

FREMONT TOWNSHIP
LAKE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED FEBRUARY 28, 2017

TABLE OF CONTENTS

	<u>PAGE</u>
<u>Independent Auditor's Report</u>	1-2
<u>Supplementary Information</u>	
Management's Discussion and Analysis	3-7
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position – Modified Cash Basis	8
Statement of Activities – Modified Cash Basis	9
<u>Fund Financial Statements</u>	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions – Governmental Funds	10
Statement of Cash Receipts, Disbursements, and Changes in Fund Balance – Governmental Funds	11
Reconciliation of Governmental Funds Statement of Cash Receipts, Disbursements and Changes in Fund Balance to the Statement of Activities	12
<u>Notes to Financial Statements</u>	13-22
<u>Supplementary Information</u>	
Schedule of Cash Receipts, Disbursements and Changes in Fund Balances	
– Budget and Actual	
General Fund	23-26
General Assistance Fund	27-28
Road and Bridge Fund	29-30
Permanent Road Fund	31
Comparative Tax Data	32
Schedule of Changes in the Net Pension Liability and Related Ratios	33
Schedule of Employer Contributions	34



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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Fremont Township
Lake County, Illinois

We have audited the accompanying financial statements of Fremont Township, Lake County, Illinois, as of and for the year ended February 28, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation on the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to error or fraud.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the 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, Lake County, Illinois, as of February 28, 2017, and the respective changes in financial position – modified cash basis, thereof for the year ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont Township, Lake County, Illinois basic financial statements. The management's discussion and analysis, budgetary comparison information, comparative tax data and supplementary pension information on pages 3 through 7 and 23 through 34, which are the responsibility of management, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



EVOY, KAMSCHULTE, JACOBS & CO. LLP
Waukegan, Illinois
July 5, 2017

FREMONT TOWNSHIP

SUPPLEMENTARY INFORMATION

MANGEMENT'S DISCUSSION AND ANALYSIS

FREMONT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2017

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, 2017. 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, 2017 by \$9,420,442 (net position). Of this amount \$1,428,147 (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 \$204,935.
- At February 28, 2017 the Township's governmental funds reported combined ending fund balance of \$2,561,338, an increase of \$14,158 in comparison with the prior year. Approximately 55.7% of this total amount, \$1,428,147, is available for spending at the Township's discretion (unassigned fund balance).
- At February 28, 2017, the unassigned fund balance for the General Fund was \$1,428,147 or 154% of total 2017 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, 2017.

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 6. 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	
	2017	2016
Current and Other Assets	\$ 2,561,338	\$ 2,547,180
Capital Assets	7,113,221	6,883,867
Total Assets	<u>\$ 9,674,559</u>	<u>\$ 9,431,047</u>
Current Liabilities	\$ (92,348)	\$ (76,380)
Long-Term Debt Outstanding	(161,769)	(139,160)
Total Liabilities	<u>\$ (254,117)</u>	<u>\$ (215,540)</u>
Net Investment in Capital Assets, Net of Related Debt	\$ 6,859,104	\$ 6,668,327
Restricted	1,133,191	1,396,994
Unrestricted	1,428,147	1,150,186
Total Net Position	<u><u>\$ 9,420,442</u></u>	<u><u>\$ 9,215,507</u></u>

Table 2 - Change in Net Position

Cash Receipts		
General Receipts		
Property Taxes	\$ 2,564,092	\$ 2,516,441
Replacement Taxes	27,166	29,861
Grants and Donations	34,567	37,860
SSA Receipts	11,310	45,483
Interest Earned	4,415	3,131
Other	17,842	10,514
Total Cash Receipts	<u>\$ 2,659,392</u>	<u>\$ 2,643,290</u>
Cash Disbursements		
Functions/Programs		
General Government	\$ 729,537	\$ 747,968
Parks & Recreation	164,764	167,053
Public Assistance	94,455	90,919
Highways and Streets	1,230,238	1,232,313
Interest on Debt	12,969	15,785
Depreciation	222,494	221,689
Total Cash Disbursements	<u>\$ 2,454,457</u>	<u>\$ 2,475,727</u>
Increase (Decrease) in Net Position	\$ 204,935	\$ 167,563
Net Position - Beginning of Year	9,215,507	9,047,944
Net Position - End of Year	<u><u>\$ 9,420,442</u></u>	<u><u>\$ 9,215,507</u></u>

FREMONT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The net position of the Township's governmental activities increased by \$204,935. 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 \$1,428,147 at February 28, 2017. The reason for the increase was due to lower health insurance premiums and the fact that some costs from ongoing Highway projects will be paid in future years.

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 \$2,561,338, which is more than last year's total of \$2,547,180. The reason for the increase was due to lower health insurance premiums and the fact that some costs from ongoing Highway Projects will be paid in future years.

GENERAL FUND BUDGETARY HIGHLIGHTS

The March 1, 2016 to February 28, 2017 budget, which was not amended, was approved by the Board of Trustees on May 9, 2016. The budget is a general guide for the financial activity of the Township.

General Fund actual direct receipts were \$2,207 more than the budgeted amount.

General Fund actual direct expenditures were less than the budgeted amount due to an overestimate of Expenditures based on past years and projections.

CAPITAL ASSETS

At the end of February 28, 2017, the Township had \$7,113,221 invested in capital assets, including land and land improvements. (See table)

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

	Governmental Activities	
	2017	2016
Land and Improvements	\$ 4,337,244	\$ 4,387,504
Buildings	792,484	813,515
Vehicles and Equipment	592,313	449,804
Infrastructure	1,391,180	1,233,044
	<u>\$ 7,113,221</u>	<u>\$ 6,883,867</u>

For the Fiscal year ending February 28, 2018, the Township has budgeted \$728,000 and the Road District has budgeted \$856,000 for Capital Expenditures.

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

	Governmental Activities	
	2017	2016
Capital Leases	<u>\$ 254,117</u>	<u>\$ 215,540</u>

FREMONT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

FACTORS AFFECTING THE TOWNSHIP'S FUTURE

The Township has started budgeting reserve line items for future parks improvements, equipment purchases and future building improvements.

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 Diana O'Kelly, Supervisor of Fremont Township, Mundelein, IL 60060 (847) 223-2847

FREMONT TOWNSHIP

GOVERNMENT WIDE FINANCIAL STATEMENTS

FREMONT TOWNSHIP
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FEBRUARY 28, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 2,561,338
Noncurrent Assets	
Capital Assets	
Land	\$ 1,444,639
Land Improvements	3,464,901
Buildings	1,051,556
Vehicles and Equipment	1,491,678
Infrastructure	1,791,052
Less Accumulated Depreciation	(2,130,605)
Total Noncurrent Assets	\$ 7,113,221
<u>TOTAL ASSETS</u>	<u>\$ 9,674,559</u>
<u>LIABILITIES</u>	
Current Liabilities	
Current Portion of Long-Term Debt	
Capital Leases	\$ 92,348
Long-Term Liabilities	
Capital Leases	161,769
<u>TOTAL LIABILITIES</u>	<u>\$ 254,117</u>
<u>NET POSITION</u>	
Net Investment In Capital Assets	\$ 6,859,104
Restricted	
Public Assistance	370,194
Highway and Roads	762,997
Unrestricted	1,428,147
<u>TOTAL NET POSITION</u>	<u>\$ 9,420,442</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, 2017

FUNCTION/PROGRAMS	Program Receipts				Net (Expenditures) Receipts and Change In Net Position
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 729,537	\$ 1,500	\$ 34,567	\$ -	\$ 693,470
Parks & Recreation	164,764				164,764
Public Assistance	94,455	-			94,455
Highways and Streets	1,230,238	-	-		1,230,238
Interest on Debt	12,969				12,969
Unallocated Depreciation	222,494	-	-		222,494
Total Governmental Activities	<u>\$ 2,454,457</u>	<u>\$ 1,500</u>	<u>\$ 34,567</u>	<u>\$ -</u>	<u>\$ 2,418,390</u>
General Receipts:					
Property Taxes					\$ 2,564,092
Replacement Taxes					27,166
SSA Receipts					11,310
Unrestricted Investment Earnings					4,415
Other					16,342
Total General Receipts					<u>\$ 2,623,325</u>
Change in Net Position					\$ 204,935
Net Position Beginning					9,215,507
Net Position Ending					<u>\$ 9,420,442</u>

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

FREMONT TOWNSHIP

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

GOVERNMENTAL FUNDS

FEBRUARY 28, 2017

FREMONT TOWNSHIP

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED FEBRUARY 28, 2017

FREMONT TOWNSHIP
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
FEBRUARY 28, 2017

<u>ASSETS</u>		General Fund	General Assistance Fund	Road And Bridge Fund	Permanent Fund	Total Governmental Funds
Cash and Investments		\$ 1,526,372	\$ 271,969	\$ 290,829	\$ 472,168	\$ 2,561,338
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities		\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCES</u>						
Restricted						
Public Assistance		\$ 98,225	\$ 271,969	\$ -	\$ -	\$ 370,194
Highway and Roads		-	-	290,829	472,168	762,997
Unassigned		1,428,147	-	-	-	1,428,147
Total Fund Balances		\$ 1,526,372	\$ 271,969	\$ 290,829	\$ 472,168	\$ 2,561,338
<u>TOTAL LIABILITIES AND FUND BALANCES</u>		\$ 1,526,372	\$ 271,969	\$ 290,829	\$ 472,168	\$ 2,561,338
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.						7,113,221
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.						(254,117)
Net Position of Governmental Activities						\$ 9,420,442

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, 2017

	General Fund	General Assistance Fund	Road and Bridge Fund	Permanent Fund	Total Governmental Funds
<u>CASH RECEIPTS</u>					
Property Taxes	\$ 1,183,219	\$ 1,000	\$ 188,360	\$ 1,191,513	\$ 2,564,092
Replacement Taxes	13,121	-	14,045	-	27,166
Interest	937	143	159	3,176	4,415
SSA Receipts	-	-	11,310	-	11,310
Donations	34,567	-	-	-	34,567
Half-Fare Taxi Program	1,500	-	-	-	1,500
Miscellaneous	1,884	4,452	10,006	-	16,342
<u>TOTAL RECEIPTS</u>	<u>\$ 1,235,228</u>	<u>\$ 5,595</u>	<u>\$ 223,880</u>	<u>\$ 1,194,689</u>	<u>\$ 2,659,392</u>
<u>CASH DISBURSEMENTS</u>					
Current					
General Government	\$ 729,537	\$ -	\$ -	\$ -	\$ 729,537
Parks & Recreation	164,764	-	-	-	164,764
Public Assistance	6,421	88,034	-	-	94,455
Highway and Streets	-	-	219,419	1,010,819	1,230,238
Capital Outlay	28,400	-	-	298,771	327,171
Debt Service	-	-	-	-	-
Principal	-	-	-	86,100	86,100
Interest	-	-	-	12,969	12,969
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 929,122</u>	<u>\$ 88,034</u>	<u>\$ 219,419</u>	<u>\$ 1,408,659</u>	<u>\$ 2,645,234</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	\$ 306,106	\$ (82,439)	\$ 4,461	\$ (213,970)	\$ 14,158
<u>FUND BALANCE - MARCH 1, 2016</u>	<u>1,220,266</u>	<u>354,408</u>	<u>286,368</u>	<u>686,138</u>	<u>2,547,180</u>
<u>FUND BALANCE - FEBRUARY 28, 2017</u>	<u>\$ 1,526,372</u>	<u>\$ 271,969</u>	<u>\$ 290,829</u>	<u>\$ 472,168</u>	<u>\$ 2,561,338</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, 2017

Excess of Receipts Over (Under) Expenditures Governmental Funds	\$ 14,158
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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, \$(327,171, is more than
depreciation expense, (\$222,494), in the period.

104,677

Repayment of Long-Term Debt principal is an expenditure in
the Governmental Funds, but the repayment reduces
liabilities in the Statement of Net Position.

86,100

Change in Net Position of Governmental Activities

\$ 204,935

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, 2017

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.

New Accounting Standards

During Fiscal year 2017 the Township considered the following Governmental Accounting Standards Board Statements (GASB) Statements.

GASB No. 67, Financial Reporting for Pension Plans

GASB No. 68, Accounting and Financial Reporting for Pensions

GASB No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68

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.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Resources

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

F. Budgets and Budgetary Accounting Statements

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 to Chapter 105, Section 5/17-1 of Illinois Compiles Statues. The March 1, 2016 to February 28, 2017 budget was passed on May 9, 2016.

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.
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, as reported on pages 20 through 30.
6. The Township Board may amend the budget by the same procedures required of its original adoption.

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 atleast 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.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

2. CASH AND INVESTMENTS (Continued)

At February 28, 2017, the carrying amount of the Township's deposits was \$2,561,135, which excludes a \$203 Petty Cash fund. At year end, the Township's bank balance was \$2,582,691. As of February 28, 2017, \$2,082,691 of the combined entity's bank balance of \$2,582,691 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Collateralized with securities held by the Pledging financial institution	\$2,082,595
Uncollateralized	<u>96</u>
	<u>\$2,082,691</u>

3. RETIREMENT FUND COMMITMENTS

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The Township's defined benefit pension plan provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund that acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the *Benefits Provided* section of this note. Details of all benefits are available from IMRF. Benefits are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Benefits Provided

The Township's IMRF members participate in IMRF's "Regular Plan". IMRF's regular plan has two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index (CPI) of the original pension amount.

FREMONT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. RETIREMENT FUND COMMITMENTS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND

Employees Covered by the Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiveing benefits	6
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Plan Members	<u>15</u>
Total	<u><u>25</u></u>

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Township to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2016 was 9.66 percent. The Township's actual contribution for calendar year 2016 was \$74,549. The Township also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.75%; Salary Increases were expected to be 3.75% to 14.5% including inflation; the Investment Rate of Return was assumed to be 7.50%; the Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013; the IMRF-specific Rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuity Mortality Table with adjustments to match current IMRF experience; for Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives; for Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience; the Long-Term Expected Rate of Return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
(Continued)

3. RETIREMENT FUND COMMITMENTS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.5%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects, 1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and, 2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78% and the resulting single discount rate is 7.50%.

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
(Continued)

3. RETIREMENT FUND COMMITMENTS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 3,384,871	\$ 2,992,642	\$ 392,229
Changes for the Year:			
Service Cost	78,079	-	78,079
Interest on the Total Pension Liability	252,128	-	252,128
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(60,921)	-	(60,921)
Changes of Assumptions	(5,105)	-	(5,105)
Contributions - Employer	-	74,549	(74,549)
Contributions - Employees	-	34,728	(34,728)
Net Investment Income	-	210,244	(210,244)
Benefit Payments, including Refunds of			
Employee Contributions	(115,435)	(115,435)	-
Other (Net Transfer)	-	(40,292)	40,292
Net Changes	148,746	163,794	(15,048)
Balances at December 31, 2016	\$ 3,533,617	\$ 3,156,436	\$ 377,181

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 4,087,615	\$ 3,533,617	\$ 3,084,055
Plan Fiduciary Net Position	3,156,436	3,156,436	3,156,436
Net Pension Liability (Asset)	\$ 931,179	\$ 377,181	\$ (72,381)

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. POST-EMPLOYMENT BENEFITS

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Township's health insurance plan. There has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township has no former employees for whom the Township was providing explicit subsidy and employees with agreements for the future explicit subsidies upon retirement. The Township has no postemployment liability as of February 28, 2017.

5. PROPERTY TAXES

The 2015 property taxes attached as an enforceable lien on January 1, 2015. They were levied in December of the tax year. Tax bills were prepared by the County and issued on or about May 1, 2016, and were payable in two installments, on or about June 1, 2016, and September 1, 2016. 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.

6. 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.

7. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2017 was as follows:

	<u>BALANCE</u>	<u>ADDITONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Capital Assets Not Being Depreciated				
Land	\$ 1,444,639	\$ -	\$ -	\$ 1,444,639
Capital Assets Being Depreciated				
Land Improvements	\$ 3,436,501	\$ 28,400	\$ -	\$ 3,464,901
Buildings	1,051,556	-	-	1,051,556
Equipment, Furniture and Vehicles	1,267,001	224,677	-	1,491,678
Infrastructure	1,592,281	198,771	-	1,791,052
	<u>\$ 7,347,339</u>	<u>\$ 451,848</u>	<u>\$ -</u>	<u>\$ 7,799,187</u>
Less: Accumulated Depreciation For:				
Land Improvements	\$ 493,636	\$ 78,660	\$ -	\$ 572,296
Buildings	238,041	21,031	-	259,072
Equipment, Furniture and Vehicles	817,197	82,168	-	899,365
Infrastructure	359,237	40,635	-	399,872
	<u>\$ 1,908,111</u>	<u>\$ 222,494</u>	<u>\$ -</u>	<u>\$ 2,130,605</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS, NET</u>	<u>\$ 6,883,867</u>	<u>\$ 229,354</u>	<u>\$ -</u>	<u>\$ 7,113,221</u>

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. LONG-TERM DEBT

The following is a summary of the Township's Long-Term Debt for the year ended February 28, 2017.

	Balance 3/1/2016	Additions	Retirement	Balance 2/28/2017	Current Portion
Capital Leases	\$ 215,540	\$ 124,677	\$ 86,100	\$ 254,117	\$ 93,145

The Capital leases consist of a Morbark chipper with annual payments of \$12,361 for 3 years, including interest of 3.53%, a Kubota with semi-yearly payments of \$7,361 for 5 years, including interest of 4.5% and a Mack Truck Package with monthly payments of 5,068 for 60 months, including interest at 6.64%.

Future lease payments are:

		Principal	Interest	Total
Kubota				
	2018	\$ 13,926	\$ 796	\$ 14,722
	2019	7,223	138	7,361
		\$ 21,149	\$ 934	\$ 22,083
Mack Truck				
	2018	54,615	6,197	60,812
	2019	58,356	2,456	60,812
	2020	5,040	28	5,068
		\$ 118,011	\$ 8,681	\$ 126,692
Mack Truck				
	2018	\$ 23,807	\$ 2,993	\$ 26,800
	2019	24,501	2,299	26,800
	2020	25,215	1,586	26,801
	2021	25,949	851	26,800
	2022	15,485	149	15,634
		\$ 114,957	\$ 7,878	\$ 122,835
Totals		\$ 254,117	\$ 17,493	\$ 271,610

FREMONT TOWNSHIP

NOTES TO FINANCIAL STATEMENT
(Continued)

9. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences in fund balance presentations.

A. Nonspendable Fund Balance

The nonspendable fund balance classifications include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. They "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Because the Township reports on the cash basis of accounting all such items are expensed at the time of purchase, and therefore there are no amounts that fall into this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the Township. Things such as restrictions imposed by creditors, grantors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The Township reports several revenue funds; the source of funding is through specific real estate tax levies: General Assistance Levy, Road and Bridge Levy and the Permanent Road Levy.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of government's highest level of decision-making authority (the Township Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

The Trustees commit fund balances by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No funds are currently committed.

D. Assigned Fund Balance

The assigned fund balance classifications refer to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Trustees themselves or (b) the finance committee or by the Supervisor when the Trustees has delegated authority to assign amounts to be used for a specific purpose. No funds are currently assigned.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Town Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned Fund Balance amounts are shown in the financial statements in the General Town Fund.

FREMONT TOWNSHIP

SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,197,321	\$ 1,197,321	\$ 1,183,219
Replacement Taxes	14,000	14,000	13,121
Interest Income	800	800	937
Grants	7,500	7,500	-
Donations	10,800	10,800	34,567
Half-Fare Taxi Program	1,000	1,000	1,500
Miscellaneous	1,600	1,600	1,884
	<u>\$ 1,233,021</u>	<u>\$ 1,233,021</u>	<u>\$ 1,235,228</u>

CASH DISBURSEMENTS

ADMINISTRATION

PERSONAL SERVICES

Salaries - Officials	\$ 259,100	\$ 259,100	\$ 258,788
Salaries - Township Personnel	82,000	82,000	77,119
Health Insurance	98,500	98,500	81,537
IMRF	29,000	29,000	29,727
Social Security Tax	26,100	26,100	25,248
Unemployment Insurance	320	401	400
	<u>\$ 495,020</u>	<u>\$ 495,101</u>	<u>\$ 472,819</u>

CONTRACTUAL

Building Maintenance	\$ 10,000	\$ 10,000	\$ 3,536
Equipment Maintenance	5,000	5,000	1,440
Building Improvements	25,000	25,000	-
Accounting	4,000	4,000	3,600
Legal	2,500	2,500	700
Postage	1,500	1,500	474
Telephone/Internet	3,500	3,500	2,843
Publishing	500	500	313
Printing	500	580	578
Dues	1,300	1,310	1,307
Travel	1,000	1,000	75
Training	5,000	5,000	1,045
Utilities	5,000	5,000	2,437
Programs & Services	500	500	-
Newsletter	6,000	6,000	5,107
CERT	5,000	5,000	2,384
Lease Equipment	100	100	-
Web Page	300	300	225
Professional Services	7,000	7,000	-

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS (Continued)</u>			
<u>ADMINISTRATION (Continued)</u>			
<u>CONTRACTUAL</u>			
General Insurance	\$ 10,000	\$ 10,000	\$ 10,000
Disposal Service	1,300	1,300	1,239
Pace Bus Service	6,000	6,000	214
Half-Fare Taxi Program	3,000	3,000	2,764
Well and Water Committee	100	100	
Document Scanning	2,500	2,329	
Mosquito Control	14,000	14,000	12,822
	<u>\$ 120,600</u>	<u>\$ 120,519</u>	<u>\$ 53,103</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 3,000	\$ 3,000	\$ 1,766
Operating Supplies	2,500	2,500	1,227
Equipment	10,000	10,000	2,365
Food Pantry	19,800	19,800	6,421
	<u>\$ 35,300</u>	<u>\$ 35,300</u>	<u>\$ 11,779</u>
<u>OTHER EXPENDITURES</u>			
Miscellaneous	\$ 1,000	\$ 1,000	\$ 145
Wetland Mitigation	5,000	5,000	
Garden Grant	15,500	15,500	500
Social Service	5,500	5,500	4,436
Contingencies	20,000	20,000	
	<u>\$ 47,000</u>	<u>\$ 47,000</u>	<u>\$ 5,081</u>
<u>CAPITAL OUTLAY</u>			
Building	\$ 70,000	\$ 70,000	\$ -
Land Acquisition	250,000	250,000	
Energy Efficient Lighting	-	-	-
	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ -</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 1,017,920</u>	<u>\$ 1,017,920</u>	<u>\$ 542,782</u>
<u>CASH DISBURSEMENTS</u>			
<u>ASSESSOR</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 138,000	\$ 138,000	\$ 133,995
Health Insurance	21,250	21,250	19,087
Unemployment Insurance	1,000	1,000	934
Social Security Tax	10,600	10,600	10,142
IMRF	11,650	11,650	11,491
	<u>\$ 182,500</u>	<u>\$ 182,500</u>	<u>\$ 175,649</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
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>			
Maintenance Service - Equipment	\$ 550	\$ 550	\$ 367
Maintenance Service - Vehicle	200	200	23
Postage	600	600	470
Telephone/Internet	2,500	2,500	2,251
Publishing	200	200	-
Printing	500	500	-
Newsletter	100	100	-
Dues	500	500	20
Professional Services - IT	3,000	4,200	4,192
Travel	1,500	1,500	731
Training	2,500	2,500	1,461
Legal	100	100	-
Terminal Rental	7,200	7,200	7,200
Equipment Lease	100	100	-
	<u>\$ 19,550</u>	<u>\$ 20,750</u>	<u>\$ 16,715</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 3,000	\$ 3,000	\$ 777
Equipment	2,000	800	-
	<u>\$ 5,000</u>	<u>\$ 3,800</u>	<u>\$ 777</u>
<u>OTHER EXPENDITURES</u>			
Contingencies	\$ 7,000	\$ 7,000	\$ -
Miscellaneous	1,000	1,000	35
	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 35</u>
<u>TOTAL ASSESSOR'S OFFICE</u>	<u>\$ 215,050</u>	<u>\$ 215,050</u>	<u>\$ 193,176</u>
 <u>PARKS</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 85,000	\$ 85,000	\$ 79,669
Health Insurance	14,500	14,500	15,948
Unemployment Insurance	700	700	633
Social Security Tax	6,600	6,600	5,964
IMRF	8,000	8,000	7,692
	<u>\$ 114,800</u>	<u>\$ 114,800</u>	<u>\$ 109,906</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS (Continued)</u>			
<u>PARKS (Continued)</u>			
<u>CONTRACTUAL</u>			
Equipment Maintenance	\$ 7,500	\$ 7,500	\$ 7,189
Building Maintenance	2,000	2,320	2,315
Park Maintenance	30,000	30,000	12,988
Irrigation Maintenance	7,500	7,500	4,666
Professional Services	1,000	1,000	197
Utilities	7,000	7,000	5,298
Disposal Service	3,500	3,500	3,075
Equipment Rental	5,000	5,000	800
Portable Toilet	2,500	2,625	2,624
	<u>\$ 66,000</u>	<u>\$ 66,445</u>	<u>\$ 39,152</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 5,000	\$ 5,000	\$ 3,016
Uniforms	1,000	1,000	582
Fuel	5,000	5,000	2,319
Equipment	10,000	10,000	8,182
Ivanhoe Park	10,000	9,555	111
Tools	5,000	5,000	1,496
	<u>\$ 36,000</u>	<u>\$ 35,555</u>	<u>\$ 15,706</u>
<u>CAPITAL OUTLAY</u>			
Behm Park	\$ 40,000	\$ 40,000	\$ 28,400
Equipment Contingencies	40,000	40,000	
	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 28,400</u>
<u>TOTAL PARKS</u>	<u>\$ 296,800</u>	<u>\$ 296,800</u>	<u>\$ 193,164</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>1,529,770</u>	<u>1,529,770</u>	<u>929,122</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	\$ (296,749)	\$ (296,749)	\$ 306,106
<u>FUND BALANCE - MARCH 1, 2016</u>			<u>1,220,266</u>
<u>FUND BALANCE - FEBRUARY 28, 2017</u>			<u>\$ 1,526,372</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
GENERAL ASSISTANCE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH RECEIPTS</u>			
Property Tax	\$ 1,000	\$ 1,000	\$ 1,000
Interest	100	100	143
Miscellaneous	-	-	4,452
	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 5,595</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>PERSONAL SERVICES</u>			
Salaries	\$ 40,000	\$ 40,000	\$ 38,626
Social Security Tax	3,100	3,100	2,955
Unemployment Tax	350	350	318
IMRF	4,400	4,400	3,726
Health Insurance	10,200	10,200	9,450
	<u>\$ 58,050</u>	<u>\$ 58,050</u>	<u>\$ 55,075</u>
<u>CONTRACTUAL</u>			
Equipment Maintenance	\$ 550	\$ 550	\$ 367
Other Professional Service	1,500	1,500	1,000
Newsletter	3,000	3,000	3,000
Postage	500	500	425
Telephone/Internet	3,000	3,000	1,793
Publishing	50	50	-
Printing	100	100	100
Travel	100	100	-
Training	1,000	1,000	70
General Insurance	4,000	4,000	2,665
Web Page	250	250	-
Utilities	2,000	2,000	1,043
	<u>\$ 16,050</u>	<u>\$ 16,050</u>	<u>\$ 10,463</u>
<u>COMMODITIES</u>			
Office Supplies	\$ 1,000	\$ 1,000	\$ 223
Equipment	500	500	-
Operating Supplies	250	250	-
	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 223</u>
<u>OTHER EXPENDITURES</u>			
Contingencies	\$ 5,000	\$ 5,000	\$ -
Miscellaneous	250	250	46
	<u>\$ 5,250</u>	<u>\$ 5,250</u>	<u>\$ 46</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 81,100</u>	<u>\$ 81,100</u>	<u>\$ 65,807</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
GENERAL ASSISTANCE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS (Continued)</u>			
<u>HOME RELIEF</u>			
<u>CONTRACTUAL SERVICES</u>			
Physician Service	\$ 5,000	\$ 5,000	\$ -
Hospital Service - In Patient	15,000	15,000	-
Hospital Service - Out Patient	15,000	15,000	-
Dental	5,000	5,000	-
Other Medical	5,000	5,000	-
Funeral and Burial	2,000	2,000	-
Shelter	30,000	30,000	9,051
Client Utilities	25,000	25,000	9,356
Catastrophic Insurance	2,500	2,500	2,360
Miscellaneous Home Relief	1,000	1,000	325
	<u>\$ 105,500</u>	<u>\$ 105,500</u>	<u>\$ 21,092</u>
<u>COMMODITIES</u>			
Food	\$ 1,000	\$ 1,000	\$ -
Fuel	5,000	5,000	835
Prescriptions	5,000	5,000	-
Personal Incidentals	5,000	5,000	100
Household Incidentals	5,000	5,000	200
Social Services	500	500	-
	<u>\$ 21,500</u>	<u>\$ 21,500</u>	<u>\$ 1,135</u>
<u>TOTAL HOME RELIEF</u>	<u>\$ 127,000</u>	<u>\$ 127,000</u>	<u>\$ 22,227</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 208,100</u>	<u>\$ 208,100</u>	<u>\$ 88,034</u>
<u>TOTAL CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (207,000)</u>	<u>\$ (207,000)</u>	<u>\$ (82,439)</u>
<u>FUND BALANCE - MARCH 1, 2016</u>			<u>354,408</u>
<u>FUND BALANCE - FEBRUARY 28, 2017</u>			<u>\$ 271,969</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
ROAD AND BRIDGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 188,000	\$ 188,000	\$ 188,360
Replacement Taxes	15,000	15,000	14,045
Interest	50	50	159
SSA Receipts	30,000	30,000	11,310
Miscellaneous	2,000	2,000	10,006
	<u>\$ 235,050</u>	<u>\$ 235,050</u>	<u>\$ 223,880</u>
<u>CASH DISBURSEMENTS</u>			
<u>ADMINISTRATION</u>			
<u>CONTRACTUAL SERVICES</u>			
Legal	\$ 100	\$ 350	\$ 350
Postage	100	100	49
Telephone/ Internet	7,500	7,500	6,551
Publishing	300	300	50
Printing	50	50	7
Travel	50	50	-
Training	600	600	499
Dues	1,000	1,000	521
Subscriptions	50	50	
Insurance	13,000	13,000	12,664
Drug Testing	700	900	900
J.U.L.I.E.	2,500	2,510	2,510
Weather Satellite	3,100	3,100	3,096
Municipal Replacement Tax	2,800	2,800	2,470
	<u>\$ 31,850</u>	<u>\$ 32,310</u>	<u>\$ 29,667</u>
<u>COMMODITIES</u>			
Equipment	\$ -	\$ -	\$ 220
Operating Supplies	1,000	1,000	757
Bottled Water	1,000	1,100	1,070
Miscellaneous Supplies	100	100	73
Office Supplies	1,000	1,000	453
	<u>\$ 3,100</u>	<u>\$ 3,200</u>	<u>\$ 2,573</u>
<u>OTHER EXPENSES</u>			
Miscellaneous	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 34,950</u>	<u>\$ 35,510</u>	<u>\$ 32,240</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
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	\$ 130,000	\$ 129,440	\$ 58,001
Equipment Maintenance	65,000	65,000	50,310
Bridge Maintenance	100	100	-
Disposal Service	1,300	1,300	1,239
Uniforms	3,000	3,000	2,816
Engineering Service	15,000	15,000	4,978
Utilities	9,000	9,000	6,264
Rentals	500	500	35
Intersection Lights	18,000	18,000	16,625
	<u>\$ 241,900</u>	<u>\$ 241,340</u>	<u>\$ 140,268</u>
<u>COMMODITIES</u>			
Operating Supplies	\$ 600	\$ 600	\$ 349
Fuel/Oil	40,000	40,000	19,238
Signs and Road Striping	15,000	15,000	14,820
Equipment	10,000	10,000	8,331
Small Tools	1,000	1,000	969
	<u>\$ 66,600</u>	<u>\$ 66,600</u>	<u>\$ 43,707</u>
<u>OTHER EXPENSE</u>			
Miscellaneous	\$ 100	\$ 100	\$ 95
SSA	30,000	30,000	3,109
Contingencies	10,000	10,000	-
	<u>\$ 40,100</u>	<u>\$ 40,100</u>	<u>\$ 3,204</u>
<u>CAPITAL OUTLAY</u>			
Building	\$ 20,000	\$ 20,000	\$ -
<u>TOTAL MAINTENANCE</u>	<u>\$ 368,600</u>	<u>\$ 368,040</u>	<u>\$ 187,179</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 403,550</u>	<u>\$ 403,550</u>	<u>\$ 219,419</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (168,500)</u>	<u>\$ (168,500)</u>	<u>\$ 4,461</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES/USES</u>	<u>\$ (168,500)</u>	<u>\$ (168,500)</u>	<u>\$ 4,461</u>
<u>FUND BALANCE - MARCH 1, 2016</u>			<u>286,368</u>
<u>FUND BALANCE - FEBRUARY 28, 2017</u>			<u>\$ 290,829</u>

FREMONT TOWNSHIP
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2017
PERMANENT ROAD FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 1,191,000	\$ 1,191,000	\$ 1,191,513
Interest	400	400	3,176
Grants	26,000	26,000	
	<u>\$ 1,217,400</u>	<u>\$ 1,217,400</u>	<u>\$ 1,194,689</u>
<u>CASH DISBURSEMENTS</u>			
ADMINISTRATION			
PERSONAL SERVICES			
Salaries	\$ 260,000	\$ 260,000	\$ 228,836
Health Insurance	80,000	84,500	85,077
IMRF	26,000	26,000	21,871
Social Security	20,000	20,000	17,465
Unemployment	750	750	373
	<u>\$ 386,750</u>	<u>\$ 391,250</u>	<u>\$ 353,622</u>
CONTRACTUAL			
Engineering	\$ 65,000	\$ 65,000	\$ 63,002
Environmental Maintenance	5,000	5,220	5,220
Road Maintenance	80,000	80,000	70,752
Rentals	5,000	5,000	677
Tree Trimming/Removal	25,000	25,000	14,154
	<u>\$ 180,000</u>	<u>\$ 180,220</u>	<u>\$ 153,805</u>
COMMODITIES			
Operating Supplies	\$ 100	\$ 100	\$ -
Snow Removal	145,000	140,280	68,720
	<u>\$ 145,100</u>	<u>\$ 140,380</u>	<u>\$ 68,720</u>
CAPITAL OUTLAY			
Road Improvements	\$ 200,000	\$ 200,000	\$ 198,771
Equipment	100,000	100,000	100,000
	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 298,771</u>
OTHER EXPENDITURES			
Miscellaneous	\$ 500	\$ 500	\$ -
Contingencies	10,000	10,000	-
Grant Expenses	26,000	26,000	-
Road Projects	500,000	500,000	434,672
	<u>\$ 536,500</u>	<u>\$ 536,500</u>	<u>\$ 434,672</u>
DEBT SERVICE			
Interest	\$ -	\$ -	\$ 12,969
Principal	100,000	100,000	86,100
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 99,069</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,648,350</u>	<u>\$ 1,648,350</u>	<u>\$ 1,408,659</u>
<u>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (430,950)</u>	<u>\$ (430,950)</u>	<u>\$ (213,970)</u>
<u>FUND BALANCE - MARCH 1, 2016</u>			<u>686,138</u>
<u>FUND BALANCE - FEBRUARY 28, 2017</u>			<u>\$ 472,168</u>

FREMONT TOWNSHIP

SUPPLEMENTARY INFORMATION

FREMONT TOWNSHIP
COMPARATIVE TAX DATA
FOR THE YEARS 2015, 2014, AND 2013
IN WHOLE DOLLAR AMOUNTS

<u>TAX YEAR</u>	<u>2015</u>		<u>2014</u>		<u>2013</u>	
<u>TOTAL ASSESSED VALUATION</u>	<u>\$</u>	<u>969,608,882</u>	<u>\$</u>	<u>941,232,114</u>	<u>\$</u>	<u>951,040,907</u>
	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>	<u>Rates</u>	<u>Extensions</u>
Corporate	0.123	\$ 1,197,322	0.122	\$ 1,148,313	0.115	\$ 1,093,697
General Assistance	0.001	1,008	0.005	50,008	0.011	104,615
Permanent Road	0.123	1,191,756	0.125	1,176,022	0.119	1,131,739
* Road and Bridge	0.020	188,397	0.020	186,446	0.020	193,369
	<u>0.267</u>	<u>\$ 2,578,483</u>	<u>0.272</u>	<u>\$ 2,560,789</u>	<u>0.265</u>	<u>\$ 2,523,420</u>

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

FREMONT TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FEBRUARY 28, 2017

The Schedule of Changes in the Net Pension Liability and Related Ratios, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

Calendar Year Ended December 31,	2016	2015
Total Pension Liability		
Service Cost	\$ 78,079	\$ 87,664
Interest on the Total Pension Liability	252,128	261,918
Changes in Benefit Terms	-	-
Differences Between Expected and Actual		
Experience of the Total Pension Liability	(60,921)	223,388
Changes in Assumptions	(5,105)	26,236
Benefit Payments, Including Refunds of		
Employee Contributions	(115,435)	(157,286)
Net Change in Total Pension Liability	\$ 148,746	\$ 441,920
Total Pension Liability - Beginning	3,384,871	3,527,052
Total Pension Liability - Ending (A)	<u>\$ 3,533,617</u>	<u>\$ 3,968,972</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 74,549	\$ 95,288
Contributions - Employees	34,728	38,981
Net Investment Income	210,244	17,467
Benefit Payments, Including Refunds of		
Employee Contributions	(115,435)	(157,286)
Other (Net Transfer)	(40,292)	(44,061)
Net Change in Plan Fiduciary Net Position	\$ 163,794	\$ (49,611)
Plan Fiduciary Net Position - Beginning	2,992,642	3,504,815
Plan Fiduciary Net Position - Ending (B)	<u>\$ 3,156,436</u>	<u>\$ 3,455,204</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 377,181</u>	<u>\$ 513,768</u>
Plan Fiduciary Net Position as a Percentage of		
the Total Pension Liability	89.33%	87.06%
Covered Valuation Payroll	\$ 771,736	\$ 748,132
Net Pension Liability as a Percentage of		
Covered Valuation Payroll	48.87%	68.67%

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

FREMONT TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FEBRUARY 28, 2017

The Schedule of Employer Contributions, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2015	\$ 74,065	\$ 74,064	\$ 1	\$ 748,132	9.90%
2016	74,550	74,549	1	771,736	9.66%

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The calculation of the 2016 contribution rate is based on valuation assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2016 CONTRIBUTION RATES

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Regular Plan liabilities: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period) Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<i>Other Information:</i>	There were no benefit changes during the year

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.