

**Milton Township
Wheaton, Illinois**

Annual Financial Report

For the Year Ended
March 31, 2011

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MILTON TOWNSHIP
County of DuPage
1492 North Main Street
Wheaton, Illinois 60187

Telephone: (630) 668-1616
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*O. Chris Heidorn, Supervisor
Gail P. Hinkle, Town Clerk
James D. Flickinger, Trustee
Sal Falbo, Trustee
Christopher M. Edwards, Trustee
Marie A. Jensen, Trustee*

General Background

Milton Township is a unit of local government established by statute in 1850 and is located in the center of DuPage County. It serves approximately 117,067 residents (according to 2010 Census figures) and is comprised of Wheaton, Glen Ellyn and a significant portion of Carol Stream. Additionally, small parts of Lombard, Winfield, Downers Grove and Lisle lie within its 36 square mile borders as well as the significant areas of unincorporated land in between.

Like other Townships throughout the State of Illinois, Milton Township has three (3) mandated functions:

1. Assessment of all real properties within the Township for tax purposes by the Township Assessor;
2. Administration of General Assistance for the poor of the Township by the Supervisor of General Assistance; and
3. Maintenance of all Township roads by the Highway Commissioner.

In addition, Milton Township provides numerous other discretionary programs and services which benefit the residents of the Township. For detailed information regarding these other programs and services, please contact Township personnel at (630) 668-1616.

Governance

Town Board of Trustees

The primary governing unit of the Township is the Town Board of Trustees. The four Trustees for the fiscal year were James Flickinger, Salvatore Falbo, Robert Larsen, Christopher M. Edwards and Marie A. Jensen, who was appointed in December to fill the vacancy left by Robert Larsen when he assumed his duties as a DuPage County Board member. In addition to special meetings and workshops, the Board meets monthly for its regular meetings on the second Tuesday of the month at 7:30 p.m. at the Township offices. The Township Supervisor is Chairman of the Board and a voting member. The Township Clerk is a non-voting member and keeps the minutes of the Board. The Board acts as the legislative branch of this government and is responsible for general policies outside the individual jurisdictions of the assessor, highway commissioner and supervisor of general assistance. The Board passes all budgets of the Township as well as all tax levies.



Visit us at www.milontownship.net

Township Supervisor

O. Chris Heidorn is the Township Supervisor. The Supervisor is the chief executive officer of the Township and its treasurer. He also acts as Chairman of the Town Board, the ex-officio treasurer of the Road and Bridge Funds for the Highway Commissioner and is the *Supervisor of General Assistance*. His duties include the oversight of all discretionary programs and services.

Township Clerk

Gail P. Hinkle is the Milton Township Clerk. The Clerk is the keeper of the Township records and act as Secretary of the Town Board. She keeps minutes of the regular and special Board meetings, as well as the Annual Town Meetings. She is responsible for the posting and publication of all legal notices and certifies all budgets and levies. She is the local election authority, Freedom of Information Officer for the Township and the ex-officio Clerk for the Highway Commissioner.

Township Assessor

Robert Earl is the Township Assessor. The Assessor is responsible for the accurate and equitable valuation of all real estate in the Township for real estate tax purposes. The Assessor does not levy taxes. Taxes are levied by the numerous taxing bodies having jurisdiction that extends into the Township based upon a rate which they specify which is applied to the assessed valuation of the individual parcel of real property.

Highway Commissioner

Gary Muehlfelt is the Milton Township Highway Commissioner. The Highway Commissioner is responsible for the construction, improvement and maintenance of all Township roads and rights of way. That includes the maintenance of stormwater and drainage ditches, culverts, catch basins, and other accessory structures within the rights of way. At present, there are approximately 85 miles of Township road under his authority. Snow plowing and salting of roads is also his responsibility.

Each of the foregoing elected officials is legally independent of the others and has his or her own specific statutory authority within their respective areas. On the other hand, all of the elected officials of Milton Township work closely with each other to provide the best service possible to the residents of Milton Township.

Taxing Authorities and Funds

Five (5) specific taxing bodies collectively comprise the Township's levies, budgets and services: Town Fund (corporate), General Assistance Fund, Road and Bridge Fund, Special Police Fund and Mosquito Abatement District Fund.



The Town Fund, through its levy and budget, supports:

- All administration functions of the Township falling under the authority of the Supervisor or Clerk;
- All functions of the Assessor's office;
- Transportation assistance to seniors and disabled residents through the *Ride DuPage* Program;
- Youth services provided to low-income youth;
- Senior services through S.A.L.T. (Seniors And Law-enforcement Together) program; and
- Citizen Corps and Community Emergency Response Team (CERT) program.

The General Assistance Fund supports:

- State mandated financial assistance (general assistance) to low income individual residents who are not covered by the programs of the Social Security Administration or the Illinois Department of Human Services;
- Emergency Assistance, a one-time (maximum once per 12 month period) financial grant to low income residents to address critical basic needs, particularly to avoid eviction and cutoff of essential services such as gas and electric during temporary periods of financial hardship;

The Road and Bridge Fund supports the functions of the Highway Commissioner:

- Paving, surface repair and maintenance of over 85 miles of Township road and right of way;
- Snow removal and salting of Township roads;
- Maintenance of storm water and drainage culverts and accessory structures located in Township rights of way;
- Mowing of rights of way not otherwise maintained as well as tree trimming;
- Twice annual brush pickup;
- Of the Road & Bridge tax levy, fifty percent (50%) of the taxes levied against properties located within the corporate boundaries of any municipality are actually paid over to the municipal government by the County Treasurer and never become part of the Road & Bridge Fund.

The Special Police Fund supports:

- The provision of an additional three (3) Deputy Sheriffs to patrol the unincorporated areas of the Township not served by municipal police departments by contract with the DuPage County Sheriff;
- The areas served by this additional police protection comprise a special taxing district and only those areas served are subject to this tax levy.

The Mosquito Abatement Fund supports:

- Contracting for the control and abatement of larval and adult mosquitoes to reduce nuisance and minimize the transmission of vector borne arborviral diseases in the unincorporated areas of the Township not served by municipal mosquito abatement districts;
- Public education regarding prevention of and protection from West Nile Virus and other vector borne diseases;
- The areas served by this program comprise a special taxing district and only those areas served are subject to this tax levy.



Financial Highlights

Milton Township relies primarily on real estate taxes to fund its various operations. Like many other taxing bodies, it operates under the restrictions of the Property Tax Extension Limitation Law (PTELL), also known as “tax caps.” This law limits the annual growth of its primary revenue source to the annual increase in the Consumer Price Index (CPI).

In June, 2011, the Township completed its long overdue renovation of the Township Offices at 1492 N. Main Street, Wheaton. The renovation, the cost of which was appropriated from reserves and not current taxes, was completed on time and within budget. Citizens are encouraged to stop in and see the renovated facilities. A dedication of the renovated facilities is planned for October, 2011.

Prospective Actions

Management is keenly aware of its responsibilities to the taxpayers and residents of Milton Township. Government should live within its means and provide its services in the most cost effective way possible. The Board will continue to closely monitor expenses in all funds to realize the greatest savings possible.

Additional Information

One matter deserves further explanation. Insofar as the Township’s Citizen Corps and CERT programs are concerned, it is worthy of note that the significant majority of the costs and expenses of those programs are subsidized by grants from FEMA through the Illinois Emergency Management Agency. In cooperation with the City of Wheaton and the Village of Glen Ellyn, the Township grants have been supplemented by the grants received by those municipalities.

Conclusion

This financial report is designed to provide the Township’s citizens, taxpayers, government partners, and creditors with a general overview of the Township’s finances and to demonstrate the Township’s accountability and stewardship for the money it receives. If you have questions about this report or would like to obtain additional information, please contact the Township Supervisor or the Town Clerk at (630) 668-1616.

Respectfully,



O. Chris Heidorn
Milton Township Supervisor



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**MIRIANI
&
ASSOCIATES, LTD.**

Accounting
Specialist
&
Financial
Management
Consultants

INDEPENDENT AUDITOR'S REPORT

August 18, 2011

The Board of Trustees
Milton Township Wheaton, Illinois
State of Illinois

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Milton Township, as of and for the year ended March 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Milton Township's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Milton Township, as of March 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 41 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Milton Township Wheaton, Illinois
State of Illinois

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Milton Township's financial statements as a whole. The combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Miriani & Associates, LTD.

August 18, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis For the Year Ended March 31, 2011

As the management of Milton Township ("the Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2011. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the Township's Financial Statements (beginning on page 13).

The discussion and analysis is designed to: (1) assist the readers in focusing on significant financial issues, (2) provide an overview of the Township's financial activities, (3) identify changes in the Township's financial position (its ability to address the next and subsequent years challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

Historically, the primary focus of local government financial statements has been summarized by fund types on a current financial resource basis. Due to the requirement of Government Accounting Standards Board Statement No. 34, beginning in 2003 this approach was modified so that now the Township's financial statements present two kinds of statements, each with different a snapshot of the Township's finances. The focus of the new financial statements are on both the Township as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Township's accountability.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis, for State and Local Governments" issued June 1999. Certain comparative information between the current and prior year is required to be presented in the MD&A.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Township's financial statements beginning on page 13.

Financial Highlights

The Township's assets exceed its liabilities at March 31, 2011, the close of the most recent fiscal year, by \$31,113,818. Of this, \$1,739,794 may be used to meet the Township's ongoing obligations to its citizens.

The Township's total net assets increased by \$122,218.

As of March 31, 2011 the Township's governmental funds reported combined ending fund balances of \$1,739,794, a decrease of \$647,792 in comparison with the prior year. Of this amount the general fund had a fund balance of \$676,882, special revenue funds had a fund balance of \$247,484, and \$815,428 is designated for road & bridge projects.

(See independent auditor's report)

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis

For the Year Ended March 31, 2011

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Township finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net assets presents information on all Township assets and liabilities, with the difference between the two reported as net assets. Over time, the increase or decrease in net assets may serve as a useful indicator of whether or not the Township's financial position is improving.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unpaid obligations).

The government-wide financial statement distinguishes Township functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities reflected the Township's basic services including fire, ambulance and other administrative functions.

The government-wide financial statements are presented on page 13 - 14 of this report.

(See independent auditor's report)

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis For the Year Ended March 31, 2011

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Township's financial position. In the Township's case, assets exceeded liabilities by \$31,113,818 at March 31, 2011.

A substantial portion of the Township's net assets reflects its investment in capital assets (e.g. infrastructure, land, buildings & equipment), less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the Township's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total revenues were \$4,245,809 while the total expenditures were \$4,123,591 resulting in a increase of net assets of \$122,218.

Condensed Statement of Net Assets

As of March 31,

| | <u>2011</u> | <u>2010</u> |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash & Investments | \$ 1,931,274 | \$ 2,432,174 |
| Receivables | | |
| Property Taxes | 3,707,403 | 3,562,832 |
| Other | 36,754 | 33,287 |
| Other Current Assets | 25,430 | 20,742 |
| Capital Assets, Net of Accumulated Depreciation | <u>29,374,024</u> | <u>28,604,014</u> |
| Total Assets | <u>35,074,885</u> | <u>34,653,049</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 184,647 | 34,540 |
| Accrued Payroll | 15,048 | 11,196 |
| Other Liabilities | 53,969 | 52,881 |
| Deferred Revenue | <u>3,707,403</u> | <u>3,562,832</u> |
| Total Liabilities | <u>3,961,067</u> | <u>3,661,449</u> |
| Net Assets | | |
| Invested in Capital Assets Net of Debt | 29,374,024 | 28,604,014 |
| Restricted | - | - |
| Unrestricted | <u>1,739,794</u> | <u>2,387,586</u> |
| Total Net Assets | <u>31,113,818</u> | <u>30,991,600</u> |

(See independent auditor's report)

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis For the Year Ended March 31, 2011

Normal Impact on the Township's Revenue & Expenses

Revenue:

Economic conditions - this can reflect a declining, stable or growing economic environment and has a direct impact on property taxes, state replacement income tax, etc.

Changing patterns in intergovernmental and grant revenue - while certain recurring revenue (state shared revenue, etc) may experience significant changes due to the economic environment, non-recurring or one-time grants are less predictable and often distort their impact on year-to-year comparison.

Market impacts on investment income - market conditions may cause investment income to fluctuate.

Expenses:

Changes in authorized personnel - change in service demands (i.e. snow removal) may cause the Township to change staffing levels. Personnel costs are a significant operating cost for the Township.

Road and bridge maintenance - road projects are a significant cost to the Township. Projects are added and deleted in order to meet the changing needs within the Township.

Inflation - while overall inflation has been controlled in recent years, the Township is a major consumer of certain commodities such as fuel, supplies, etc.

Condensed Statement of Activities For the Years Ended March 31,

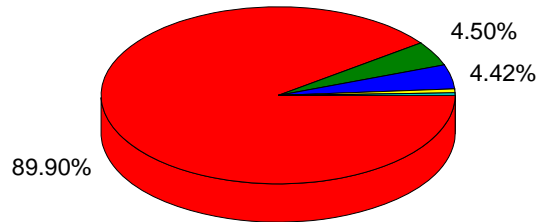
| | <u>2011</u> | <u>2010</u> |
|-------------------------------|---------------------|---------------------|
| Revenues: | | |
| Taxes: | | |
| Property | \$ 3,817,126 | \$ 3,726,228 |
| Replacement | 187,756 | 168,914 |
| Grants | 191,009 | 493,491 |
| Investment Income | 18,554 | 26,775 |
| Miscellaneous | <u>31,364</u> | <u>31,233</u> |
| Total Revenue | <u>4,245,809</u> | <u>4,446,641</u> |
| Expenditures: | | |
| Corporate | 1,626,776 | 1,614,113 |
| Health & Welfare | 246,487 | 250,751 |
| Road & Bridge | 1,986,934 | 1,937,106 |
| Public Safety | <u>263,394</u> | <u>253,512</u> |
| Total Expenditures | <u>4,123,591</u> | <u>4,055,482</u> |
| Change in Net Assets | <u>122,218</u> | <u>391,159</u> |
| Net Assets, Beginning of Year | <u>30,991,600</u> | <u>30,600,441</u> |
| Net Assets, End of Year | <u>\$31,113,818</u> | <u>\$30,991,600</u> |


(See independent auditor's report)

Government-wide Financial Analysis


The Township's primary source of revenues is from property taxes while the primary use of funds is to provide public safety. Below are charts which represent the sources and uses of fund for the fiscal year ended March 31, 2011:


Revenues by Source as of March 31, 2011




Property Taxes 

Operating Grants 

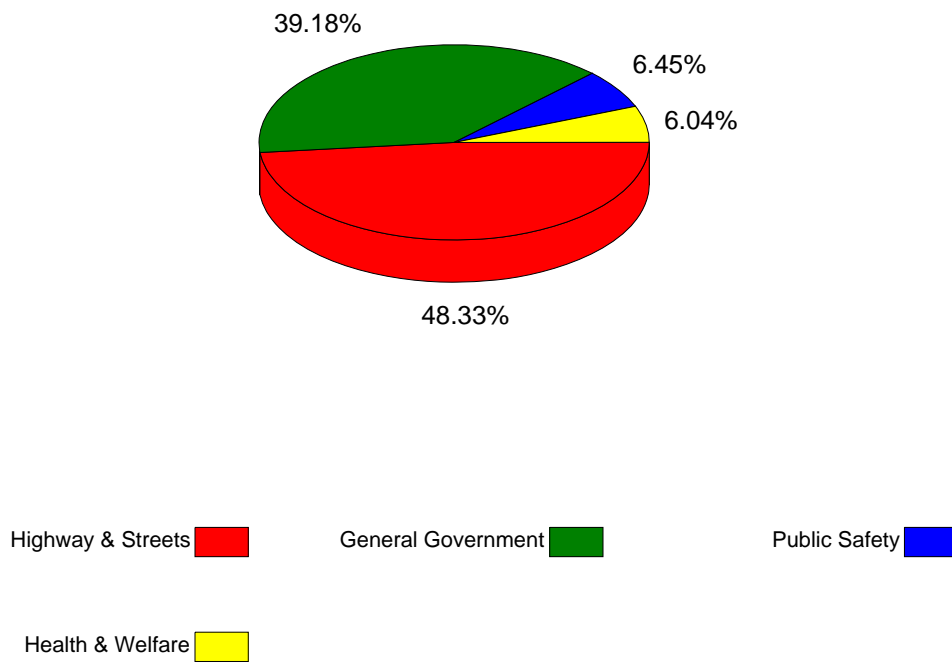
Replacement Taxes 

Other Revenue 

Interest Income 

(See independent auditor's report)

Expenses by Function or Program as of March 31, 2011



(See independent auditor's report)

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis

For the Year Ended March 31, 2011

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of the Township's funds are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. All of the Township's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for use. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between government funds and government activities.

The Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the Corporate Fund (which includes activities of the Road and Bridge fund), Capital Projects Fund and Special Revenue Funds. Data from the Special Revenue Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in the report.

Basic governmental fund financial statements are presented on pages 15 - 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Information

In addition to these basic financial statements and accompanying notes, this report also presents supplementary information concerning the Township's progress in funding its obligations to provide pension benefits to its employees. This information can be found beginning on page 33 of this report.

Major funds are reported in the basic financial statements as discussed. Combining and/or individual statements and schedules are presented in a subsequent section of this report beginning on page 34 of this report.

(See independent auditor's report)

Milton Township

Wheaton, Illinois

Management's Discussion and Analysis

For the Year Ended March 31, 2011

Financial Analysis of the Township's Funds

Changes in Fund Balance - Governmental Funds

Governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,739,794. Of this year-end total, the general fund reported a fund balance of \$676,882. The remaining \$1,062,912 is reserved and undesignated.

The following is a summary of changes in fund balances for the year ended March 31, 2011:

| Governmental Funds | Fund Balance Mar. 31, 2010 | Increase (Decrease) | Fund Balance Mar. 31, 2011 |
|--------------------|----------------------------------|------------------------|----------------------------------|
| Corporate | \$ 1,057,580 | \$ (380,698) | \$ 676,882 |
| General Assistance | 87,298 | 15,037 | 102,335 |
| Road & Bridge | 1,113,598 | (298,170) | 815,428 |
| Special Police | 109,418 | 15,268 | 124,686 |
| Mosquito Abatement | 19,692 | 771 | 20,463 |
| | <u>\$ 2,387,586</u> | <u>\$ (647,792)</u> | <u>\$ 1,739,794</u> |

(See independent auditor's report)

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2011

Major Governmental Funds - Annual Budget

The Township reports the Corporate Fund and the Road & Bridge Fund as major governmental funds. The following is a table summarizing the fiscal year 2010/2011 budget for these funds.

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|------------------------|-------------------------|---------------------|-------------------|
| Corporate Fund: | | | |
| Revenue | \$ 1,707,345 | \$ 1,681,629 | \$ (25,716) |
| Expenditures | <u>2,368,345</u> | <u>2,062,327</u> | <u>306,018</u> |
| Change in Fund Balance | <u>\$ (661,000)</u> | <u>\$ (380,698)</u> | <u>\$ 280,302</u> |
| Road & Bridge Fund: | | | |
| Revenue | \$ 2,006,112 | \$ 2,023,223 | \$ 17,111 |
| Expenditures | <u>2,518,333</u> | <u>2,321,393</u> | <u>196,940</u> |
| Change in Fund Balance | <u>\$ (512,221)</u> | <u>\$ (298,170)</u> | <u>\$ 214,051</u> |

Capital Assets

The Township's investment in capital assets, net of accumulated depreciation for governmental activities as of March 31, 2011 was \$29,374,024. The net increase in capital assets was \$770,010 net of depreciation expense of \$549,884. Additional information on the Township's investment in capital assets can be found in Note 5 of the financial statements.

The following is a summary of capital assets, net of accumulated depreciation:

| | <u>March 31,</u> | |
|-------------------------------|---------------------|---------------------|
| | <u>2010</u> | <u>2011</u> |
| Land | \$ 60,000 | \$ 497,559 |
| Building & improvements | 615,687 | 615,687 |
| Infrastructure | 40,465,769 | 41,156,493 |
| Road machinery & vehicles | 2,110,319 | 2,171,320 |
| Office Furniture & equipment | <u>199,287</u> | <u>204,950</u> |
| Cost of capital assets | 43,451,062 | 44,646,009 |
| Less accumulated depreciation | <u>(14,847,048)</u> | <u>(15,271,985)</u> |
| Net capital assets | <u>\$28,604,014</u> | <u>\$29,374,024</u> |

(See independent auditor's report)

Milton Township
Wheaton, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2011

Long Term Debt

As of March 31, 2011, the Township had no outstanding long-term debt.

Economic Factors in Next Year's Budget and Rates

The Township continues to experience an eroding tax rate imposed by the Property Tax Extension Limitation Law (PTELL), which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy.

Contacting the Township's Financial Management

This financial report is designed to provide a general overview of the Township's finances, comply with finance related laws and regulations and demonstrate the Township's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Township at 1492 North Main Street, Wheaton, IL 60187.

(See independent auditor's report)

BASIC FINANCIAL STATEMENTS

Milton Township

Wheaton, Illinois

Statement of Net Assets

March 31, 2011

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Current Assets | |
| Cash & Cash Equivalents | \$ 1,931,274 |
| Receivables: | |
| Property Taxes | 3,707,403 |
| Replacement Taxes | 35,593 |
| Accrued Interest | 1,161 |
| Prepaid Insurance | 25,430 |
| | <hr/> |
| Total Current Assets | 5,700,861 |
| Noncurrent Assets | |
| Capital Assets, Not Being Depreciated | |
| Land | 60,000 |
| Construction in Process | 437,559 |
| Capital Assets, Net of Accumulated Depreciation | |
| Building & Improvements | 209,170 |
| Road Machinery & Equipment | 946,959 |
| Office Furniture & Equipment | 16,135 |
| Infrastructure | 27,704,201 |
| | <hr/> |
| Total Noncurrent Assets | 29,374,024 |
| | <hr/> |
| Total Assets | 35,074,885 |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 184,647 |
| Accrued Payroll | 15,048 |
| Deferred Property Tax Revenue | 3,707,403 |
| Compensated Absences Payable | 53,969 |
| | <hr/> |
| Total Current Liabilities | 3,961,067 |
| Net Assets | |
| Invested in Capital Assets, Net of Related Debt | 29,374,024 |
| Unrestricted | 1,739,794 |
| | <hr/> |
| Net Assets | \$ 31,113,818 |
| | <hr/> <hr/> |

See Accompanying Notes to Financial Statements

Milton Township
Wheaton, Illinois
Statement of Activities
Year Ended March 31, 2011

| Functions/Program | Expenses | Program Revenues | | Net (Expenses), Revenue and Changes in Net Assets |
|-----------------------------------|---------------------|---------------------------|--|--|
| | | Charge for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | |
| General Government | \$ 1,640,922 | \$ - | \$ 16,500 | \$ (1,624,422) |
| Highway & Street | 1,972,788 | - | 174,509 | (1,798,279) |
| Public Safety | 263,394 | - | - | (263,394) |
| Health & Welfare | 246,487 | - | - | (246,487) |
| Total Governmental Activities | <u>\$ 4,123,591</u> | <u>\$ -</u> | <u>\$ 191,009</u> | <u>(3,932,582)</u> |
| General Revenues | | | | |
| Taxes | | | | |
| Property | | | | 3,817,126 |
| Replacement | | | | 187,756 |
| Investment Income | | | | 18,554 |
| Miscellaneous | | | | <u>31,364</u> |
| Total General Revenue | | | | <u>4,054,800</u> |
| Increase (Decrease) in Net Assets | | | | 122,218 |
| Net Assets | | | | |
| Beginning | | | | <u>30,991,600</u> |
| Ending | | | | <u>\$ 31,113,818</u> |

See Accompanying Notes to Financial Statements

Milton Township
Wheaton, Illinois
Balance Sheet - Governmental Funds
March 31, 2011

| | <u>General</u> <u>Fund</u> | <u>Road &</u> <u>Bridge</u> <u>Fund</u> | <u>Nonmajor</u> <u>Special Revenue</u> <u>Governmental</u> <u>Funds</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|---|-------------------------------|---|--|---|
| Assets | | | | |
| Current Assets | | | | |
| Cash & Cash Equivalents | \$ 831,543 | \$ 850,221 | \$ 249,510 | \$ 1,931,274 |
| Receivables: | | | | |
| Property Taxes | 1,616,559 | 1,512,999 | 577,845 | 3,707,403 |
| Replacement Taxes | 19,301 | 16,292 | - | 35,593 |
| Accrued Interest | 1,050 | 111 | - | 1,161 |
| Prepaid Items | <u>12,746</u> | <u>12,684</u> | <u>-</u> | <u>25,430</u> |
| Total Assets | <u><u>2,481,199</u></u> | <u><u>2,392,307</u></u> | <u><u>827,355</u></u> | <u><u>5,700,861</u></u> |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 170,893 | \$ 12,593 | \$ 1,161 | \$ 184,647 |
| Accrued Payroll | 10,611 | 3,572 | 865 | 15,048 |
| Deferred Property Tax Revenue | 1,616,559 | 1,512,999 | 577,845 | 3,707,403 |
| Compensated Absences Payable | <u>6,254</u> | <u>47,715</u> | <u>-</u> | <u>53,969</u> |
| Total Liabilities | 1,804,317 | 1,576,879 | 579,871 | 3,961,067 |
| Fund Balances | | | | |
| Reserved for Prepaid Insurance | 12,746 | 12,684 | - | 25,430 |
| General Fund | 664,136 | - | - | 664,136 |
| Special Revenue Fund | <u>-</u> | <u>802,744</u> | <u>247,484</u> | <u>1,050,228</u> |
| Total Fund Balances | <u><u>676,882</u></u> | <u><u>815,428</u></u> | <u><u>247,484</u></u> | <u><u>1,739,794</u></u> |
| Total Liabilities & Fund Balance | <u><u>2,481,199</u></u> | <u><u>2,392,307</u></u> | <u><u>827,355</u></u> | <u><u>5,700,861</u></u> |

See Accompanying Notes to Financial Statements

Milton Township

Wheaton, Illinois

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

March 31, 2011

| | | |
|--|----|--------------------------|
| Total Fund Balances - Governmental Funds | \$ | 1,739,794 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | <u>29,374,024</u> |
| Net Assets of Governmental Activities | | <u><u>31,113,818</u></u> |

See Accompanying Notes to Financial Statements

Milton Township

Wheaton, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balance -

Governmental Funds

Year Ended March 31, 2011

| | General Fund | Road & Bridge Fund | Nonmajor Special Revenue Governmental Funds | Total Governmental Funds |
|------------------------------|-----------------------|--------------------------|--|--------------------------------|
| Revenue | | | | |
| Property & Replacement Taxes | \$ 1,658,438 | \$ 1,806,159 | \$ 540,285 | \$ 4,004,882 |
| Investment Income | 6,691 | 11,191 | 672 | 18,554 |
| Miscellaneous | <u>16,500</u> | <u>205,873</u> | <u>-</u> | <u>222,373</u> |
| Total Revenue | <u>1,681,629</u> | <u>2,023,223</u> | <u>540,957</u> | <u>4,245,809</u> |
| Expenditures | | | | |
| General Government | 2,062,327 | - | - | 2,062,327 |
| Public Safety | - | - | 263,394 | 263,394 |
| Highway & Street | - | 2,321,393 | - | 2,321,393 |
| Health & Welfare | <u>-</u> | <u>-</u> | <u>246,487</u> | <u>246,487</u> |
| Total Expenditures | <u>2,062,327</u> | <u>2,321,393</u> | <u>509,881</u> | <u>4,893,601</u> |
| Net Changes in Fund Balances | (380,698) | (298,170) | 31,076 | (647,792) |
| Fund Balance | | | | |
| Beginning | <u>1,057,580</u> | <u>1,113,598</u> | <u>216,408</u> | <u>2,387,586</u> |
| Ending | <u><u>676,882</u></u> | <u><u>815,428</u></u> | <u><u>247,484</u></u> | <u><u>1,739,794</u></u> |

See Accompanying Notes to Financial Statements

Milton Township

Wheaton, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended March 31, 2011

| | | |
|---|----|------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | (647,792) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities | | 1,334,035 |
| Some expenses in the Statement of Activities (e.g., depreciation) do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds | | <u>(564,025)</u> |
| Change in Net Assets of Governmental Activities | \$ | <u>122,218</u> |

See Accompanying Notes to Financial Statements

Milton Township
Wheaton, Illinois
Statement of Fiduciary Net Assets
March 31, 2011

| | |
|---------------------------------|-------------------|
| Assets | |
| Cash & Cash Equivalents | \$ <u>579,459</u> |
| Liabilities | |
| Cable TV Deposit Payable | \$ 20,340 |
| Highway Escrow Accounts Payable | <u>559,119</u> |
| Total Liabilities | <u>\$ 579,459</u> |

See Accompanying Notes to Financial Statements

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Milton Township (the "Township") is a municipal corporation of the State of Illinois headquartered in the County of DuPage and duly chartered pursuant to Illinois statute in 1850.

The Township serves approximately 120,000 residents and is comprised of Wheaton, Glen Ellyn, and a significant portion of Carol Stream. Additionally, small parts of Lombard, Winfield, Downers Grove, Naperville, Glendale Heights and Lisle lie within its 36 square mile border as well as significant areas of unincorporated DuPage County.

A. Reporting Entity

The Township follows the provision of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

B. Accounting Methods

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The Township implemented GASB 34 effective April 1, 2006.

The implementation of GASB 34 adds two "Government-Wide" financial statements as basic financial statements required for all governmental units. They are the Statement of Net Assets, which presents the financial condition of the governmental activities of the Township at fiscal year end, and the Statement of Activities, which presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Accounting Methods (Continued)

The reporting model for GASB 34 classifies funds as governmental activities. Further, all non-fiduciary funds are classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the Township used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Township does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, funds equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrative compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least ten percent of the corresponding total for all funds of that category or type, and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund is at least five percent of the corresponding total for all governmental funds combined.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Township are financed. The Township's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Township's governmental funds follows:

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

Funds included in this fund category are:

Corporate Fund

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

Funds included in this fund category are:

General Assistance Fund
Road and Bridge Fund
Special Police Fund
Mosquito Abatement Fund

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individual, private organizations, other governments, or other funds.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

MAJOR FUNDS

The Township reports the following major governmental funds:

Corporate Fund accounts for the Township's primary operating activities.
Road and Bridge Fund supports the functions of the Highway Commissioner.

NON-MAJOR FUNDS

The Township reports the following non-major governmental funds:

General Assistance Fund
Special Police Fund
Mosquito Abatement Fund

D. Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement of focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance the Township's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The Township considers property taxes available if they are due and collected within 60 days after year end. All other revenues are recognized when the cash is received. Expenditures are recorded when the related fund liability is incurred.

The Township reports deferred revenues on its Governmental Funds Balance Sheet. For governmental funds financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Township before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus

On the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included in the Statement of Net Assets and the Statement of Activities presents increases and decreases in net total assets.

The measurement focus incorporates the current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from fund financial statements. The related expenditures are recognized in the fund financial statements when the liabilities are liquidated. Historically, the expenditures have been recorded to the general and special revenue funds.

F. Budgets and Budgetary Accounting

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

Prior to February 1, the Township Supervisor submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.

The working budget is then approved by the Board and adopted by April 1. The Board holds public hearings to solicit comments and may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to August 31, the final budget is passed by an appropriation ordinance. The tax levy ordinance is filed with the County Clerk by the last Tuesday in December to obtain tax revenue.

The Board of Trustees must approve all formal appropriation transfers. Any increases to the final budget require a public hearing before the Board of Trustees' approval. A formal supplemental appropriation was made during the fiscal year for the Road & Bridge Fund. The Supervisor can approve expenditures that exceed any line item within the fund as long as the expenditures do not exceed appropriations. Thus, the legal level of budgetary control is determined by fund.

The legal budgetary authority lapses at the end of the fiscal year.

The budget amounts shown in the financial statements are those originally adopted ("Original") and the ("Final") as there were line item transfers made during the fiscal year.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Investments

All investments are stated at fair value, which is the market value as determined by published reports of such values.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

I. Capital Assets

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the Township has adopted a capitalization threshold of \$1,000 equipment; \$10,000 for building & improvements; and \$50,000 for infrastructure. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

| | |
|-------------------------|----------------|
| Buildings | 40 years |
| Machinery and Equipment | 3 to 7 years |
| Vehicles | 5 to 7 years |
| Infrastructure | 10 to 40 years |

FUND FINANCIAL STATEMENTS

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Accumulated Vacation and Sick Pay

Full-time employees, those who work a minimum of 35 hours per week, are eligible for paid vacation if they have completed one year of continuous employment with the Township. Part-time employees are not entitled to vacation. Full-time employees earn benefits in varying annual amounts based on the table set forth below:

| <u>Year of Service</u> | <u>Available Days</u> | <u>Monthly Accrual</u> |
|------------------------|-----------------------|------------------------|
| 1 thru 4 years | 10 working days | .83 days per month |
| 5 thru 9 years | 15 working days | 1.25 days per month |
| 10 or more years | 20 working days | 1.66 days per month |

Township & Assessors: Personal leave, for any reason other than vacation (i.e. sick leave, personal time, etc.) accumulates at a rate of 4.66 hours for each month of completed full-time work to a maximum of 8 days (56 hours) per year. Personal days unused by December 31 of the calendar year will be forfeited and cannot be carried over into the next calendar year, therefore the entire liability is recorded as a current liability.

Highway Department: Paid time off ("PTO") is earned at a rate of 16 hours on January 1st of each year and an additional 8 hours on the last day of February, April, June, August, October and December for a total of 64 hours per year. Employees can accumulate up to 30 days (240 hours) of PTO. PTO time over 30 days will be paid the first of each new year at the employees regular rate of pay, therefore the entire liability is recorded as a current liability.

K. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Equity is classified as net assets and displayed in three components:

Invested in capital assets - consists of capital assets, net of accumulated depreciation and net of related debt.

Restricted net assets - consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or law or regulations of other governments, or laws through constitutional provisions or enabling legislation.

Unrestricted net assets - consists of all other net assets that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. Fund balance may further be classified as reserved and unreserved. The Township has not designated any unreserved fund balances for any particular purposes at March 31, 2011.

L. Total Columns on Combined Statements

Total columns on the Combined Statements are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 2 - PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The taxes attach as an enforceable lien on property on January 1. The owner of real property on January 1 in any year is liable for taxes for the year. The Township has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the Township. Also, the Township is subject to the Property Tax Extension Limitation Act, which, in general, limits the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the DuPage County Collector who remits to the Township its share of taxes collected. Taxes levied in one year become payable during the following year in two equal installments, on June 1 and on September 1. Taxes on railroad real property used for transportation purposes are payable in one installment on August 1. The Township generally receives the real estate taxes within 30 to 60 days of the due dates.

The Corporate, General Assistance and Road & Bridge Funds levy for the year 2010 are based upon an assessed valuation of \$5,051,748,320. The levy for Special Police is based on an assessed valuation of \$909,261,732. The Mosquito Fund is based on an assessed valuation of \$367,089,395. The following are the tax rate limits permitted by Illinois statute and by local referendum and actual rates levied per \$100 of assessed valuation and the extensions produced there from:

| Fund and/or purpose | Limit | Rate | Extension |
|---------------------|-------|---------------|---------------------|
| Corporate | NONE | .0320 | \$ 1,616,559 |
| General Assistance | .1000 | .0053 | 267,743 |
| Road & Bridge | .9400 | .0599 | 3,025,997 |
| Special Police | .1000 | .0249 | 226,406 |
| Mosquito | NONE | .0228 | 83,696 |
| TOTALS | NONE | <u>0.1449</u> | <u>\$ 5,220,401</u> |

NOTE 3 - PERSONAL PROPERTY REPLACEMENT TAX

The Personal Property Replacement Tax represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

Revenues are collected by the State of Illinois under the replacement tax and are allocated and paid by the State eight times a year. The replacement tax law provides that monies received should be first applied toward payment of the proportionate share of the pension or retirement obligation which were previously levied on personal property. Remaining allocations are made at the discretion of the Board of Trustees.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 4 - CASH AND INVESTMENTS

At March 31, 2011, the Township had cash and investments on the financial statements consisting of the following:

| | Governmental Funds | Fiduciary or Funds | Total |
|----------------------|-----------------------|-----------------------|---------------------|
| Cash and investments | <u>\$ 1,931,274</u> | <u>\$ 579,459</u> | <u>\$ 2,510,733</u> |

Investments are recorded at cost. It is the policy of the Township to invest public funds in a manner that will provide the highest investment return with the maximum security while maintaining the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds.

Illinois statute authorizes the District to invest in obligations of the U.S Treasury, U.S. Agencies and banks and savings and loan associations covered by federal depository insurance. The District may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the 3 highest classifications by at least 2 standards rating services and they mature within 180 days from the date of purchase, and (b) no more that 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

Investment Policy - Governmental Funds

The Township holds money market type investments and deposits with financial institutions, including certificate of deposits. As of March 31, 2011, the carrying amount of the Township's deposits for governmental funds totaled \$1,931,274 and the bank balances totaled \$2,160,227. The weighted-average maturity of these investments held by the District is less than one (1) year.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Safety of principal is the foremost objective of the investment program. Investments of the Township shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires pledging of collateral for all bank balances in excess of the federal depository insurance, at an amount of not less than 110% of the fair market value of the funds secured. At year-end the entire amount of the governmental funds bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. At year-end the governmental funds did not hold any investments of this type.

Concentrations: This is a risk of loss attributed to the magnitude of the Township's investment in a single issuer. Although the Township's investment policy does not formally address this risk, it is the Township's practice to diversify its investments with various financial institutions.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 5 - CAPITAL ASSETS

As of June 1, 2004, records were updated to report the actual capital assets in use, to prospectively report capital assets, and to calculate and report depreciation of governmental type capital assets, historical costs or estimated historical costs if actual costs are not available. Total depreciation expense for governmental activities for year ended March 31, 2011 was \$549,884. A summary of the changes in capital assets for the year follows:

| | March 31, 2010 | Additional | Retirement | March 31, 2011 |
|--|----------------|------------|-------------|----------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 60,000 | \$ - | \$ - | \$ 60,000 |
| Construction In Process | - | 437,559 | - | 437,559 |
| Total Assets Not Being Depreciation | 60,000 | 437,559 | - | 497,559 |
| Capital Assets Subject to Depreciation | | | | |
| Buildings | 615,687 | - | - | 615,687 |
| Office Furniture & Equipment | 199,287 | 10,395 | (4,732) | 204,950 |
| Road & Bridge Equipment | 2,110,319 | 195,357 | (134,356) | 2,171,320 |
| Infrastructure | 40,465,769 | 690,724 | - | 41,156,493 |
| Total Assets Subject to Depreciation | 43,391,062 | 896,476 | (139,088) | 44,148,450 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings | 391,334 | 15,183 | - | 406,517 |
| Office Furniture & Equipment | 188,808 | 4,739 | (4,732) | 188,815 |
| Road & Bridge Equipment | 1,221,298 | 123,274 | (120,211) | 1,224,361 |
| Infrastructure | 13,045,608 | 406,684 | - | 13,452,292 |
| Total Accumulated Depreciation | 14,847,048 | 549,880 | (124,943) | 15,271,985 |
| Net Capital Assets Subject to Depreciation | 28,544,014 | 346,596 | (14,145) | 28,876,465 |
| Net Capital Assets - Governmental Activities | \$ 28,604,014 | \$ 784,155 | \$ (14,145) | \$ 29,374,024 |

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 6 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all governmental employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death or unforeseeable emergency.

The plan was converted to a trust in the name of the Township's fiduciary agent to comply with amendments to Section 457. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the Township is not required to report the assets and liabilities of the plan on its balance sheet unless it is acting as a fiduciary agent. The Township does not act as a fiduciary agent, and therefore removed the agency fund from its balance sheet.

NOTE 7 - PENSION COMPENSATION PLAN (IMRF)

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

Fund Policy. As set by statute, the Township's Regular plan members are required to contribute 4.5% percent of their annual covered salary. The statutes requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the Township was 8.57% percent of annual covered payroll. The Township annual required contribution rate for calendar year 2010 was 10.73%. 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 the IMRF Board of Trustees, while the supplemental retirement benefits is set by statute.

Annual Pension Cost. For calendar year ended 2010, the Township's actual contributions for pension cost of the Regular were \$137,271. Its required contribution for calendar year was \$171,869.

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

| Actual Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------------|---------------------------------|-------------------------------------|------------------------------|
| 12/31/10 | \$ 171,869 | 80.00% | 0 |
| 12/31/09 | \$ 91,221 | 100.00% | 0 |
| 12/31/08 | \$ 71,226 | 100.00% | 0 |

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 7 - PENSION COMPENSATION PLAN (IMRF) (Continued)

Annual Pension Cost (Continued)

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, include (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4% a year, attributable to inflation; (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit; and (d) post retirement benefit increases of 3% annually. The actuarial value of the Township Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five (5) year period with a 20% corridor between the actuarial and market value of assets. The Township Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on a copen 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 85.65% funded. The actuarial accrued liability for benefits was \$5,365,669 and the actuarial value of assets was \$4,595,730, resulting in an underfunded actuarial accrued liability (UAAL) of \$769,939. The covered payroll (annual payroll of active employees covered by the plan) was \$1,1,601,766 and the ratio of the UAAL to the covered payroll was 48 percent.

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

NOTE 8 - 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; injuries to employees; and natural disasters. The Township has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical and other. Premiums have been recorded as expenditures in appropriate funds. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage during the year ended March 31, 2011.

NOTE 9 - DEFICIT FUND BALANCE

For the year ended March 31, 2011, none of the Township's funds had a deficit fund balance.

Milton Township

Wheaton, Illinois

Notes To The Financial Statements

For the Year Ended March 31, 2011

NOTE 10 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

For the year ended March 31, 2011, none of the Township's funds had an excess of actual expenditures over legally enacted budgeted amounts.

NOTE 11 - LEGAL DEBT MARGIN

| | |
|---|-----------------------|
| Assessed Valuation | \$ 5,051,748,320 |
| Legal Debt Limits - 5.75% of Assessed Valuation | \$ 145,237,764 |
| Outstanding Bond Debt | \$ 0 |
| Legal Debt Margin, March 31, 2011 | <u>\$ 145,237,764</u> |

NOTE 12 - MOTOR FUEL TAX FUND

The Township receives an allotment of Motor Fuel Tax Fund from the State of Illinois. The allotment is paid directly to the DuPage County Treasurer. The Treasurer holds the funds and makes payments on approved road projects. The following is a summary of the activity of the Township's motor fuel tax allotment for the year ended March 31, 2011

| | |
|-------------------------|-------------------|
| Balance, March 31, 2010 | \$ 651,500 |
| Allotments received | 134,036 |
| Interest earned | 2,248 |
| Less: disbursements | <u>-356,400</u> |
| Balance, March 31, 2011 | <u>\$ 431,384</u> |

NOTE 13 - CONTINGENCIES

Per administration, as of March 31, 2011, the only matters of material or pending litigation, claims, or assessments involving the Township were tax rate objections cases, wherein the petitioners object to the various tax levies of the Township for specific years. Accordingly, no provision has been made in the accompanying financial statements for settlement costs.

REQUIRED SUPPLEMENTARY INFORMATION

Milton Township

Wheaton, Illinois

Required Supplementary Information

For the Year Ended March 31, 2011

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/10 | 4,595,730 | 5,365,669 | 769,939 | 85.65% | 1,601,766 | 48.07% |
| 12/31/09 | 4,177,971 | 4,750,390 | 572,419 | 87.95% | 1,530,547 | 37.40% |
| 12/31/08 | 3,961,690 | 4,542,051 | 580,361 | 87.22% | 1,528,459 | 37.97% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$4,914,593. On a market basis, the funded ratio would be 91.59%.

**COMBINING & INDIVIDUAL FUND
FINANCIAL STATEMENTS & SCHEDULES**

MAJOR FUNDS

Corporate Fund (Town Fund) - to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Road & Bridge Fund - This fund accounts for taxes levied and expenditures incurred in maintaining highway and related structures.

Milton Township

Wheaton, Illinois

Required Supplementary Information - Corporate Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

Year Ended March 31, 2011

| | 2011 | | | Variance With Final Budget | 2010 |
|-----------------------------------|------------------|------------------|------------------|----------------------------------|------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | |
| Revenues | | | | | |
| Taxes | | | | | |
| - Property | \$ 1,588,533 | \$ 1,588,533 | \$ 1,556,624 | \$ (31,909) | \$ 1,538,173 |
| - Replacement | 83,812 | 83,812 | 101,814 | 18,002 | 91,596 |
| Investment Income | 18,500 | 18,500 | 6,691 | (11,809) | 14,972 |
| Grants | 16,500 | 16,500 | 16,500 | - | 33,000 |
| Miscellaneous | - | - | - | - | 300 |
| Total Revenues | 1,707,345 | 1,707,345 | 1,681,629 | (25,716) | 1,678,041 |
| Expenditures | | | | | |
| Current | | | | | |
| Administration | 1,368,814 | 1,368,814 | 1,115,872 | (252,942) | 658,177 |
| Assessor's Office | 870,072 | 870,072 | 858,721 | (11,351) | 871,596 |
| Cemetery/Weeks Park | 25,000 | 25,000 | 18,369 | (6,631) | 16,403 |
| Citizen's Corp Program | 25,500 | 25,500 | 24,183 | (1,317) | 30,372 |
| Social Services | 78,959 | 78,959 | 45,182 | (33,777) | 51,496 |
| Total Current Expenditures | 2,368,345 | 2,368,345 | 2,062,327 | (306,018) | 1,628,044 |
| Total Expenditures | 2,368,345 | 2,368,345 | 2,062,327 | (306,018) | 1,628,044 |
| Net Change in Fund Balance | (661,000) | (661,000) | (380,698) | 280,302 | 49,997 |
| Fund Balance at Beginning of Year | | | 1,057,580 | | 1,007,583 |
| Fund Balance at End of Year | | | 676,882 | | 1,057,580 |

Milton Township
Wheaton, Illinois
Required Supplementary Information - General Fund
Schedule of Expenses - Actual to Budget
Year Ended March 31, 2011

| | 2011 | | | 2010 | |
|------------------------------------|------------|------------|------------|-------------------|------------|
| | Budget | | Actual | Variance | Actual |
| | Original | Final | | With Final Budget | |
| General Government | | | | | |
| Administration | | | | | |
| Salaries | \$ 400,000 | \$ 400,000 | \$ 399,785 | \$ (215) | \$ 384,649 |
| Health Insurance | 83,564 | 83,564 | 82,533 | (1,031) | 81,022 |
| Unemployment Insurance | 1,500 | 5,360 | 3,786 | (1,574) | 1,984 |
| Worker's Compensation Insurance | 11,570 | 11,570 | 10,690 | (880) | 5,155 |
| Social Security/Medicare | 30,600 | 30,600 | 29,528 | (1,072) | 28,623 |
| I.M.R.F Expense | 34,280 | 34,500 | 34,491 | (9) | 25,854 |
| Building Maintenance Services | 45,000 | 24,915 | 28,783 | 3,868 | 40,805 |
| Equipment Maintenance Services | 2,500 | 2,500 | 1,378 | (1,122) | 1,007 |
| Accounting & Auditing | 4,000 | 4,000 | 3,844 | (156) | 3,720 |
| Legal | 6,000 | 17,800 | 17,028 | (772) | 3,194 |
| Postage | 1,500 | 1,500 | 1,296 | (204) | 1,314 |
| Telephone | 4,500 | 6,680 | 7,472 | 792 | 4,246 |
| Information Technology | 3,000 | 3,000 | 649 | (2,351) | 1,093 |
| Publishing & Printing | 1,000 | 1,150 | 1,024 | (126) | 1,036 |
| Dues & Subscriptions | 2,500 | 2,500 | 2,803 | 303 | 2,441 |
| Travel, Training & Meetings | 3,500 | 3,500 | 2,772 | (728) | 3,672 |
| Utilities | 12,000 | 13,875 | 14,193 | 318 | 11,797 |
| General Insurance | 12,000 | 12,000 | 5,552 | (6,448) | 12,380 |
| Discrimination Liability Insurance | 12,000 | 12,000 | 10,694 | (1,306) | 9,920 |
| Payroll Services | 4,500 | 4,500 | 3,393 | (1,107) | 4,819 |
| Office & Operating Supplies | 4,500 | 4,500 | 3,986 | (514) | 4,497 |
| Copies Supplies | 300 | 300 | - | (300) | - |
| Contingencies | 12,900 | 12,900 | - | (12,900) | 8,097 |
| Petty Cash | 100 | 100 | - | (100) | - |
| Equipment Purchases | 4,000 | 4,000 | 2,900 | (1,100) | 2,859 |
| Building & Site Improvements | 661,500 | 661,500 | 444,456 | (217,044) | 3,889 |
| Dial-A-Ride Expenses | 10,000 | 10,000 | 2,836 | (7,164) | 10,104 |
| Total Administration | 1,368,814 | 1,368,814 | 1,115,872 | (252,942) | 658,177 |

Milton Township
Wheaton, Illinois
Required Supplementary Information - General Fund
Schedule of Expenses - Actual to Budget
Year Ended March 31, 2011

| | 2011 | | | 2010 | |
|--------------------------------|----------------|----------------|----------------|-------------------|----------------|
| | Budget | | Actual | Variance | Actual |
| | Original | Final | | With Final Budget | |
| Assessor's Office | | | | | |
| Salaries | 544,000 | 562,185 | 561,468 | (717) | 581,856 |
| Health Insurance | 143,000 | 124,700 | 124,694 | (6) | 130,230 |
| Unemployment Insurance | 8,000 | 10,655 | 4,438 | (6,217) | 7,807 |
| Workers Compensation Insurance | 16,000 | 14,000 | 13,756 | (244) | 10,271 |
| Social Security/Medicare | 41,616 | 40,816 | 40,751 | (65) | 41,742 |
| I.M.R.F. Expense | 46,621 | 49,451 | 49,449 | (2) | 38,230 |
| Maintenance Service | 500 | 500 | - | (500) | 331 |
| Other Contracted Services | 1,000 | 1,000 | 393 | (607) | - |
| Legal | 500 | 915 | 913 | (2) | 3,425 |
| Postage | 1,000 | 1,460 | 1,460 | - | 852 |
| Telephone, FAX, DSL | 6,000 | 7,750 | 8,350 | 600 | 5,618 |
| Publishing & Printing | 300 | 425 | 313 | (112) | 110 |
| Dues & Subscriptions | 2,000 | 1,400 | 299 | (1,101) | 3,189 |
| Training | 5,000 | 7,810 | 6,952 | (858) | 6,120 |
| Mileage Reimbursement | 6,000 | 6,085 | 6,084 | (1) | 4,854 |
| Publications | 100 | 100 | - | (100) | 2,585 |
| Meeting Expenses | 1,200 | 1,200 | 663 | (537) | 923 |
| Computer Maintenance | 100 | 100 | - | (100) | - |
| Contracted Software | 18,000 | 18,000 | 17,496 | (504) | 13,850 |
| Outside Appraisals | 3,500 | - | - | - | 1,339 |
| Office Supplies | 3,500 | 4,240 | 4,321 | 81 | 8,736 |
| Photography | 600 | 65 | - | (65) | - |
| Equipment | 6,000 | 7,780 | 7,777 | (3) | 410 |
| Maps | 100 | 100 | - | (100) | - |
| Computer Equipment | 12,000 | 8,600 | 8,595 | (5) | 8,821 |
| Computer Software | 3,200 | 500 | 477 | (23) | 262 |
| Miscellaneous Expenses | 235 | 235 | 72 | (163) | 35 |
| Total Assessor's Office | 870,072 | 870,072 | 858,721 | (11,351) | 871,596 |

Milton Township
Wheaton, Illinois
Required Supplementary Information - General Fund
Schedule of Expenses - Actual to Budget
Year Ended March 31, 2011

| | 2011 | | | 2010 | |
|--------------------------------------|------------------|------------------|------------------|----------------------------------|------------------|
| | Budget | | Actual | Variance With Final Budget | Actual |
| | Original | Final | | | |
| Cemetery/Weeks Park | | | | | |
| Stipends for Board | 3,000 | 2,000 | 2,000 | - | 3,000 |
| Maintenance of Grounds | 12,000 | 13,020 | 13,043 | 23 | 10,463 |
| Office Supplies | 200 | 200 | 45 | (155) | - |
| Fences | 500 | 500 | - | (500) | - |
| Markers, Gravestones, Etc. | 800 | 1,050 | - | (1,050) | 2,098 |
| Miscellaneous | 1,500 | 1,230 | 1,106 | (124) | (425) |
| Environmental Restoration | 7,000 | 7,000 | 2,175 | (4,825) | 1,267 |
| Total Cemetery/Weeks Park | 25,000 | 25,000 | 18,369 | (6,631) | 16,403 |
| Citizen's Corps Program | | | | | |
| Telephone & Related | 1,200 | 1,225 | 1,250 | 25 | 1,219 |
| General Supplies & Promotions | 8,000 | 370 | 323 | (47) | 3,032 |
| Office Supplies & Postage | 300 | 300 | 284 | (16) | 343 |
| CERT Supplies | 15,000 | 23,345 | 22,091 | (1,254) | 25,734 |
| Computer & peripherals | 1,000 | 260 | 235 | (25) | 44 |
| Total Citizen's Corps Program | 25,500 | 25,500 | 24,183 | (1,317) | 30,372 |
| Social Services | | | | | |
| Scholarship & Grants | 40,000 | 40,000 | 7,102 | (32,898) | 15,684 |
| Salaries | 6,459 | 6,459 | 6,190 | (269) | 6,459 |
| Operating Expenses | 32,500 | 32,500 | 31,890 | (610) | 29,353 |
| Total Social Services | 78,959 | 78,959 | 45,182 | (33,777) | 51,496 |
| Total Expenditures | 2,368,345 | 2,368,345 | 2,062,327 | (306,018) | 1,628,044 |

Milton Township

Wheaton, Illinois

Required Supplementary Information - Road & Bridge Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Actual to Budget

Year Ended March 31, 2011

| | 2011 | | | Variance With Final Budget | 2010 |
|---------------------------------|--------------|--------------|--------------|----------------------------------|--------------|
| | Budget | | Actual | | Actual |
| | Original | Final | | | |
| Revenues | | | | | |
| Taxes | | | | | |
| Property Taxes | \$ 1,728,777 | \$ 1,728,777 | \$ 1,720,217 | \$ 8,560 | \$ 1,711,677 |
| Replacement Taxes | 70,835 | 70,835 | 85,942 | (15,107) | 77,318 |
| Grants | 169,500 | 169,500 | 174,509 | (5,009) | 460,491 |
| Investment Income | 12,000 | 12,000 | 11,191 | 809 | 11,311 |
| Miscellaneous | 25,000 | 25,000 | 31,364 | (6,364) | 30,933 |
| Total Revenues | 2,006,112 | 2,006,112 | 2,023,223 | 17,111 | 2,291,730 |
| Expenditures | | | | | |
| Highway & Street | | | | | |
| Administrative | | | | | |
| Salaries | 54,500 | 54,500 | 55,042 | 542 | 57,826 |
| Health Insurance | 130,000 | 133,830 | 133,826 | (4) | 120,396 |
| Unemployment Insurance | 1,500 | 4,950 | 4,186 | (764) | 819 |
| Worker's Compensation Insurance | 28,500 | 28,500 | 28,500 | - | 21,462 |
| Liability Insurance | 54,000 | 36,100 | 36,671 | 571 | 42,099 |
| Social Security/Medicare | 40,482 | 40,942 | 40,937 | (5) | 37,923 |
| I.M.R.F. Expense | 46,000 | 46,000 | 45,924 | (76) | 33,654 |
| Miscellaneous Expenses | - | (2,000) | - | 2,000 | - |
| Accounting & Auditing | 2,600 | 2,600 | 2,560 | (40) | 2,480 |
| Legal Services | 15,000 | 15,350 | 14,044 | (1,306) | 17,031 |
| Postage | 2,500 | 2,500 | 2,086 | (414) | 2,144 |
| Telephone | 9,500 | 9,550 | 9,722 | 172 | 9,753 |
| Information Technologies | 2,000 | 2,000 | - | (2,000) | - |
| Publishing | 2,000 | 2,000 | 411 | (1,589) | 96 |
| Printing | 10,000 | 10,000 | 8,503 | (1,497) | 8,367 |
| Travel Expenses | 2,000 | 2,000 | 976 | (1,024) | 1,611 |
| Training | 1,500 | 1,500 | 445 | (1,055) | 621 |
| Dues & Subscriptions | 400 | 410 | 410 | - | 250 |
| Drug & Alcohol Testing | 550 | 770 | 761 | (9) | 295 |
| Office Supplies | 2,000 | 2,140 | 2,137 | (3) | 1,835 |
| Miscellaneous Office Expenses | 300 | 300 | 200 | (100) | - |
| Equipment | 6,500 | 1,000 | 785 | (215) | 4,685 |
| Total Administrative | 411,832 | 394,942 | 388,126 | (6,816) | 363,347 |

Milton Township
Wheaton, Illinois
Required Supplementary Information - Road & Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Actual to Budget
Year Ended March 31, 2011

| | 2011 | | | Variance With Final Budget | 2010 |
|-------------------------------------|------------------|------------------|------------------|----------------------------------|------------------|
| | Budget | | Actual | | Actual |
| | Original | Final | | | |
| Expenditures (continued) | | | | | |
| Highway & Street | | | | | |
| Maintenance Division | | | | | |
| Salaries | 510,500 | 500,000 | 499,816 | (184) | 490,324 |
| Building Maintenance | 15,000 | 6,000 | 5,918 | (82) | 16,517 |
| Equipment Maintenance | 16,000 | 25,650 | 25,648 | (2) | 9,625 |
| Road Maintenance | 700,000 | 786,750 | 746,713 | (40,037) | 573,908 |
| Miscellaneous Maintenance Expenses | 1,000 | 1,000 | - | (1,000) | - |
| Engineering | 60,000 | 98,350 | 100,068 | 1,718 | 75,418 |
| Utilities | 12,000 | 12,000 | 9,936 | (2,064) | 8,760 |
| Rentals | 5,000 | - | - | - | - |
| Striping of Roads | 10,000 | - | - | - | - |
| Tree Removal | 5,000 | 2,500 | 2,403 | (97) | 1,655 |
| Building Maintenance Supplies | 2,000 | 2,000 | 1,422 | (578) | 1,854 |
| Equipment Maintenance Supplies | 40,000 | 23,500 | 24,256 | 756 | 31,492 |
| Road Maintenance Supplies | 100,000 | 76,000 | 67,897 | (8,103) | 101,705 |
| Operating Supplies | 50,000 | 42,000 | 40,361 | (1,639) | 43,296 |
| JULIE Program | 4,000 | 7,000 | 7,847 | 847 | 5,449 |
| Small Tools | 3,500 | 1,500 | 1,167 | (333) | 4,305 |
| Contingencies | 5,000 | - | - | - | - |
| Automotive Fuel & Oil | 55,000 | 55,000 | 52,343 | (2,657) | 41,305 |
| Salt & Calcium Chloride | 150,000 | 162,270 | 162,266 | (4) | 162,941 |
| Building | 34,000 | 1,000 | 700 | (300) | 23,567 |
| Equipment Purchased | 225,000 | 185,000 | 183,443 | (1,557) | 73,320 |
| Reserve for Show/Office Replacement | 100,000 | 132,370 | - | (132,370) | - |
| Vehicles | 1 | 1 | - | (1) | 75,000 |
| Sidewalk Program | 2,500 | 2,500 | 1,063 | (1,437) | 1,785 |
| Miscellaneous Expenses | 1,000 | 1,000 | - | (1,000) | - |
| Total Maintenance Division | <u>2,106,501</u> | <u>2,123,391</u> | <u>1,933,267</u> | <u>(190,124)</u> | <u>1,742,226</u> |
| Total Expenditures | <u>2,518,333</u> | <u>2,518,333</u> | <u>2,321,393</u> | <u>(196,940)</u> | <u>2,105,573</u> |
| Net Change in Fund Balance | <u>(512,221)</u> | <u>(512,221)</u> | <u>(298,170)</u> | <u>214,051</u> | <u>186,157</u> |
| Fund Balance at Beginning of Year | | | <u>1,113,598</u> | | <u>927,441</u> |
| Fund Balance at End of Year | | | <u>815,428</u> | | <u>1,113,598</u> |

NON-MAJOR FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expended for particular purposes. The following funds are currently established:

General Assistance Fund - This fund accounts for taxes levied and expenditures incurred to provide benefits for needy residents.

Special Police Fund - The fund accounts for taxes levied and expenditures incurred to provide public safety to Township residents who are not within incorporated areas.

Mosquito Abatement Fund - The fund accounts for taxes levied and expenditures incurred to provide control and abatement of larval and adult mosquito to Township residents who are not within incorporated areas.

Milton Township
Wheaton, Illinois
Combining Balance Sheet
Non-major Special Revenue Funds
March 31, 2011

| | Special Revenue Funds | | | Totals | |
|----------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | General Assistance Fund | Mosquito Fund | Police District Fund | 2011 | 2010 |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash & Cash Equivalents | \$ 104,054 | \$ 20,463 | \$ 124,993 | \$ 249,510 | \$ 219,142 |
| Receivables | | | | | |
| Property Taxes | <u>267,743</u> | <u>83,696</u> | <u>226,406</u> | <u>577,845</u> | <u>536,156</u> |
| Total Assets | <u><u>371,797</u></u> | <u><u>104,159</u></u> | <u><u>351,399</u></u> | <u><u>827,355</u></u> | <u><u>755,298</u></u> |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 854 | \$ - | \$ 307 | \$ 1,161 | \$ 2,606 |
| Accrued Payroll | 865 | - | - | 865 | 128 |
| Deferred Property Tax Revenue | <u>267,743</u> | <u>83,696</u> | <u>226,406</u> | <u>577,845</u> | <u>536,156</u> |
| Total Liabilities | 269,462 | 83,696 | 226,713 | 579,871 | 538,890 |
| Fund Balances | | | | | |
| Special Revenue Fund | <u>102,335</u> | <u>20,463</u> | <u>124,686</u> | <u>247,484</u> | <u>216,408</u> |
| Total Fund Balances | <u>102,335</u> | <u>20,463</u> | <u>124,686</u> | <u>247,484</u> | <u>216,408</u> |
| Total Liabilities & Fund Balance | <u><u>371,797</u></u> | <u><u>104,159</u></u> | <u><u>351,399</u></u> | <u><u>827,355</u></u> | <u><u>755,298</u></u> |

Milton Township

Wheaton, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -

Non-major Special Revenue Funds

Year Ended March 31, 2011

| | Special Revenue Funds | | | Totals | |
|------------------------------|-------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | General Assistance Fund | Mosquito Fund | Police District Fund | 2011 | 2010 |
| Revenues | | | | | |
| Property & Replacement Taxes | \$ 261,243 | \$ 62,250 | \$ 216,792 | \$ 540,285 | \$ 476,378 |
| Investment Income | 281 | 32 | 359 | 672 | 492 |
| Total Revenues | <u>261,524</u> | <u>62,282</u> | <u>217,151</u> | <u>540,957</u> | <u>476,870</u> |
| Expenditures | | | | | |
| Public Safety | - | 61,511 | 201,883 | 263,394 | 253,512 |
| Health & Welfare | <u>246,487</u> | - | - | <u>246,487</u> | <u>250,751</u> |
| Total Expenditures | <u>246,487</u> | <u>61,511</u> | <u>201,883</u> | <u>509,881</u> | <u>504,263</u> |
| Net Changes in Fund Balances | 15,037 | 771 | 15,268 | 31,076 | (27,393) |
| Fund Balance | | | | | |
| Beginning | <u>87,298</u> | <u>19,692</u> | <u>109,418</u> | <u>216,408</u> | <u>243,801</u> |
| Ending | <u><u>102,335</u></u> | <u><u>20,463</u></u> | <u><u>124,686</u></u> | <u><u>247,484</u></u> | <u><u>216,408</u></u> |

Milton Township

Wheaton, Illinois

Required Supplementary Information - General Assistance Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual to Budget Year Ended March 31, 2011

| | 2011 | | | | 2010 |
|-------------------------------|----------------|----------------|----------------|----------------------------------|----------------|
| | Budget | | Actual | Variance With Final Budget | Actual |
| | Original | Final | | | |
| Revenues | | | | | |
| Taxes | | | | | |
| Property Taxes | \$ 219,468 | \$ 219,468 | \$ 261,243 | \$ (41,775) | \$ 203,291 |
| Investment Income | <u>250</u> | <u>250</u> | <u>281</u> | <u>(31)</u> | <u>231</u> |
| Total Revenues | 219,718 | 219,718 | 261,524 | 41,806 | 203,522 |
| Expenditures | | | | | |
| Administrative | | | | | |
| Salaries | 88,000 | 88,000 | 88,650 | 650 | 86,967 |
| Health Insurance | 20,500 | 20,800 | 20,797 | (3) | 18,794 |
| Unemployment Insurance | 900 | 1,800 | 653 | (1,147) | 1,202 |
| Social Security/Medicare | 6,732 | 6,732 | 6,277 | (455) | 6,152 |
| I.M.R.F Expense | 7,542 | 7,652 | 7,650 | (2) | 5,706 |
| Equipment Maintenance Service | 200 | 200 | 73 | (127) | - |
| Fuel, Maintenance & Insurance | 1,500 | 1,560 | 1,486 | (74) | 1,570 |
| Legal | 1 | 1 | - | (1) | - |
| Postage | 800 | 800 | 309 | (491) | 298 |
| Telephone | 3,700 | 6,700 | 7,198 | 498 | 4,117 |
| Travel & Training | 200 | 200 | 201 | 1 | 187 |
| Education Seminars | 300 | 300 | 125 | (175) | 310 |
| Office & Operating Supplies | 1,000 | 1,000 | 858 | (142) | 1,640 |
| Computer Software | 1,500 | 1,500 | 1,353 | (147) | 1,535 |
| Copies | 1 | 1 | - | (1) | - |
| Computer & Ink | 500 | 500 | 653 | 153 | 14 |
| Fax Machine | 100 | 100 | - | (100) | - |
| Miscellaneous | <u>1</u> | <u>1</u> | <u>-</u> | <u>(1)</u> | <u>-</u> |
| Total Administrative | <u>133,477</u> | <u>137,847</u> | <u>136,283</u> | <u>(1,564)</u> | <u>128,492</u> |

Milton Township

Wheaton, Illinois

Required Supplementary Information - General Assistance Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Actual to Budget
 Year Ended March 31, 2011

| | 2011 | | | Variance With Final Budget | 2010 |
|-----------------------------------|-----------------|-----------------|----------------|----------------------------------|----------------|
| | Budget | | Actual | | Actual |
| | Original | Final | | | |
| Services & Grants | | | | | |
| Physician Services | 1 | 1 | - | (1) | - |
| Hospital Services | 1 | 1 | - | (1) | - |
| Drugs | 1 | 1 | - | (1) | - |
| Other Medical | 1 | 1 | - | (1) | - |
| Funeral & Burial | 1 | 1 | - | (1) | - |
| Shelter | 57,000 | 46,630 | 46,620 | (10) | 62,072 |
| Utilities | 23,000 | 17,300 | 16,753 | (547) | 20,080 |
| Food | 2,500 | 650 | - | (650) | 2,281 |
| Travel/Gas | 1 | 1 | - | (1) | - |
| Clothing | 1 | 1 | - | (1) | - |
| Transients | 1 | 1 | - | (1) | - |
| Miscellaneous | 1 | 1 | - | (1) | - |
| Flat Grants | 22,000 | 25,200 | 24,001 | (1,199) | 23,805 |
| Medical, Drugs, & Dental | 13,500 | 23,850 | 22,830 | (1,020) | 14,021 |
| Total Services & Grants | <u>118,009</u> | <u>113,639</u> | <u>110,204</u> | <u>(3,435)</u> | <u>122,259</u> |
| | | | | | |
| Total Expenditures | <u>251,486</u> | <u>251,486</u> | <u>246,487</u> | <u>(4,999)</u> | <u>250,751</u> |
| | | | | | |
| Net Change in Fund Balance | <u>(31,768)</u> | <u>(31,768)</u> | 15,037 | <u>46,805</u> | (47,229) |
| | | | | | |
| Fund Balance at Beginning of Year | | | <u>87,298</u> | | <u>134,527</u> |
| | | | | | |
| Fund Balance at End of Year | | | <u>102,335</u> | | <u>87,298</u> |

Milton Township

Wheaton, Illinois

Required Supplementary Information - Special Police Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance -

Actual to Budget

Year Ended March 31, 2011

| | 2011 | | | Final Budget Positive (Negative) | 2010 |
|-----------------------------------|----------------|----------------|----------------|--|----------------|
| | Budget | | Actual | | Actual |
| | Original | Final | | | |
| Revenues | | | | | |
| Taxes | | | | | |
| Property Taxes | \$ 212,164 | \$ 212,164 | \$ 216,792 | \$ (4,628) | \$ 211,957 |
| Investment Income | <u>240</u> | <u>240</u> | <u>359</u> | <u>(119)</u> | <u>236</u> |
| Total Revenues | 212,404 | 212,404 | 217,151 | 4,747 | 212,192 |
| Expenditures | | | | | |
| Special Police Contract | 203,010 | 203,010 | 197,897 | (5,113) | 192,733 |
| Miscellaneous Expenses | 500 | 500 | 134 | (366) | - |
| Telephone | 3,500 | 3,545 | 3,852 | 307 | 2,502 |
| Contingencies | 2,500 | 2,455 | - | (2,455) | - |
| Office Supplies | <u>500</u> | <u>500</u> | <u>-</u> | <u>(500)</u> | <u>-</u> |
| Total Expenditures | <u>210,010</u> | <u>210,010</u> | <u>201,883</u> | <u>(8,127)</u> | <u>195,235</u> |
| Net Change in Fund Balance | <u>2,394</u> | <u>2,394</u> | 15,268 | <u>12,874</u> | 16,957 |
| Fund Balance at Beginning of Year | | | <u>109,418</u> | | <u>92,460</u> |
| Fund Balance at End of Year | | | <u>124,686</u> | | <u>109,418</u> |

Milton Township

Wheaton, Illinois

Required Supplementary Information - Mosquito Abatement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Actual to Budget
 Year Ended March 31, 2011

| | 2011 | | | | 2010 |
|-----------------------------------|-----------|-----------|-----------|----------------------------------|-----------|
| | Budget | | Actual | Variance With Final Budget | Actual |
| | Original | Final | | | |
| Revenues | | | | | |
| Taxes | | | | | |
| Property Taxes | \$ 61,187 | \$ 61,187 | \$ 62,250 | \$ (1,063) | \$ 61,130 |
| Investment Income | 25 | 25 | 32 | (7) | 25 |
| Total Revenues | 61,212 | 61,212 | 62,281 | 1,069 | 61,154 |
| Expenditures | | | | | |
| Mosquito Abatement Expenses | 61,212 | 61,212 | 61,511 | 299 | 58,277 |
| Total Expenditures | 61,212 | 61,212 | 61,511 | 299 | 58,277 |
| Net Change in Fund Balance | - | - | 770 | 770 | 2,877 |
| Fund Balance at Beginning of Year | | | 19,691 | | 16,814 |
| Fund Balance at End of Year | | | 20,462 | | 19,691 |

STATISTICAL SECTION

Milton Township
Wheaton, Illinois
Statistical Comparison of Property Taxes Levied
Tax Years 2009-2005

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed Valuations | | | | | | |
| Township | <u>\$ 5,051,748,320</u> | <u>\$ 5,231,937,790</u> | <u>\$ 5,220,216,840</u> | <u>\$ 4,995,463,325</u> | <u>\$ 4,549,776,031</u> | <u>\$ 4,209,591,126</u> |
| Police District | | | | | | |
| Unincorporated Asrea | <u>\$ 909,261,732</u> | <u>\$ 940,578,665</u> | <u>\$ 947,404,989</u> | <u>\$ 909,003,177</u> | <u>\$ 836,147,629</u> | <u>\$ 779,484,734</u> |
| Mosquito Abatement District | <u>\$ 367,089,395</u> | <u>\$ 378,889,796</u> | <u>\$ 379,687,411</u> | <u>\$ 366,166,033</u> | <u>\$ 336,862,710</u> | <u>\$ 315,497,795</u> |
| Tax Rates | | | | | | |
| Town Fund | 0.0320 | 0.0303 | 0.0304 | 0.0312 | 0.0324 | 0.0330 |
| General Assistance Fund | 0.0053 | 0.0050 | 0.0042 | 0.0032 | 0.0056 | 0.0058 |
| Police District Fund | 0.0249 | 0.0231 | 0.0224 | 0.0132 | 0.0230 | 0.0232 |
| Road & Bridge Fund | 0.0599 | 0.0559 | 0.0556 | 0.0567 | 0.0582 | 0.0601 |
| Mosquito Abatement Fund | <u>0.0228</u> | <u>0.0165</u> | <u>0.0161</u> | <u>0.0157</u> | <u>0.0160</u> | <u>0.0161</u> |
| Total Tax Rates | <u>0.1449</u> | <u>0.1308</u> | <u>0.1287</u> | <u>0.1200</u> | <u>0.1352</u> | <u>0.1382</u> |
| Tax Extension | | | | | | |
| Town Fund | \$ 1,616,559 | \$ 1,564,349 | \$ 1,586,946 | \$ 1,546,105 | \$ 1,455,928 | \$ 1,389,165 |
| General Assistance Fund | 267,743 | 256,365 | 219,249 | 158,575 | 254,787 | 244,156 |
| Police District Fund | 226,406 | 217,274 | 212,219 | 119,988 | 192,314 | 180,840 |
| Road & Bridge Fund* | 1,512,999 | 1,462,327 | 1,451,220 | 1,375,141 | 1,323,985 | 1,264,982 |
| Mosquito Abatement Fund | <u>83,696</u> | <u>62,517</u> | <u>61,130</u> | <u>57,488</u> | <u>53,898</u> | <u>50,795</u> |
| Total Tax Extension | <u>\$ 3,707,403</u> | <u>\$ 3,562,832</u> | <u>\$ 3,530,764</u> | <u>\$ 3,257,297</u> | <u>\$ 3,280,912</u> | <u>\$ 3,129,938</u> |

* Road & Village tax levy is shared with the Village