

WAUKEGAN TOWNSHIP

LAKE COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED FEBRUARY 28, 2018

## 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
Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions – Fiduciary Funds	13
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	14
<u>Notes to Financial Statements</u>	15-26
<u>Supplementary Information</u>	
Schedule of Cash Receipts, Disbursements and Changes in Fund Balances	
- Budget and Actual - General Fund	27-29
- Budget and Actual - General Assistance	30-34
- Budget and Actual - Senior Citizens Fund	35-36
- Budget and Actual - IMRF Fund	37
- Budget and Actual - Road and Bridge Fund	38-39
Comparative Tax Data	40
Schedule of Changes in the Net Position, Liability and Related Ratios	41
Schedule of Employer Contributions	42



# Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

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

JAMES R. HENRY, C.P.A.  
KEVIN P. KINNAVY, C.P.A.  
JOHN D. ACETO, JR., C.P.A.

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

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

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Waukegan Township  
Lake County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, and each major fund of Waukegan Township, as of and for the year ended February 28, 2018, 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 these 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 of 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 misstatement, whether due to error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our 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 misstatement 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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting, estimates made by management, as well as evaluating the overall financial statement presentation.

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

### 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 Waukegan Township, as of February 28, 2018, and the respective changes in financial position – modified cash basis, thereof for the year ended in accordance with the modified cash basis of accounting described in Note 1.

The Board of Trustees  
Waukegan Township  
Page 2

### **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 by the United States of America. Our opinion was 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 Waukegan Township, basic financial statements. The management's discussion and analysis, budgetary comparison, and comparative tax data on pages 3 through 7 and 27 through 42, which are the responsibility of management, are presented for the purposes of additional analysis and are 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, KAM SCHULTE, JACOBS & CO. LLP  
Waukegan, Illinois  
August 18, 2018

WAUKEGAN TOWNSHIP

SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

WAUKEGAN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2018

As management of Waukegan 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, 2018. 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, 2018 by \$3,643,648 (net position). Of this amount \$832,999 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position decreased by \$598,705.
- At February 28, 2018, the Township's governmental funds reported combined ending fund balances of \$1,895,677, a decrease of \$522,457 in comparison with the prior year. Approximately 44% of this total amount, \$832,999, is available for spending at the Township's discretion (unassigned fund balance).
- At February 28, 2018, the unassigned fund balance for the General Fund was \$832,999 or 49% of total General Fund disbursements.

Our discussion and analysis of the Waukegan Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended February 28, 2018.

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.

## WAUKEGAN 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 is one indicator of its financial health.

In the Statement of Net Position and Statement of Activities, we report 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 fund 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 a reconciliation in the financial statements.

WAUKEGAN 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	
	2018	2017
Current Assets	\$ 1,908,100	\$ 2,444,464
Capital Assets	1,751,537	1,831,262
Total Assets	<u>\$ 3,659,637</u>	<u>\$ 4,275,726</u>
Current Liabilities	\$ (15,731)	\$ (29,807)
Long-Term Debt Outstanding	(258)	(3,566)
\$ (15,989)	<u>\$ (33,373)</u>	
Net Investment in Capital Assets,		
Net of Related Debt	\$ 1,747,971	\$ 1,824,219
Restricted	1,062,678	1,317,138
Unrestricted	832,999	1,100,996
Total Net Position	<u>\$ 3,643,648</u>	<u>\$ 4,242,353</u>

Table 2 - Change in Net Position

Cash Receipts			
General Receipts			
Property Taxes	\$ 3,239,479	\$ 3,243,517	
Program/Service Fees	176,689	100,661	
Replacement Taxes	622,227	634,108	
Grants and Contributions	538,591	975,217	
Interest Earned	3,394	2,097	
Other	115,009	132,085	
Total Cash Receipts	<u>\$ 4,695,389</u>	<u>\$ 5,087,685</u>	
Cash Disbursements			
Functions/Programs			
General Government	\$ 2,053,135	\$ 1,927,042	
Public Assistance	1,261,749	1,144,862	
Highways and Streets	188,914	231,461	
Recreation and Social Services	1,693,844	1,684,115	
Interest on Debt	227	229	
Depreciation	96,225	94,024	
Total Cash Disbursement	<u>\$ 5,294,094</u>	<u>\$ 5,081,733</u>	
Increase (Decrease) in Net Position	\$ (598,705)	\$ 5,952	
Net Position - Beginning of Year	<u>4,242,353</u>	<u>4,236,401</u>	
Net Position - End of Year	<u>\$ 3,643,648</u>	<u>\$ 4,242,353</u>	

WAUKEGAN TOWNSHIP

BASIC FINANCIAL STATEMENTS

WAUKEGAN TOWNSHIP

GOVERNMENT-WIDE FINANCIAL STATEMENTS

## WAUKEGAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The net position of the Township's governmental activities decreased by \$598,705 Unassigned net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenant, or other legal requirements – was \$832,999 at February 28, 2018. Declining property values have resulted in a slight decline in real estate taxes received as funds are capped at a certain tax rate. Property values will increase during the next cycle as well as the following year. Although we received slightly lower tax dollars we are still delivering the same programming to the community. Our programs are continuing to gain in popularity and with that are costing more and we have had to utilize fund balances to cover the costs.

#### THE TOWNSHIP'S FUNDS

As the Township completed the year, its Governmental Funds (as presented in the Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions on page 10) reported a combined fund balance of \$1,895,677, which is below last year's total of \$2,418,134. This year will be the second year in a row that we have not seen growth in our fund balances, in fact we have seen reductions in all funds but one. A decrease in Federal funding has resulted in lower revenues in the General Assistance fund, which decreased the fund balance. As we look to find new revenue sources to meet demands in our programming we have started the discussions on implementing cost saving measures across the board. Health Insurance costs rose at almost 10% along with cost of benefit payments. Manpower to meet program demand increased resulting in increases in tax and pension liabilities as well as salary costs.

#### GENERAL AND BUDGETARY HIGHLIGHTS

The March 1, 2017 to February 28, 2018 budget, which was not amended, was approved by the Board of Trustees on March 9, 2017. The budget is a general guide for the financial activity of the Township.

General funding actual direct receipts were \$7,864 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, 2018, the Township had \$1,751,537 invested in capital assets, including land and land improvements.

Table 3- Capital assets at Year End (See Note 7)

	Governmental Activities	
	2018	2017
Land	\$ 334,139	\$ 334,139
Buildings	1,210,135	1,253,309
Vehicles and Equipment	207,263	243,814
	<u>\$ 1,751,537</u>	<u>\$ 1,831,262</u>

For the fiscal year ending February 28, 2019 the Township has budgeted \$152,000 for capital expenditures.

WAUKEGAN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

CAPITAL ASSETS (Continued)

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Capital Leases	<u>\$ 3,566</u>	<u>\$ 7,043</u>

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 Patricia Jones, Supervisor of Waukegan Township, Waukegan, IL 60085 (847) 244-4900.

**WAUKEGAN TOWNSHIP**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**FEBRUARY 28, 2018**

	Governmental Activities
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,816,789
Advance Payments	88,811
Due From Trust Funds	2,500
<b>Total Current Assets</b>	<u>\$ 1,908,100</u>
<b>Noncurrent Assets</b>	
<b>Capital Assets</b>	
Land	\$ 334,139
Buildings	2,161,898
Vehicles and Equipment	762,701
Less Accumulated Depreciation	(1,507,201)
<b>Total Noncurrent Assets</b>	<u>\$ 1,751,537</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,659,637</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Deposits	\$ 10,857
Sales tax and Consignments Held	1,566
Current Portion of Long-Term debt	
Capital Leases	3,308
<b>Total Current Liabilities</b>	<u>\$ 15,731</u>
<b>Long-Term Liabilities</b>	
Capital Leases	\$ 258
<b>TOTAL LIABILITIES</b>	<u>\$ 15,989</u>
<b>NET POSITION</b>	
Net Investment In Capital Assets	\$ 1,747,971
<b>Restricted for:</b>	
Public Assistance	717,547
Recreation and Social Services	40,675
Employee Benefits	157,087
Highway and Roads	147,369
<b>Unrestricted</b>	<u>832,999</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,643,648</u>

The accompanying Notes are an integral part of these Financial Statements

WAUKEGAN TOWNSHIP  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED FEBRUARY 28, 2018

FUNCTION/PROGRAMS	Program Receipts		Net (Disbursements) Receipts and Change In Net Position		
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total
Governmental Activities					
General Government	\$ 2,053,135	\$ -	\$ 23,109	\$ -	\$ (2,030,026)
Public Assistance	1,261,749	-	457,832	-	(803,917)
Highways and Streets	188,914	-	-	-	(188,914)
Recreation & Social Services	1,693,844	176,689	57,650	-	(1,459,505)
Interest on Debt	227	-	-	-	(227)
Depreciation - Unallocated	96,225	-	-	-	(96,225)
Total Governmental Activities	<u>\$ 5,294,094</u>	<u>\$ 176,689</u>	<u>\$ 538,591</u>	<u>\$ -</u>	<u>\$ (4,578,814)</u>
General Receipts:					
Property Taxes					\$ 3,239,479
Replacement Taxes					622,227
Unrestricted Investment Earnings					3,394
Other					115,009
Total General Receipts					<u>\$ 3,980,109</u>
Change in Net Position					\$ (598,705)
Net Position - Beginning					<u>4,242,353</u>
Net Position - Ending					<u>\$ 3,643,648</u>

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

WAUKEGAN TOWNSHIP

FUND FINANCIAL STATEMENTS

WAUKEGAN TOWNSHIP  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS  
FEBRUARY 28, 2018

	General Fund	General Assistance Fund	Seniors Fund	Imrf/Fica Fund	Road And Bridge Fund	Total Funds
<b>ASSETS</b>						
Cash and Investments	\$ 846,794	\$ 693,583	\$ 60,014	\$ 69,702	\$ 146,696	1,816,789
Advance Payments	88,811	2,500	-	-	-	88,811
Due From Trust Funds		21,464		87,385	-	2,500
Due from Other Funds						
<b>TOTAL ASSETS</b>	<b>\$ 935,605</b>	<b>\$ 717,547</b>	<b>\$ 60,014</b>	<b>\$ 157,087</b>	<b>\$ 147,369</b>	<b>\$ 2,017,622</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Liabilities						
Due To Other Funds	\$ 91,749	\$ -	\$ -	\$ 17,773	\$ -	\$ -
Deposits	10,857	-	-	-	-	\$ 10,857
Sales tax and Consignments Held						
<b>TOTAL LIABILITIES</b>	<b>\$ 102,606</b>	<b>\$ -</b>	<b>\$ 1,566</b>	<b>\$ 19,339</b>	<b>\$ -</b>	<b>\$ 1,566</b>
<b>FUND BALANCES</b>						
Restricted	\$ -	\$ 717,547	\$ -	\$ -	\$ -	\$ -
Public Assistance						
Highway and Roads						
Recreation and Social Services						
Employee Benefits						
Unassigned						
<b>TOTAL FUND BALANCES</b>	<b>\$ 832,999</b>	<b>\$ 717,547</b>	<b>\$ 40,675</b>	<b>\$ 157,087</b>	<b>\$ 147,369</b>	<b>\$ 832,999</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 935,605</b>	<b>\$ 717,547</b>	<b>\$ 60,014</b>	<b>\$ 157,087</b>	<b>\$ 147,369</b>	<b>\$ 1,895,677</b>

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.

Net Position of Governmental Activities

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

(3,566)  
\$ 3,643,648

**WAUKEGAN TOWNSHIP**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**

	General Fund	General Assistance Fund	Senior Citizen Fund	Imrf/Fica Fund	Road and Bridge Fund	Total Governmental Funds
<b>CASH RECEIPTS</b>						
Property Taxes	\$ 1,280,337	\$ 628,357	\$ 972,533	\$ 205,243	\$ 153,009	\$ 3,239,479
Replacement Taxes	189,394	-	270,563	81,169	81,101	622,227
Interest	1,057	616	372	1,298	51	3,394
Grants	23,109	457,832	26,126	-	-	507,067
Program Fees	-	-	158,317	-	-	158,317
Washington Center/Staben House	-	-	-	-	-	18,307
Rents	-	18,307	13,357	-	-	13,357
Donations	-	-	31,524	-	-	31,524
Gift Shop Sales	-	-	5,015	-	-	5,015
Other	-	-	1,153	-	-	96,702
<b>TOTAL RECEIPTS</b>	<b>\$ 69,967</b>	<b>\$ 25,582</b>	<b>\$ 1,478,960</b>	<b>\$ 287,710</b>	<b>\$ 234,161</b>	<b>\$ 4,695,389</b>
<b>CASH DISBURSEMENTS</b>						
Current						
General Government	\$ 1,663,001	\$ -	\$ -	\$ 390,134	\$ -	\$ 2,053,135
Public Assistance	-	1,261,749	-	-	-	1,261,749
Recreation and Social Services	40,156	-	1,653,688	-	-	1,693,844
Highway and Streets	-	-	-	-	-	188,914
Capital Outlay	-	-	-	-	16,500	16,500
Debt Service	-	-	-	-	-	
Principal	3,477	-	-	-	-	
Interest	227	-	-	-	-	
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 1,706,861</b>	<b>\$ 1,261,749</b>	<b>\$ 1,653,688</b>	<b>\$ 390,134</b>	<b>\$ 205,414</b>	<b>\$ 5,217,846</b>
<b>NET CHANGE IN FUND BALANCE</b>						
OTHER FINANCING SOURCES(USES)						
Permanent Transfer In	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000
Permanent Transfer Out	<u>(\$125,000)</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$125,000)</u>
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>CASH RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES(USES)</b>	<b>\$ (267,997)</b>	<b>\$ (131,055)</b>	<b>\$ (49,728)</b>	<b>\$ (102,424)</b>	<b>\$ 28,747</b>	<b>\$ (522,457)</b>
<b>FUND BALANCE - MARCH 1, 2017</b>	<b><u>\$ 1,100,986</u></b>	<b><u>\$ 848,602</u></b>	<b><u>\$ 90,403</u></b>	<b><u>\$ 259,511</u></b>	<b><u>\$ 118,622</u></b>	<b><u>\$ 2,418,134</u></b>
<b>FUND BALANCE - FEBRUARY 28, 2018</b>	<b><u>\$ 832,999</u></b>	<b><u>\$ 717,547</u></b>	<b><u>\$ 40,675</u></b>	<b><u>\$ 157,087</u></b>	<b><u>\$ 147,369</u></b>	<b><u>\$ 1,895,677</u></b>

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

WAUKEGAN TOWNSHIP

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF CASH RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES –  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED FEBRUARY 28, 2018

Excess of Receipts Over (Under) Disbursements Governmental Funds	\$ (522,457)
Amounts reported for governmental activities in the Statement of Activities – Modified Cash Basis are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities – Modified Cash Basis, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay, \$16,500 is less than depreciation expense, \$96,225, in the period.	(79,725)
Repayment of Long-Term Debt principal is an expenditure in the Governmental Funds, but the repayment reduces liabilities in the Statement of Net Position.	3,477
Change in Net Position of Governmental Activities	\$ (598,705)

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

WAUKEGAN TOWNSHIP

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS ARISING FROM CASH TRANSACTIONS

FIDUCIARY FUNDS

PUBLIC ASSISTANCE

FEBRUARY 28, 2018

ASSETS

Cash	\$ 22,239
<u>TOTAL ASSETS</u>	<u>\$ 22,239</u>

LIABILITIES

Due to Township	\$ 2,500
Escrows Held	<u>18,767</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 21,267</u>

<u>NET ASSETS</u>	<u>\$ 972</u>
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The accompanying Notes are an integral part of these Financial Statements.

WAUKEGAN TOWNSHIP  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
PUBLIC ASSISTANCE  
FOR THE YEAR ENDED FEBRUARY 28, 2018

CASH RECEIPTS

Receipts	\$	-
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TOTAL CASH RECEIPTS

	\$	-
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CASH DISBURSEMENTS

Public Assistance		-
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CHANGE IN NET ASSETS

	\$	-
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NET ASSETS - BEGINNING OF YEAR

	972	
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NET ASSETS - END OF YEAR

\$	972	
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WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 28, 2018

**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 elected officials of the primary government are financially accountable to be included in the primary government's basic financial statements as component units. Waukegan 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.

**New Accounting Standards**

During Fiscal Year 2018, the Township considered the following Governmental Accounting Standards Board Statement (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 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.

Programs 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. Receipts that are not classified as program receipts, including all taxes are presented as general receipts.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

**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 State Statute. The Township reports all its funds as major governmental funds.

The Township reports the following major governmental funds:

**General Fund.** This fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds.** These funds include the General Assistance, IMRF, Senior Services, Social Security, Road and Bridge Funds which are used to account for the proceeds of specific revenue sources (other than those accounted for in Capital Projects Fund or that are legally restricted to cash disbursements or specific purposes).

**Fiduciary Funds.** Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and /or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. The Earn Fare, E. Washington Center Trust and Social Security Trust are accounted for as Agency Funds.

**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, results 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.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Capital Assets (Continued)

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

	Depreciated <u>Method</u>	Estimated <u>Useful life</u>	Capitalization <u>Threshold</u>
Land Improvements	Straight Line	20 Years	\$10,000
Buildings	Straight Line	50 Years	\$50,000
Equipment	Straight Line	5-8 Years	\$2,500-\$10,000

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 unassigned net assets are available.

E. Budgets and Budgetary Accounting

The budget for all major Government 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, 2017 to February 28, 2018 budget was passed on March 9, 2017.

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

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

1. Prior to March 1, the Supervisor submits to the Board a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A Public hearing is conducted to obtain taxpayer comments.
3. Prior to August 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Township Board may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget, as reported on pages 25-37.
6. The Township Board may amend the budget by the same procedures required of its original adoption.
7. The General Fund, Senior Fund and IMRF Fund over expended their budgets for the year ended February 28, 2018 by \$51,361, \$8,188 and \$39,134 respectively.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**2. CASH AND INVESTMENTS**

The Township is allowed to invest in securities as authorized by the State of Illinois Statutes, including Securities of the Federal Government, in Federally Insured Savings and Loan Associations, in Federally Insured Banks as defined in the Illinois Banking Act, or in the 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, 2018, the carrying amount of the Township's deposits was \$1,715,355, which excludes a \$2,365 Petty Cash fund. At year-end, the Township's bank balance was \$1,811,204. As of February 28, 2018, \$1,064,787 of the combined entity's bank balance of \$1,811,204 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Collateralized with securities held by the pledging financial institution	<u>\$1,064,787</u>

**Investments**

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30. Act 235/Articles 2 and 6.

As of February 28, 2018, the Township had the following investments:

External Investment Pool		
Primary Government		
Illinois Funds Money Market Accounts	<u>\$99,069</u>	<u>100%</u>

The fair value of investments in the Illinois Funds is the same as the value of pool shares. The Illinois Fund is not SEC-registered, but does not have regulatory oversight through the State of Illinois.

**Interest Rate Risk.** The Township does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increase interest rates.

**Credit Risk.** State law limits investments based on credit risk. The Township's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of February 28, 2018, the Township's investments were not rated because certain external investment pools do not have credit quality rating as established by nationally recognized statistical rating organizations.

## WAUKEGAN TOWNSHIP

### NOTES TO FINANCIAL STATEMENTS (Continued)

#### 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](http://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
- $\frac{1}{2}$  of the increase in the Consumer Price Index (CPI) of the original pension amount.

WAUKEGAN 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:

	IMRF
Retirees and Beneficiaries currently receiving benefits	36
Inactive Plan Members entitled to but not yet receiving benefits	33
Active Plan Members	36
<b>Total</b>	<b>105</b>

*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 2017 was 8.70 percent. The Township's actual contribution for calendar year 2017 was \$178,843. 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, 2017. 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, 2017: 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 2.50%; Salary Increases were expected to be 3.39% to 14.25% 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 2017 valuation according to an experience study from years 2014 to 2016; 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-2017 (base year 2015). 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-2017 (base year 2015). 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:

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. RETIREMENT FUND COMMITMENTS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

*Actuarial Assumptions* (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
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 3.31% and the resulting single discount rate is 7.50%.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. RETIREMENT FUND COMMITMENTS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 11,265,109	\$ 10,485,699	\$ 779,410
Changes for the Year:			
Service Cost	214,213	-	214,213
Interest on the Total Pension Liability	833,732	-	833,732
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(1,210)	-	(1,210)
Changes of Assumptions	(322,138)	-	(322,138)
Contributions - Employer	-	178,842	(178,842)
Contributions - Employees	-	92,505	(92,505)
Net Investment Income	-	1,863,366	(1,863,366)
Benefit Payments, including Refunds of			
Employee Contributions	(511,573)	(511,573)	-
Other (Net Transfer)	-	(170,631)	170,631
Net Changes	<u>213,024</u>	<u>1,452,509</u>	<u>(1,239,485)</u>
Balances at December 31, 2017	<u><u>\$ 11,478,133</u></u>	<u><u>\$ 11,938,208</u></u>	<u><u>\$ (460,075)</u></u>

*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:

	Current Single Discount Rate		
	1% Decrease 6.50%	Assumption 7.50%	1% Increase 8.50%
	\$ 12,761,418	\$ 11,478,133	\$ 10,416,345
Total Pension Liability	\$ 11,938,208	\$ 11,938,208	\$ 11,938,208
Plan Fiduciary Net Position	<u><u>\$ 823,210</u></u>	<u><u>\$ (460,075)</u></u>	<u><u>\$ (1,521,863)</u></u>
Net Pension Liability (Asset)			

WAUKEGAN 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, 2018.

**5. PROPERTY TAXES**

The 2016 property taxes attached as an enforceable lien on January 1, 2016. They were levied in November of the tax year. Tax bills were prepared by the County and issued on or about May 1, 2017, and were payable in two installments, on or about June 1, 2017, and September 1, 2017. 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. INTERFUND RECEIVABLE AND PAYABLES**

Interfund Receivables and Payables at February 28, 2018, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 91,749
Special Revenue Funds		
General Assistance	21,464	-
Road & Bridge	673	-
IMRF/FICA	87,385	-
Senior Citizens	17,773	-
	<u>\$ 109,522</u>	<u>\$ 109,522</u>

The interfund receivables and payables arise from administrative support charges and from allocated expenses not yet reimbursed.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**8. CAPITAL ASSETS**

Capital asset activity for the year ended February 28, 2018 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 334,139	\$ -	\$ -	\$ 334,139
Capital Assets Being Depreciated				
Building and Building Improvements	\$ 2,161,898	\$ -	\$ -	\$ 2,161,898
Equipment, Furniture and Vehicles	746,201	16,500	\$ -	762,701
	<u>\$ 2,908,099</u>	<u>\$ 16,500</u>	<u>\$ -</u>	<u>\$ 2,924,599</u>
Less: Accumulated Depreciation for:				
Buildings	\$ 908,589	\$ 43,174	\$ -	\$ 951,763
Equipment, Furniture and Vehicles	502,387	53,051	\$ -	555,438
	<u>\$ 1,410,976</u>	<u>\$ 96,225</u>	<u>\$ -</u>	<u>\$ 1,507,201</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 1,831,262</u></b>	<b><u>\$ (79,725)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,751,537</u></b>

**9. LONG-TERM DEBT**

The following is a summary of the Township's Long-Term Debt for the year ended February 28, 2018.

	Balance 3/1/2017	Additions	Retirement	Balance 2/28/2018	Current Portion
Capital Leases	<u>\$ 7,043</u>	<u>\$ -</u>	<u>\$ 3,477</u>	<u>\$ 3,566</u>	<u>\$ 3,308</u>

The Capital Lease consist of a 2014 Kia Soul with monthly payments of \$280.63 fo 60 months, inlcuding interest of 2.90%.

Future Lease payments are:

	Principal	Interest	Total
2019	3,308	59	3,367
2020	258	23	281
	<u>\$ 3,566</u>	<u>\$ 82</u>	<u>\$ 3,648</u>

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

(Continued)

**10. 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 special revenue funds; the source of funding is through specific real estate tax levies: Retirement/Social Security Fund Levy, General Assistance Levy, Park Maintenance Levy, Town Insurance Levy, Road and Bridge Levy, Equipment and Building Levy, Road Insurance 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 the 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 the authority to assign amounts to be used for a specific purpose. No funds are currently assigned.

WAUKEGAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
(Continued)

10. FUND BALANCE REPORTING (Continued)

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.

11. LONG-TERM LEASE AGREEMENT

On January 21, 1991, the Township and park district entered into a lease for the parcel of land upon which Park Place is built. The lease is for \$1 per year, for 30 years, with two successive ten-year renewal options.

12. FEDERAL AND STATE GRANTS

The Township has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits can lead to questioned costs and potential request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The amount of questioned cost, if any, which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

WAUKEGAN TOWNSHIP

SUPPLEMENTARY INFORMATION

WAUKEGAN TOWNSHIP  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2018  
GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<b><u>CASH RECEIPTS</u></b>			
Property Taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,280,337
Replacement Taxes	150,000	150,000	189,394
Interest	1,000	1,000	1,057
Grants	10,000	10,000	23,109
Miscellaneous	45,000	45,000	69,967
	<u>\$ 1,556,000</u>	<u>\$ 1,556,000</u>	<u>\$ 1,563,864</u>
<b><u>CASH DISBURSEMENTS</u></b>			
<b><u>ADMINISTRATION</u></b>			
<b>PERSONAL SERVICES</b>			
Salaries	\$ 660,000	\$ 660,000	\$ 670,709
Health Insurance	140,000	140,000	157,411
Workmans Compensation	13,000	13,000	21,582
Unemployment Insurance	4,000	4,000	9,230
	<u>\$ 817,000</u>	<u>\$ 817,000</u>	<u>\$ 858,932</u>
<b>CONTRACTUAL</b>			
Building Maintenance	\$ 10,000	\$ 13,000	\$ 13,247
Equipment Maintenance	19,000	26,500	28,334
Contract Labor		13,100	13,062
Audit Services	4,000	4,000	3,400
Legal	15,000	24,500	23,404
Postage	9,500	11,500	10,578
Telephone	30,000	30,000	27,829
Printing	16,000	19,500	19,420
Printing - Ads/Booklets	2,000	1,000	3,906
Marketing & Advertising	16,000	11,000	10,668
Dues/Membership Fees	3,500	5,000	4,352
Subscriptions/Publications	1,500	1,500	339
Travel Officials/Staff	12,500	10,000	11,818
Education Reimbursement	3,000	1,000	1,000
Utilities	14,000	3,000	3,761
Insurance	25,000	31,000	30,519
Auto Expense	6,500	6,500	7,057
Employment Screening	4,000	8,500	8,077
Administrative Support Service	27,000	27,000	27,019
Computer Service	25,000	34,000	34,106
	<u>\$ 243,500</u>	<u>\$ 281,600</u>	<u>\$ 281,896</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL FUND**  
(Continued)

<u>CASH DISBURSEMENTS</u> (Continued)	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>ADMINISTRATION</u>			
COMMODITIES			
Office Supplies	\$ 19,000	\$ 19,000	\$ 19,236
Building Improvements	25,000	5,000	-
Equipment	15,000	15,000	12,020
Building Maintenance Supplies	10,000	10,000	6,704
	<u>\$ 69,000</u>	<u>\$ 49,000</u>	<u>\$ 37,960</u>
OTHER EXPENDITURES			
Miscellaneous	\$ 3,000	\$ 2,000	\$ 2,032
Contingencies	10,000	-	-
Meetings	3,000	3,000	2,798
Township Programs	19,000	14,500	15,117
Township Programs-Rebound/Reclm	15,000	15,000	22,668
Investing in Our Future	-	3,500	18,371
Local Organization Funding	1,500	1,500	-
Youth Programs	2,500	500	371
Youth Program Scholarships	5,000	2,000	2,000
	<u>\$ 59,000</u>	<u>\$ 42,000</u>	<u>\$ 63,357</u>
<u>TOTAL ADMINISTRATION</u>	<u>\$ 1,188,500</u>	<u>\$ 1,189,600</u>	<u>\$ 1,242,145</u>
<u>ASSESSOR</u>			
PERSONAL SERVICES			
Salaries	\$ 265,000	\$ 265,000	\$ 266,443
Health Insurance	38,000	38,000	42,338
Unemployment Insurance	2,000	2,000	1,731
Workman's Compensation	2,000	2,000	2,000
	<u>\$ 307,000</u>	<u>\$ 307,000</u>	<u>\$ 312,512</u>
<u>CONTRACTUAL</u>			
Contract Labor	\$ 38,000	\$ 38,000	\$ 37,542
Building Maintenance	2,500	2,500	3,053
Equipment Maintenance	500	500	-
Legal	2,500	2,500	2,200
Postage	-	-	-
Computer Service	18,500	20,500	19,475
Telephone	6,500	4,500	2,837
Printing	500	500	-
Insurance	2,500	2,500	2,500
	<u>\$ 71,500</u>	<u>\$ 71,500</u>	<u>\$ 67,607</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b><u>CASH DISBURSEMENTS</u></b> (continued)			
<b><u>ASSESSOR</u></b> (continued)			
Audit Services	\$ 500	\$ 500	\$ 500
Administrative Support services	6,500	6,500	6,324
Dues/Memberships Fees	500	1,500	1,853
Travel	1,000	1,000	301
Training	6,000	4,800	4,521
Building Rent	62,000	59,100	59,059
Appraisal Service	1,000	-	-
Computer Lease	3,000	4,500	4,200
	<u>\$ 80,500</u>	<u>\$ 77,900</u>	<u>\$ 76,758</u>
<b>COMMODITIES</b>			
Building Improvements	\$ 500	\$ 500	\$ -
Equipment	4,000	4,000	40
Office Supplies	3,000	4,500	4,074
Building Maintenance Supplies	100	100	-
Other Supplies	400	400	21
	<u>\$ 8,000</u>	<u>\$ 9,500</u>	<u>\$ 4,135</u>
<b>DEBT SERVICE</b>			
Principal	\$ -	\$ -	\$ 3,477
Interest	-	-	227
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,704</u>
<b><u>TOTAL ASSESSOR</u></b>	<u>\$ 467,000</u>	<u>\$ 465,900</u>	<u>\$ 464,716</u>
<b><u>TOTAL CASH DISBURSEMENTS</u></b>	<u>1,655,500</u>	<u>\$ 1,655,500</u>	<u>\$ 1,706,861</u>
<b><u>CASH RECEIPTS OVER (UNDER)</u></b> <b><u>DISBURSEMENTS</u></b>	<u>\$ (99,500)</u>	<u>\$ (99,500)</u>	<u>\$ (142,997)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Permanent Transfer	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	<u>\$ (224,500)</u>	<u>\$ (224,500)</u>	<u>\$ (267,997)</u>
<b><u>FUND BALANCE - MARCH 1, 2017</u></b>			<u>1,100,996</u>
<b><u>FUND BALANCE - FEBRUARY 28, 2018</u></b>			<u>\$ 832,999</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL ASSISTANCE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<b>CASH RECEIPTS</b>			
Property Tax	\$ 630,000	\$ 630,000	\$ 628,357
Interest	200	200	616
Miscellaneous	1,000	1,000	1,220
Eddie Washington Center Receipts	15,000	15,000	5,930
IDHS - T/A SSI Reimb	16,000	16,000	17,990
SHP/HUD Grant	58,500	58,500	122,884
SSI Service Fees	500	500	625
Fundraising	12,000	12,000	24,362
Staben House Receipts	7,500	7,500	12,377
Other Grants	-		4,575
DHS Grant	250,000	250,000	311,758
	<u>\$ 990,700</u>	<u>\$ 990,700</u>	<u>\$ 1,130,694</u>
<b>CASH DISBURSEMENTS</b>			
<b>ADMINISTRATION</b>			
<b>PERSONAL SERVICES</b>			
Salaries	\$ 135,000	\$ 135,000	\$ 136,426
Health Insurance	18,500	18,500	6,518
Unemployment Insurance	2,500	2,500	2,164
Workmans' Compensation	2,500	2,500	2,500
	<u>\$ 158,500</u>	<u>\$ 158,500</u>	<u>\$ 147,608</u>
<b>CONTRACTUAL</b>			
Computer Services	\$ 2,500	\$ 2,500	\$ 2,500
Administrative Support	-	3,000	3,000
Printing	1,000	-	-
Telephone	-	1,500	1,500
Training	-	-	425
Travel	1,500	500	-
Equipment	2,500	2,500	-
	<u>\$ 7,500</u>	<u>\$ 10,000</u>	<u>\$ 7,425</u>
<b>OTHER EXPENDITURES</b>			
Miscellaneous	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 199</u>
<b>TOTAL ADMINISTRATION</b>			
	<u>\$ 166,500</u>	<u>\$ 169,000</u>	<u>\$ 155,232</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL ASSISTANCE FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b><u>CASH DISBURSEMENTS (continued)</u></b>			
<b><u>HOME RELIEF</u></b>			
CONTRACTUAL SERVICES			
Funeral and Burial	\$ 13,000	\$ 18,000	\$ 16,500
Client Utilities	15,000	15,000	12,934
Rent Assistance	19,000	16,000	15,057
Transitional Grant	170,000	90,000	87,985
Client Transportation	4,000	2,300	1,668
Emergency Shelter/Lodging	21,000	21,000	90
	<u>\$ 242,000</u>	<u>\$ 162,300</u>	<u>\$ 134,234</u>
COMMODITIES			
Personals/Clothing	\$ 2,000	\$ 2,000	\$ 420
Food	6,500	6,500	5,875
Educational Materials	-	-	200
Medications	5,000	1,500	948
	<u>\$ 13,500</u>	<u>\$ 10,000</u>	<u>\$ 7,443</u>
OTHER EXPENDITURES			
Miscellaneous	\$ 500	\$ 500	\$ 200
<b><u>TOTAL HOME RELIEF</u></b>	<b><u>\$ 256,000</u></b>	<b><u>\$ 172,800</u></b>	<b><u>\$ 141,877</u></b>
<b><u>EDDIE WASHINGTON CENTER</u></b>			
PERSONAL SERVICES			
Salaries	\$ 280,000	\$ 306,200	\$ 326,383
Health Insurance	58,000	73,000	76,163
Unemployment Insurance	3,500	3,500	3,246
Workmans' Compensation	5,500	5,500	5,500
	<u>\$ 347,000</u>	<u>\$ 388,200</u>	<u>\$ 411,292</u>
CONTRACTUAL SERVICES			
Building Maintenance	\$ 18,000	\$ 18,000	\$ 13,921
Equipment Maintenance	4,500	4,500	4,669
Postage	250	250	
Telephone	6,500	6,500	6,561
	<u>\$ 29,250</u>	<u>\$ 29,250</u>	<u>\$ 25,151</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL ASSISTANCE FUND**  
(Continued)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<b><u>CASH DISBURSEMENTS</u></b> (continued)			
<b><u>EDDIE WASHINGTON CENTER</u></b> (continued)			
Meetings	\$ 1,500	\$ 2,000	\$ 844
Administrative Support	- 3,500	3,500	3,500
Printing	500	500	370
Dues/Subscriptions	500	500	119
Membership Fees	- 545	-	545
Conferences/Seminars	4,000	3,000	3,914
Utilities	14,000	14,000	13,994
Insurance	5,000	5,000	8,369
Auto	3,000	3,000	1,437
Drug Screening	3,000	4,500	1,236
DHS Grant	15,000	8,000	6,800
Training	- 249	-	249
Resident Transportation	5,000	5,000	3,809
	<u>\$ 80,750</u>	<u>\$ 78,250</u>	<u>\$ 70,337</u>
<b>COMMODITIES</b>			
Office Supplies	\$ 3,500	\$ 3,500	\$ 2,808
Building Maintenance Supplies	12,000	10,000	9,469
Building Improvements	5,000	46,000	45,930
Equipment	5,000	4,000	788
Uniforms	1,000	1,000	1,133
Food	750	750	164
Personal items	2,000	2,000	1,285
	<u>\$ 29,250</u>	<u>\$ 67,250</u>	<u>\$ 61,577</u>
<b>OTHER EXPENDITURES</b>			
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,275
<b><u>TOTAL EDDIE WASHINGTON CENTER</u></b>	<b><u>\$ 458,000</u></b>	<b><u>\$ 534,700</u></b>	<b><u>\$ 544,481</u></b>
<b>STABEN HOUSE</b>			
<b>PERSONAL SERVICES</b>			
Salaries	\$ 285,000	\$ 285,000	\$ 290,264
Health Insurance	10,000	10,000	21,947
Unemployment Insurance	3,500	3,500	3,246
Workmans' Compensation	5,000	5,000	5,000
	<u>\$ 303,500</u>	<u>\$ 303,500</u>	<u>\$ 320,457</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL ASSISTANCE FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>CASH DISBURSEMENTS (continued)</b>			
<b>STABEN HOUSE (continued)</b>			
CONTRACTUAL SERVICES			
Building Maintenance	\$ 16,000	\$ 26,000	\$ 25,628
Equipment Maintenance	5,000	5,000	4,077
Postage	750	750	217
Telephone	6,500	6,500	6,382
Printing	500	500	467
Dues/Subscriptions	1,000	1,000	834
Administrative Support		3,500	3,500
Staben House Support Service			738
Utilities	10,000	10,000	8,739
Training/Seminars	3,500	3,500	5,165
Insurance	5,000	5,000	8,369
Building Improvements	10,000		
Auto	2,000	3,000	2,867
Drug Screening	1,500		
Meeting Expense	1,000	1,000	490
Resident Transportation	2,500	1,000	1,666
	<u>\$ 65,250</u>	<u>\$ 66,750</u>	<u>\$ 69,139</u>
COMMODITIES			
Office Supplies	\$ 3,500	\$ 2,500	\$ 2,533
Building Maintenance Supplies	9,500	6,500	5,988
Equipment	3,000	12,000	12,041
Children supplies	1,000	1,000	751
Food	500	500	633
Clothing	500	500	
Personal Items	1,000	1,000	470
	<u>\$ 19,000</u>	<u>\$ 24,000</u>	<u>\$ 22,416</u>
OTHER EXPENSE			
Miscellaneous	\$ 1,500	\$ 1,500	\$ 723
Other Assistance	2,000	500	109
Residential Rental Assistance	5,000	2,500	

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**GENERAL ASSISTANCE FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>CASH DISBURSEMENTS (continued)</u>			
<u>STABEN HOUSE (continued)</u>			
OTHER EXPENSE (continued)			
Hawthorn Woods-Childcare	\$ 5,000	\$ -	\$ 1,150
Residential Medical Support	<u>\$ 13,500</u>	<u>\$ 11,000</u>	<u>\$ 6,165</u>
	<u>\$ 13,500</u>	<u>\$ 11,000</u>	<u>\$ 8,147</u>
<u>TOTAL STABEN HOUSE</u>	<u>\$ 401,250</u>	<u>\$ 405,250</u>	<u>\$ 420,159</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>\$ 1,281,750</u>	<u>\$ 1,281,750</u>	<u>\$ 1,261,749</u>
<u>TOTAL CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</u>	<u>\$ (291,050)</u>	<u>\$ (291,050)</u>	<u>\$ (131,055)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Permanent Transfer	\$ -	\$ -	\$ -
<u>NET CHANGE IN FUND BALANCE</u>	<u>\$ (291,050)</u>	<u>\$ (291,050)</u>	<u>\$ (131,055)</u>
<u>FUND BALANCE - MARCH 1, 2017</u>			<u>848,602</u>
<u>FUND BALANCE - FEBRUARY 28, 2018</u>			<u>\$ 717,547</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**SENIOR CITIZENS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<b>CASH RECEIPTS</b>			
Property Taxes	\$ 965,000	\$ 965,000	\$ 972,533
Replacement Taxes	250,000	250,000	270,563
Donations/Fundraising	16,500	16,500	31,524
Program Receipts	118,000	118,000	158,317
Interest	100	100	372
Grants	40,000	40,000	26,126
Rents	15,000	15,000	13,357
Gift Shop Sales	11,000	11,000	5,015
Other			1,153
	<b>\$ 1,415,600</b>	<b>\$ 1,415,600</b>	<b>\$ 1,478,960</b>
<b>CASH DISBURSEMENTS</b>			
ADMINISTRATION			
PERSONAL SERVICES			
Salaries	\$ 460,000	\$ 460,000	\$ 470,893
Health Insurance	130,000	130,000	93,963
Workmans compensation	4,500	4,500	4,500
Unemployment Insurance	5,000	5,000	4,328
	<b>\$ 599,500</b>	<b>\$ 599,500</b>	<b>\$ 573,684</b>
CONTRACTUAL			
Building Maintenance	\$ 30,000	\$ 30,000	\$ 24,188
Equipment Maintenance	8,500	8,500	8,682
Auto Maintenance			236
Legal	1,500	1,500	1,500
Postage	20,000	20,000	22,398
Telephone	8,500	8,500	8,420
Audit Fees	1,500	1,500	1,500
Printing	23,000	23,000	27,394
Dues/Membership Fees	2,000	2,000	818
Subscriptions/Publications	1,000	1,000	1,032
Travel			2,089
Conferences/Seminars	3,500	3,500	1,341
Utilities	23,000	23,000	25,601
Insurance	20,000	20,000	24,789
Administrative Support Service	19,000	19,000	18,396
Computer Service	9,500	9,500	9,748
	<b>\$ 171,000</b>	<b>\$ 171,000</b>	<b>\$ 178,132</b>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**SENIOR CITIZENS FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b><u>CASH DISBURSEMENTS</u></b> (continued)			
ADMINISTRATION (continued)			
COMMODITIES			
Office Supplies	\$ 6,500	\$ 6,500	\$ 7,792
Building Improvements	20,000	20,000	360
Equipment	10,000	10,000	1,282
Building Maintenance Supplies	16,000	16,000	10,285
	<u>\$ 52,500</u>	<u>\$ 52,500</u>	<u>\$ 19,719</u>
OTHER EXPENDITURES			
Miscellaneous	\$ 1,000	\$ 1,000	\$ 993
Contingencies	5,000	5,000	-
Meetings	1,500	1,500	1,422
Gift Shop Operating Expense	2,000	2,000	475
Gift Shop Expenses	6,000	6,000	3,104
Local Organization Funding	2,500	2,500	1,000
Other Township Programs	27,500	27,500	26,983
Township Programs-Taxi Tickets	270,000	270,000	287,069
Township Programs- Senior Center	40,000	40,000	33,710
Township Programs- Transportation	107,000	107,000	153,245
Township Programs- Home Sweet Home	360,000	360,000	374,152
	<u>\$ 822,500</u>	<u>\$ 822,500</u>	<u>\$ 882,153</u>
<b><u>TOTAL CASH DISBURSEMENTS</u></b>	<b><u>\$ 1,645,500</u></b>	<b><u>\$ 1,645,500</u></b>	<b><u>\$ 1,653,688</u></b>
<b><u>TOTAL CASH RECEIPTS OVER (UNDER)</u></b> <b><u>DISBURSEMENTS</u></b>	<b><u>\$ (229,900)</u></b>	<b><u>\$ (229,900)</u></b>	<b><u>\$ (174,728)</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Permanent Transfer	\$ 125,000	\$ 125,000	\$ 125,000
<b><u>NET CHANGE IN FUND BALANCE</u></b>	<b><u>\$ (104,900)</u></b>	<b><u>\$ (104,900)</u></b>	<b><u>\$ (49,728)</u></b>
<b><u>FUND BALANCE - MARCH 1, 2017</u></b>			<b><u>90,403</u></b>
<b><u>FUND BALANCE - FEBRUARY 28, 2018</u></b>			<b><u>\$ 40,675</u></b>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**IMRF/ FICA FUND**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>
<b><u>CASH RECEIPTS</u></b>			
Property Taxes	\$ 206,875	\$ 206,875	\$ 205,243
Replacement Tax	75,000	75,000	81,169
Interest	500	500	1,298
	<b><u>\$ 282,375</u></b>	<b><u>\$ 282,375</u></b>	<b><u>\$ 287,710</u></b>
<b><u>CASH DISBURSEMENTS</u></b>			
CONTRACTUAL			
Retirement Contributions	\$ 176,000	\$ 176,000	\$ 202,285
Fica Contributions	175,000	175,000	187,849
	<b><u>\$ 351,000</u></b>	<b><u>\$ 351,000</u></b>	<b><u>\$ 390,134</u></b>
<b><u>TOTAL CASH DISBURSEMENTS</u></b>	<b><u>\$ 351,000</u></b>	<b><u>\$ 351,000</u></b>	<b><u>\$ 390,134</u></b>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	<b><u>\$ (68,625)</u></b>	<b><u>\$ (68,625)</u></b>	<b><u>\$ (102,424)</u></b>
<b><u>FUND BALANCE - MARCH 1, 2017</u></b>			<b><u>259,511</u></b>
<b><u>FUND BALANCE - FEBRUARY 28, 2018</u></b>			<b><u>\$ 157,087</u></b>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**ROAD AND BRIDGE FUND**

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<b>CASH RECEIPTS</b>			
Property Taxes	\$ 153,000	\$ 153,000	\$ 153,009
Replacement Taxes	75,000	75,000	81,101
Interest	10	10	51
	<u>\$ 228,010</u>	<u>\$ 228,010</u>	<u>\$ 234,161</u>
<b>CASH DISBURSEMENTS</b>			
<b>ADMINISTRATION</b>			
<b>PERSONAL SERVICES</b>			
Salaries	\$ 24,000	\$ 24,000	\$ 22,794
<b>CONTRACTUAL SERVICES</b>			
Audit Services	\$ 500	\$ 500	\$ 500
Dues and Fees	250	250	-
Legal	750	750	750
Postage	75	75	-
Printing	1,700	1,700	97
Telephone	3,000	3,000	2,650
Travel	100	100	-
Training	100	100	-
Utilities	3,500	3,500	2,484
Computer Services	100	1,600	1,279
Insurance	8,000	8,500	8,289
Administrative Support Services	6,000	6,500	6,324
	<u>\$ 24,075</u>	<u>\$ 26,575</u>	<u>\$ 22,373</u>
<b>COMMODITIES</b>			
Building Maintenance Supplies	\$ 1,000	\$ 1,000	\$ 277
Office Equipment	500	500	-
Office Supplies	200	200	18
	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ 295</u>
<b>OTHER EXPENDITURES</b>			
Miscellaneous	\$ 1,000	\$ 1,000	\$ 122
<b>TOTAL ADMINISTRATION</b>	<u>\$ 50,775</u>	<u>\$ 53,275</u>	<u>\$ 45,584</u>
<b>MAINTENANCE</b>			
<b>PERSONAL SERVICES</b>			
Salaries	\$ 55,000	\$ 40,000	\$ 38,916
Health Insurance	500	500	-
Unemployment Insurance	2,500	2,500	1,699
Workman's Compensation	9,000	9,000	8,023
	<u>\$ 67,000</u>	<u>\$ 52,000</u>	<u>\$ 48,638</u>

**WAUKEGAN TOWNSHIP**  
**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED FEBRUARY 28, 2018**  
**ROAD AND BRIDGE FUND**  
(Continued)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b><u>CASH DISBURSEMENTS (continued)</u></b>			
CONTRACTUAL SERVICES			
Building Maintenance	\$ 1,250	\$ 1,250	\$ 793
Equipment Maintenance	5,000	6,000	5,495
Equipment Rentals	-	5,000	4,240
Permit Fees	1,000	1,000	1,000
Contract Maintenance	4,000	4,000	-
Road Maintenance	75,000	71,500	55,753
Health and Safety Expense	500	500	-
	<u>\$ 86,750</u>	<u>\$ 89,250</u>	<u>\$ 67,281</u>
COMMODITIES			
Building Maintenance Supplies	\$ 2,000	\$ 2,000	\$ 555
Building Improvements	1,000	1,000	-
Equipment Maintenance Supplies	5,000	5,000	3,026
Snow Removal Supplies	8,000	8,000	7,670
Road Materials	2,000	2,000	-
Small Tools	1,000	1,000	169
Gas & Oil	6,000	6,000	1,927
	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 13,347</u>
CAPITAL OUTLAY			
Equipment	\$ 10,000	\$ 17,000	\$ 16,500
	<u>\$ 10,000</u>	<u>\$ 17,000</u>	<u>\$ 16,500</u>
OTHER EXPENDITURES			
Miscellaneous	\$ 100	\$ 100	\$ -
Street Lighting	10,000	10,000	9,891
Special Events	100	100	-
Refuse Removal	2,000	5,000	4,173
	<u>\$ 12,200</u>	<u>\$ 15,200</u>	<u>\$ 14,064</u>
<b><u>TOTAL MAINTENANCE</u></b>	<b><u>\$ 200,950</u></b>	<b><u>\$ 198,450</u></b>	<b><u>\$ 159,830</u></b>
<b><u>TOTAL CASH DISBURSEMENTS</u></b>	<b><u>\$ 251,725</u></b>	<b><u>\$ 251,725</u></b>	<b><u>\$ 205,414</u></b>
<b><u>NET CHANGE IN FUND BALANCE</u></b>	<b><u>\$ (23,715)</u></b>	<b><u>\$ (23,715)</u></b>	<b><u>\$ 28,747</u></b>
<b><u>FUND BALANCE - MARCH 1, 2017</u></b>			<b><u>118,622</u></b>
<b><u>FUND BALANCE - FEBRUARY 28, 2018</u></b>			<b><u>\$ 147,369</u></b>

WAUKEGAN TOWNSHIP

COMPARATIVE TAX DATA

FOR THE YEARS 2016, 2015 AND 2014

	2016	2015	2014
<u>TOTAL ASSESSED VALUATION</u>	\$ 683,609,814	\$ 610,250,714	\$ 603,957,665
<u>TAX EXTENSIONS</u>			
Corporate	\$ 1,360,199	\$ 1,360,194	\$ 1,502,900
Retirement	206,888	216,883	216,875
General Assistance	633,747	610,251	600,002
Senior Citizens	979,456	915,376	900,006
Road and Bridge	154,107	154,115	153,637
<u>TOTAL TAX EXTENSIONS</u>	<u>\$ 3,334,397</u>	<u>\$ 3,256,819</u>	<u>\$ 3,373,420</u>
<u>TAX COLLECTIONS</u>	<u>\$ 3,239,479</u>	<u>\$ 3,243,518</u>	<u>\$ 3,343,960</u>
<u>PERCENTAGE OF TAXES COLLECTED</u>	<u>97.15%</u>	<u>99.59%</u>	<u>99.13%</u>

**WAUKEGAN TOWNSHIP**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**FEBRUARY 28, 2018**

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,	2017	2016	2015
<b>Total Pension Liability</b>			
Service Cost	\$ 214,213	\$ 210,309	\$ 199,691
Interest on the Total Pension Liability	833,732	794,071	766,430
Changes in Benefit Terms		-	
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(1,210)	24,419	(138,942)
Changes in Assumptions	(322,138)	(12,938)	12,381
Benefit Payments, Including Refunds of			
Employee Contributions	(511,573)	(494,698)	(429,657)
Net Change in Total Pension Liability	\$ 213,024	\$ 521,163	\$ 409,903
Total Pension Liability - Beginning	11,265,109	10,743,946	10,334,043
Total Pension Liability - Ending (A)	<u>\$ 11,478,133</u>	<u>\$ 11,265,109</u>	<u>\$ 10,743,946</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 178,842	\$ 197,503	\$ 163,676
Contributions - Employees	92,505	94,149	87,062
Net Investment Income	1,863,366	697,444	51,401
Benefit Payments, Including Refunds of			
Employee Contributions	(511,573)	(494,698)	(429,657)
Other (Net Transfer)	(170,631)	(132,725)	(118,195)
Net Change in Plan Fiduciary Net Position	\$ 1,452,509	\$ 361,673	\$ (245,713)
Plan Fiduciary Net Position - Beginning	10,485,699	10,124,026	10,369,739
Plan Fiduciary Net Position - Ending (B)	<u>\$ 11,938,208</u>	<u>\$ 10,485,699</u>	<u>\$ 10,124,026</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ (460,075)</u>	<u>\$ 779,410</u>	<u>\$ 619,920</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	104.10%	93.08%	94.23%
<b>Covered Valuation Payroll</b>	\$ 2,055,665	\$ 2,092,198	\$ 1,934,717
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-22.38%	37.25%	32.04%

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.

**WAUKEGAN TOWNSHIP**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FEBRUARY 28, 2018**

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

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 163,677	\$ 163,676	\$ 1	\$ 1,934,717	8.46%
2016	197,503	197,503	-	2,092,198	9.44%
2017	178,843	178,842	1	2,055,665	8.70%

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 2017 contribution rate is based on valuation assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

#### METHODS AND ASSUMPTIONS USED TO DETERMINE 2017 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.