

TOWNSHIP OF NUNDA, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2008

TOWNSHIP OF NUNDA, ILLINOIS
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TOWNSHIP OF NUNDA, ILLINOIS
Board of Township Trustees

John Heisler	Supervisor
Bridgett Provenzano	Town Clerk
Dennis Jagla	Assessor
Donald Kopsell	Highway Commissioner
Thomas Palmer	Trustee
Walter Romanus	Trustee
Kevin Sarnwick	Trustee
James Schlader	Trustee

Financial Section



D A M , S N E L L & T A V E I R N E , L T D.

C E R T I F I E D • P U B L I C • A C C O U N T A N T S

LEONARD A. DAM CPA, CFP
DAVID W. SNELL CPA, CFP
DOUGLAS J. TAVEIRNE CPA, CFP
HUGH (SKIP) McCANN CPA, CVA
BARBARA A. HARPOLD CPA
PATRICK L. McCANN

Independent Auditor's Report

To the Supervisor and Board of Trustees
Township of Nunda, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Nunda, Illinois, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Township of Nunda, Illinois. 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, each major fund, and the aggregate remaining fund information of the Township of Nunda, Illinois, as of March 31, 2008, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3-7), pension related schedules (page 24) and budgetary comparison information (pages 25-32) is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Township of Nunda, Illinois. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Dam, Snell & Taveime, Ltd.

Dam, Snell & Taveime, Ltd.

Fox Lake, Illinois

July 31, 2008

Management's Discussion and Analysis (MD&A)

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2008

Nunda Township's discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ending March 31, 2008, with comparisons to fiscal year 2007.

Financial Highlights

- Government-wide net assets decreased by \$838,855.
- Government-wide capital assets decreased by \$131,536.
- General revenues of \$3,795,806 account for 97% of all revenues.
- The Township had \$15,001,728 in net assets, of which \$1,308,929 was unrestricted.
- Total debt, excluding compensated absences, decreased \$119,589.

Using this Annual Financial Report

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand Nunda Township's financial situation as a whole and also give a detailed view of the Township's fiscal condition.

Overview of the Financial Statements

Nunda 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.

1) *Government-wide financial statements*- are comprised of two components, the Statement of Net Assets and the Statement of Activities. These statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses. These statements use the accrual basis of accounting and take into account all assets, liabilities, revenues and expenses from the current year regardless of when the cash is received or paid.

These two statements report the Township's net assets and the changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the Township as a whole has improved or deteriorated. However, it should be noted that these statements are only one way to measure the Township's financial health.

The Government-wide Financial Statements can be found on pages 8 and 9 of this report.

2) *Fund Financial Statements*- a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated to specific activities or objectives. Nunda Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements provide detailed information about the Township's major funds, not the Township as a whole. State law requires some funds to be segregated, and Township council may segregate others to manage money for a specific purpose. There are three different types of funds: 1) Governmental Funds, 2) Proprietary Funds, and 3) Fiduciary Funds. The Township reports only governmental funds.

Governmental Funds- These funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. The difference is that the governmental fund financial statements focus on current sources and uses of spendable resources. The Governmental Major Funds "Total" column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following

Nunda Township
 McHenry County, Illinois
 Management's Discussion and Analysis
 For the Year Ended March 31, 2008

each statement (see pages 11 and 13). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, and capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (notes payable and others) into the Governmental Activities column (in the Government-wide statements). The basic governmental fund financial statements can be found on pages 10 and 12 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.

Notes to the financial statements can be found on pages 14-23 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Nunda Township's progress in funding its pension obligations, and budgetary comparison schedules for its major governmental funds.

Required Supplementary Information can be found on pages 24-32 of this report.

Government-Wide Financial Analysis

Table 1, below provides a summary of the Township's net assets at March 31, 2008 and 2007.

Table 1	Statement of Net Assets		
	As of March 31,		
	<u>Governmental Activities</u>		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Assets:			
Current and other assets	\$ 5,087,512	\$ 5,755,684	\$ (668,172)
Capital assets	14,689,927	14,821,463	(131,536)
Total assets	<u>19,777,439</u>	<u>20,577,147</u>	<u>(799,708)</u>
Liabilities:			
Long-term liabilities	876,664	1,007,623	(130,959)
Other liabilities	3,899,047	3,728,941	170,106
Total liabilities	<u>4,775,711</u>	<u>4,736,564</u>	<u>39,147</u>
Net Assets:			
Invested in capital assets, net of debt	13,687,604	13,682,412	5,192
Restricted	5,195	5,195	-
Unrestricted	1,308,929	2,152,976	(844,047)
Total net assets	<u>\$ 15,001,728</u>	<u>\$ 15,840,583</u>	<u>\$ (838,855)</u>

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2008

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Nunda Township, assets exceeded liabilities by \$15,001,728 at the close of fiscal year 2008. Of this amount, \$13,687,604 represents the Township's capital assets, net of related debt. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nunda Township's investment in its 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.

A portion of the Township's net assets, \$5,195, represents resources that are subject to external restrictions. Restricted net assets consist of funds that are restricted for cemetery purposes. The remaining balance of unrestricted net assets, \$1,308,929, may be used to meet the Township's ongoing obligations to citizens and creditors.

Total liabilities of the Township have increased by \$39,147 over the previous year. This increase in liabilities is due to a higher property tax levy (2007 levy) compared to the prior year (2006 levy), resulting in higher deferred property tax revenue at March 31, 2008.

Governmental Activities- Governmental activities decreased Nunda Township's net assets by \$838,855. The changes in net assets for the years ended March 31, 2008 and 2007 are outlined below in Table 2.

Table 2	Changes in Net Assets For the Years Ended March 31,		
	Governmental Activities		
	2008	2007	Change
Program Revenue			
Charges for service	\$ 119,067	\$ 93,156	\$ 25,911
General Revenue			
Property taxes	3,471,925	3,293,376	178,549
Other taxes	93,034	85,870	7,164
Interest	107,747	158,421	(50,674)
Miscellaneous	123,100	67,748	55,352
Total revenue	3,914,873	3,698,571	216,302
Governmental Activities Expenses			
General government	979,567	963,762	15,805
Highways and streets	3,666,799	2,338,772	1,328,027
Health and welfare	43,445	39,913	3,532
Cemeteries	29,834	21,282	8,552
Interest	34,083	47,647	(13,564)
Total expenses	4,753,728	3,411,376	1,342,352
Change in Net Assets	(838,855)	287,195	(1,126,050)
Net Assets - Beginning	15,840,583	15,553,388	287,195
Net Assets - Ending	\$ 15,001,728	\$ 15,840,583	\$ (838,855)

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2008

Revenues increased \$216,302 over the prior year, primarily due to increases in property taxes and charges for road district services due to severe weather.

Total expenses for fiscal year 2008 increased \$1,342,352, or 39% over the prior year, primarily due to multiple road improvement projects.

Financial Analysis of the Governmental Funds

As noted earlier, Nunda Township uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds - The focus of Nunda Township's governmental funds is to provide information on near-term inflows, outflows, and balances of available spendable resources. This information is useful in assessing Nunda Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Township's net resources available for spending at fiscal year-end.

As of the end of fiscal year 2008, Nunda Township's governmental funds reported a combined ending fund balance of \$1,358,770, a decrease of \$872,002 from the prior year. Approximately 85% of the fund balance or \$1,160,864 constitutes unreserved fund balance, which is available for spending at the discretion of the Township. The remainder of the fund balance, \$197,906, is reserved or designated to indicate that it is not available for new spending because it has already been committed for other purposes.

The general fund is the main operating fund of Nunda Township. At the end of fiscal year 2008, total (unreserved) fund balance of the general fund was \$206,461. As a measure of liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

During the current fiscal year the Road and Bridge fund balance decreased by \$24,797. The key reason for the decrease was the additional purchase of equipment.

The Permanent Hard Road fund decreased its fund balance by \$804,086 during the fiscal year. Expenditures in this fund have increased \$1,032,976 over the prior year. The largest increases in expenditures were due to road improvement projects of approximately \$765,000; and increases in labor, salt, and other road maintenance supplies, totaling approximately \$200,000 due to severe weather and increased salt prices.

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2008

Capital Assets and Debt Administration

Capital assets- Nunda Township's investment in capital assets for its governmental activities as of March 31, 2008 amounts to \$14,689,927 (net of accumulated depreciation), as indicated in the following table:

	<u>2008</u>	<u>2007</u>
Land	\$ 8,501,909	\$ 8,491,909
Buildings	1,318,447	1,396,781
Fixtures and equipment	1,358,424	1,224,653
Cemetery assets	9,434	-
Infrastructure	<u>3,501,713</u>	<u>3,708,120</u>
Total capital assets, net	<u>\$14,689,927</u>	<u>\$14,821,463</u>

For further information and details on capital assets, see the Notes to the Financial Statements (Note 5).

Long-Term Debt

At the end of the current fiscal year, Nunda Township had total long term debt outstanding of \$992,787, excluding compensated absences payable. This debt is backed by the full faith and credit of the Township.

Outstanding Debt as of March 31, is as follows:

	<u>2008</u>	<u>2007</u>
Series 2005 debt certificates	\$ 910,000	\$ 965,000
Capital leases	7,175	-
Installment contracts	<u>75,612</u>	<u>147,376</u>
	<u>\$ 992,787</u>	<u>\$ 1,112,376</u>

For further information on outstanding debt, see the Notes to the Financial Statements (Note 6).

Financial Position

Over recent decades, Nunda Township has experienced incredible amounts of residential and business growth. Although this growth has benefited the financial position of the Township, we continue to seek ways to improve the quality and quantity of services provided to the citizens of Nunda Township.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of Nunda Township's finances. Any questions concerning the information provided herein or requests for additional information should be directed to: Supervisor John Heisler, 3420 Bay Rd., Crystal Lake, IL 60013.

Basic Financial Statements

Government – Wide Financial Statements

Township of Nunda, Illinois

Statement of Net Assets

March 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Current	
Cash and cash equivalents	\$ 1,357,594
Receivables	
Property taxes, net	3,598,107
Other governments	39,100
Inventory	92,711
	<u>Total current assets</u> 5,087,512
Noncurrent	
Capital assets not being depreciated	8,501,909
Capital assets being depreciated, net	6,188,018
	<u>Total noncurrent assets</u> 14,689,927
	<u>Total assets</u> \$ 19,777,439
LIABILITIES AND NET ASSETS	
Liabilities	
Current	
Accounts payable	\$ 89,358
Accrued payroll and withholdings	30,777
Accrued interest	11,793
Refundable deposits	10,500
Deferred property tax revenue	3,598,107
Compensated absences	19,712
Debt certificates	60,000
Installment and lease agreements	78,800
	<u>Total current liabilities</u> 3,899,047
Noncurrent	
Compensated absences	13,141
Debt certificates, net of unamortized premium of \$9,536	859,536
Installment and lease agreements	3,987
	<u>Total noncurrent liabilities</u> 876,664
	<u>Total liabilities</u> 4,775,711
Net Assets	
Invested in capital assets, net of related debt	13,687,604
Restricted for cemetery purposes	5,195
Unrestricted	1,308,929
	<u>Total net assets</u> 15,001,728
	<u>Total liabilities and net assets</u> \$ 19,777,439

See Notes to Basic Financial Statements.

Township of Nunda, Illinois

Statement of Activities
Year Ended March 31, 2008

Functions/ Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Governmental activities			
General government	\$ 979,567	\$ 2,990	\$ (976,577)
Highways and streets	3,666,799	114,267	(3,552,532)
Health and welfare	43,445	-	(43,445)
Cemeteries	29,834	1,810	(28,024)
Interest	34,083	-	(34,083)
Total governmental activities	<u>\$ 4,753,728</u>	<u>\$ 119,067</u>	<u>(4,634,661)</u>
General revenues			
Taxes			
Property			3,471,925
Other			93,034
Interest			107,747
Gain on sale of equipment			66,606
Miscellaneous			56,494
Total general revenues			<u>3,795,806</u>
Change in net assets			(838,855)
Net assets			
Beginning of year			<u>15,840,583</u>
End of year			<u>\$ 15,001,728</u>

See Notes to Basic Financial Statements.

Fund Financial Statements

Township of Nunda, Illinois

Balance Sheet
 Governmental Funds
 March 31, 2008

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 223,980	\$ 233,903	\$ 634,208	\$ 265,503	\$ 1,357,594
Receivables					
Property taxes, net	953,275	709,270	1,755,959	179,603	3,598,107
Other governments	-	6,650	32,450	-	39,100
Inventory	-	-	92,711	-	92,711
Total assets	<u>\$ 1,177,255</u>	<u>\$ 949,823</u>	<u>\$ 2,515,328</u>	<u>\$ 445,106</u>	<u>\$ 5,087,512</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 6,042	\$ 34,032	\$ 48,608	\$ 676	\$ 89,358
Accrued payroll and withholdings	11,477	310	18,419	571	30,777
Refundable deposits	-	10,500	-	-	10,500
Deferred property tax revenue	953,275	709,270	1,755,959	179,603	3,598,107
Total liabilities	<u>970,794</u>	<u>754,112</u>	<u>1,822,986</u>	<u>180,850</u>	<u>3,728,742</u>
Fund balances					
Reserved for inventory	-	-	92,711	-	92,711
Reserved for perpetual care	-	-	-	5,195	5,195
Unreserved - designated for land acquisition	-	-	-	100,000	100,000
Unreserved - undesignated					
General fund	206,461	-	-	-	206,461
Special revenue funds	-	195,711	-	159,061	354,772
Capital project fund	-	-	599,631	-	599,631
Total fund balances	<u>206,461</u>	<u>195,711</u>	<u>692,342</u>	<u>264,256</u>	<u>1,358,770</u>
Total liabilities and fund balances	<u>\$ 1,177,255</u>	<u>\$ 949,823</u>	<u>\$ 2,515,328</u>	<u>\$ 445,106</u>	<u>\$ 5,087,512</u>

See Notes to Basic Financial Statements.

Township of Nunda, Illinois

Reconciliation of the Governmental Funds
Balance Sheet to the Statements of Net Assets
March 31, 2008

Total fund balances - governmental funds \$ 1,358,770

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds 14,689,927

Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:

These activities consist of:

Accrued interest	(11,793)
Compensated absences	(32,853)
Debt certificates	(910,000)
Unamortized premium on debt certificates	(9,536)
Installment agreements	(82,787)

Net assets of governmental funds \$ 15,001,728

See Notes to Basic Financial Statements.

Township of Nunda, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended March 31, 2008

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 914,888	\$ 681,911	\$ 1,685,930	\$ 189,196	\$ 3,471,925
Replacement taxes	28,020	26,917	32,898	5,199	93,034
Interest	16,224	16,483	60,053	14,987	107,747
Rents	101,555	-	-	-	101,555
Insurance dividend	3,304	861	-	6,725	10,890
Fines	-	30,158	-	-	30,158
Fees	-	9,600	-	-	9,600
Other income	229	2,415	106,959	2,320	111,923
Total revenues	1,064,220	768,345	1,885,840	218,427	3,936,832
Expenditures					
Current					
General government	954,210	-	-	-	954,210
Highways and streets	-	247,652	2,689,926	126,824	3,064,402
Health and welfare	-	-	-	43,445	43,445
Cemeteries	-	-	-	39,268	39,268
Debt service	98,565	175,322	-	-	273,887
Capital outlay	28,454	582,671	-	-	611,125
Total expenditures	1,081,229	1,005,645	2,689,926	209,537	4,986,337
Excess (deficiency) of revenues over (under) expenditures	(17,009)	(237,300)	(804,086)	8,890	(1,049,505)
Other financing sources					
Proceeds on sale of equipment	10,000	117,200	-	-	127,200
Installment loan proceeds	-	95,303	-	-	95,303
Total other financing sources	10,000	212,503	-	-	222,503
Excess of revenues and other sources over (under) expenditures	(7,009)	(24,797)	(804,086)	8,890	(827,002)
Fund balances					
Beginning of year	213,470	220,508	1,496,428	255,366	2,185,772
End of year	\$ 206,461	\$ 195,711	\$ 692,342	\$ 264,256	\$ 1,358,770

See Notes to Basic Financial Statements.

Township of Nunda, Illinois

Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 to the Statement of Activities
 Year ended March 31, 2008

Net change in fund balances - total governmental funds \$ (827,002)

Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period.

Capitalized expenditures	\$ 592,666	
Depreciation expense	(663,608)	(70,942)

Certain capital additions were purchased with proceeds from the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the Statement of Net Assets this debt is reported as a liability.

In the current period, the following proceeds were classified as a liability:

Installment agreements		(95,303)
Capital lease agreements		(19,566)

Gains and losses on the sale and trade-in of capital assets are not reported in governmental funds, however, they are a component of the general revenues in the Statement of Activities.

Capital asset deletions	(227,391)	
Related accumulated depreciation	166,797	(60,594)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Capital lease principal payments		12,391
Installment contracts		167,067
Debt certificates principal payments		55,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

(Increase) decrease in accrued interest		3,911
(Increase) decrease in compensated absences		(5,252)
Amortization of debt certificate premium		1,435

Change in net assets of governmental activities \$ (838,855)

Township of Nunda, Illinois

Notes to Basic Financial Statements

Note 1 - Significant Accounting Policies

The accounting policies of the Township of Nunda, Illinois ("the Township") conform to accounting principles generally accepted in the United States of America as applicable to Governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

As defined by accounting principles generally accepted in the United States of America, established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

The accompanying financial statements present the Township (the primary government) and its component unit, as described below. The financial data of the component unit is included in the Township's reporting entity because of its operational significance or financial relationships with the Township. The Township Board is the governing body of the component unit.

Blended Component Unit

Although the Township of Nunda Road District (District) is a legally separate entity from the Township, the District is blended as if it were part of the Township. The District serves all of the citizens of the Township. The Township Board must approve the District's annual budget as well as audit all of the District's expenditures. Accordingly, the District is included as a blended component unit of the Township and is reported as five special revenue funds: the Road and Bridge Fund, the Permanent Hard Road Fund, the Road District Insurance Fund, the Road District IMRF Fund and the Road District Social Security Fund. The District has a March 31 fiscal year-end, the same as the Township. The District does not have a separately issued annual financial report.

Government-wide and Fund Financial Statements

Government-wide Financial Statements - the government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Township. Eliminations have been made to minimize the double counting of internal activities of the Township. The financial activities of the Township consist only of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Net Assets presents the Township's assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, highways and streets etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Separate financial statements are provided for major governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Township has the following major governmental funds - General Fund, Road and Bridge Fund, and the Permanent Hard Road Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Following is a description of the Township's major governmental funds:

General (Town) Fund - This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund - This fund is used to account for expenditures to maintain and repair Township roads. Revenue for the fund is gained primarily through the levy of property taxes.

Permanent Hard Road Fund - This fund is used to account for expenditures for construction and maintenance of hard-surfaced Township roads. Revenue for the fund is gained primarily through the levy of property taxes.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Township gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various grants. On an accrual basis, revenues from taxes are recognized when the Township has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources that are susceptible to accrual include property taxes, replacement taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued after November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Certain reclassifications have been made to prior year figures to conform to current year presentation

Cash and cash equivalents

Cash includes amounts in demand deposits as well as short term investments with a maturity within 90 days of the date acquired by the Township.

The Township maintains a cash and investment pool that is available for use by all funds, except for the Cemetery Fund which maintains its own accounts. Each fund's portion of this pool is displayed on the balance sheet as cash and cash equivalents. Deposits are stated at cost and are either held in checking accounts, money market accounts or certificates of deposits with a maturity of less than 90 days.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At the end of the year the allowance for uncollectible accounts is \$36,345.

Inventories

Inventories for all governmental funds are valued at average cost. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased. Material amounts of inventories are also reported as assets of their respective funds. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are recorded among reported assets.

Effective April 1, 2007 the Road and Bridge and Permanent Hard Road fund balances were adjusted to reflect inventory in the Permanent Hard Road Fund.

Interfund Receivables/Payables

The Township has the following types of transactions between funds:

Loans and advances - amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Services provided and used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Capital Assets

Capital assets, which include land and improvements, streets, right of way, buildings, furniture and fixtures, vehicles, and machinery and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$1,000, and an estimated useful life of greater than two years. Additions or improvements that significantly extend the useful life of an asset or that significantly increase the value of an asset are capitalized. Expenditures for asset acquisitions and improvements are treated as capital outlay expenditures in the governmental funds.

Capital assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation. All infrastructure assets acquired on or after April 1, 1980, have been capitalized.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The Township's capitalization policy considers resurfacing of existing roads to be a maintenance expense in the year that such service is provided.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

Estimated Useful Lives in Years:	
Buildings	20
Fixtures and equipment	6
Cemetery assets	6
Infrastructure	20

Deferred Revenue

The Township defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Township of Nunda, Illinois
Notes to Basic Financial Statements

Compensated Absences

It is the Township's policy to permit employees to accumulate earned but unused vacation benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General (Town) Fund is typically used to liquidate these liabilities.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the government-wide Statement of Net Assets.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Post Employment Healthcare Benefits

The Township does not provide post employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Township.

Fund Balance Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

Accounting Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

New Accounting Pronouncements

In June 2004 the Governmental Accounting Standards Board (GASB) issued Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition, and display of postemployment benefit information. The Township is required to implement this Statement for the year ending March 31, 2009. Management has not currently determined what impact, if any, this Standard may have on its financial statements.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Note 2 - Budgets

The Township Supervisor submits to the Board of Trustees the proposed budget for the fiscal year. Budgets are prepared for all funds, generally on a basis of accounting consistent with GAAP. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments on the proposed budget. The budget is adopted by the Board of Trustees and is legally enacted by the Township Board through passage of an ordinance. Revisions to the budget are made in accordance with the Illinois Compiled Statutes. During the fiscal year, the Board did not amend its original budget and appropriation ordinance for the General (Town) fund.

As of March 31, 2008, the Township did not have any funds where expenditures materially exceeded the budget.

Note 3 - Property Taxes

The Township's property tax is levied each calendar year on all taxable real property located in the Township. Since the 2007 property tax levy is levied to finance the operations of fiscal year 2008, the 2007 property tax levy is recorded as a receivable and the property tax revenue is deferred. The 2006 property tax levy is recorded as revenue by the Township in accordance with the applicable measurement focus and basis of accounting for fiscal year 2008.

The Township's assessor is responsible for assessment of all taxable real property within the Township, except for certain railroad and pollution control property, which is assessed directly by the State.

Property taxes are collected by the McHenry County Collector/Treasurer, who remits to the taxing bodies their respective share of the collections. Taxes levied in 2006 become due and payable in two installments in June 2007 and September 2007. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

Note 4 - Cash and Investments

The Township deposits and invests all its monies only in investments allowed by the Public Funds Investment Act, 30 ILCS 235/2. The statutes authorize the Township to make deposits/invest in commercial banks, obligations of the U.S. Treasury, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds investment pool. The Township's investment policy does not further limit allowable investments.

As of March 31, 2008, all Township funds were deposited in banks or invested in certificates of deposit.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's policy requires that deposits in excess of federally insured amounts be collateralized 110% in a written agreement. As of March 31, 2008, \$1,333,004 of the Township's total bank balance of \$1,438,200 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ --
Uninsured and collateral held by pledging bank's safekeeping department	<u>1,333,004</u>
Total	<u>\$1,333,004</u>

Township of Nunda, Illinois

Notes to Basic Financial Statements

Note 5 – Capital Assets

A summary of changes in the capital assets for governmental activities of the Township for the year ended March 31, 2008, is as follows:

	<u>April 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31, 2008</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,491,909	\$ 10,000	\$ -	\$ 8,501,909
Capital assets being depreciated:				
Buildings	2,094,504	-	-	2,094,504
Fixtures and equipment	2,965,016	573,232	227,391	3,310,857
Cemetery assets	26,424	9,434	-	35,858
Infrastructure	7,102,606	-	-	7,102,606
Total depreciable assets	<u>12,188,550</u>	<u>582,666</u>	<u>227,391</u>	<u>12,543,825</u>
Less accumulated depreciation for:				
Buildings	697,723	78,334	-	776,057
Fixtures and equipment	1,740,363	378,867	166,797	1,952,433
Cemetery assets	26,424	-	-	26,424
Infrastructure	3,394,486	206,407	-	3,600,893
Total accumulated depreciation	<u>5,858,996</u>	<u>663,608</u>	<u>166,797</u>	<u>6,355,807</u>
Net depreciable capital assets	<u>6,329,554</u>	<u>(80,942)</u>	<u>60,594</u>	<u>6,188,018</u>
Governmental activities				
Capital assets, net	<u>\$14,821,463</u>	<u>\$ (70,942)</u>	<u>\$ 60,594</u>	<u>\$ 14,689,927</u>

Depreciation was charged to the following functions/programs:

Governmental activities:	
General government	\$ 20,608
Highways and streets	<u>643,000</u>
Total depreciation expense – governmental activities	<u>\$ 663,608</u>

Township of Nunda, Illinois

Notes to Basic Financial Statements

Note 6 - Long-Term Obligations

The following is a summary of long-term obligation activity for the Township associated with governmental activities for the year ended March 31, 2008:

	Outstanding Debt as of			Outstanding Debt as of		Due Within
	April 1, 2007	Additions	Reductions	March 31, 2008	One Year	
Compensated absences	\$ 27,601	\$ 69,050	\$ 63,798	\$ 32,853	\$ 19,712	
Installment contracts	147,376	95,303	167,067	75,612	75,612	
Debt Certificates*	965,000	-	55,000	910,000	60,000	
Capital leases	-	19,566	12,391	7,175	3,188	
	<u>\$ 1,139,977</u>	<u>\$ 183,919</u>	<u>\$ 298,256</u>	<u>\$ 1,025,640</u>	<u>\$ 158,512</u>	

* Excludes unamortized premium of \$9,536.

Outstanding debt as of March 31, 2008, consists of the following:

Installment contract, requires annual installments of \$32,418, which includes interest at 5.33%, through June 9, 2008	\$ 30,778
Installment agreement, requires annual installments of \$47,251, which includes interest at 5.39%, through June 16, 2008	44,834
Installment agreement, requires one annual installment of \$95,652, which includes interest at 4.46%, through November 29, 2007	--
Series 2005 Debt Certificates, require annual principal installments ranging from \$35,000 to \$95,000, plus semi-annual interest at 4.5%, through January 15, 2020	910,000
Total outstanding debt	<u>\$1,112,376</u>

The annual principal and interest requirements for all outstanding debt certificates and installment agreements as of March 31, 2007 are as follows:

Year ended March 31:	Debt Certificates		Installment Agreements	
	Principal	Interest	Principal	Interest
2009	\$ 60,000	\$ 41,090	\$ 75,612	\$ 4,056
2010	60,000	38,390	-	-
2011	65,000	35,690	-	-
2012	65,000	32,765	-	-
2013	70,000	29,840	-	-
2014-2018	405,000	98,800	-	-
2019-2020	185,000	12,835	-	-
Totals	<u>\$ 910,000</u>	<u>\$ 289,410</u>	<u>\$ 75,612</u>	<u>\$ 4,056</u>

Township of Nunda, Illinois

Notes to Basic Financial Statements

The Township leased a vehicle from a leasing company under a capital lease. The lease calls for monthly payments of \$265.70. The lease expires July 2010 and is classified as a long-term liability with a current portion due within one year.

Future maturities of long-term debt are as follows:

Year ended March 31:	
2009	\$ 3,188
2010	3,188
2011	799
2012	-
2013	-
Totals	<u>\$ 7,175</u>

Note 7 - Reserved and Designated Fund Equity and Restricted Net Assets

Reservations of fund balances of governmental funds are established to identify the portion of the fund balance that is not appropriable for future expenditures, or is legally segregated for a specific future use. Restricted net assets represent legal constraints placed on net asset use by donors. Designations of fund balances represent the Board's intended use of such funds. The Township had the following reserves, restrictions and designations as of year-end:

Reserved/restricted for Perpetual Care - Cemetery Fund

\$5,195 is reported as reserved/restricted for perpetual care and represents funds donated to the Township for the upkeep of Township cemeteries. Under the terms of these gifts, the principal must be maintained intact and therefore is not available for expenditures.

Designated for Land Acquisition - Cemetery Fund

\$100,000 is reported as unreserved/designated for land acquisition and represents funds the Board has reserved in the event that additional land for cemetery plots is needed.

Reserve for Inventories - Permanent Hard Road Fund

The reserve for inventories was created to represent the portion of the fund balance that is not available for appropriation because the Township expects to use these resources within the next budgetary period.

Note 8 - Employee Retirement Plans

Substantially all Township employees are covered under the following employee retirement plan:

Illinois Municipal Retirement Fund

The Township's agent multi-employer defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

Township of Nunda, Illinois
Notes to Basic Financial Statements

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The Township rate for calendar year 2007 was 1.20 percent of covered payroll. The Township contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007, was 5 years.

For calendar year 2007, the Township's annual pension cost of \$15,542 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

<u>Trend Information</u>	<u>Cost (APC) and Annual Required Contribution (ARC)</u>	<u>% of APC and ARC Contributed</u>
Actuarial Valuation Date:		
December 31, 2007	\$ 15,542	100%
December 31, 2006	13,303	100
December 31, 2005	65,182	100

Note 9 - 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 accounts for its risk of loss in the General (Town) Fund for the primary government and in the Road District Insurance Fund for the blended component unit.

The Township is insured through TOIRMA, a joint risk management pool of Illinois Townships through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers compensation coverage is provided for the members, acting as a single insurable unit. The Township pays an annual premium to TOIRMA.

There has been no reduction in the Township's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage for the current year or prior three fiscal years.

Required Supplementary Information

Township of Nunda, Illinois
 Illinois Municipal Retirement Fund
 Schedule of Funding Progress and Schedule of Employer Contributions

Schedule of Funding Progress -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$ 2,666,611	\$ 2,195,040	\$ (471,571)	121.48 %	\$ 1,295,201	(36.41) %
12/31/2006	2,362,343	1,832,345	(529,998)	128.92	1,146,782	(46.22)
12/31/2005	2,097,392	1,549,181	(548,211)	135.39	1,097,348	(49.96)
12/31/2004	1,862,381	1,467,030	(395,351)	126.95	1,037,856	(38.09)
12/31/2003	1,738,802	1,207,317	(531,485)	144.02	1,025,678	(51.82)
12/31/2002	1,599,881	972,267	(627,614)	164.55	949,778	(66.08)
12/31/2001	1,688,347	901,613	(786,734)	187.26	840,308	(93.62)
12/31/2000	1,515,537	725,667	(789,870)	208.85	766,592	(103.04)
12/31/1999	1,350,246	624,112	(726,134)	216.35	698,628	(103.94)
12/31/1998	1,048,415	539,549	(508,866)	194.31	621,114	(81.93)

Schedule of Employer Contributions -

Actuarial Valuation Date	Annual Required Contributions	Percentage Contributed
12/31/2007	\$ 15,542	100 %
12/31/2006	13,303	100
12/31/2005	65,182	100
12/31/2004	21,276	100
12/31/2003	10,052	100
12/31/2002	9,783	100
12/31/2001	8,655	100
12/31/2000	20,238	100
12/31/1999	20,260	100
12/31/1998	39,130	100

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General (Town) Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 916,668	\$ 914,888	\$ (1,780)
Replacement taxes	25,000	28,020	3,020
Interest - investments	15,000	15,948	948
Interest - County Treasurer	300	276	(24)
Interest - debt certificates	500	-	(500)
Rental	2,500	2,990	490
Rent income road district	98,565	98,565	-
Insurance dividend	3,000	3,304	304
Miscellaneous income	3,100	229	(2,871)
Total revenues	<u>1,064,633</u>	<u>1,064,220</u>	<u>(413)</u>
Expenditures			
Current			
General government	970,347	954,210	16,137
Debt service	98,565	98,565	-
Capital outlay	20,500	28,454	(7,954)
Total expenditures	<u>1,089,412</u>	<u>1,081,229</u>	<u>8,183</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(24,779)	(17,009)	7,770
Other financing sources (uses)			
Proceeds on sale of equipment	-	10,000	10,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>\$ (24,779)</u>	<u>(7,009)</u>	<u>\$ 17,770</u>
Beginning of year		<u>213,470</u>	
End of year		<u>\$ 206,461</u>	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund
 Year Ended March 31, 2008

Expenditures	Original and Final Budget	Actual	Variance
General government			
Administration			
Salaries	\$ 15,000	\$ 11,467	\$ 3,533
Deputy clerk	500	250	250
Professional services	6,000	6,425	(425)
Accounting services	11,000	10,712	288
Legal services	10,000	4,501	5,499
Professional improvement	2,000	759	1,241
Equipment purchase	5,500	3,900	1,600
Maintenance expense	7,500	5,661	1,839
Dues - Township officials	1,000	1,259	(259)
Travel	500	405	95
Publishing	1,000	389	611
Utilities	10,000	10,890	(890)
General insurance	5,407	5,407	-
Liability insurance	8,839	8,839	-
Workers compensation insurance	10,541	10,541	-
Unemployment compensation	200	469	(269)
Social security tax	1,000	869	131
Illinois Municipal Retirement	100	96	4
Interest expense debt certificates	43,565	43,565	-
Principal reduction debt certificates	55,000	55,000	-
Total administration	<u>194,652</u>	<u>181,404</u>	<u>13,248</u>
Town officials			
Supervisor's salary	61,875	62,216	(341)
Town clerk's salary	12,300	12,368	(68)
Assessor's salary	65,515	66,530	(1,015)
Highway commissioner's salary	77,875	78,304	(429)
Board of trustees	7,200	6,450	750
Road district treasurer	1,000	1,005	(5)
Cemetery trustees	1,500	1,500	-
Life insurance	450	437	13
Hospitalization insurance	33,200	39,594	(6,394)
Social security taxes	17,600	17,537	63
Illinois Municipal Retirement	2,500	2,352	148
Total town officials	<u>281,015</u>	<u>288,293</u>	<u>(7,278)</u>

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund (continued)
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
General government (continued)			
Supervisor's office			
Clerical staff salaries	\$ 45,900	\$ 38,250	\$ 7,650
Professional improvement	500	437	63
Travel	500	196	304
Office supplies	5,000	4,804	196
Telephone	1,200	2,510	(1,310)
Life insurance	145	146	(1)
Hospitalization insurance	600	244	356
Unemployment compensation	3,000	2,230	770
Social security taxes	3,500	3,361	139
Illinois Municipal Retirement	500	380	120
Miscellaneous	2,000	461	1,539
Total supervisor's office	62,845	53,019	9,826
Assessor's office			
Clerical staff salaries	327,000	326,154	846
Professional services	5,200	4,621	579
Professional improvement	8,700	2,512	6,188
Equipment purchase	15,000	24,554	(9,554)
Computer expenses	12,800	10,701	2,099
Automobile expenses	8,600	6,850	1,750
Dues	850	887	(37)
Travel	2,000	527	1,473
Office supplies	4,500	3,127	1,373
Postage	700	665	35
Printing	2,100	1,611	489
Publications and subscriptions	5,700	5,786	(86)
Maintenance	1,600	185	1,415
Telephone	5,500	4,816	684
Life insurance	1,100	1,114	(14)
Hospitalization insurance	70,500	104,707	(34,207)
Unemployment compensation	4,800	8,783	(3,983)
Social security tax	25,000	24,098	902
Illinois Municipal Retirement	4,000	3,835	165
Miscellaneous	3,000	2,869	131
Total assessor's office	508,650	538,402	(29,752)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund (continued)
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
General government (continued)			
Township - park			
Grounds maintenance	\$ 4,500	\$ -	\$ 4,500
Bay Road Park development	5,000	5,069	(69)
Total township - park	<u>9,500</u>	<u>5,069</u>	<u>4,431</u>
Other			
Construction costs	-	-	-
Land acquisition	-	-	-
McHenry Area Youth Commission	-	-	-
Planning commission	5,000	-	5,000
Open space	-	-	-
Recycling	6,000	8,292	(2,292)
Newsletter	5,000	-	5,000
Gypsy Moth	-	-	-
Mosquito abatement	6,750	6,750	-
Contingencies	10,000	-	10,000
Total other	<u>32,750</u>	<u>15,042</u>	<u>17,708</u>
Total expenditures	<u>\$ 1,089,412</u>	<u>\$ 1,081,229</u>	<u>\$ 8,183</u>

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Road and Bridge Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 683,228	\$ 681,911	\$ (1,317)
Replacement taxes	24,000	26,917	2,917
Interest	12,200	16,483	4,283
Insurance dividend	1,000	861	(139)
Fines - traffic	24,000	30,158	6,158
Fees - Culvert administration fee	3,500	9,600	6,100
Miscellaneous	500	2,415	1,915
Total revenues	<u>748,428</u>	<u>768,345</u>	<u>19,917</u>
Expenditures			
Current			
Highways and streets:			
Administration	38,689	31,725	6,964
Road division	45,500	45,281	219
Bridge division	18,000	15,321	2,679
Building division	55,000	55,985	(985)
Equipment division	115,000	99,340	15,660
Debt service	79,671	175,322	(95,651)
Capital outlay	681,500	582,671	98,829
Total expenditures	<u>1,033,360</u>	<u>1,005,645</u>	<u>27,715</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(284,932)</u>	<u>(237,300)</u>	<u>47,632</u>
Other financing sources (uses)			
Proceeds on sale of equipment	119,500	117,200	(2,300)
Installment loan proceeds	110,000	95,303	(14,697)
Total other financing source (uses)	<u>229,500</u>	<u>212,503</u>	<u>(16,997)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>\$ (55,432)</u>	<u>(24,797)</u>	<u>\$ 30,635</u>
Fund balance			
Beginning of year		<u>220,508</u>	
End of year		<u>\$ 195,711</u>	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 Road and Bridge Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Highways and streets			
Administration			
Accounting services	\$ 1,900	\$ 1,890	\$ 10
Professional improvement	2,000	440	1,560
Dues	500	273	227
Office supplies	3,500	1,911	1,589
Postage	800	825	(25)
Printing	1,000	307	693
Publishing	1,500	357	1,143
Equipment maintenance	1,000	1,375	(375)
Telephone	17,000	15,883	1,117
General insurance	6,489	6,489	-
Miscellaneous	3,000	1,975	1,025
Total administration	<u>38,689</u>	<u>31,725</u>	<u>6,964</u>
Road division			
Road improvements	11,500	11,000	500
Uniforms	6,000	6,804	(804)
Street lighting	28,000	27,477	523
Total road division	<u>45,500</u>	<u>45,281</u>	<u>219</u>
Bridge division			
Maintenance/operating supplies	18,000	15,321	2,679
Total bridge division	<u>18,000</u>	<u>15,321</u>	<u>2,679</u>
Building division			
Maintenance	25,000	27,552	(2,552)
Ground maintenance supplies	4,000	2,290	1,710
Waste removal	6,000	3,833	2,167
Utilities	20,000	22,310	(2,310)
Total building division	<u>55,000</u>	<u>55,985</u>	<u>(985)</u>

(Continued)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 Road and Bridge Fund (continued)
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Highways and streets - (continued)			
Equipment division			
Vehicle / equipment maintenance	\$ 115,000	\$ 99,340	\$ 15,660
Total equipment division	<u>115,000</u>	<u>99,340</u>	<u>15,660</u>
Total highways and streets	<u>272,189</u>	<u>247,652</u>	<u>24,537</u>
Debt service - equipment division			
Principal	71,767	167,069	(95,302)
Interest	<u>7,904</u>	<u>8,253</u>	<u>(349)</u>
Total debt service	<u>79,671</u>	<u>175,322</u>	<u>(95,651)</u>
Capital outlay			
Administration			
Office equipment	5,000	2,210	2,790
Building division			
Buildings	65,000	33,089	31,911
Equipment division			
Equipment purchases	<u>611,500</u>	<u>547,372</u>	<u>64,128</u>
Total capital outlay	<u>681,500</u>	<u>582,671</u>	<u>98,829</u>
Total expenditures	<u>\$ 1,033,360</u>	<u>\$ 1,005,645</u>	<u>\$ 27,715</u>

Township of Nunda, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles.

Supplementary Information

Nonmajor Governmental Funds

Township of Nunda, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 March 31, 2008

	Road District					Total
	General Assistance Fund	Insurance Fund	Social Security Fund	IMRF Fund	Cemetery Fund	
ASSETS						
Cash and cash equivalents	\$ 56,250	\$ 4,949	\$ 10,426	\$ 70,360	\$ 123,518	\$ 265,503
Property taxes receivable, net	30,394	53,881	60,789	16,579	17,960	179,603
Total assets	<u>\$ 86,644</u>	<u>\$ 58,830</u>	<u>\$ 71,215</u>	<u>\$ 86,939</u>	<u>\$ 141,478</u>	<u>\$ 445,106</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 676	\$ -	\$ -	\$ -	\$ -	\$ 676
Accrued payroll and withholdings	571	-	-	-	-	571
Deferred property tax revenue	30,394	53,881	60,789	16,579	17,960	179,603
Total liabilities	<u>31,641</u>	<u>53,881</u>	<u>60,789</u>	<u>16,579</u>	<u>17,960</u>	<u>180,850</u>
Fund balances						
Reserved for perpetual care	-	-	-	-	5,195	5,195
Unreserved						
Designated for						
land acquisition	-	-	-	-	100,000	100,000
Unreserved						
Undesignated	55,003	4,949	10,426	70,360	18,323	159,061
Total fund balances	<u>55,003</u>	<u>4,949</u>	<u>10,426</u>	<u>70,360</u>	<u>123,518</u>	<u>264,256</u>
Total liabilities and fund balances	<u>\$ 86,644</u>	<u>\$ 58,830</u>	<u>\$ 71,215</u>	<u>\$ 86,939</u>	<u>\$ 141,478</u>	<u>\$ 445,106</u>

Township of Nunda, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended March 31, 2008

	General Assistance Fund	Road District			Cemetery Fund	Total
		Insurance Fund	Social Security Fund	IMRF Fund		
Revenues						
Property taxes	\$ 33,693	\$ 50,539	\$ 58,315	\$ 29,804	\$ 16,845	\$ 189,196
Replacement taxes	4,667	-	-	-	532	5,199
Interest	2,887	-	1,040	2,934	8,126	14,987
Insurance dividend	-	6,725	-	-	-	6,725
Other	-	-	-	-	2,320	2,320
Total revenues	41,247	57,264	59,355	32,738	27,823	218,427
Expenditures						
Current						
Highways and streets	-	56,414	61,216	9,194	-	126,824
Health and welfare	43,445	-	-	-	-	43,445
Cemeteries	-	-	-	-	39,268	39,268
Total expenditures	43,445	56,414	61,216	9,194	39,268	209,537
Excess (deficiency) of revenues over expenditures	(2,198)	850	(1,861)	23,544	(11,445)	8,890
Fund balance						
Beginning of year	57,201	4,099	12,287	46,816	134,963	255,366
End of year	<u>\$ 55,003</u>	<u>\$ 4,949</u>	<u>\$ 10,426</u>	<u>\$ 70,360</u>	<u>\$ 123,518</u>	<u>\$ 264,256</u>

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Assistance Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 33,758	\$ 33,693	\$ (65)
Replacement taxes	4,000	4,667	667
Interest	3,550	2,887	(663)
Other	50	-	(50)
Total revenues	<u>41,358</u>	<u>41,247</u>	<u>(111)</u>
Expenditures			
Current			
Health and welfare			
Home relief	42,500	12,174	30,326
Administration	39,875	31,271	8,604
Other	10,000	-	10,000
Total expenditures	<u>92,375</u>	<u>43,445</u>	<u>48,930</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (51,017)</u>	<u>(2,198)</u>	<u>\$ 48,819</u>
Fund balance			
Beginning of year		<u>57,201</u>	
End of year		<u>\$ 55,003</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Road District Insurance Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 50,637	\$ 50,539	\$ (98)
Interest	120	-	(120)
Insurance dividend	5,000	6,725	1,725
Total revenues	<u>55,757</u>	<u>57,264</u>	<u>1,507</u>
Expenditures			
Current			
Highways and streets			
Accounting services	450	405	45
Liability insurance	22,628	22,628	-
Workers compensation insurance	33,381	33,381	-
Unemployment insurance	-	-	-
Total expenditures	<u>56,459</u>	<u>56,414</u>	<u>45</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (702)</u>	850	<u>\$ 1,552</u>
Fund balance			
Beginning of year		<u>4,099</u>	
End of year		<u>\$ 4,949</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Road District Social Security Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 58,427	\$ 58,315	\$ (112)
Interest	520	1,040	520
Total revenues	<u>58,947</u>	<u>59,355</u>	<u>408</u>
Expenditures			
Current			
Highways and streets			
Accounting services	450	405	45
Social security tax	60,000	60,811	(811)
Total expenditures	<u>60,450</u>	<u>61,216</u>	<u>(766)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,503)</u>	<u>(1,861)</u>	<u>\$ (358)</u>
Fund balance			
Beginning of year		<u>12,287</u>	
End of year		<u>\$ 10,426</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Road District IMRF Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 29,863	\$ 29,804	\$ (59)
Interest	1,510	2,934	1,424
Total revenues	<u>31,373</u>	<u>32,738</u>	<u>1,365</u>
Expenditures			
Current			
Highways and streets			
Accounting services	450	405	45
Illinois Municipal Retirement	40,000	8,789	31,211
Total expenditures	<u>40,450</u>	<u>9,194</u>	<u>31,256</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (9,077)</u>	23,544	<u>\$ 32,621</u>
Fund balance			
Beginning of year		<u>46,816</u>	
End of year		<u>\$ 70,360</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Cemetery Fund
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property tax	\$ 16,710	\$ 16,845	\$ 135
Replacement tax	500	532	32
Interest income	6,200	8,126	1,926
Other income			
Sale of lots	1,000	1,600	600
Burial permits	150	165	15
Monument permits	105	45	(60)
Perpetual care revenue	300	370	70
Miscellaneous	100	140	40
Total revenues	<u>25,065</u>	<u>27,823</u>	<u>2,758</u>
Expenditures			
Current			
General administration	14,550	11,698	2,852
Maintenance	11,000	5,751	5,249
Grounds improvements	10,000	21,819	(11,819)
Purchase of graves	1,000	-	1,000
Contingencies	10,000	-	10,000
Total expenditures	<u>46,550</u>	<u>39,268</u>	<u>7,282</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (21,485)</u>	<u>(11,445)</u>	<u>\$ 10,040</u>
Fund balance			
Beginning of year		<u>134,963</u>	
End of year		<u>\$ 123,518</u>	

Major Capital Projects Fund

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Permanent Hard Road
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 1,689,214	\$ 1,685,930	\$ (3,284)
Replacement taxes	30,000	32,898	2,898
Interest	50,500	60,053	9,553
Grant revenue	25,000	32,450	7,450
Other			
Services and material sales	20,000	74,509	54,509
Miscellaneous	100	-	(100)
Total revenues	<u>1,814,814</u>	<u>1,885,840</u>	<u>71,026</u>
Expenditures			
Current			
Highways and streets:			
Administration	338,000	286,090	51,910
Road division	2,732,000	2,403,673	328,327
Other	1,500	163	1,337
Total expenditures	<u>3,071,500</u>	<u>2,689,926</u>	<u>381,574</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,256,686)</u>	<u>(804,086)</u>	<u>\$ 452,600</u>
Fund balance			
Beginning of year		<u>1,496,428</u>	
End of year		<u>\$ 692,342</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Permanent Hard Road
 Year Ended March 31, 2008

	Original and Final Budget	Actual	Variance
Expenditures			
Current			
Highways and streets:			
Administration			
Accounting services	\$ 5,000	\$ 4,995	\$ 5
Legal services	35,000	6,363	28,637
Travel	5,500	3,941	1,559
Insurance - life	2,300	2,196	104
Insurance - hospital	180,000	156,100	23,900
Employee physicals	1,200	1,230	(30)
Unemployment compensation	9,000	12,700	(3,700)
Rental expense - Town fund	100,000	98,565	1,435
Total administration	<u>338,000</u>	<u>286,090</u>	<u>51,910</u>
Road division			
Salaries	850,000	814,227	35,773
Engineering services	75,000	31,101	43,899
Road maintenance materials	150,000	185,216	(35,216)
Rental	15,000	7,008	7,992
Maintenance/ operating supplies	100,000	113,559	(13,559)
Maintenance personnel	5,000	5,185	(185)
Road improvements/ maintenance	1,300,000	1,112,453	187,547
Gasoline and oil	150,000	96,947	53,053
Signs and posts	60,000	22,496	37,504
Road safety program	7,000	3,946	3,054
Road striping	20,000	11,535	8,465
Total road division	<u>2,732,000</u>	<u>2,403,673</u>	<u>328,327</u>
Other			
Monitoring system - gas tanks	1,500	163	1,337
Total other	<u>1,500</u>	<u>163</u>	<u>1,337</u>
Total expenditures	<u>\$ 3,071,500</u>	<u>\$ 2,689,926</u>	<u>\$ 381,574</u>

Statistical Section (Unaudited)

Township of Nunda, Illinois

Assessed Valuations and Property Tax Extensions, Rates and Collections
Last Five Levy Years

Levy Year	2007	2006	2005	2004	2003
Assessed Valuations	<u>\$1,395,512,481</u>	<u>\$1,298,396,885</u>	<u>\$1,211,545,304</u>	<u>\$1,099,905,237</u>	<u>\$1,014,574,420</u>
Rates and Extensions					
Town	0.069 \$ 962,904	0.071 \$ 916,668	0.071 \$ 867,457	0.074 \$ 815,032	0.076 \$ 773,107
General assistance	0.003 30,701	0.003 33,758	0.002 31,500	0.003 28,597	0.003 26,379
Road and bridge, net	0.051 716,434	0.053 683,228	0.054 650,447	0.060 611,061	0.057 581,293
Permanent hard road	0.130 1,773,696	0.130 1,689,214	0.132 1,599,240	0.137 1,502,471	0.140 1,424,462
Cemetery	0.001 18,142	0.001 16,879	0.001 15,748	0.001 14,298	0.001 13,189
Insurance	0.004 54,425	0.004 50,637	0.003 47,250	0.004 43,996	0.004 41,597
Social security	0.005 61,403	0.005 58,428	0.004 54,520	0.005 50,596	0.006 47,685
IMRF	0.002 16,746	0.002 29,863	0.002 29,081	0.002 26,401	0.002 24,353
	<u>0.265 \$ 3,634,451</u>	<u>0.269 \$ 3,478,675</u>	<u>0.269 \$ 3,295,253</u>	<u>0.286 \$ 3,092,452</u>	<u>0.289 \$ 2,932,065</u>
Taxes collected	\$ -	\$ 3,471,925	\$ 3,293,376	\$ 3,092,741	\$ 2,929,298
% of Extensions collected	0.00%	99.81%	99.94%	100.01%	99.91%

The Town does not receive all taxes extended for road and bridge purposes. A portion of the township road and bridge levy is turned over to each municipality within the township, by the County, as provided in the Illinois Revised Statutes, Chapter 24, Section 11-81-2. The property tax rates and extensions above have been adjusted to allow for this fact.