97,714	\$ 11,714
Investment Income	150	241	91
Miscellaneous Revenue	-	-	-
Total Revenues	<u>86,150</u>	<u>97,955</u>	<u>11,805</u>
<u>Expenditures</u>			
Current:			
Services	58,500	43,750	(14,750)
Administration	48,525	43,674	(4,851)
Contingencies	<u>6,000</u>	<u>3,547</u>	<u>(2,453)</u>
Total Expenditures	<u>113,025</u>	<u>90,971</u>	<u>(22,054)</u>
Net Change in Fund Balance	<u>\$ (26,875)</u>	6,984	<u>\$ 33,859</u>
Net Changes in Budgetary Basis to GAAP			
Adjustments for Revenue Accruals and Deferrals		(3,614)	
Adjustments for Expenditure Accruals and Prepaid		<u>(249)</u>	
Net Change in Fund Balances		3,121	
Fund Balance at Beginning of Year		<u>154,973</u>	
Fund Balance at End of Year		<u>\$ 158,094</u>	

Palos Township

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Year Ended March 31, 2016

(schedule to be built prospectively from 2015)

	December 31, 2015
Total Pension Liability	
Service Cost	\$ 38,558
Interest	126,831
Differences Between Expected and Actual Experience	(8,638)
Changes of Assumptions	(6,345)
Benefit Payments, Including Refunds of Member Contributions	<u>(86,341)</u>
Net Change in Total Pension Liability	64,065
Total Pension Liability - Beginning	<u>1,770,875</u>
Total Pension Liability - Ending	<u><u>\$ 1,834,940</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	60,635
Contributions - Member	14,607
Net Investment Income	6,468
Benefit Payments, Including Refunds of Member Contributions	(86,341)
Net Other (Transfer)	<u>48,126</u>
Net Change in Plan Fiduciary Net Position	43,495
Plan Fiduciary Net Position - Beginning	<u>1,299,093</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 1,342,588</u></u>
Employer's Net Pension Liability	<u><u>\$ 492,352</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.17%
Covered-Valuation Payroll	\$ 324,599
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	151.68%

See accompanying notes to the required supplementary information.

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 60,635	\$ 60,635	\$ -	\$ 324,599	18.68%

See accompanying notes to the required supplementary information.

Palos Township, Illinois

Notes to the Required Supplementary Information March 31, 2016

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 2015 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 2015 Contribution Rates

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period until remaining period reaches 15 years (then 15-year rolling period)

Palos Township, Illinois

Notes to the Required Supplementary Information March 31, 2016

II Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate (continued)

Methods and Assumptions Used to Determine 2015 Contribution Rates (continued)

Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, 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 2011 valuation pursuant to an experience study period 2008-2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

There were no benefit changes during the year.

Individual Fund Financial Schedules

Palos Township, Illinois

Schedule of Revenues and Expenditures
Budget (Cash Basis) and Actual
General Fund
Year Ended March 31, 2016

	Original & Final Budget	Actual	Variance From Final Budget Over (Under)
<u>Revenues</u>			
Property Tax	\$ 835,000	\$ 877,707	\$ 42,707
Replacement Tax	20,000	24,787	4,787
Health Service - Cholesterol Test Fees	47,000	38,763	(8,237)
Grant Income	85,000	4,004	(80,996)
Investment Income	100	459	359
Miscellaneous Revenue	13,500	12,454	(1,046)
Total Revenues Received	<u>1,000,600</u>	<u>958,174</u>	<u>(42,426)</u>
<u>Expenditures</u>			
Compensation of Elected Officials			
Town Supervisor	103,748	27,160	(76,588)
Town Clerk	-	14,820	14,820
Town Assessor	-	14,820	14,820
Highway Commissioner	-	26,055	26,055
Board of Trustees	-	21,401	21,401
Treasurer of Road & Bridge	-	-	-
Total Compensation of Elected Officials	<u>103,748</u>	<u>104,256</u>	<u>508</u>
Town Hall Expenses			
Repairs & Maintenance	40,000	23,700	(16,300)
Utilities	9,359	9,532	173
Janitor Services	12,000	10,302	(1,698)
Telephone	7,641	8,341	700
Telephone - Assessor	-	-	-
Total Town Hall Expenses	<u>69,000</u>	<u>51,875</u>	<u>(17,125)</u>
Services			
Legal	14,500	10,132	(4,368)
Labor	65,930	71,325	5,395
Employee and Other Bonds	1,000	-	(1,000)
Illinois Municipal Retirement Fund	47,000	45,998	(1,002)
FICA	22,000	20,527	(1,473)
Insurance - Liability, Property Damage, and Worker's Compensation	21,000	20,390	(610)
Insurance - Employees	52,000	47,064	(4,936)
Insurance - Elected Officials Errors and Omissions	2,000	-	(2,000)
Independent Audit	10,500	10,360	(140)
Bookkeeping Service	11,812	11,056	(756)
Unemployment Compensation - State	788	848	60
Total Services	<u>248,530</u>	<u>237,700</u>	<u>(10,830)</u>
			(Continued)

Palos Township, Illinois

Schedule of Revenues and Expenditures
Budget (Cash Basis) and Actual
General Fund
Year Ended March 31, 2016

	Original & Final Budget	Actual	Variance From Final Budget Over (Under)
Administration			
General			
Office Supplies	\$ 13,000	\$ 9,140	\$ (3,860)
Operating Supplies	286	-	(286)
Printing	3,650	3,761	111
Conferences and Dues	6,000	6,282	282
Training	2,100	50	(2,050)
Transportation	1,915	676	(1,239)
Postage	2,214	2,414	200
Miscellaneous	6,300	-	(6,300)
Assessor			
Office Supplies	1,385	1,465	80
Printing	200	-	(200)
Training	300	-	(300)
Miscellaneous	1,650	689	(961)
Conferences and Dues	850	230	(620)
Office Help			
Assessor's Deputy	43,400	43,072	(328)
Total Administration	83,250	67,779	(15,471)
Senior Services			
Salary - Senior Citizens Coordinator	-	-	-
Grants to Senior Citizens and Community Service Organizations	-	-	-
Senior Transportation	-	12,000	12,000
Senior Transportation with Palos Hills	12,000	-	(12,000)
Social Programs and Events	17,550	17,750	200
Total Senior Services	29,550	29,750	200
Health Service Expenses			
Compensation			
Medical Doctors	140,000	138,576	(1,424)
Nurses	179,000	179,773	773
Podiatrist	28,000	26,508	(1,492)
Total Compensation	347,000	344,857	(2,143)
FICA - Health Service	20,000	13,454	(6,546)
Office Supplies	4,000	2,000	(2,000)
Medical Supplies and Equipment	19,000	19,852	852
Medicine	-	-	-
Total Health Services	390,000	380,163	(9,837)

(Continued)

Palos Township, Illinois

Schedule of Revenues and Expenditures
Budget (Cash Basis) and Actual
General Fund
Year Ended March 31, 2016

	Original & Final Budget	Actual	Variance From Final Budget Over (Under)
Contingencies	<u>\$ 14,652</u>	<u>\$ 15,952</u>	<u>\$ 1,300</u>
Total Expenditures	<u>938,730</u>	<u>887,475</u>	<u>(51,255)</u>
Net Change in Fund Balance	<u><u>\$ 61,870</u></u>	<u><u>\$ 70,699</u></u>	<u><u>\$ 8,829</u></u>

Palos Township, Illinois

Schedule of Revenues and Expenditures
Budget (Cash Basis) and Actual
Road and Bridge Fund
Year Ended March 31, 2016

	Original & Final Budget	Actual	Variance From Final Budget Over (Under)
<u>Revenues</u>			
Property Tax	\$ 184,568	\$ 186,563	\$ 1,995
Hard Road Tax	386,645	373,127	(13,518)
Replacement Tax	38,424	18,744	(19,680)
Motor Fuel Tax	-	28,765	28,765
Investment Income	4,808	372	(4,436)
Miscellaneous Revenue	4,005	5,605	1,600
Total Revenues Received	<u>618,450</u>	<u>613,176</u>	<u>(5,274)</u>
<u>Expenditures</u>			
Road Expenses			
Installation of Street Lighting	20,400	4,063	(16,337)
Construction of Roads	85,000	-	(85,000)
Compliance with ADA	10,000	-	(10,000)
Maintenance of Roads			
Labor	28,000	57,262	29,262
Materials and Supplies	138,003	41,247	(96,756)
Hire of Machinery	148,740	140,483	(8,257)
Construction of Drainage Facilities	53,299	34,072	(19,227)
Purchase of Equipment	11,500	6,404	(5,096)
Paving	435,560	19,080	(416,480)
Total Maintenance of Roads	<u>930,502</u>	<u>302,611</u>	<u>(627,891)</u>
Weed Control			
Equipment Rental	37,000	21,245	(15,755)
Labor	29,000	14,720	(14,280)
Total Weed Control	<u>66,000</u>	<u>35,965</u>	<u>(30,035)</u>
Total Road Expenses	<u>996,502</u>	<u>338,576</u>	<u>(657,926)</u>
Administrative			
Travel	4,000	3,027	(973)
Office Help	48,000	46,260	(1,740)
Legal Services	20,000	19,513	(487)
Insurance	26,000	7,878	(18,122)
Bonds	50	-	(50)
Publication	1,700	627	(1,073)
FICA	4,100	3,539	(561)
Illinois Municipal Retirement Fund	8,200	8,490	290
Office Medical Insurance	14,000	3,089	(10,911)
Telephone	2,550	1,395	(1,155)
Total Administration	<u>128,600</u>	<u>93,818</u>	<u>(34,782)</u>
Contingencies	<u>26,000</u>	<u>33,149</u>	<u>7,149</u>
Total Expenditures	<u>1,151,102</u>	<u>465,543</u>	<u>(685,559)</u>
Net Change in Fund Balance	<u>\$ (532,652)</u>	<u>\$ 147,633</u>	<u>\$ 680,285</u>

Palos Township, Illinois

Schedule of Revenues and Expenditures
Budget (Cash Basis) and Actual
General Assistance Fund
Year Ended March 31, 2016

	Original & Final Budget	Actual	Variance From Final Budget Over (Under)
<u>Revenues</u>			
Property Tax	\$ 86,000	\$ 97,714	\$ 11,714
Investment Income	150	241	91
Total Revenues Received	<u>86,150</u>	<u>97,955</u>	<u>11,805</u>
<u>Expenditures</u>			
Services			
Home Relief			
Food	10,000	7,000	(3,000)
Rent	40,000	31,325	(8,675)
Fuel	3,000	1,750	(1,250)
Light	3,000	1,750	(1,250)
Clothing	2,500	1,925	(575)
Total Services	<u>58,500</u>	<u>43,750</u>	<u>(14,750)</u>
Administrative			
Salaries - Office Assistant	34,300	34,643	343
Office Supplies	1,000	-	(1,000)
FICA	2,625	2,650	25
Illinois Municipal Retirement Fund	7,000	6,381	(619)
Operating Supplies	3,500	-	(3,500)
Conferences, Dues, and Miscellaneous	100	-	(100)
Total Administration	<u>48,525</u>	<u>43,674</u>	<u>(4,851)</u>
Contingencies	<u>6,000</u>	<u>3,547</u>	<u>(2,453)</u>
Total Expenditures	<u>113,025</u>	<u>90,971</u>	<u>(22,054)</u>
Net Change in Fund Balance	<u>\$ (26,875)</u>	<u>\$ 6,984</u>	<u>\$ 33,859</u>

Other Supplementary Information

Palos Township, Illinois

Comparison of Property Taxes Levied and Collected
for the Last Five Years Available
(Unaudited)

	Levy Year				
	2014	2013	2012	2011	2010
Assessed Valuations - Cook County	<u>\$ 1,330,142,521</u>	<u>\$ 1,368,683,615</u>	<u>\$ 1,459,271,280</u>	<u>\$ 1,583,301,551</u>	<u>\$ 1,943,895,550</u>
Tax Rates					
Town Fund	0.0659	0.0626	0.0570	0.0500	0.0399
General Assistance Fund	0.0070	0.0053	0.0050	0.0050	0.0040
Road and Bridge Fund (1)	<u>0.0400</u>	<u>0.0379</u>	<u>0.0350</u>	<u>0.0322</u>	<u>0.0164</u>
	<u>0.1129</u>	<u>0.1058</u>	<u>0.0970</u>	<u>0.0872</u>	<u>0.0603</u>
Tax Extensions					
Town Fund	\$ 876,563	\$ 856,960	\$ 831,784	\$ 791,650	\$ 777,558
General Assistance Fund	87,789	72,100	72,963	79,165	77,756
Road and Bridge Fund (1)	<u>531,391</u>	<u>518,389</u>	<u>509,724</u>	<u>509,724</u>	<u>494,877</u>
	<u>\$ 1,495,743</u>	<u>\$ 1,447,449</u>	<u>\$ 1,414,471</u>	<u>\$ 1,380,539</u>	<u>\$ 1,350,191</u>
Collections	<u>\$ 1,500,137</u>	<u>\$ 1,419,039</u>	<u>\$ 1,315,475</u>	<u>\$ 1,418,302</u>	<u>\$ 1,395,325</u>
Percentage of Extensions Collected	<u>100.29%</u>	<u>98.04%</u>	<u>93.00%</u>	<u>102.74%</u>	<u>103.34%</u>

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

Tax Year	Rate	Extension
2014	0.0512	\$681,032
2013	0.0489	668,475
2012	0.0460	671,265
2011	0.0420	664,987
2010	0.0400	641,485