

FREMONT TOWNSHIP
LAKE COUNTY, ILLINOIS

AUDITED FINANCIAL REPORT

FEBRUARY 28, 2011

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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, 2011, 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, 2011, 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.

Board of Trustees
Fremont Township
Page 2

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

June 15, 2011

FREMONT TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP, LAKE COUNTY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2011

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, 2011. 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, 2011 by \$7,760,692 (net assets). Of this amount, \$1,233,697 (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 \$335,554.
- At February 28, 2011, the Township's governmental funds reported combined ending fund balances of \$1,703,977, a increase of \$31,120 in comparison with the prior year. Approximately 72% of this total amount, \$1,233,697, is available for spending at the Township's discretion (unreserved fund balance).
- At February 28, 2011, the unreserved fund balance for the General Fund was \$1,233,697, or 97% of total 2011 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, 2011.

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>2011</u>	<u>2010</u>
Current and Other Assets	\$ 1,703,977	\$ 1,672,857
Capital Assets	<u>6,183,615</u>	<u>5,920,425</u>
Total Assets	<u>\$ 7,887,592</u>	<u>\$ 7,593,282</u>
Current Liabilities	\$ (44,490)	\$ (41,245)
Long-Term Debt Outstanding	<u>(82,410)</u>	<u>(126,899)</u>
Total Liabilities	<u>\$ (126,900)</u>	<u>\$ (168,144)</u>
Net Assets Invested in Capital Assets, Net of Related Debt	\$ 6,056,715	\$ 5,752,281
Restricted	470,280	457,335
Unrestricted	<u>1,233,697</u>	<u>1,215,522</u>
	<u>\$ 7,760,692</u>	<u>\$ 7,425,138</u>

Table 2 - Change in Net Assets

Cash Receipts		
General Receipts		
Property Taxes	\$ 2,766,912	\$ 2,704,706
Replacement Taxes	27,428	26,120
Grants and Donations	29,797	412,890
Interest Earned	3,096	4,749
Other	<u>10,095</u>	<u>33,772</u>
Total Cash Receipts	<u>\$ 2,837,328</u>	<u>\$ 3,182,237</u>
Disbursements		
Function/Programs		
General Government	\$ 841,860	\$ 772,596
Public Assistance	91,799	109,259
Highways and Streets	1,383,786	1,486,428
Interest on Debt	12,083	13,685
Depreciation	<u>172,246</u>	<u>180,386</u>
	<u>\$ 2,501,774</u>	<u>\$ 2,562,354</u>
Increase (Decrease) in Net Assets	\$ 335,554	\$ 619,883
Net Assets - Beginning of Year	<u>7,425,138</u>	<u>6,805,255</u>
Net Assets - End of Year	<u>\$ 7,760,722</u>	<u>\$ 7,425,138</u>

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

The net assets of the Township's governmental activities increased by \$335,554. 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 \$1,233,697 at February 28, 2011.

The Township continues to be fiscally responsible by avoiding any unnecessary expenditures, thus, creating a surplus.

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 \$1,703,977, which is more than last year's total of \$1,672,857.

CAPITAL ASSETS

Capital Assets

At the end of February 28, 2011, the Township had \$6,183,615 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>2011</u>	<u>2010</u>
Land and Improvements	\$ 4,090,700	\$ 3,734,521
Buildings	431,797	443,938
Vehicles and Equipment	229,039	270,080
Infrastructure	<u>1,432,079</u>	<u>1,471,886</u>
	<u>\$ 6,183,615</u>	<u>\$ 5,920,425</u>

For the fiscal year ending February 28, 2012, the Township has budgeted \$923,500 and the Highway Department has budgeted \$2,500 for Capital Expenditures.

Town: We are going to continue to improve Behm Park. We plan on purchasing less equipment this year and spending less on the buildings and infrastructure.

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

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
<u>Capital Leases</u>	<u>\$ 126,900</u>	<u>\$ 168,145</u>

We are not anticipating any new purchases that would require a lease agreement.

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, 2011

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ <u>1,703,977</u>
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	<u>(936,560)</u>
Total Noncurrent Assets	\$ <u>6,183,615</u>
<u>TOTAL ASSETS</u>	\$ <u>7,887,592</u>
<u>LIABILITIES</u>	
Current Liabilities	
Current Portion of Long-Term Liabilities	
Capital Leases	\$ (44,490)
Long-Term Liabilities	
Capital Leases	<u>(82,410)</u>
<u>TOTAL LIABILITIES</u>	\$ <u>(126,900)</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 6,056,715
Restricted	
Public Assistance	177,434
Highway and Roads	292,846
Unrestricted	<u>1,233,697</u>
<u>TOTAL NET ASSETS</u>	\$ <u>7,760,692</u>

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, 2011

	<u>General Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Permanent Road Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Investments	\$ 1,233,697	\$ 177,434	\$ 145,702	\$ 147,144	\$ 1,703,977
	\$ --	\$ --	\$ --	\$ --	\$ --
<u>LIABILITIES AND FUND BALANCE</u>					
<u>Liabilities</u>					
	\$ --	\$ --	\$ --	\$ --	\$ --
<u>FUND BALANCES</u>					
<u>Reserved</u>					
Public Assistance	\$ --	\$ 177,434	\$ --	\$ --	\$ 177,434
Highways and Roads	\$ --	\$ --	145,702	147,144	292,846
Unreserved	1,233,697	\$ --	\$ --	\$ --	1,233,697
Total Fund Balances	\$ 1,233,697	\$ 177,434	\$ 145,702	\$ 147,144	\$ 1,703,977
	\$ 1,233,697	\$ 177,434	\$ 145,702	\$ 147,144	\$ 1,703,977
<u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	\$ 1,233,697	\$ 177,434	\$ 145,702	\$ 147,144	\$ 1,703,977
					\$ 6,183,615
					<u>(126,900)</u>
Net Assets of Governmental Activities					\$ 7,760,692

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.

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, 2011

	General Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Total Governmental Funds
<u>CASH RECEIPTS</u>					
Property Taxes	\$ 1,261,807	\$ 109,126	\$ 194,900	\$ 1,201,079	\$ 2,766,912
Replacement Taxes	13,248		14,180		27,428
Interest	2,011	263	249	573	3,096
Grants	5,500			19,231	24,731
Donations	5,066				5,066
Half-Fare Taxi Program	6,555				6,555
Miscellaneous	1,282	514	1,743	1	3,540
<u>TOTAL RECEIPTS</u>	<u>\$ 1,295,469</u>	<u>\$ 109,903</u>	<u>\$ 211,072</u>	<u>\$ 1,220,884</u>	<u>\$ 2,837,328</u>
<u>CASH DISBURSEMENTS</u>					
Current					
General Government	\$ 841,860				\$ 841,860
Public Assistance		91,799			91,799
Highway and Streets			229,863	1,153,923	1,383,786
Capital Outlay	435,434				435,434
Debt Service					
Principal			4,812	36,434	41,246
Interest			1,154	10,929	12,083
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 1,277,294</u>	<u>\$ 91,799</u>	<u>\$ 235,829</u>	<u>\$ 1,201,286</u>	<u>\$ 2,806,208</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ 18,175</u>	<u>\$ 18,104</u>	<u>\$ (24,757)</u>	<u>\$ 19,598</u>	<u>\$ 31,120</u>
<u>FUND BALANCE - MARCH 1, 2010</u>	<u>1,215,522</u>	<u>159,330</u>	<u>170,459</u>	<u>127,546</u>	<u>1,672,857</u>
<u>FUND BALANCE - FEBRUARY 28, 2011</u>	<u>\$ 1,233,697</u>	<u>\$ 177,434</u>	<u>\$ 145,702</u>	<u>\$ 147,144</u>	<u>\$ 1,703,977</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, 2011

Excess of Receipts Over (Under) Expenditures Governmental Funds	\$ 31,120
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 Activiites, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay, \$435,434, is more than depreciation expense, \$172,246, in the period.	263,188
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>41,246</u>
Change in Net Assets of Governmental Activities	<u>\$ 335,554</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, 2011

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, 2011, the carrying amount of the Township's deposits was \$1,703,763, which excludes a \$214 Petty Cash fund. At year end, the Township's bank balance was \$1,721,253. As of February 28, 2011, \$1,221,253 of the combined entity's bank balance of \$1,721,253 was exposed to custodial credit risk as follows:

Collateralized with securities held by the pledging financial institution	<u>Bank Balance</u> \$ 1,221,253
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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 2010 was 8.45 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 9.85 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.

C. Annual Pension Costs

For 2010, the Township's actual contribution for pension costs for the regular plan was \$58,584. Its required contribution for calendar year 2010 was \$68,278.

TREND INFORMATION

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 68,278	100%	\$0
12/31/09	45,431	100%	0
12/31/08	43,887	100%	0

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

3. C. Annual Pension Costs (Continued)

The required contribution FOR 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 20% corridor between the actuarial and market value of assets. The Township regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

D. Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 89.86% funded. The actuarial accrued liability for benefits was \$2,071,736 and the actuarial value of assets was \$1,861,601, resulting in an underfunded actuarial accrued liability (UAAL) of \$210,135. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$693,182 and the ratio of the UAAL to the covered payroll was 38%.

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 2009 property taxes attached as an enforceable lien on January 1, 2009. They were levied in December of the tax year. Tax bills were prepared by the County and issued on or about May 1, 2010, and were payable in two installments, on or about June 1, 2010, and September 1, 2010. 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, 2011 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	\$ 2,369,047	\$ 413,657	\$ --	\$ 2,782,704
Buildings	607,071	--	--	607,071
Equipment, Furniture and Vehicles	671,703	21,777	--	693,480
Infrastructure	<u>1,592,281</u>	<u>--</u>	<u>--</u>	<u>1,592,281</u>
	<u>\$ 5,240,102</u>	<u>\$ 435,434</u>	<u>\$ --</u>	<u>\$ 5,675,536</u>
Less: Accumulated Depreciation For:				
Land Improvements	\$ 79,165	\$ 57,478	\$ --	\$ 136,643
Buildings	163,133	12,141	--	175,274
Equipment, Furniture and Vehicles	401,623	62,818	--	464,441
Infrastructure	<u>120,395</u>	<u>39,807</u>	<u>--</u>	<u>160,202</u>
	<u>\$ 764,316</u>	<u>\$ 172,244</u>	<u>\$ --</u>	<u>\$ 936,560</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS, NET</u>	<u>\$ 5,920,425</u>	<u>\$ 263,190</u>	<u>\$ --</u>	<u>\$ 6,183,615</u>

7. LONG-TERM DEBT

The following is a summary of the Township Long-Term Debt for the year ended February 28, 2011.

	<u>Balance 03/01/10</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance 02/28/11</u>	<u>Current Portion</u>
Capital Leases	<u>\$ 168,145</u>	<u>\$ --</u>	<u>\$ 41,245</u>	<u>\$ 126,900</u>	<u>\$ 44,490</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 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, 2012	\$ 22,110	\$ 5,016	\$ 27,126
2013	24,767	2,359	27,126
2014	8,839	203	9,042
	<u>\$ 55,716</u>	<u>\$ 7,578</u>	<u>\$ 63,294</u>

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, 2012	\$ 22,380	\$ 3,823	\$ 26,203
2013	23,702	2,501	26,203
2014	25,102	1,101	26,203
	<u>\$ 71,184</u>	<u>\$ 7,425</u>	<u>\$ 78,609</u>

8. OTHER POST RETIREMENT BENEFITS

The Township is a Tier 3 entity according to GASBS 45 and should disclose a liability and expenditure for Other Post Retirement Benefits (OPEB) in the government-wide financial statements. The Township has not made this disclosure and believes the liability is immaterial to the financial statements.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events to June 15, 2011, the date which the Financial Statements were available to be issued, and determined that no reportable events have occurred.

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, 2011

GENERAL FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,261,390	\$ 1,261,390	\$ 1,261,807
Replacement Tax	11,247	11,247	13,248
Interest	2,000	2,000	2,011
Donations	6,000	6,000	5,066
Grant - CERT	5,500	5,500	5,500
Well and Water Committee	1,000	1,000	152
Half-Fare Taxi Program	6,500	6,500	6,555
Miscellaneous	1,500	1,500	1,128
Assessor Miscellaneous Income	20	20	2
	<u>\$ 1,295,157</u>	<u>\$ 1,295,157</u>	<u>\$ 1,295,469</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries - Officials	\$ 247,010	\$ 247,010	\$ 247,998
Salaries - Township Personnel	110,000	110,000	94,953
Health Insurance	130,000	130,000	99,652
IMRF	29,000	29,000	27,750
Social Security Tax	27,350	27,350	26,376
Unemployment Insurance	715	715	106
	<u>\$ 544,075</u>	<u>\$ 544,075</u>	<u>\$ 496,835</u>
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Building	\$ 30,000	\$ 30,000	\$ 5,516
Maintenance - Equipment	4,000	4,000	1,231
Maintenance - Parks	80,000	80,000	38,445
Accounting	3,000	3,000	2,333
Legal	6,000	6,000	5,038
Postage	800	800	452
Telephone	4,000	4,000	3,182
Publishing	1,000	1,000	791
Printing	1,500	1,500	420
Dues	1,500	1,500	1,295
Travel	1,200	1,200	183
Training	4,500	4,500	3,484
Utilities	7,000	7,000	3,693
Programs and Services	1,000	1,000	--
Newsletter	7,000	7,000	6,940
CERT	7,000	7,000	5,557
Lease Equipment	500	500	51
Web Page	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, 2011

GENERAL FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>ACTUAL</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS</u> (Continued)			
<u>ADMINISTRATION</u> (Continued)			
<u>CONTRACTUAL</u> (Continued)			
Professional Services	20,000	20,000	18,429
General Insurance	8,000	8,000	7,430
Disposal Service	800	800	725
Pace/Taxi Service	7,000	7,000	1,515
Half-Fare Taxi Program	13,000	15,935	16,347
Well and Water Committee	1,000	1,000	--
Mosquito Control	15,000	15,000	14,111
	<u>\$ 225,000</u>	<u>\$ 227,935</u>	<u>\$ 137,168</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 2,000	\$ 2,000	\$ 779
Operating Supplies	3,500	3,500	1,739
Equipment	10,000	10,000	4,137
Food Pantry	20,000	20,000	1,697
	<u>\$ 35,500</u>	<u>\$ 35,500</u>	<u>\$ 8,352</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ 2,000	\$ 2,000	\$ 149
Social Services	12,000	12,000	9,793
Contingencies	5,000	1,515	--
	<u>\$ 19,000</u>	<u>\$ 15,515</u>	<u>\$ 9,942</u>
<u>CAPITAL OUTLAY</u>			
Land Improvement	\$ 150,000	\$ 150,000	\$ 48,438
Park Development	560,000	560,000	365,219
Land Acquisition	350,000	350,000	--
Park Equipment	40,000	40,000	21,777
	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 435,434</u>
 <u>TOTAL ADMINISTRATION</u>	 <u>\$ 1,923,575</u>	 <u>\$ 1,923,025</u>	 <u>\$ 1,087,731</u>
 <u>ASSESSOR'S OFFICE</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 142,000	\$ 142,000	\$ 139,892
Health Insurance	11,500	11,500	10,768
Unemployment Insurance	250	250	244
Social Security Tax	11,000	11,000	10,702
IMRF	12,000	12,000	12,007
	<u>\$ 176,750</u>	<u>\$ 176,750</u>	<u>\$ 173,613</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, 2011

GENERAL FUND

<u>CASH DISBURSEMENTS</u> (Continued)	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>
<u>ASSESSOR'S OFFICE</u> (Continued)	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Equipment	\$ 500	\$ 500	\$ 132
Maintenance - Vehicle	1,000	1,000	67
Postage	1,500	1,500	660
Telephone	3,500	3,500	1,789
Publishing	1,000	1,000	--
Printing	1,000	1,000	489
Newsletter	1,000	1,000	--
Dues	750	750	489
Travel	2,500	2,500	786
Training	4,500	4,500	1,749
Legal	500	500	--
Terminal Rental	7,400	7,950	7,950
Equipment Lease	500	500	51
	<u>\$ 25,650</u>	<u>\$ 26,200</u>	<u>\$ 14,162</u>
<u>COMMODITIES</u>			
Equipment	\$ 4,000	\$ 4,000	\$ 520
Office Supplies	3,000	3,000	1,268
	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 1,788</u>
<u>OTHER EXPENSES</u>			
Contingencies	\$ 15,000	\$ 15,000	\$ --
Miscellaneous	15,000	15,000	--
	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ --</u>
<u>TOTAL ASSESSOR'S OFFICE</u>	<u>\$ 239,400</u>	<u>\$ 239,950</u>	<u>\$ 189,563</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 2,162,975</u>	<u>\$ 2,162,975</u>	<u>\$ 1,277,294</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (867,818)</u>	<u>\$ (867,818)</u>	<u>\$ 18,175</u>
<u>FUND BALANCE - MARCH 1, 2010</u>			<u>1,215,522</u>
<u>FUND BALANCE - FEBRUARY 28, 2011</u>			<u>\$ 1,233,697</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, 2011

SPECIAL REVENUE FUND - GENERAL ASSISTANCE FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 109,158	\$ 109,158	\$ 109,126
Interest	1,000	1,000	263
Miscellaneous	--	--	514
	<u>\$ 110,158</u>	<u>\$ 110,158</u>	<u>\$ 109,903</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 18,500	\$ 18,500	\$ 17,635
Social Security Tax	1,500	1,500	1,352
Unemployment Tax	100	100	81
IMRF	1,600	1,600	1,517
Health Insurance	13,000	13,000	10,384
	<u>\$ 34,700</u>	<u>\$ 34,700</u>	<u>\$ 30,969</u>
<u>CONTRACTUAL SERVICES</u>			
Maintenance - Equipment	\$ 1,000	\$ 1,000	\$ 307
Other Professional Service	3,000	3,000	1,367
Newsletter	3,600	3,600	2,000
Postage	650	650	396
Telephone	1,200	1,325	1,316
Publishing	500	500	--
Printing	500	500	55
Travel	500	500	--
Training	1,500	1,500	855
Disposal	600	600	258
General Insurance	4,000	4,000	3,715
Lease Equipment	400	400	51
Web Page	200	200	--
Utilities	2,500	2,500	1,840
	<u>\$ 20,150</u>	<u>\$ 20,275</u>	<u>\$ 12,160</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 800	\$ 800	\$ 271
Maintenance Supplies - Equipment	500	500	--
Equipment	1,000	1,460	1,458
Operating Supplies	500	500	--
	<u>\$ 2,800</u>	<u>\$ 3,260</u>	<u>\$ 1,729</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, 2011

SPECIAL REVENUE FUND - GENERAL ASSISTANCE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH DISBURSEMENTS</u> (Continued)			
<u>OTHER EXPENSES</u>			
Contingencies	\$ 5,000	\$ 4,415	\$ --
Miscellaneous	500	500	--
	\$ 5,500	\$ 4,915	\$ --
 <u>TOTAL ADMINISTRATION</u>	 \$ 63,150	 \$ 63,150	 \$ 44,858
 <u>HOME RELIEF</u>			
<u>CONTRACTUAL SERVICES</u>			
Physician Service	\$ 4,000	\$ 4,000	\$ 351
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	22,000	22,000	18,549
Healthreach Clinic	6,600	6,600	6,000
Utilities	22,000	22,000	15,207
Catastrophic Insurance	2,500	2,500	2,360
Miscellaneous	3,000	3,000	--
	\$ 117,100	\$ 117,100	\$ 42,467
 <u>COMMODITIES</u>			
Food	\$ 1,500	\$ 1,500	\$ 200
Fuel	3,000	3,000	1,000
Drugs	7,500	7,500	1,455
Personal Incidentals	4,000	4,000	348
Household Incidentals	1,000	1,000	105
Social Services	500	500	--
Flat Grant	2,000	2,000	1,366
	\$ 19,500	\$ 19,500	\$ 4,474
 <u>OTHER EXPENSES</u>			
Miscellaneous	\$ 5,000	\$ 5,000	\$ --
 <u>TOTAL HOME RELIEF</u>	 \$ 141,600	 \$ 141,600	 \$ 46,941
 <u>TOTAL CASH DISBURSEMENTS</u>	 \$ 204,750	 \$ 204,750	 \$ 91,799
 <u>TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	 \$ (94,592)	 \$ (94,592)	 \$ 18,104
 <u>FUND BALANCE - MARCH 1, 2010</u>			159,330
 <u>FUND BALANCE - FEBRUARY 28, 2011</u>			\$ 177,434

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, 2011
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 195,208	\$ 195,208	\$ 194,900
Replacement Tax	12,000	12,000	14,180
Interest	250	250	249
SSA	10,000	10,000	--
Road Bonds	10,000	10,000	--
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>1,743</u>
	<u>\$ 228,958</u>	<u>\$ 228,958</u>	<u>\$ 211,072</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	<u>85</u>	<u>85</u>	<u>93</u>
	<u>\$ 1,162</u>	<u>\$ 1,162</u>	<u>\$ 1,170</u>
<u>CONTRACTUAL SERVICES</u>			
Legal	\$ 500	\$ 500	\$ --
Postage	275	275	88
Telephone	4,700	4,700	4,262
Publishing	500	500	97
Printing	50	50	--
Travel	100	100	--
Training	500	500	411
Dues	800	800	331
Subscriptions	225	235	234
Insurance	12,000	12,000	11,145
Drug Testing	550	550	425
Rental Service	3,000	3,000	2,609
J.U.L.I.E.	2,000	2,000	1,661
Municipal Replacement Tax	<u>3,000</u>	<u>3,000</u>	<u>2,494</u>
	<u>\$ 28,200</u>	<u>\$ 28,210</u>	<u>\$ 23,757</u>
<u>COMMODITIES</u>			
Equipment	\$ 2,500	\$ 2,500	\$ --
Equipment Supplies	500	500	58
Miscellaneous Supplies	1,450	1,665	1,526
Office Supplies	<u>500</u>	<u>500</u>	<u>236</u>
	<u>\$ 4,950</u>	<u>\$ 5,165</u>	<u>\$ 1,820</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ 1,200	\$ 1,200	\$ 984
Contingencies	<u>5,000</u>	<u>5,000</u>	<u>--</u>
	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 984</u>
<u>DEBT SERVICE</u>			
Interest	\$ --	\$ --	\$ 1,154
Principal	<u>6,000</u>	<u>6,000</u>	<u>4,812</u>
	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 5,966</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 46,512</u>	<u>\$ 46,737</u>	<u>\$ 33,697</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, 2011
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH DISBURSEMENTS (Continued)</u>			
<u>MAINTENANCE</u>			
<u>CONTRACTUAL SERVICE</u>			
Maintenance - Building	\$ 1,000	\$ 1,000	\$ 57
Maintenance - Equipment	2,500	2,275	2,324
Maintenance - Roads	15,000	15,000	14,986
Maintenance - Snow Removal	1,000	1,000	1,000
Maintenance - Bridge	500	400	--
Disposal Service	650	750	757
Uniforms	4,200	4,200	4,034
Engineering Service	12,500	12,500	12,306
Utilities	8,000	8,000	5,671
Rentals	500	500	--
Building	8,000	8,000	4,765
Intersection Lights	32,000	32,000	19,194
	\$ 85,850	\$ 85,625	\$ 65,094
<u>COMMODITIES</u>			
Building Supplies	\$ 3,700	\$ 3,700	\$ 2,360
Equipment Supplies	40,000	40,000	27,452
Road Supplies	55,000	55,000	46,908
Snow Removal Supplies	60,000	60,000	22,905
Operating Supplies	1,000	1,000	225
Fuel/Oil	14,000	14,000	13,362
Signs and Road Striping	3,000	3,000	672
Equipment	8,000	8,000	--
Small Tools	1,500	1,500	518
	\$ 186,200	\$ 186,200	\$ 114,402
<u>OTHER EXPENSE</u>			
Miscellaneous	\$ 1,000	\$ 1,000	\$ 686
SSA	10,000	10,000	19,950
Road Bonds	10,000	10,000	2,000
	\$ 21,000	\$ 21,000	\$ 22,636
<u>TOTAL MAINTENANCE</u>	\$ 293,050	\$ 292,825	\$ 202,132
<u>TOTAL CASH DISBURSEMENTS</u>	\$ 339,562	\$ 339,562	\$ 235,829
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	\$ (110,604)	\$ (110,604)	\$ (24,757)
<u>FUND BALANCE - MARCH 1, 2010</u>			170,459
<u>FUND BALANCE - FEBRUARY 28, 2011</u>			\$ 145,702

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, 2011

SPECIAL REVENUE FUND - PERMANENT ROAD FUND

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,200,746	\$ 1,200,746	\$ 1,201,079
Interest	5,500	5,500	573
Miscellaneous	--	--	1
Grants	50,000	50,000	19,231
	<u>\$ 1,256,246</u>	<u>\$ 1,256,246</u>	<u>\$ 1,220,884</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 214,500	\$ 214,500	\$ 201,587
Health Insurance	100,000	100,000	95,560
IMRF	18,125	18,125	16,632
Social Security	16,425	16,425	15,422
Unemployment	425	425	385
	<u>\$ 349,475</u>	<u>\$ 349,475</u>	<u>\$ 329,586</u>
<u>CONTRACTUAL SERVICES</u>			
Engineering	\$ 40,000	\$ 50,000	\$ 46,967
Maintenance - Road	32,000	32,000	31,837
Rentals	1,500	1,500	--
Signs and Road Striping	15,000	15,000	3,342
	<u>\$ 88,500</u>	<u>\$ 98,500</u>	<u>\$ 82,146</u>
<u>COMMODITIES</u>			
Road Maintenance Supplies	\$ 30,000	\$ 30,000	\$ 10,801
Operating Supplies	500	500	--
Equipment	10,000	--	--
Automotive Fuel/Oil	30,000	30,000	11,098
Snow Removal	50,000	50,000	50,000
	<u>\$ 120,500</u>	<u>\$ 110,500</u>	<u>\$ 71,899</u>
<u>OTHER EXPENDITURES</u>			
Miscellaneous	\$ 2,000	\$ 2,000	\$ 1,000
Contingencies	5,000	5,000	--
Grants	50,000	50,000	49,788
Road Projects	700,000	700,000	619,504
	<u>\$ 757,000</u>	<u>\$ 757,000</u>	<u>\$ 670,292</u>
<u>DEBT SERVICE</u>			
Interest	\$ --	\$ --	\$ 10,929
Principal	47,400	47,400	36,434
	<u>\$ 47,400</u>	<u>\$ 47,400</u>	<u>\$ 47,363</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,362,875</u>	<u>\$ 1,362,875</u>	<u>\$ 1,201,286</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (106,629)</u>	<u>\$ (106,629)</u>	<u>\$ 19,598</u>
<u>FUND BALANCE - MARCH 1, 2010</u>			<u>127,546</u>
<u>FUND BALANCE - FEBRUARY 28, 2011</u>			<u>\$ 147,144</u>

See accompanying Notes to Required Supplementary Information.

FREMONT TOWNSHIP

ADDITIONAL SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2011

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)
12/31/10	\$ 1,861,601	\$ 2,071,736	\$ 210,135	89.81%	\$ 693,182	30.31%
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%

On a market value basis, the actuarial value of assets as of December 31, 2011, is \$1,946,984. On a market basis, the funded ratio would be 93.98%.

FREMONT TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING

YEAR ENDED FEBRUARY 28, 2011

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, 2010 to February 28, 2011 budget was passed on May 10, 2010, 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, 2011, 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 2009, 2008, AND 2007

IN WHOLE DOLLAR AMOUNTS

<u>TAX YEAR</u>	<u>2009</u>		<u>2008</u>		<u>2007</u>	
<u>TOTAL ASSESSED VALUATION</u>	<u>\$1,212,875,134</u>		<u>\$1,216,662,832</u>		<u>\$1,138,969,141</u>	
	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>
Corporate	0.104	\$ 1,261,390	0.104	\$ 1,265,329	0.105	\$ 1,195,918
General Assistance	0.009	109,159	0.006	73,000	0.006	68,338
Permanent Road	0.099	1,200,746	0.096	1,167,996	0.098	1,116,190
*Road and Bridge	<u>0.016</u>	<u>194,842</u>	<u>0.026</u>	<u>316,332</u>	<u>0.016</u>	<u>191,448</u>
	<u>0.228</u>	<u>\$ 2,766,137</u>	<u>0.232</u>	<u>\$ 2,822,657</u>	<u>0.225</u>	<u>\$ 2,571,894</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.