

FREMONT TOWNSHIP
LAKE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED FEBRUARY 28, 2013

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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, 2013, 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 a 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, 2013, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information and Schedule of Funding Progress on Pages 3 through 7 and 19 through 28, be presented to supplement the basic financial statement. 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 regarding 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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Fremont Township's financial statements as a whole. The additional other information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional other information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



EVOY, KAMSCHULTE, JACOBS & CO. LLP
Waukegan, Illinois
April 25, 2013

FREMONT TOWNSHIP

OTHER INFORMATION

MANGEMENT'S DISCUSSION AND ANALYSIS

FREMONT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2013

MANAGEMENT'S 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, 2013. 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, 2013 by \$8,655,763 (net position). Of this amount \$1,817,176 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$634,389.
- At February 28, 2013 the Township's governmental funds reported combined ending fund balance of \$2,840,393, an increase of \$752,961 in comparison with the prior year. Approximately 64% of this total amount, \$1,817,176, is available for spending at the Township's discretion (unassigned fund balance).
- At February 28, 2013, the unassigned fund balance for the General Fund was \$1, 817,176 or 93% of total 2013 General Fund expenditures.

Our discussion and analysis of the Fremont's Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended February 28, 2013.

Please read it in conjunction with the Township's financial statements, which begin on page 8.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 8 and 9) 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 10. 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

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 Position 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 position and changes in them. You can think of the Township's net position - as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of its financial health.

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

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

Our analysis of the Township's major funds begins on page 7. The financial statements begin on page 10 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 Position and the Statement of Activities) and governmental funds in reconciliation in the financial statements.

FREMONT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

THE TOWNSHIP AS A WHOLE

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

Table 1 - Net Position

| | Governmental Activities | |
|--|----------------------------|----------------------------|
| | 2013 | 2012 |
| Current and Other Assets | \$ 2,840,393 | \$ 2,087,432 |
| Capital Assets | 5,849,614 | 6,016,352 |
| Total Assets | <u>\$ 8,690,007</u> | <u>\$ 8,103,784</u> |
| Current Liabilities | \$ (34,244) | \$ (48,469) |
| Long-Term Debt Outstanding | - | (33,941) |
| Total Liabilities | <u>\$ (34,244)</u> | <u>\$ (82,410)</u> |
| Net Investment in Capital Assets, Net of Related Debt | \$ 5,815,370 | \$ 5,933,942 |
| Restricted | 1,023,217 | 464,613 |
| Unrestricted | 1,817,176 | 1,622,819 |
| Total Net Position | <u><u>\$ 8,655,763</u></u> | <u><u>\$ 8,021,374</u></u> |

Table 2 - Change in Net Position

| | | |
|-------------------------------------|----------------------------|----------------------------|
| Cash Receipts | | |
| General Receipts | | |
| Property Taxes | \$ 2,627,576 | \$ 2,682,901 |
| Replacement Taxes | 24,816 | 25,683 |
| Grants and Donations | 23,229 | 78,431 |
| SSA Receipts | 6,086 | 40,794 |
| Interest Earned | 3,012 | 2,321 |
| Other | 8,142 | 14,928 |
| Total Cash Receipts | <u>\$ 2,692,861</u> | <u>\$ 2,845,058</u> |
| Cash Disbursements | | |
| Functions/Programs | | |
| General Government | \$ 936,084 | \$ 846,928 |
| Public Assistance | 71,485 | 86,668 |
| Highways and Streets | 879,001 | 1,474,678 |
| Interest on Debt | 5,164 | 8,839 |
| Depreciation | 166,738 | 167,263 |
| Total Cash Disbursements | <u>\$ 2,058,472</u> | <u>\$ 2,584,376</u> |
| Increase (Decrease) in Net Position | \$ 634,389 | \$ 260,682 |
| Net Position - Beginning of Year | <u>8,021,374</u> | <u>7,760,692</u> |
| Net Position - End of Year | <u><u>\$ 8,655,763</u></u> | <u><u>\$ 8,021,374</u></u> |

FREMONT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The net position of the Township's governmental activities increased by \$634,389. Unrestricted net position – the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, or other legal requirements – was \$1,817,176 at February 28, 2013. Increase was partially from anticipated projects not being done on previously acquired property.

THE TOWNSHIP'S FUND

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 10) reported a combined fund balance of \$2,840,393, which is more than last year's total of \$2,087,432. Several projects did not get done because of either lack of permits or time.

CAPITAL ASSETS

At the end of February 28, 2013, the Township had \$5,849,614 invested in capital assets, including land and land improvements. (See table)

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

| | Governmental Activities | |
|------------------------|-------------------------|---------------------|
| | 2013 | 2012 |
| Land and Improvements | \$ 3,956,782 | \$ 4,023,741 |
| Buildings | 407,515 | 419,656 |
| Vehicles and Equipment | 132,852 | 180,683 |
| Infrastructure | 1,352,465 | 1,392,272 |
| | <u>\$ 5,849,614</u> | <u>\$ 6,016,352</u> |

For the Fiscal year ending February 28, 2013, the Township has budgeted \$1,268,000 and the Road District has budgeted \$960,000 for Capital Expenditures.

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

| | Governmental Activities | |
|----------------|-------------------------|------------------|
| | 2013 | 2012 |
| Capital Leases | <u>\$ 34,244</u> | <u>\$ 82,410</u> |

FACTORS AFFECTING THE TOWNSHIP'S FUTURE

Hopefully the projects will get done and some new property will be acquired.

FREMONT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

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 POSITION - MODIFIED CASH BASIS
FEBRUARY 28, 2013

| | <u>Governmental Activities</u> |
|-----------------------------------|------------------------------------|
| <u>ASSETS</u> | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 2,840,393 |
| Noncurrent Assets | |
| Capital Assets | |
| Land | \$ 1,444,639 |
| Land Improvements | 2,782,704 |
| Buildings | 607,071 |
| Vehicles and Equipment | 693,480 |
| Infrastructure | 1,592,281 |
| Less Accumulated Depreciation | (1,270,561) |
| Total Noncurrent Assets | <u>\$ 5,849,614</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 8,690,007</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities | |
| Current Portion of Long-Term Debt | |
| Capital Leases | \$ (34,244) |
| Long-Term Liabilities | |
| Capital Leases | <u>-</u> |
| <u>TOTAL LIABILITIES</u> | <u>\$ (34,244)</u> |
| <u>NET POSITION</u> | |
| Net Investment In Capital Assets | \$ 5,815,370 |
| Restricted | |
| Public Assistance | 348,191 |
| Highway and Roads | 675,026 |
| Unrestricted | <u>1,817,176</u> |
| <u>TOTAL NET POSITION</u> | <u>\$ 8,655,763</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, 2013

| FUNCTION/PROGRAMS | Program Receipts | | | | Net (Expenditures) Revenues and Change In Net Position Governmental Activities Total |
|----------------------------------|---------------------|-----------------|-----------------------------|-----------------------------|---|
| | Expenditures | Charges for | Operating | Capital | |
| | | Services | Grants and Contributions | Grants and Contributions | |
| Governmental Activities | | | | | |
| General Government | \$ 936,084 | \$ 1,454 | \$ 18,229 | \$ - | \$ 916,401 |
| Public Assistance | 71,485 | - | - | - | 71,485 |
| Highways and Streets | 879,001 | - | 5,000 | - | 874,001 |
| Interest on Debt | 5,164 | - | - | - | 5,164 |
| Unallocated Depreciation | 166,738 | - | - | - | 166,738 |
| Total Governmental Activities | <u>\$ 2,058,472</u> | <u>\$ 1,454</u> | <u>\$ 23,229</u> | <u>\$ -</u> | <u>\$ 2,033,789</u> |
| | | | | | |
| General Receipts: | | | | | |
| Property Taxes | | | | | \$ 2,627,576 |
| Replacement Taxes | | | | | 24,816 |
| SSA Receipts | | | | | 6,086 |
| Unrestricted Investment Earnings | | | | | 3,012 |
| Other | | | | | 6,688 |
| Total General Receipts | | | | | <u>\$ 2,668,178</u> |
| | | | | | |
| Change in Net Position | | | | | \$ 634,389 |
| Net Position Beginning | | | | | <u>8,021,374</u> |
| Net Position Ending | | | | | <u>\$ 8,655,763</u> |

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

FREMONT TOWNSHIP

FUND FINANCIAL STATEMENTS

| | General Fund | General Assistance Fund | Road And Bridge Fund | Permanent Fund | Total Governmental Funds |
|----------------------|-----------------|-------------------------------|----------------------------|-------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 1,864,075 | \$ 301,292 | \$ 73,344 | \$ 601,682 | \$ 2,840,393 |

[illegible]

| | | | | | | |
|---------------------|----|-----------|----|---------|----|-----------|
| Restricted | | | | | | |
| Public Assistance | \$ | 46,899 | \$ | 301,292 | \$ | - |
| Highway and Roads | | - | | - | | 73,344 |
| Unassigned | | | | | | 601,682 |
| Total Fund Balances | \$ | 1,817,176 | | - | \$ | - |
| | \$ | 1,864,075 | \$ | 301,292 | \$ | 73,344 |
| | | | | | | - |
| | | | | | | 348,191 |
| | | | | | | 675,026 |
| | | | | | | 1,817,176 |

| | | | | | |
|--|---------------------|-------------------|------------------|-------------------|---------------------|
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,864,075 | \$ 301,292 | \$ 73,344 | \$ 601,682 | \$ 2,840,393 |
|--|---------------------|-------------------|------------------|-------------------|---------------------|

resources and, therefore, are not reported in the funds.

5,849,614

reported as liabilities in the funds.

| | |
|---|--------------|
| Net Position of Governmental Activities | \$ 8,655,763 |
|---|--------------|

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FREMONT TOWNSHIP
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED FEBRUARY 28, 2013

| | General Fund | General Assistance Fund | Road and Bridge Fund | Permanent Fund | Total Governmental Funds |
|---|---------------------|-------------------------|----------------------|---------------------|--------------------------|
| <u>CASH RECEIPTS</u> | | | | | |
| Property Taxes | \$ 1,144,943 | \$ 141,799 | \$ 256,052 | \$ 1,084,782 | \$ 2,627,576 |
| Replacement Taxes | 11,986 | - | 12,830 | - | 24,816 |
| Interest | 2,313 | 167 | 80 | 452 | 3,012 |
| SSA Receipts | - | - | 6,086 | - | 6,086 |
| Grants | 4,930 | - | - | 5,000 | 9,930 |
| Donations | 13,299 | - | - | - | 13,299 |
| Half-Fare Taxi Program | 1,454 | - | - | - | 1,454 |
| Miscellaneous | 1,543 | 3,339 | 1,806 | - | 6,688 |
| <u>TOTAL RECEIPTS</u> | <u>\$ 1,180,468</u> | <u>\$ 145,305</u> | <u>\$ 276,854</u> | <u>\$ 1,090,234</u> | <u>\$ 2,692,861</u> |
| <u>CASH DISBURSEMENTS</u> | | | | | |
| Current | | | | | |
| General Government | \$ 936,084 | \$ - | \$ - | \$ - | \$ 936,084 |
| Public Assistance | 3,128 | 68,357 | - | - | 71,485 |
| Highway and Streets | - | - | 297,101 | 581,900 | 879,001 |
| Debt Service | - | - | - | - | - |
| Principal | - | - | 5,096 | 43,070 | 48,166 |
| Interest | - | - | 871 | 4,293 | 5,164 |
| <u>TOTAL CASH DISBURSEMENTS</u> | <u>\$ 939,212</u> | <u>\$ 68,357</u> | <u>\$ 303,068</u> | <u>\$ 629,263</u> | <u>\$ 1,939,900</u> |
| <u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> | <u>\$ 241,256</u> | <u>\$ 76,948</u> | <u>\$ (26,214)</u> | <u>\$ 460,971</u> | <u>\$ 752,961</u> |
| <u>FUND BALANCE - MARCH 1, 2012</u> | <u>1,622,819</u> | <u>224,344</u> | <u>99,558</u> | <u>140,711</u> | <u>2,087,432</u> |
| <u>FUND BALANCE - FEBRUARY 28, 2013</u> | <u>\$ 1,864,075</u> | <u>\$ 301,292</u> | <u>\$ 73,344</u> | <u>\$ 601,682</u> | <u>\$ 2,840,393</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 BALANCE TO THE STATEMENT OF ACTIVITIES –
FOR THE YEAR ENDED FEBRUARY 28, 2013

| | |
|---|-------------------|
| Excess of Receipts Over (Under) Expenditures Governmental Funds | \$ 752,961 |
| 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, \$(-0-), is less than depreciation expense, (\$166,738), in the period. | (166,738) |
| Repayment of Long-Term Debt principal is an expenditure in the Governmental Funds, but the repayment reduces liabilities in the Statement of Net Position. | <u>48,166</u> |
| Change in Net Position of Governmental Activities | <u>\$ 634,389</u> |

The accompanying Notes are an integral part of these Financial Statement

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

FREMONT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013

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 Special Revenue Fund.

B. Basis of Presentation and Basis of Accounting

Basis of Presentation

Government-Wide Financial Statements: The Statement of Net Position 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 the 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 present 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 revenue.

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 reports all its funds as major governmental funds.

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.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Special Revenue Funds. These funds included 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 for 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 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, revenue 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.

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 live of capital assets reported in the Township-wide statements as follows:

| | Depreciation Method | Estimated Useful Life | Capitalization Threshold |
|-------------------|------------------------|--------------------------|-----------------------------|
| 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.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Loans 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, 2013, the carrying amount of the Township's deposits was \$2,840,179, which excludes a \$214 Petty Cash fund. At year end, the Township's bank balance was \$2,868,828. As of February 28, 2013, \$2,287,562 of the combined entity's bank balance of \$2,868,828 was exposed to custodial credit risk as follows:

| | <u>Bank Balance</u> |
|--|-------------------------|
| Collateralized with securities held by the Pledging financial institution | \$2,285,044 |
| Uncollateralized | <u>2,518</u> |
| | <u>\$2,287,562</u> |

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 annual required contribution rate for calendar year 2012 was 10.06 percent. 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.

FREMONT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

C. Annual Pension Costs

The required contribution rate for calendar year 2012 was \$68,940.

THREE YEAR TREND INFORMATION

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| 12/31/12 | \$ 68,940 | 100% | \$0 |
| 12/31/11 | 66,765 | 93% | 4,425 |
| 12/31/10 | 68,278 | 86% | 0 |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 10.0% 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 20% corridor between the actuarial and market value of assets. The Township's regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

D. Fund Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the regular plan was 94.40% funded. The actuarial accrued liability for benefits was \$2,346,448 and the actuarial value of assets was \$2,215,015, resulting in an underfunded actuarial accrued liability (UAAL) of \$131,433. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$685,290 and the ratio of the UAAL to the covered payroll was 19%.

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.

FREMONT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. PROPERTY TAXES

The 2011 property taxes attached as an enforceable lien on January 1, 2011. They were levied in December of the tax year. Tax bills were prepared by the County and issued on or about May 1, 2012, and were payable in two installments, on or about June 1, 2012, and September 1, 2012. 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.

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, 2013 was as follows:

| | <u>BEGINNING BALANCE</u> | <u>ADDITONS</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 | \$ 2,782,704 | \$ - | \$ - | \$ 2,782,704 |
| Buildings | 607,071 | - | - | 607,071 |
| Equipment, Furniture and Vehicles | 693,480 | - | - | 693,480 |
| Infrastructure | 1,592,281 | - | - | 1,592,281 |
| | <u>\$ 5,675,536</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,675,536</u> |
| Less: Accumulated Depreciation For: | | | | |
| Land Improvements | \$ 203,602 | \$ 66,959 | \$ - | \$ 270,561 |
| Buildings | 187,415 | 12,141 | - | 199,556 |
| Equipment, Furniture and Vehicles | 512,797 | 47,831 | - | 560,628 |
| Infrastructure | 200,009 | 39,807 | - | 239,816 |
| | <u>\$ 1,103,823</u> | <u>\$ 166,738</u> | <u>\$ -</u> | <u>\$ 1,270,561</u> |
| <u>GOVERNMENTAL ACTIVITIES</u> | | | | |
| <u>CAPITAL ASSETS, NET</u> | <u>\$ 6,016,352</u> | <u>\$ (166,738)</u> | <u>\$ -</u> | <u>\$ 5,849,614</u> |

FREMONT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. LONG-TERM DEBT

The following is a summary of the Township's Long-Term Debt for the year ended February 28, 2013.

| | Balance 3/1/12 | Additions | Retirement | Balance 2/28/13 | Current Portion |
|---------------|-------------------|-------------|------------------|--------------------|--------------------|
| Capital Lease | <u>\$ 82,410</u> | <u>\$ -</u> | <u>\$ 48,166</u> | <u>\$ 34,244</u> | <u>\$ 34,244</u> |

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 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:

| | Principal | Interest | Total |
|-------------------|-----------------|---------------|-----------------|
| February 28, 2014 | <u>\$ 8,839</u> | <u>\$ 203</u> | <u>\$ 9,042</u> |

Ford F550 and F150 Lease Payments are:

| | Principal | Interest | Total |
|-------------------|------------------|-----------------|------------------|
| February 28, 2014 | <u>\$ 25,405</u> | <u>\$ 1,101</u> | <u>\$ 26,506</u> |

FREMONT TOWNSHIP

SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP
SUPPLEMENTARY INFORMATION
FEBRUARY 28, 2013

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 © | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|---------------------------------|--------------------------|-------------------------|---|
| 12/31/12 | \$ 2,215,015 | \$ 2,346,448 | \$ 131,433 | 94.40% | \$ 685,290 | 19.18% |
| 12/31/11 | 1,985,815 | 2,206,633 | 220,818 | 89.99% | 670,327 | 32.94% |
| 12/31/10 | 1,861,601 | 2,071,736 | 210,135 | 89.81% | 693,182 | 30.31% |

On a market value basis, the actuarial value of assets as of December 31, 2012, is \$2,262,622. On a market basis, the funded ratio would be 96.45%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Township. They do not include amounts for retirees. The actuarial liability for retirees is 100% funded.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
GENERAL FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL |
|---------------------------------|---------------------|---------------------|---------------------|
| <u>CASH RECEIPTS</u> | | | |
| Property Taxes | \$ 1,145,188 | \$ 1,145,188 | \$ 1,144,943 |
| Replacement Taxes | 12,405 | 12,405 | 11,986 |
| Interest Income | 1,500 | 1,500 | 2,313 |
| Donations | 8,000 | 8,000 | 13,299 |
| Grant - CERT | 5,000 | 5,000 | 4,930 |
| Half-Fare Taxi Program | 2,500 | 2,500 | 1,454 |
| Miscellaneous | 6,000 | 6,000 | 1,543 |
| | <u>\$ 1,180,593</u> | <u>\$ 1,180,593</u> | <u>\$ 1,180,468</u> |
| <u>CASH DISBURSEMENTS</u> | | | |
| <u>ADMINISTRATION</u> | | | |
| <u>PERSONAL SERVICES</u> | | | |
| Salaries - Officials | \$ 248,000 | \$ 248,000 | \$ 247,998 |
| Salaries - Township Personnel | 110,000 | 110,000 | 65,061 |
| Health Insurance | 100,000 | 100,000 | 76,028 |
| IMRF | 37,000 | 37,000 | 30,442 |
| Social Security Tax | 27,500 | 27,500 | 23,903 |
| Unemployment Insurance | 250 | 250 | 143 |
| | <u>\$ 522,750</u> | <u>\$ 522,750</u> | <u>\$ 443,575</u> |
| <u>CONTRACTUAL</u> | | | |
| Maintenance Service - Building | \$ 50,000 | \$ 50,000 | \$ 18,891 |
| Maintenance Service - Equipment | 2,500 | 2,500 | 1,932 |
| Maintenance Service - Parks | 100,000 | 100,000 | 99,122 |
| Accounting | 3,000 | 3,000 | 3,000 |
| Legal | 6,000 | 6,000 | - |
| Postage | 800 | 800 | 454 |
| Telephone | 4,000 | 4,000 | 2,458 |
| Publishing | 1,000 | 1,000 | 424 |
| Printing | 1,500 | 1,500 | 443 |
| Dues | 1,500 | 1,500 | 1,256 |
| Travel | 1,200 | 1,200 | 34 |
| Training | 4,000 | 4,000 | 2,692 |
| Utilities | 5,000 | 5,000 | 3,800 |
| Programs & Services | 1,000 | 1,000 | - |
| Newsletter | 8,000 | 8,000 | 6,550 |
| CERT | 7,000 | 7,000 | 5,427 |
| Lease Equipment | 1,000 | 1,000 | - |
| Web Page | 200 | 200 | - |
| Professional Services | 30,000 | 30,000 | 2,710 |
| General Insurance | 8,000 | 8,000 | 8,000 |
| Disposal Service | 1,200 | 1,200 | 1,063 |
| Pace/Taxi Service | 7,000 | 7,000 | 1,091 |
| Half-Fare Taxi Program | 6,000 | 6,000 | 3,813 |
| Well & Water Committee | 1,000 | 1,000 | - |
| Mosquito Control | 20,000 | 20,000 | 12,822 |
| | <u>\$ 270,900</u> | <u>\$ 270,900</u> | <u>\$ 175,982</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
GENERAL FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> |
|---------------------------------------|----------------------------|-------------------------|-------------------|
| <u>CASH DISBURSEMENTS (Continued)</u> | | | |
| <u>ADMINISTRATION</u> | | | |
| <u>COMMODITIES</u> | | | |
| Office Supplies | \$ 1,500 | \$ 1,500 | \$ 768 |
| Operating supplies | 3,500 | 3,500 | 1,939 |
| Equipment | 10,000 | 10,000 | 140 |
| Park Equipment | 10,000 | 10,000 | 9,959 |
| Food Pantry | 20,000 | 20,000 | 3,128 |
| | <u>\$ 45,000</u> | <u>\$ 45,000</u> | <u>\$ 15,934</u> |
| <u>OTHER EXPENDITURES</u> | | | |
| Miscellaneous | \$ 2,000 | \$ 2,000 | \$ 32 |
| Social Service | 7,000 | 7,000 | 4,786 |
| Park Development | 500,000 | 500,000 | 95,138 |
| Contingencies | 5,000 | 5,000 | - |
| | <u>\$ 514,000</u> | <u>\$ 514,000</u> | <u>\$ 99,956</u> |
| <u>CAPITAL OUTLAY</u> | | | |
| Building | \$ 40,000 | \$ 40,000 | \$ - |
| Land Acquisition | 450,000 | 450,000 | - |
| | <u>\$ 490,000</u> | <u>\$ 490,000</u> | <u>\$ -</u> |
| <u>TOTAL ADMINISTRATION</u> | <u>\$ 1,842,650</u> | <u>\$ 1,842,650</u> | <u>\$ 735,447</u> |
| <u>ASSESSOR</u> | | | |
| <u>PERSONAL SERVICES</u> | | | |
| Salaries | \$ 143,500 | \$ 143,500 | \$ 141,141 |
| Health Insurance | 20,000 | 20,000 | 18,458 |
| Unemployment Insurance | 250 | 250 | 224 |
| Social Security Tax | 11,000 | 11,000 | 10,711 |
| IMRF | 15,000 | 15,000 | 14,247 |
| | <u>\$ 189,750</u> | <u>\$ 189,750</u> | <u>\$ 184,781</u> |
| <u>CONTRACTUAL</u> | | | |
| Maintenance Service - Equipment | \$ 500 | \$ 575 | \$ 575 |
| Maintenance Service - Vehicle | 1,000 | 1,000 | 1,170 |
| Postage | 1,000 | 1,000 | 450 |
| Telephone | 1,500 | 1,500 | 949 |
| Publishing | 500 | 500 | - |
| Printing | 500 | 500 | 190 |
| Newsletter | 500 | 500 | - |
| Dues | 500 | 500 | 255 |
| Travel | 2,000 | 2,000 | 726 |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
GENERAL FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> |
|---|----------------------------|-------------------------|-------------------------|
| <u>CASH DISBURSEMENTS (Continued)</u> | | | |
| <u>ASSESSOR (Continued)</u> | | | |
| <u>CONTRACTUAL</u> | | | |
| Training | \$ 4,000 | \$ 4,000 | \$ 2,960 |
| Legal | 500 | 500 | - |
| Terminal Rental | 7,200 | 7,200 | 7,200 |
| Equipment Lease | 250 | 250 | - |
| | <u>\$ 19,950</u> | <u>\$ 20,025</u> | <u>\$ 14,475</u> |
| <u>COMMODITIES</u> | | | |
| Equipment | \$ 4,000 | \$ 4,000 | \$ 1,892 |
| Office Supplies | 2,000 | 2,150 | 2,148 |
| | <u>\$ 6,000</u> | <u>\$ 6,150</u> | <u>\$ 4,040</u> |
| <u>OTHER EXPENDITURES</u> | | | |
| Contingencies | \$ 10,500 | \$ 10,275 | \$ - |
| Miscellaneous | 10,500 | 10,500 | 469 |
| | <u>\$ 21,000</u> | <u>\$ 20,775</u> | <u>\$ 469</u> |
| <u>TOTAL ASSESSOR'S OFFICE</u> | <u>\$ 236,700</u> | <u>\$ 236,700</u> | <u>\$ 203,765</u> |
| <u>TOTAL CASH DISBURSEMENTS</u> | <u>\$ 2,079,350</u> | <u>\$ 2,079,350</u> | <u>\$ 939,212</u> |
| <u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> | <u>\$ (898,757)</u> | <u>\$ (898,757)</u> | <u>\$ 241,256</u> |
| <u>FUND BALANCE - MARCH 1, 2012</u> | | | <u>1,622,819</u> |
| <u>FUND BALANCE - FEBRUARY 28, 2013</u> | | | <u>\$ 1,864,075</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
GENERAL ASSISTANCE

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL |
|---------------------------------|--------------------|-------------------|-------------------|
| <u>CASH RECEIPTS</u> | | | |
| Property Tax | \$ 141,785 | \$ 141,785 | \$ 141,799 |
| Interest | 120 | 120 | 167 |
| Miscellaneous | 4,000 | 4,000 | 3,339 |
| | <u>\$ 145,905</u> | <u>\$ 145,905</u> | <u>\$ 145,305</u> |
| <u>CASH DISBURSEMENTS</u> | | | |
| <u>ADMINISTRATION</u> | | | |
| <u>PERSONAL SERVICES</u> | | | |
| Salaries | \$ 19,000 | \$ 19,000 | \$ 18,122 |
| Social Security Tax | 1,500 | 1,500 | 1,386 |
| Unemployment Tax | 100 | 100 | 7 |
| IMRF | 2,000 | 2,000 | 1,829 |
| Health Insurance | 8,500 | 8,500 | 8,500 |
| | <u>\$ 31,100</u> | <u>\$ 31,100</u> | <u>\$ 29,844</u> |
| <u>CONTRACTUAL</u> | | | |
| Maintenance Service - Equipment | \$ 1,000 | \$ 1,000 | \$ 480 |
| Other Professional Service | 3,000 | 3,000 | 200 |
| Newsletter | 3,600 | 3,600 | 3,200 |
| Postage | 650 | 650 | 454 |
| Telephone | 1,500 | 1,500 | 1,200 |
| Publishing | 500 | 500 | - |
| Printing | 500 | 500 | - |
| Travel | 500 | 500 | 17 |
| Training | 1,500 | 1,500 | 524 |
| Disposal | 800 | 800 | - |
| General Insurance | 4,000 | 4,000 | 3,000 |
| Lease Equipment | 400 | 400 | - |
| Web Page | 200 | 200 | - |
| Utilities | 2,500 | 2,500 | 1,261 |
| | <u>\$ 20,650</u> | <u>\$ 20,650</u> | <u>\$ 10,336</u> |
| <u>COMMODITIES</u> | | | |
| Office Supplies | \$ 800 | \$ 800 | \$ 398 |
| Maintenance Supplies-Equipment | 500 | 500 | - |
| Equipment | 1,500 | 1,500 | - |
| Operating Supplies | 500 | 500 | - |
| | <u>\$ 3,300</u> | <u>\$ 3,300</u> | <u>\$ 398</u> |
| <u>OTHER EXPENDITURES</u> | | | |
| Contingencies | \$ 5,000 | \$ 5,000 | \$ - |
| Miscellaneous | 500 | 500 | - |
| | <u>\$ 5,500</u> | <u>\$ 5,500</u> | <u>\$ -</u> |
| <u>TOTAL ADMINISTRATION</u> | <u>\$ 60,550</u> | <u>\$ 60,550</u> | <u>\$ 40,578</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
GENERAL ASSISTANCE

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> |
|---|----------------------------|-------------------------|-------------------|
| <u>CASH DISBURSEMENTS</u> | | | |
| <u>HOME RELIEF</u> | | | |
| <u>CONTRACTUAL SERVICES</u> | | | |
| Physician Service | \$ 6,500 | \$ 6,500 | \$ 282 |
| 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 | 30,000 | 30,000 | 2,905 |
| Healthreach Clinic | 6,600 | 6,600 | 6,000 |
| Utilities | 25,000 | 25,000 | 13,328 |
| Catastrophic Insurance | 2,500 | 2,500 | 2,360 |
| Miscellaneous Home Relief | 3,000 | 3,000 | - |
| | <u>\$ 130,600</u> | <u>\$ 130,600</u> | <u>\$ 24,875</u> |
| <u>COMMODITIES</u> | | | |
| Food | \$ 1,500 | \$ 1,500 | \$ - |
| Fuel | 3,000 | 3,000 | 800 |
| Drugs | 7,500 | 7,500 | 27 |
| Personal Incidentals | 4,000 | 4,000 | - |
| Household Incidentals | 1,500 | 1,500 | 329 |
| Social Services | 500 | 500 | - |
| Flat Grant | 3,000 | 3,000 | 1,373 |
| | <u>\$ 21,000</u> | <u>\$ 21,000</u> | <u>\$ 2,529</u> |
| <u>OTHER EXPENDITURES</u> | | | |
| Miscellaneous | \$ 5,000 | \$ 5,000 | \$ 375 |
| <u>TOTAL HOME RELIEF</u> | <u>\$ 156,600</u> | <u>\$ 156,600</u> | <u>\$ 27,779</u> |
| <u>TOTAL CASH DISBURSEMENTS</u> | <u>\$ 217,150</u> | <u>\$ 217,150</u> | <u>\$ 68,357</u> |
| <u>TOTAL CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> | <u>\$ (71,245)</u> | <u>\$ (71,245)</u> | <u>\$ 76,948</u> |
| <u>FUND BALANCE - MARCH 1, 2012</u> | | | <u>224,344</u> |
| <u>FUND BALANCE - FEBRUARY 28, 2013</u> | | | <u>\$ 301,292</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
ROAD AND BRIDGE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL |
|-----------------------------|--------------------|-------------------|-------------------|
| <u>CASH RECEIPTS</u> | | | |
| Property Taxes | \$ 255,871 | \$ 255,871 | \$ 256,052 |
| Replacement Taxes | 14,000 | 14,000 | 12,830 |
| Interest | 90 | 90 | 80 |
| SSA Receipts | 35,000 | 35,000 | 6,086 |
| Road Bonds | 10,000 | 10,000 | - |
| Miscellaneous | 1,500 | 1,500 | 1,806 |
| | <u>\$ 316,461</u> | <u>\$ 316,461</u> | <u>\$ 276,854</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 | 105 | 105 | 103 |
| | <u>\$ 1,182</u> | <u>\$ 1,182</u> | <u>\$ 1,180</u> |
| <u>CONTRACTUAL SERVICES</u> | | | |
| Legal | \$ 200 | \$ 200 | \$ - |
| Postage | 150 | 150 | 45 |
| Telephone | 4,500 | 4,500 | 3,506 |
| Publishing | 300 | 300 | 136 |
| Printing | 50 | 50 | - |
| Travel | 100 | 100 | - |
| Training | 500 | 500 | 524 |
| Dues | 700 | 700 | 614 |
| Subscriptions | 350 | 350 | 276 |
| Insurance | 14,000 | 14,000 | 11,145 |
| Drug Testing | 900 | 900 | 425 |
| Rental Service | 3,000 | 3,000 | 2,724 |
| J.U.L.I.E. | 3,500 | 3,500 | 1,697 |
| Municipal Replacement Tax | 3,000 | 3,000 | 2,257 |
| | <u>\$ 31,250</u> | <u>\$ 31,250</u> | <u>\$ 23,349</u> |
| <u>COMMODITIES</u> | | | |
| Equipment | \$ 2,500 | 2,500 | \$ 715 |
| Equipment Supplies | 750 | 750 | 127 |
| Bottled Water | 1,100 | 1,100 | 764 |
| Miscellaneous Supplies | 600 | 600 | 540 |
| Office Supplies | 300 | 300 | 263 |
| | <u>\$ 5,250</u> | <u>\$ 5,250</u> | <u>\$ 2,409</u> |
| <u>OTHER EXPENSES</u> | | | |
| Miscellaneous | \$ 1,000 | \$ 1,000 | \$ 567 |
| Contingencies | 5,000 | 4,500 | - |
| | <u>\$ 6,000</u> | <u>\$ 5,500</u> | <u>\$ 567</u> |
| <u>DEBT SERVICE</u> | | | |
| Interest | \$ - | \$ - | \$ 871 |
| Principal | 6,000 | 6,000 | 5,096 |
| | <u>\$ 6,000</u> | <u>\$ 6,000</u> | <u>\$ 5,967</u> |
| <u>TOTAL ADMINISTRATION</u> | <u>\$ 49,682</u> | <u>\$ 49,182</u> | <u>\$ 33,472</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
ROAD AND BRIDGE FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> |
|---|----------------------------|-------------------------|--------------------|
| <u>CASH DISBURSEMENTS (Continued)</u> | | | |
| <u>MAINTENANCE</u> | | | |
| <u>CONTRACTUAL SERVICE</u> | | | |
| Building Maintenance | \$ 1,000 | \$ 1,500 | \$ 1,362 |
| Equipment Maintenance | 3,500 | 3,500 | 1,073 |
| Road Maintenance | 60,000 | 60,000 | 58,353 |
| Snow Removal Maintenance | 13,000 | 13,000 | 12,250 |
| Bridge Maintenance | 100 | 100 | - |
| Disposal Service | 1,200 | 1,200 | 798 |
| Uniforms | 2,500 | 2,500 | 1,707 |
| Engineering Service | 15,000 | 15,000 | 14,803 |
| Utilities | 8,000 | 8,000 | 5,086 |
| Rentals | 500 | 500 | 483 |
| Building | 5,000 | 5,000 | - |
| Intersection Lights | 22,000 | 22,000 | 15,794 |
| | <u>\$ 131,800</u> | <u>\$ 132,300</u> | <u>\$ 111,709</u> |
| <u>COMMODITIES</u> | | | |
| Building Supplies | \$ 3,000 | \$ 3,000 | \$ 2,581 |
| Equipment Supplies | 45,000 | 45,000 | 33,583 |
| Road Supplies | 60,000 | 60,000 | 36,099 |
| Snow Removal Supplies | 50,000 | 50,000 | 45,763 |
| Operating Supplies | 500 | 500 | 142 |
| Fuel/Oil | 25,000 | 25,000 | 24,940 |
| Signs and Road Striping | 2,000 | 2,000 | 1,432 |
| Equipment | 9,000 | 9,000 | 4,361 |
| Small Tools | 1,200 | 1,200 | 44 |
| | <u>\$ 195,700</u> | <u>\$ 195,700</u> | <u>\$ 148,945</u> |
| <u>OTHER EXPENSE</u> | | | |
| Miscellaneous | \$ 1,000 | \$ 1,000 | \$ - |
| SSA | 10,000 | 10,000 | 8,942 |
| Road Bonds | 10,000 | 10,000 | - |
| | <u>\$ 21,000</u> | <u>\$ 21,000</u> | <u>\$ 8,942</u> |
| <u>TOTAL MAINTENANCE</u> | <u>\$ 348,500</u> | <u>\$ 349,000</u> | <u>\$ 269,596</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 398,182</u> | <u>\$ 398,182</u> | <u>\$ 303,068</u> |
| <u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> | <u>\$ (81,721)</u> | <u>\$ (81,721)</u> | <u>\$ (26,214)</u> |
| <u>FUND BALANCE - MARCH 1, 2012</u> | | | <u>99,558</u> |
| <u>FUND BALANCE - FEBRUARY 28, 2013</u> | | | <u>\$ 73,344</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013
PERMANENT ROAD FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> |
|---|----------------------------|-------------------------|---------------------|
| <u>CASH RECEIPTS</u> | | | |
| Property Taxes | \$ 1,090,656 | \$ 1,090,656 | \$ 1,084,782 |
| Interest | 150 | 150 | 452 |
| Grants | 10,000 | 10,000 | 5,000 |
| | <u>\$ 1,100,806</u> | <u>\$ 1,100,806</u> | <u>\$ 1,090,234</u> |
| <u>CASH DISBURSEMENTS</u> | | | |
| ADMINISTRATION | | | |
| PERSONAL SERVICES | | | |
| Salaries | \$ 220,000 | \$ 220,000 | \$ 200,665 |
| Health Insurance | 70,000 | 80,500 | 80,467 |
| IMRF | 20,500 | 20,500 | 19,854 |
| Social Security | 16,850 | 16,850 | 15,346 |
| Unemployment | 625 | 625 | 316 |
| | <u>\$ 327,975</u> | <u>\$ 338,475</u> | <u>\$ 316,648</u> |
| CONTRACTUAL | | | |
| Engineering | \$ 80,000 | \$ 80,000 | \$ 64,330 |
| Maintenance Service Road | 25,000 | 25,000 | 24,317 |
| Rentals | 1,000 | 1,000 | - |
| Signs & Road Striping | 10,000 | 10,000 | 4,257 |
| | <u>\$ 116,000</u> | <u>\$ 116,000</u> | <u>\$ 92,904</u> |
| COMMODITIES | | | |
| Road Supplies | \$ 15,000 | \$ 15,000 | \$ 5,872 |
| Operating Supplies | 500 | 500 | - |
| Automotive Fuel/Oil | 30,000 | 30,000 | 3,365 |
| Snow Removal | 40,000 | 40,000 | 17,523 |
| | <u>\$ 85,500</u> | <u>\$ 85,500</u> | <u>\$ 26,760</u> |
| OTHER EXPENDITURES | | | |
| Miscellaneous | \$ 2,000 | \$ 2,000 | \$ 1,769 |
| Contingencies | 5,000 | 4,500 | - |
| Road Projects | 625,000 | 615,000 | 143,819 |
| | <u>\$ 632,000</u> | <u>\$ 621,500</u> | <u>\$ 145,588</u> |
| DEBT SERVICE | | | |
| Interest | \$ - | \$ - | \$ 4,293 |
| Principal | 47,400 | 47,400 | 43,070 |
| | <u>\$ 47,400</u> | <u>\$ 47,400</u> | <u>\$ 47,363</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 1,208,875</u> | <u>\$ 1,208,875</u> | <u>\$ 629,263</u> |
| <u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u> | <u>\$ (108,069)</u> | <u>\$ (108,069)</u> | <u>\$ 460,971</u> |
| <u>FUND BALANCE - MARCH 1, 2012</u> | | | <u>140,711</u> |
| <u>FUND BALANCE - FEBRUARY 28, 2013</u> | | | <u>\$ 601,682</u> |

See accompanying Notes to Supplementary Information.

FREMONT TOWNSHIP

NOTES TO SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING

FOR THE YEAR ENDED FEBRUARY 28, 2013

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 Illinois Compiles Statutes. The March 1, 2012 to February 28, 2013 budget was passed on May 14, 2012.

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

The Township 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, 2013, the Township Board made line item transfers as permitted by State Statute as reported on pages 20 through 27.
6. The Township Board may amend the budget by the same procedures required of its original adoption.

FREMONT TOWNSHIP

ADDITIONAL SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP
STATEMENT OF ASSESSED VALUATION, TAX EXTENSION AND TAX COLLECTIONS
FOR THE YEARS 2011, 2010, AND 2009
IN WHOLE DOLLAR AMOUNTS

| <u>TAX YEAR</u> | <u>2011</u> | | <u>2010</u> | | <u>2009</u> | |
|---------------------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|
| <u>TOTAL ASSESSED VALUATION</u> | <u>\$</u> | <u>1,090,655,930</u> | <u>\$</u> | <u>1,173,229,746</u> | <u>\$</u> | <u>1,212,875,134</u> |
| | <u>Rates</u> | <u>Extensions</u> | <u>Rates</u> | <u>Extensions</u> | <u>Rates</u> | <u>Extensions</u> |
| Corporate | 0.105 | \$ 1,145,189 | 0.102 | \$ 1,196,694 | 0.104 | \$ 1,261,390 |
| General Assistance | 0.013 | 141,785 | 0.011 | 128,055 | 0.009 | 109,159 |
| Permanent Road | 0.100 | 1,090,656 | 0.110 | 1,173,230 | 0.099 | 1,200,746 |
| * Road and Bridge | 0.023 | 255,872 | 0.015 | 181,642 | 0.016 | 194,842 |
| | <u>0.241</u> | <u>\$ 2,633,502</u> | <u>0.225</u> | <u>\$ 2,679,621</u> | <u>0.228</u> | <u>\$ 2,766,137</u> |

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