

FREMONT TOWNSHIP
LAKE COUNTY, ILLINOIS

AUDITED FINANCIAL STATEMENTS

FEBRUARY 28, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
<u>Required Supplementary Information</u>	
Management's Discussion and Analysis	3-6
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets - Modified Cash Basis	7
Statement of Activities - Modified Cash Basis	8
<u>Fund Financial Statements</u>	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions - Governmental Funds	9
Statement of Cash Receipts, Disbursements, and Changes in Fund Balance - Governmental Funds	10
Reconciliation of Governmental Funds Statement of Cash Receipts, Disbursements and Changes in Fund Balance to the Statement of Activities	11
<u>Notes to Financial Statements</u>	12-18
<u>Required Supplementary Information</u>	
Schedule of Cash Receipts, Disbursements and Changes in Fund Balances	
- Budget and Actual - General Fund	19-21
- Budget and Actual - Special Revenue Fund - General Assistance	22-23
- Budget and Actual - Special Revenue Fund - Road and Bridge	24-25
- Budget and Actual - Special Revenue Fund - Permanent Road	26-27
- Schedule of Funding Progress	28
<u>Notes to Required Supplementary Information</u>	29
<u>Additional Supplementary Information</u>	
Statement of Assessed Valuation, Tax Extension and Tax Collections	30



Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

2122 YEOMAN STREET • WAUKEGAN, ILLINOIS 60087
TELEPHONE (847) 662-8300 • FAX (847) 662-8305

VINCENT A. VARSEK, C.P.A.
DOUGLAS L. WAGNER, C.P.A.
JAMES R. HENRY, C.P.A.
KEVIN P. KINNAVY, C.P.A.
JOHN D. ACETO, JR., C.P.A.

ALLAN J. JACOBS, C.P.A., OF COUNSEL

PAUL E. KAMSCHULTE, C.P.A., RETIRED

RALPH S. JACOBS, C.P.A., 1935-1976
JAMES E. EVOY, C.P.A., 1970-2008

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Fremont Township
Lake County, Illinois

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Fremont Township, Lake County, Illinois, as of and for the year ended February 28, 2010, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note #1, these financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities and each major fund of the Fremont Township, as of February 28, 2010, and the respective changes in financial position - modified cash basis, thereof for the year ended in conformity with the basis of accounting described in Note #1.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 3 through 6 and 19 through 29, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Fremont Township, taken as a whole. Also, the supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America, or required by management. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP
Waukegan, Illinois

July 23, 2010

FREMONT TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

As management of Fremont Township (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended February 28, 2010. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at February 28, 2010 by \$7,425,138 (net assets). Of this amount, \$1,215,522 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets increased by \$619,883.
- At February 28, 2010, the Township's governmental funds reported combined ending fund balances of \$1,672,857, a increase of \$536,055 in comparison with the prior year. Approximately 73% of this total amount, \$1,215,522, is available for spending at the Township's discretion (unreserved fund balance).
- At February 28, 2010, the unreserved fund balance for the General Fund was \$1,215,522, or 122% of total 2010 General Fund expenditures.

Our discussion and analysis of the Fremont Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended February 28, 2010.

Please read it in conjunction with the Township's financial statements, which begin on page 7.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets - Modified Cash Basis and the Statement of Activities - Modified Cash Basis (on pages 7 and 8) provide information about the activities of the Township as a whole, and present a longer-term view of the Township's finances. Fund financial statements start on page 9. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Reporting the Township as a Whole

Our analysis of the Township as a whole begins on page 5. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the modified cash basis of accounting.

These two statements report the Township's net assets and changes in them. You can think of the Township's net assets--the difference between assets and liabilities--as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net assets are one indicator of its financial health.

In the Statement of Net Assets and the Statement of Activities, we report the Township's Governmental activities. All of the Township's services are reported here, including general government, public assistance, and highways and streets. Property taxes, interest income, and direct fees finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the Township's major funds begins on page 6. The fund financial statements begin on page 9 and provide detailed information about the most significant funds--not the Township as a whole. Some funds are required to be established by State law.

- Governmental funds--All of the Township's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The Township maintains its accounting records for all funds on the cash basis of accounting. Accordingly, revenues are recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more funds that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation in the financial statements.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

THE TOWNSHIP AS A WHOLE

A condensed statement of net assets and statement of activities is presented below:

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 1,672,857	\$ 1,136,802
Capital Assets	<u>5,920,425</u>	<u>5,762,400</u>
Total Assets	<u>\$ 7,593,282</u>	<u>\$ 6,899,202</u>
Current Liabilities	\$ (41,245)	\$ (18,117)
Long-Term Debt Outstanding	<u>(126,899)</u>	<u>(75,830)</u>
Total Liabilities	<u>\$ (168,144)</u>	<u>\$ (93,947)</u>
Net Assets Invested in Capital Assets, Net of Related Debt	\$ 5,752,281	\$ 5,668,453
Restricted	457,335	620,615
Unrestricted	<u>1,215,522</u>	<u>516,187</u>
	<u>\$ 7,425,138</u>	<u>\$ 6,805,255</u>

Table 2 - Change in Net Assets

Cash Receipts		
General Receipts		
Property Taxes	\$ 2,704,706	\$ 2,565,431
Replacement Taxes	26,120	29,640
Grants	412,890	38,847
Interest Earned	4,749	42,385
Rental	6,575	5,840
Other	<u>27,197</u>	<u>26,505</u>
Total Cash Receipts	<u>\$ 3,182,237</u>	<u>\$ 2,708,648</u>
Disbursements		
Function/Programs		
General Government	\$ 772,596	\$ 691,279
Public Assistance	109,259	96,123
Highways and Streets	1,486,428	977,983
Interest on Debt	13,685	3,532
Depreciation	<u>180,386</u>	<u>113,400</u>
	<u>\$ 2,562,354</u>	<u>\$ 1,882,317</u>
Increase (Decrease) in Net Assets	\$ 619,883	\$ 826,331
Net Assets - Beginning of Year	<u>6,805,255</u>	<u>4,975,924</u>
Net Assets - End of Year	<u>\$ 7,425,138</u>	<u>\$ 6,802,255</u>

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The net assets of the Township's governmental activities increased by \$619,883. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements - was \$1,215,522 at February 28, 2010. The reason for the increase was the Township received a \$400,000 OSLAD Grant for Behm Park.

THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions on page 9) reported a combined fund balance of \$1,672,857, which is more than last year's total of \$1,136,802.

CAPITAL ASSETS

Capital Assets

At the end of February 28, 2010, the Township had \$5,920,425 invested in capital assets, including land and land improvements. (See table)

Table 3 - Capital Assets at Year End (See Note 6)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land and Improvements	\$ 3,734,521	\$ 3,582,752
Buildings	443,938	456,079
Vehicles and Equipment	270,080	211,876
Infrastructure	<u>1,471,886</u>	<u>1,511,693</u>
	<u>\$ 5,920,425</u>	<u>\$ 5,762,400</u>

For the fiscal year ending February 28, 2011, the Township has budgeted \$1,190,000 and the Highway Department has budgeted \$722,000 for Capital Expenditures.

Town: Park Development \$560,000; Building \$150,000; Equipment \$10,000; Park Maintenance \$80,000; Park Equipment \$40,000; Park Development \$560,000; Land Acquisition \$350,000. **Road:** Improvement of Roads \$700,000; Building \$8,000; Vehicles \$6,000; Equipment \$8,000.

Table 4 - Outstanding Debt at Year-End (See Note 7)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Capital Leases	\$ 168,145	\$ 93,947

FACTORS BEARING ON THE TOWNSHIP'S FUTURE

The Township will continue to develop and improve Behm Park.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, contact Peter Tekampe, Supervisor of Fremont Township., Mundelein, IL 60060 - (847) 223-2847.

FREMONT TOWNSHIP

BASIC FINANCIAL STATEMENTS

FREMONT TOWNSHIP

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FREMONT TOWNSHIP

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

FEBRUARY 28, 2010

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ <u>1,672,857</u>
Noncurrent Assets	
Capital Assets	
Land	\$ 1,444,639
Land Improvements	2,369,047
Buildings	607,071
Vehicles and Equipment	671,703
Infrastructure	1,592,281
Less: Accumulated Depreciation	<u>(764,316)</u>
Total Noncurrent Assets	\$ <u>5,920,425</u>
<u>TOTAL ASSETS</u>	\$ <u>7,593,282</u>
<u>LIABILITIES</u>	
Current Liabilities	
Current Portion of Long-Term Liabilities	
Capital Leases	\$ 41,245
Long-Term Liabilities	
Capital Leases	<u>126,899</u>
<u>TOTAL LIABILITIES</u>	\$ <u>168,144</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 5,752,281
Restricted	
Public Assistance	159,330
Highway and Roads	298,005
Unrestricted	<u>1,215,522</u>
<u>TOTAL NET ASSETS</u>	\$ <u>7,425,138</u>

The accompanying Notes are an integral part of these Financial Statements.

FREMONT TOWNSHIP

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED FEBRUARY 28, 2010

FUNCTIONS/PROGRAMS	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Governmental Activities Total
General Government	\$ 772,596	\$ 6,575	\$ 6,790	\$ 400,000	\$ (359,231)
Public Assistance	109,259	--	--	--	(109,259)
Highways and Streets	1,486,428	--	6,100	--	(1,480,328)
Interest on Debt	13,685	--	--	--	(13,685)
Depreciation	180,386	--	--	--	(180,386)
Total Government Activities:	\$ 2,562,354	\$ 6,575	\$ 12,890	\$ 400,000	\$ (2,142,889)
General Receipts:					
Property Taxes					\$ 2,704,706
Replacement Taxes					26,120
Unrestricted Investment Earnings					4,749
Other					27,197
Total General Receipts					\$ 2,762,772
Change in Net Assets					\$ 619,883
Net Assets - Beginning					6,805,255
Net Assets - Ending					\$ 7,425,138

The accompanying Notes are an integral part of these Financial Statements.

FREMONT TOWNSHIP

FUND FINANCIAL STATEMENTS

FREMONT TOWNSHIP

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

GOVERNMENTAL FUNDS

FEBRUARY 28, 2010

	General Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash and Investments	\$ 1,215,522	\$ 159,330	\$ 170,459	\$ 127,546	\$ 1,672,857
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities	\$ --	\$ --	\$ --	\$ --	\$ --
<u>FUND BALANCES</u>					
Reserved					
Public Assistance	\$ --	\$ 159,330	\$ --	\$ --	\$ 159,330
Highways and Roads	\$ --	\$ --	170,459	127,546	298,005
Unreserved	1,215,522	--	--	--	1,215,522
Total Fund Balances	\$ 1,215,522	\$ 159,330	\$ 170,459	\$ 127,546	\$ 1,672,857
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 1,215,522	\$ 159,330	\$ 170,459	\$ 127,546	

Amounts reported for governmental activities are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Long-Term liabilities, including capital leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

\$ 5,920,425

(168,144)

Net Assets of Governmental Activities

\$ 7,425,138

The accompanying Notes are an integral part of these Financial Statements.

FREMONT TOWNSHIP

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED FEBRUARY 28, 2010

	General Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Total Governmental Funds
<u>CASH RECEIPTS</u>					
Property Taxes	\$ 1,266,792	\$ 73,159	\$ 195,372	\$ 1,169,383	\$ 2,704,706
Replacement Taxes	12,616	--	13,504	--	26,120
Interest	2,031	1,869	258	591	4,749
SSA	--	--	22,764	--	22,764
Grants	400,000	--	--	6,100	406,100
Donations	6,790	--	--	--	6,790
Half-Fare Taxi Program	6,575	--	--	--	6,575
Miscellaneous	1,696	954	1,783	--	4,433
<u>TOTAL RECEIPTS</u>	<u>\$ 1,696,500</u>	<u>\$ 75,982</u>	<u>\$ 233,681</u>	<u>\$ 1,176,074</u>	<u>\$ 3,182,237</u>
<u>CASH DISBURSEMENTS</u>					
Current					
General Government	\$ 772,596	\$ --	\$ --	\$ --	\$ 772,596
Public Assistance	--	109,259	--	--	109,259
Highway and Streets	--	--	244,687	1,241,741	1,486,428
Capital Outlay	224,569	--	--	--	224,569
Debt Service	--	--	--	--	--
Principal	--	--	4,902	34,743	39,645
Interest	--	--	1,065	12,620	13,685
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 997,165</u>	<u>\$ 109,259</u>	<u>\$ 250,654</u>	<u>\$ 1,289,104</u>	<u>\$ 2,646,182</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ 699,335</u>	<u>\$ (33,277)</u>	<u>\$ (16,973)</u>	<u>\$ (113,030)</u>	<u>\$ 536,055</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Repayment from Permanent Fund	--	--	75,000	(75,000)	--
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)</u>	<u>\$ 699,335</u>	<u>\$ (33,277)</u>	<u>\$ 58,027</u>	<u>\$ (188,030)</u>	<u>\$ 536,055</u>
<u>FUND BALANCE - MARCH 1, 2009</u>	<u>516,187</u>	<u>192,607</u>	<u>112,432</u>	<u>315,576</u>	<u>1,136,802</u>
<u>FUND BALANCE - FEBRUARY 28, 2010</u>	<u>\$ 1,215,522</u>	<u>\$ 159,330</u>	<u>\$ 170,459</u>	<u>\$ 127,546</u>	<u>\$ 1,672,857</u>

The accompanying Notes are an integral part of these Financial Statements.

FREMONT TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF CASH RECEIPTS,
DISBURSEMENTS AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES -
FOR THE YEAR ENDED FEBRUARY 28, 2010

Excess of Receipts Over (Under) Expenditures Governmental Funds	\$	536,055
--	----	---------

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay, \$224,569, is more than depreciation expense, \$180,386, in the period.	44,183
--	--------

Repayment of Long-Term Debt principal is an expenditure in the Governmental Funds, but the repayment reduces liabilities in the Statement of Net Assets.	<u>39,645</u>
--	---------------

Change in Net Assets of Governmental Activities	<u>\$</u>	<u>619,883</u>
---	-----------	----------------

The accompanying Notes are an integral part of these Financial Statements.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2010

1: SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

A reporting entity consists of the primary government and its component units. Generally Accepted Accounting Principles require that legally separate organizations for which the elected officials of the primary government are financially accountable be included in the primary government's basic financial statements as component units. Fremont Township has determined that the Township Road District fits the definition of a component unit. The Road District's purpose is to construct and maintain roads within the Township. It is recorded in the Township's financial statements as a Special Revenue Fund.

B. Basis of Presentation and Basis of Accounting

Basis of Presentation

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities display information about the financial activities of the overall Township. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Township. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Township has no business-type activities.

The Statement of Activities presents a comparison between direct expenses and program receipts for each function of the Township's governmental activities.

- ° Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the Township related to the administration and support of the Township's programs, such as personnel and accounting-are not allocated to programs.
- ° Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Governmental Fund Financial Statements: The fund financial statements provide information about the Township's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Township maintains individual funds as prescribed by the State Statute. The Township reports all its funds as major governmental funds.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

1. B. Basis of Presentation and Basis of Accounting (Continued)

The Township reports the following major governmental funds:

- ° **General Fund.** This fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.
- ° **Special Revenue Fund.** These funds include the General Assistance, Road and Bridge and Permanent Road Funds which are used to account for the proceeds of specific revenue sources (other than those that are legally restricted to cash disbursements or specific purposes).

Basis of Accounting

The government-wide financial statements are reported using the modified cash basis of accounting. The cash basis of accounting is modified to account for: recording of depreciation on fixed assets, recognition of the net depreciated value of fixed assets, and, recognition of long-term liabilities. Non-exchange transactions, in which the Township gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Receipts from property taxes, grants, entitlements and donations are recognized when received consistent with the cash basis of accounting.

The governmental fund financial statements, and all other financial statements, are reported using the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

1. C. Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received.

Depreciation methods, and estimated useful lives of capital assets reported in the Township-wide statements is as follows:

	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>	<u>Capitalization Threshold</u>
Land Improvements	Straight Line	20 Years	\$ 100,000
Buildings	Straight Line	50 Years	25,000
Equipment	Straight Line	5-12 Years	10,000
Infrastructure	Straight Line	40 Years	100,000

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

D. Restricted Resources

The Township applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

2. CASH AND INVESTMENTS

The Township is allowed to invest in securities as authorized by the State of Illinois Statutes, including Securities of the Federal Government, in Federally Insured Savings and Loan Associations, in Federally Insured Banks as defined in the Illinois Banking Act, or in Pool Funds provided by the Illinois Treasurer's Office.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township's policy requires deposits to be at least 100 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The Township's Board of Trustees approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions.

At February 28, 2010, the carrying amount of the Township's deposits was \$1,672,643, which excludes a \$214 Petty Cash fund. At year end, the Township's bank balance was \$1,707,707. As of February 28, 2010, \$1,207,707 of the combined entity's bank balance of \$1,707,707 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Collateralized with securities held by the pledging financial institution	<u>\$ 1,207,707</u>

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. ILLINOIS MUNICIPAL RETIREMENT FUND

A. Plan Description

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

B. Funding Policy and Progress

As set by statute, the Township regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require The Township to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 6.99 percent of annual covered payroll. The Township also contributes for disability benefits, death benefits and supplementary retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Annual Pension Costs

For 2009, the Township's annual pension cost of \$45,431 for the regular plan was equal to the Township's required and actual contributions.

TREND INFORMATION

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
12/31/09	\$ 45,431	100%	\$0
12/31/08	43,887	100%	0
12/31/07	43,007	100%	0

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. C. Annual Pension Costs (Continued)

The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.50% investment rate of return (net of administrative and direct expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Township's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Township regular plan's underfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

D. Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 89.88% funded. The actuarial accrued liability for benefits was \$1,870,420 and the actuarial value of assets was \$1,681,224, resulting in an underfunded actuarial accrued liability (UAAL) of \$189,196. The covered payroll (annual payroll of active employees covered by the plan) was \$649,947 and the ratio of the UAAL to the covered payroll was 29%. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

4. PROPERTY TAXES

The 2008 property taxes attached as an enforceable lien on January 1, 2008. They were levied in December of the tax year. Tax bills were prepared by the County and issued on or about May 1, 2009, and were payable in two installments, on or about June 1, 2009, and September 1, 2009. The County collected such taxes and remitted them periodically. Property tax revenues are recognized in the same accounting period as when they are received. The Township received significant distributions of tax receipts approximately one month after the due dates.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Township carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

6. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Capital Assets Not Being Depreciated				
Land	\$ 1,444,639	\$ --	\$ --	\$ 1,444,639
Capital Assets Being Depreciated				
Land Improvements	\$ 2,160,658	\$ 208,389	\$ --	\$ 2,369,047
Buildings	607,071	--	--	607,071
Equipment, Furniture and Vehicles	541,681	130,022	--	671,703
Infrastructure	<u>1,592,281</u>	<u>--</u>	<u>--</u>	<u>1,592,281</u>
	\$ 4,901,691	\$ 338,411	\$ --	\$ 5,240,102
Less: Accumulated Depreciation For:				
Land Improvements	\$ 22,545	\$ 56,620	\$ --	\$ 79,165
Buildings	150,992	12,141	--	163,133
Equipment, Furniture and Vehicles	329,805	71,818	--	401,623
Infrastructure	<u>80,588</u>	<u>39,807</u>	<u>--</u>	<u>120,395</u>
	\$ 583,930	\$ 180,386	\$ --	\$ 764,316
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS, NET</u>	<u>\$ 5,762,400</u>	<u>\$ 158,025</u>	<u>\$ --</u>	<u>\$ 5,920,425</u>

7. LONG-TERM DEBT

The following is a summary of the Township Long-Term Debt for the year ended February 28, 2010.

	<u>Balance 03/01/09</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance 02/28/10</u>	<u>Current Portion</u>
Capital Leases	\$ 93,947	\$ 113,842	\$ 39,644	\$ 168,145	\$ 41,245

The Capital lease consists of a 2007 Mack truck with monthly payments of \$2,261 for 60 months, including interest of 10.5%, and a 2009 Ford F550 and 2009 Ford F150 with semi-yearly payments of \$13,102 for 5 years, including interest of 5.82%.

2007 Mack Truck Lease Payments are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 28, 2011	\$ 20,114	\$ 7,012	\$ 27,126
2012	22,110	5,016	27,126
2013	24,767	2,359	27,126
2014	<u>8,839</u>	<u>203</u>	<u>9,042</u>
	\$ 75,830	\$ 14,590	\$ 90,420

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. LONG-TERM DEBT (Continued)

Ford F550 and F150 Lease Payments are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 28, 2011	\$ 21,131	\$ 5,072	\$ 26,203
2012	22,380	3,823	26,203
2013	23,702	2,501	26,203
2014	25,102	1,101	26,203
	<u>\$ 92,315</u>	<u>\$ 12,497</u>	<u>\$ 104,812</u>

FREMONT TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

GENERAL FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,265,330	\$ 1,265,330	\$ 1,266,792
Replacement Tax	13,000	13,000	12,616
Interest	4,000	4,000	2,031
Donations	7,000	7,000	6,790
Grant - CERT	6,000	6,000	--
Grant Land Development	400,000	400,000	400,000
Well and Water Committee	1,000	1,000	--
Half-Fare Taxi Program	5,000	5,000	6,575
Miscellaneous	1,500	1,500	1,672
Assessor Miscellaneous Income	85	85	24
	<u>\$ 1,702,915</u>	<u>\$ 1,702,915</u>	<u>\$ 1,696,500</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries - Officials	\$ 248,000	\$ 248,000	\$ 247,998
Salaries - Township Personnel	70,000	70,000	66,822
Health Insurance	100,000	100,000	94,320
IMRF	29,000	29,000	21,805
Social Security Tax	24,350	24,350	24,313
Unemployment Insurance	225	225	--
	<u>\$ 471,575</u>	<u>\$ 471,575</u>	<u>\$ 455,258</u>
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Building	\$ 30,000	\$ 30,000	\$ 5,016
Maintenance - Equipment	14,000	14,000	3,531
Maintenance - Parks	20,000	20,000	2,203
Building Repairs	--	--	488
Accounting	2,700	2,900	2,900
Legal	5,000	5,265	5,262
Postage	800	800	596
Telephone	3,000	3,000	2,246
Publishing	1,000	1,000	793
Printing	1,500	1,500	1,134
Dues	1,500	1,500	1,240
Travel	1,200	1,200	444
Training	4,500	4,500	1,770
Utilities	7,000	7,000	3,549
Programs and Services	1,000	1,000	--
Newsletter	7,000	7,000	5,949
CERT	8,500	8,500	5,008
Lease Equipment	500	500	--
Web Page	200	200	200

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

GENERAL FUND

<u>CASH DISBURSEMENTS</u> (Continued)	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>ACTUAL</u>	<u>ACTUAL</u>
<u>ADMINISTRATION</u> (Continued)			
<u>CONTRACTUAL</u> (Continued)			
Professional Services	20,000	20,000	13,700
General Insurance	8,000	8,000	7,645
Disposal	800	800	532
Pace	7,000	7,000	759
Half-Fare Taxi Program	10,000	10,000	9,272
Well and Water Committee	1,000	1,000	165
Mosquito Control	12,500	14,760	14,756
	<u>\$ 168,700</u>	<u>\$ 171,425</u>	<u>\$ 89,158</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 2,000	\$ 2,000	\$ 1,038
Operating Supplies	3,500	3,500	2,623
Fuel	2,000	2,000	--
Equipment	--	--	13,586
Food Pantry	9,500	9,500	1,972
	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 19,219</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ 2,000	\$ 2,000	\$ 342
Ivanhoe Community Park	26,000	26,000	4,520
Social Services	12,000	12,000	9,427
Contingencies	3,500	775	--
	<u>\$ 43,500</u>	<u>\$ 40,775</u>	<u>\$ 14,289</u>
<u>CAPITAL OUTLAY</u>			
Building	\$ 75,000	\$ 75,000	\$ --
Behm Park Development	630,000	630,000	208,389
Land Acquisition	400,000	400,000	--
Equipment	40,000	40,000	16,180
	<u>\$ 1,145,000</u>	<u>\$ 1,145,000</u>	<u>\$ 224,569</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 1,845,775</u>	<u>\$ 1,845,775</u>	<u>\$ 802,493</u>
<u>ASSESSOR'S OFFICE</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 138,475	\$ 138,475	\$ 138,559
Health Insurance	11,500	11,500	10,400
Unemployment Insurance	225	225	225
Social Security Tax	10,600	10,600	10,605
IMRF	9,700	9,700	10,054
	<u>\$ 170,500</u>	<u>\$ 170,500</u>	<u>\$ 169,843</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

GENERAL FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>ACTUAL</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS</u> (Continued)			
<u>ASSESSOR'S OFFICE</u> (Continued)			
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Equipment	\$ 500	\$ 500	\$ 324
Maintenance - Vehicle	1,000	1,300	1,291
Postage	2,000	2,000	713
Telephone	4,500	4,500	1,682
Publishing	1,000	1,000	--
Printing	1,000	1,000	805
Newsletter	1,000	4,285	4,283
Dues	1,000	1,000	320
Travel	3,000	3,000	1,616
Training	5,000	5,000	4,215
Legal	500	500	--
Terminal Rental	7,200	7,200	5,800
Equipment Lease	500	500	--
	<u>\$ 28,200</u>	<u>\$ 31,785</u>	<u>\$ 21,049</u>
<u>COMMODITIES</u>			
Equipment	\$ 2,000	\$ 2,000	\$ 976
Office Supplies	3,000	3,000	2,654
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,630</u>
<u>OTHER EXPENSES</u>			
Contingencies	\$ 15,000	\$ 11,415	\$ --
Miscellaneous	15,000	15,000	150
	<u>\$ 30,000</u>	<u>\$ 26,415</u>	<u>\$ 150</u>
 <u>TOTAL ASSESSOR'S OFFICE</u>	 <u>\$ 233,700</u>	 <u>\$ 233,700</u>	 <u>\$ 194,672</u>
 <u>TOTAL CASH DISBURSEMENTS</u>	 <u>\$ 2,079,475</u>	 <u>\$ 2,079,475</u>	 <u>\$ 997,165</u>
 <u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	 <u>\$ (376,560)</u>	 <u>\$ (376,560)</u>	 <u>\$ 699,335</u>
 <u>FUND BALANCE - MARCH 1, 2009</u>			 <u>516,187</u>
 <u>FUND BALANCE - FEBRUARY 28, 2010</u>			 <u>\$ 1,215,522</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

SPECIAL REVENUE FUND - GENERAL ASSISTANCE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 73,000	\$ 73,000	\$ 73,159
Interest	900	900	1,869
Miscellaneous	--	--	954
	<u>\$ 73,900</u>	<u>\$ 73,900</u>	<u>\$ 75,982</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 35,000	\$ 35,000	\$ 34,840
Social Security Tax	2,700	2,700	2,665
Unemployment Tax	100	100	74
IMRF	2,900	2,900	2,533
Health Insurance	13,000	13,000	10,028
	<u>\$ 53,700</u>	<u>\$ 53,700</u>	<u>\$ 50,140</u>
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Building	\$ 3,000	\$ 3,000	\$ 394
Maintenance - Equipment	1,500	1,500	474
Other Professional Service	3,000	3,000	1,400
Newsletter	3,600	3,600	2,043
Postage	600	630	627
Telephone	1,200	1,200	825
Publishing	500	500	--
Printing	500	500	273
Travel	500	500	83
Training	1,500	1,500	865
Disposal	600	600	485
General Insurance	4,000	4,000	3,500
Lease Equipment	400	400	--
Web Page	200	200	100
Utilities	2,500	2,500	1,708
Catastrophic Insurance	2,500	2,500	2,360
	<u>\$ 26,100</u>	<u>\$ 26,130</u>	<u>\$ 15,137</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 800	\$ 800	\$ 233
Maintenance Supplies - Building	500	500	--
Maintenance Supplies - Equipment	500	500	--
Equipment	1,000	1,000	80
Operating Supplies	500	500	37
	<u>\$ 3,300</u>	<u>\$ 3,300</u>	<u>\$ 350</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

SPECIAL REVENUE FUND - GENERAL ASSISTANCE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS</u> (Continued)			
<u>OTHER EXPENSES</u>			
Contingencies	\$ 5,000	\$ 4,970	\$ --
Miscellaneous	500	500	--
	<u>\$ 5,500</u>	<u>\$ 5,470</u>	<u>\$ --</u>
 <u>TOTAL ADMINISTRATION</u>	 <u>\$ 88,600</u>	 <u>\$ 88,600</u>	 <u>\$ 65,627</u>
 <u>HOME RELIEF</u>			
<u>CONTRACTUAL SERVICES</u>			
Physician Service	\$ 4,000	\$ 4,000	\$ 30
Hospital Service - In Patient	25,000	25,000	--
Hospital Service - Out Patient	25,000	25,000	--
Dental	3,500	3,500	--
Other Medical	1,500	1,500	--
Funeral and Burial	2,000	2,000	--
Shelter	18,000	18,000	18,099
Healthreach Clinic	6,600	6,600	6,000
Utilities	20,000	20,000	15,668
Miscellaneous	3,000	3,000	36
	<u>\$ 108,600</u>	<u>\$ 108,600</u>	<u>\$ 39,833</u>
<u>COMMODITIES</u>			
Food	\$ 1,500	\$ 1,500	\$ 46
Fuel	3,000	3,000	1,000
Drugs	7,500	7,500	138
Personal Incidentals	4,000	4,000	494
Household Incidentals	1,000	1,000	1,000
Social Services	500	500	--
Flat Grant	2,000	2,000	1,121
	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 3,799</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ 5,000	\$ 5,000	\$ --
 <u>TOTAL HOME RELIEF</u>	 <u>\$ 133,100</u>	 <u>\$ 133,100</u>	 <u>\$ 43,632</u>
 <u>TOTAL CASH DISBURSEMENTS</u>	 <u>\$ 221,700</u>	 <u>\$ 221,700</u>	 <u>\$ 109,259</u>
 <u>TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	 <u>\$ (147,800)</u>	 <u>\$ (147,800)</u>	 <u>\$ (33,277)</u>
 <u>FUND BALANCE - MARCH 1, 2009</u>			<u>192,607</u>
 <u>FUND BALANCE - FEBRUARY 28, 2010</u>			<u>\$ 159,330</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2010
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 195,132	\$ 195,132	\$ 195,372
Replacement Tax	15,500	15,500	13,504
Interest	2,000	2,000	258
SSA	10,000	10,000	22,764
Road Bonds	10,000	10,000	--
Sale of Equipment	6,000	6,000	--
Miscellaneous	1,500	1,500	1,783
	<u>\$ 240,132</u>	<u>\$ 240,132</u>	<u>\$ 233,681</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 1,000	\$ 1,000	\$ 1,000
Social Security	77	77	77
IMRF	200	200	85
	<u>\$ 1,277</u>	<u>\$ 1,277</u>	<u>\$ 1,162</u>
<u>CONTRACTUAL SERVICES</u>			
Legal	\$ 500	\$ 500	\$ 325
Postage	250	250	16
Telephone	4,700	4,700	4,239
Publishing	500	500	333
Printing	50	50	--
Travel	100	100	20
Training	500	500	389
Dues	450	780	779
Subscriptions	225	225	197
Insurance	12,000	11,670	11,145
Drug Testing	525	525	515
Rental Service	2,400	2,400	2,400
J.U.L.I.E.	2,500	2,500	1,318
Municipal Replacement Tax	3,000	3,000	2,375
	<u>\$ 27,700</u>	<u>\$ 27,700</u>	<u>\$ 24,051</u>
<u>COMMODITIES</u>			
Equipment	\$ 3,000	\$ 2,450	\$ 268
Equipment Supplies	750	750	150
Miscellaneous Supplies	1,000	1,550	1,614
Office Supplies	500	500	292
	<u>\$ 5,250</u>	<u>\$ 5,250</u>	<u>\$ 2,324</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ 1,200	\$ 1,200	\$ 147
Contingencies	5,000	5,000	--
	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 147</u>
<u>DEBT SERVICE</u>			
Interest	\$ --	\$ --	\$ 1,065
Principal	--	--	4,902
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,967</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 40,427</u>	<u>\$ 40,427</u>	<u>\$ 33,651</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2010
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS</u> (Continued)			
<u>MAINTENANCE</u>			
<u>CONTRACTUAL SERVICE</u>			
Maintenance - Building	\$ 1,000	\$ 1,000	\$ 638
Maintenance - Equipment	2,500	2,500	2,275
Maintenance - Roads	15,000	15,000	24,420
Maintenance - Snow Removal	2,000	2,000	--
Bridge Maintenance	2,000	2,000	--
Disposal Service	650	650	532
Uniforms	4,500	4,500	3,857
Engineering Service	5,000	5,000	4,735
Utilities	8,500	8,500	5,498
Rentals	500	500	240
Building	8,000	8,000	--
Intersection Lights	34,500	34,500	29,614
	<u>\$ 84,150</u>	<u>\$ 84,150</u>	<u>\$ 71,809</u>
<u>COMMODITIES</u>			
Building Supplies	\$ 3,500	\$ 3,500	\$ 3,358
Equipment Supplies	50,000	50,000	31,746
Road Supplies	50,000	50,000	32,450
Snow Removal Supplies	60,000	60,000	54,123
Operating Supplies	1,200	1,200	800
Fuel/Oil	13,000	13,000	12,592
Signs and Road Striping	3,000	3,000	2,086
Equipment	8,000	8,000	2,721
Vehicles/Lease Purchase	6,000	6,000	--
Small Tools	2,000	2,000	795
	<u>\$ 196,700</u>	<u>\$ 196,700</u>	<u>\$ 140,671</u>
<u>OTHER EXPENSE</u>			
Miscellaneous	\$ 1,000	\$ 1,000	\$ --
SSA	10,000	10,000	23
Road Bonds	10,000	10,000	4,500
	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 4,523</u>
<u>TOTAL MAINTENANCE</u>	<u>\$ 301,850</u>	<u>\$ 301,850</u>	<u>\$ 217,003</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 342,277</u>	<u>\$ 342,277</u>	<u>\$ 250,654</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (102,145)</u>	<u>\$ (102,145)</u>	<u>\$ (16,973)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Permanent Road Loan Repayment	\$ --	\$ --	\$ 75,000
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> <u>AND OTHER FINANCING SOURCES (USES)</u>	<u>\$ (102,145)</u>	<u>\$ (102,145)</u>	<u>\$ 58,027</u>
<u>FUND BALANCE - MARCH 1, 2009</u>			<u>112,432</u>
<u>FUND BALANCE - FEBRUARY 28, 2010</u>			<u>\$ 170,459</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

SPECIAL REVENUE FUND - PERMANENT ROAD FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,167,996	\$ 1,167,996	\$ 1,169,383
Interest	6,000	6,000	591
Miscellaneous	5,000	5,000	--
Grants	4,000	4,000	6,100
	<u>\$ 1,182,996</u>	<u>\$ 1,182,996</u>	<u>\$ 1,176,074</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 200,000	\$ 200,000	\$ 198,725
Health Insurance	85,000	84,680	69,270
IMRF	16,000	15,450	13,382
Social Security	15,300	15,300	15,203
Unemployment	2,675	3,545	3,442
	<u>\$ 318,975</u>	<u>\$ 318,975</u>	<u>\$ 300,022</u>
<u>CONTRACTUAL SERVICES</u>			
Engineering	\$ 35,000	\$ 46,200	\$ 46,130
Maintenance - Road	35,000	35,000	27,083
Rentals	2,000	2,000	--
Signs and Road Striping	15,000	15,000	2,857
	<u>\$ 87,000</u>	<u>\$ 98,200</u>	<u>\$ 76,070</u>
<u>COMMODITIES</u>			
Road Maintenance Supplies	\$ 40,000	\$ 40,000	\$ 2,924
Operating Supplies	500	500	279
Equipment	15,000	15,000	--
Automotive Fuel/Oil	30,000	30,000	6,844
Snow Removal	100,000	76,500	46,242
	<u>\$ 185,500</u>	<u>\$ 162,000</u>	<u>\$ 56,289</u>
<u>OTHER EXPENDITURES</u>			
Miscellaneous	\$ 2,000	\$ 2,000	\$ 1,888
Contingencies	5,000	5,000	--
Road Projects	800,000	812,300	807,472
	<u>\$ 807,000</u>	<u>\$ 819,300</u>	<u>\$ 809,360</u>
<u>DEBT SERVICE</u>			
Interest	\$ --	\$ --	\$ 12,620
Principal	47,400	47,400	34,743
	<u>\$ 47,400</u>	<u>\$ 47,400</u>	<u>\$ 47,363</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,445,875</u>	<u>\$ 1,445,875</u>	<u>\$ 1,289,104</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2010

SPECIAL REVENUE FUND - PERMANENT ROAD FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
(Continued)			
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	\$ (262,879)	\$ (262,879)	\$ (113,030)
<u>OTHER FINANCING SOURCES (USES)</u>			
Loan Repayment	\$ --	\$ --	\$ (75,000)
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> <u>AND OTHER FINANCING SOURCES (USES)</u>	<u>\$ (262,879)</u>	<u>\$ (262,879)</u>	\$ (188,030)
<u>FUND BALANCE - MARCH 1, 2009</u>			<u>315,576</u>
<u>FUND BALANCE - FEBRUARY 28, 2010</u>			<u>\$ 127,546</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP

ADDITIONAL SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 1,681,224	\$ 1,870,420	\$ 189,196	89.88%	\$ 649,947	29.11%
12/31/08	1,551,812	1,705,319	153,507	91.00%	617,261	24.87%
12/31/07	1,624,600	1,493,062	(131,538)	108.81%	595,664	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009, is \$1,645,058. On a market basis, the funded ratio would be 87.95%.

FREMONT TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING

YEAR ENDED FEBRUARY 28, 2010

The budget for all major Governmental Funds is prepared on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The March 1, 2009 to February 28, 2010 budget was passed on May 11, 2009, and was not amended.

For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to March 1, the Supervisor submits to the Board a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to August 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Township Board may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. During the year ended February 28, 2010, the Township Board made line item transfers as permitted by State Statute as reported on pages 18 through 26.
6. The Township Board may amend the budget by the same procedures required of its original adoption.

FREMONT TOWNSHIP

ADDITIONAL SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS

STATEMENT OF ASSESSED VALUATION, TAX EXTENSION AND TAX COLLECTIONS

FOR THE YEARS 2008, 2007, AND 2006

IN WHOLE DOLLAR AMOUNTS

<u>TAX YEAR</u>	2008		2007		2006	
	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>
<u>TOTAL ASSESSED VALUATION</u>		<u>\$1,216,662,832</u>		<u>\$1,138,969,141</u>		<u>\$1,037,616,114</u>
Corporate	0.104	\$ 1,265,329	0.105	\$ 1,195,918	0.108	\$ 1,120,625
General Assistance	0.006	73,000	0.006	68,338	0.005	51,881
Permanent Road	0.096	1,167,996	0.098	1,116,190	0.095	985,735
*Road and Bridge	0.026	316,332	0.016	191,448	0.021	214,240
	<u>0.232</u>	<u>\$ 2,822,657</u>	<u>0.225</u>	<u>\$ 2,571,894</u>	<u>0.229</u>	<u>\$ 2,372,481</u>

*Extensions for Road and Bridge are shown net, after deducting the portion of the taxes extended which are allocable to the underlying municipalities.

See accompanying Independent Auditor's Report.