

TOWNSHIP OF NUNDA, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2009

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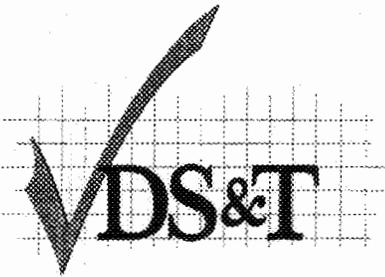
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TOWNSHIP OF NUNDA, ILLINOIS
Board of Township Trustees

John A. Heisler	Supervisor
Bridgett Provenzano	Town Clerk
Dennis Jagla	Assessor
Donald Kopsell	Highway Commissioner
Thomas Palmer	Trustee
Kevin Samwick	Trustee
James Schlader	Trustee
Richard Meyers	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. HARFOLD 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, 2009, 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, 2009, 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 25) and budgetary comparison information (pages 26-33) 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
August 22, 2009

Management's Discussion and Analysis (MD&A)

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2009

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, 2009, with comparisons to fiscal year 2008.

Financial Highlights

- Government-wide net assets increased by \$1,029,678.
- Government-wide net capital assets increased by \$1,652,413.
- General revenues of \$3,868,364 account for 98% of all revenues.
- The Township had \$16,031,406 in net assets, of which \$704,923 was unrestricted.
- Total debt, excluding compensated absences, increased \$20,083.

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, 2009

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 14-24 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 25-33 of this report.

Government-Wide Financial Analysis

Table 1, below provides a summary of the Township's net assets at March 31, 2009 and 2008.

Table 1	Statement of Net Assets		
	As of March 31,		
	Governmental Activities		
	2009	2008	Change
Assets:			
Current and other assets	\$ 4,692,041	\$ 5,087,512	\$ (395,471)
Capital assets	<u>16,342,340</u>	<u>14,689,927</u>	<u>1,652,413</u>
Total assets	<u>21,034,381</u>	<u>19,777,439</u>	<u>1,256,942</u>
Liabilities:			
Long-term liabilities	896,472	876,664	19,808
Other liabilities	<u>4,106,503</u>	<u>3,899,047</u>	<u>207,456</u>
Total liabilities	<u>5,002,975</u>	<u>4,775,711</u>	<u>227,264</u>
Net Assets:			
Invested in capital assets, net of debt	15,321,288	13,687,604	1,633,684
Restricted	5,195	5,195	-
Unrestricted	<u>704,923</u>	<u>1,308,929</u>	<u>(604,006)</u>
Total net assets	<u>\$ 16,031,406</u>	<u>\$ 15,001,728</u>	<u>\$ 1,029,678</u>

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2009

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 exceed liabilities by \$16,031,406 at the close of fiscal year 2009. Of this amount, \$15,321,288 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, \$704,923, may be used to meet the Township's ongoing obligations to citizens and creditors.

Total liabilities of the Township have increased by \$227,264 over the previous year. This increase in liabilities is due to a higher property tax levy (2008 levy) compared to the prior year (2007 levy), resulting in higher deferred property tax revenue at March 31, 2009.

Governmental Activities- Governmental activities increased Nunda Township's net assets by \$1,029,678. The changes in net assets for the years ended March 31, 2009 and 2008 are outlined below in Table 2.

	Changes in Net Assets For the Years Ended March 31,		
	Governmental Activities		
	2009	2008	Change
Program Revenue			
Charges for service	\$ 74,952	\$ 119,067	\$ (44,115)
General Revenue			
Property taxes	3,630,888	3,471,925	158,963
Other taxes	83,274	93,034	(9,760)
Interest	28,862	107,747	(78,885)
Miscellaneous	125,340	123,100	2,240
Total revenue	<u>3,943,316</u>	<u>3,914,873</u>	<u>28,443</u>
Governmental Activities Expenses			
General government	1,028,874	979,567	49,307
Highways and streets	1,762,445	3,666,799	(1,904,354)
Health and welfare	52,638	43,445	9,193
Cemeteries	28,845	29,834	(989)
Interest	40,836	34,083	6,753
Total expenses	<u>2,913,638</u>	<u>4,753,728</u>	<u>(1,840,090)</u>
Change in Net Assets	1,029,678	(838,855)	1,868,533
Net Assets - Beginning	15,001,728	15,840,583	(838,855)
Net Assets - Ending	<u>\$ 16,031,406</u>	<u>\$ 15,001,728</u>	<u>\$ 1,029,678</u>

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2009

Revenues increased \$28,443 over the prior year, primarily due to increases in property taxes and decreases charges for road district services and interest income.

Total expenses for fiscal year 2009 decreased \$1,840,090, or 39% from the prior year, primarily due to fewer road improvement projects in the current year.

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 2009, Nunda Township's governmental funds reported a combined ending fund balance of \$757,782, a decrease of \$600,988 from the prior year. Approximately 72% of the fund balance or \$549,053 constitutes unreserved fund balance, which is available for spending at the discretion of the Township. The remainder of the fund balance, \$208,729, 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 2009, total (unreserved) fund balance of the general fund was \$191,844. 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 \$37,434. The key reason for the decrease was the additional purchase of equipment.

The Permanent Hard Road fund decreased its fund balance by \$528,448 during the fiscal year. Expenditures in this fund have decreased by \$338,186 compared to the prior year due to fewer road improvement projects in the current year. In addition, revenue decreased \$62,648 over the prior year. There was an increase in tax revenue in which was offset by decreases in interest and other income.

Nunda Township
 McHenry County, Illinois
 Management's Discussion and Analysis
 For the Year Ended March 31, 2009

Capital Assets and Debt Administration

Capital assets- Nunda Township's investment in capital assets for its governmental activities as of March 31, 2009 amounts to \$16,342,340 (net of accumulated depreciation), as indicated in the following table:

	<u>2009</u>	<u>2008</u>
Land	\$ 8,501,909	\$ 8,501,909
Buildings	1,240,113	1,318,447
Fixtures and equipment	1,163,849	1,358,424
Cemetery assets	13,216	9,434
Infrastructure	<u>5,423,253</u>	<u>3,501,713</u>
Total capital assets, net	<u>\$16,342,340</u>	<u>\$14,689,927</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>2009</u>	<u>2008</u>
Series 2005 debt certificates	\$ 850,000	\$ 910,000
Capital leases	12,864	7,175
Installment contracts	<u>150,006</u>	<u>75,612</u>
	<u>\$ 1,012,870</u>	<u>\$ 992,787</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 A. 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, 2009

	<u>Governmental Activities</u>
ASSETS	
Current	
Cash and cash equivalents	\$ 779,465
Receivables	
Property taxes, net	3,804,642
Other governments	4,400
Inventory	103,534
	<u>Total current assets 4,692,041</u>
Noncurrent	
Capital assets not being depreciated	8,501,909
Capital assets being depreciated, net	7,840,431
	<u>Total noncurrent assets 16,342,340</u>
	<u>Total assets \$ 21,034,381</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Current	
Accounts payable	\$ 47,878
Accrued payroll and withholdings	40,995
Accrued interest	12,478
Due to other governments	25,055
Refundable deposits	15,689
Deferred property tax revenue	3,804,642
Compensated absences	21,112
Debt certificates	60,000
Installment and lease agreements	78,654
	<u>Total current liabilities 4,106,503</u>
Noncurrent	
Compensated absences	14,074
Debt certificates, net of unamortized premium of \$8,182	798,182
Installment and lease agreements	84,216
	<u>Total noncurrent liabilities 896,472</u>
	<u>Total liabilities 5,002,975</u>
Net Assets	
Invested in capital assets, net of related debt	15,321,288
Restricted for cemetery purposes	5,195
Unrestricted	704,923
	<u>Total net assets 16,031,406</u>
	<u>Total liabilities and net assets \$ 21,034,381</u>

Township of Nunda, Illinois

Statement of Activities
Year Ended March 31, 2009

Functions/ Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Governmental activities			
General government	\$ 1,028,874	\$ 3,225	\$ (1,025,649)
Highways and streets	1,762,445	70,792	(1,691,653)
Health and welfare	52,638	-	(52,638)
Cemeteries	28,845	935	(27,910)
Interest	40,836	-	(40,836)
Total governmental activities	<u>\$ 2,913,638</u>	<u>\$ 74,952</u>	<u>(2,838,686)</u>

General revenues	
Taxes	
Property	3,630,888
Other	83,274
Interest	28,862
Grant revenue	183,095
Gain/loss on sale of equipment	(41,083)
Miscellaneous	(16,672)
Total general revenues	<u>3,868,364</u>
Change in net assets	1,029,678
Net assets	
Beginning of year	<u>15,001,728</u>
End of year	<u>\$ 16,031,406</u>

See Notes to Basic Financial Statements.

Fund Financial Statements

Township of Nunda, Illinois

Balance Sheet
 Governmental Funds
 March 31, 2009

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 221,218	\$ 204,048	\$ 109,728	\$ 244,471	\$ 779,465
Receivables					
Property taxes, net	1,010,084	746,000	1,858,028	190,530	3,804,642
Other governments	-	4,400	-	-	4,400
Inventory	-	-	103,534	-	103,534
Total assets	<u>\$ 1,231,302</u>	<u>\$ 954,448</u>	<u>\$ 2,071,290</u>	<u>\$ 435,001</u>	<u>\$ 4,692,041</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 13,292	\$ 6,256	\$ 28,270	\$ 60	\$ 47,878
Accrued payroll and withholdings	16,082	3,171	21,098	644	40,995
Due to other governments	-	25,055	-	-	25,055
Refundable deposits	-	15,689	-	-	15,689
Deferred property tax revenue	1,010,084	746,000	1,858,028	190,530	3,804,642
Total liabilities	<u>1,039,458</u>	<u>796,171</u>	<u>1,907,396</u>	<u>191,234</u>	<u>3,934,259</u>
Fund balances					
Reserved for inventory	-	-	103,534	-	103,534
Reserved for perpetual care	-	-	-	5,195	5,195
Unreserved - designated for land acquisition	-	-	-	100,000	100,000
Unreserved - undesignated					
General fund	191,844	-	-	-	191,844
Special revenue funds	-	158,277	-	138,572	296,849
Capital project fund	-	-	60,360	-	60,360
Total fund balances	<u>191,844</u>	<u>158,277</u>	<u>163,894</u>	<u>243,767</u>	<u>757,782</u>
Total liabilities and fund balances	<u>\$ 1,231,302</u>	<u>\$ 954,448</u>	<u>\$ 2,071,290</u>	<u>\$ 435,001</u>	<u>\$ 4,692,041</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, 2009

Total fund balances - governmental funds \$ 757,782

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 16,342,340

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	(12,478)
Compensated absences	(35,186)
Debt certificates	(850,000)
Unamortized premium on debt certificates	(8,182)
Installment and lease agreements	(162,870)

Net assets of governmental funds \$ 16,031,406

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, 2009

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 961,959	\$ 715,739	\$ 1,771,952	\$ 181,238	\$ 3,630,888
Replacement taxes	25,462	24,065	29,421	4,326	83,274
Grant revenue	-	183,095	-	-	183,095
Interest	5,234	6,183	13,463	3,982	28,862
Rents	104,315	-	-	-	104,315
Insurance dividend	3,370	878	-	7,412	11,660
Fines	-	36,146	-	-	36,146
Fees	-	(6,260)	-	-	(6,260)
Other income	85	3,409	8,456	1,559	13,509
Total revenues	1,100,425	963,255	1,823,292	198,517	4,085,489
Expenditures					
Current					
General government	1,005,826	-	-	-	1,005,826
Highways and streets	-	543,343	2,351,740	133,519	3,028,602
Health and welfare	-	-	-	52,638	52,638
Cemeteries	-	-	-	28,199	28,199
Debt service	101,090	79,602	-	-	180,692
Capital outlay	8,126	570,060	-	4,650	582,836
Total expenditures	1,115,042	1,193,005	2,351,740	219,006	4,878,793
Excess (deficiency) of revenues over (under) expenditures	(14,617)	(229,750)	(528,448)	(20,489)	(793,304)
Other financing sources					
Proceeds on sale of equipment	-	42,310	-	-	42,310
Installment loan proceeds	-	150,006	-	-	150,006
Total other financing sources	-	192,316	-	-	192,316
Excess of revenues and other sources over (under) expenditures	(14,617)	(37,434)	(528,448)	(20,489)	(600,988)
Fund balances					
Beginning of year	206,461	195,711	692,342	264,256	1,358,770
End of year	\$ 191,844	\$ 158,277	\$ 163,894	\$ 243,767	\$ 757,782

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, 2009

Net change in fund balances - total governmental funds \$ (600,988)

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 (including contributed assets of \$2,001,468)	\$ 2,582,128	
Depreciation expense	<u>(846,322)</u>	1,735,806

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		(150,006)
Capital lease agreements		(9,264)

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	(199,360)	
Related accumulated depreciation	<u>115,967</u>	(83,393)

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		3,575
Installment contracts		75,612
Debt certificates principal payments		60,000

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		(685)
(Increase) decrease in compensated absences		(2,333)
Amortization of debt certificate premium		1,354

Change in net assets of governmental activities		<u>\$ 1,029,678</u>
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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.

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 \$38,368.

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.

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.

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.

Township of Nunda, Illinois

Notes to Basic Financial Statements

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, or as applicable the Road District 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 American Recovery and Reinvestment Act of 2009 (ARRA) provides for premium reductions and additional election opportunities for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider through a tax credit. The premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts for up to nine months for those eligible for COBRA during the period beginning September 1, 2008 and ending December 31, 2009 due to an involuntary termination of employment that occurred during that period.

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.

Township of Nunda, Illinois

Notes to Basic Financial Statements

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, 2010. Management has not currently determined what impact, if any, this Standard may have on its 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. On March 10, 2009 the Board had approved an amended budget for the Road District.

As of March 31, 2009, 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 2008 property tax levy is levied to finance the operations of fiscal year 2009, the 2008 property tax levy is recorded as a receivable and the property tax revenue is deferred. The 2007 property tax levy is recorded as revenue by the Township in accordance with the applicable measurement focus and basis of accounting for fiscal year 2009.

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 2007 become due and payable in two installments in June 2008 and September 2008. 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, 2009, all Township funds were deposited in banks or invested in certificates of deposit.

Township of Nunda, Illinois

Notes to Basic Financial Statements

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, 2009, \$188,022 of the Township's total bank balance of \$438,022 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ --
Uninsured and collateral held by pledging bank's safekeeping department	<u>188,022</u>
Total	<u>\$188,022</u>

Note 5 - Capital Assets

A summary of changes in the capital assets for governmental activities of the Township for the year ended March 31, 2009, is as follows:

	<u>April 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31, 2009</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,501,909	\$ -	\$ -	\$ 8,501,909
Capital assets being depreciated:				
Buildings	2,094,504	-	-	2,094,504
Fixtures and equipment	3,310,857	249,384	199,360	3,360,881
Cemetery assets	35,858	4,650	-	40,508
Infrastructure	7,102,606	2,328,094	-	9,430,700
Total depreciable assets	<u>12,543,825</u>	<u>2,582,128</u>	<u>199,360</u>	<u>14,926,593</u>
Less accumulated depreciation for:				
Buildings	776,057	78,334	-	854,391
Fixtures and equipment	1,952,433	360,788	115,967	2,197,254
Cemetery assets	26,424	646	-	27,070
Infrastructure	3,600,893	406,554	-	4,007,447
Total accumulated depreciation	<u>6,355,807</u>	<u>846,322</u>	<u>115,967</u>	<u>7,086,162</u>
Net depreciable capital assets	<u>6,188,018</u>	<u>1,735,806</u>	<u>83,393</u>	<u>7,840,431</u>
Governmental activities				
Capital assets, net	<u>\$ 14,689,927</u>	<u>\$ 1,735,806</u>	<u>\$ 83,393</u>	<u>\$ 16,342,340</u>

Depreciation was charged to the following functions/programs:

Governmental activities:	
General government	\$ 16,315
Highways and streets	829,361
Cemetery	646
Total depreciation expense - governmental activities	<u>\$ 846,322</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, 2009:

	Outstanding Debt as of			Outstanding Debt as of	Due Within
	April 1, 2008	Additions	Reductions	March 31, 2009	One Year
Compensated absences	\$ 32,853	\$ 71,245	\$ 68,912	\$ 35,186	\$ 24,630
Installment contracts	75,612	150,006	75,612	150,006	73,149
Debt Certificates*	910,000	-	60,000	850,000	60,000
Capital leases	7,175	9,264	3,575	12,864	5,505
	<u>\$ 1,025,640</u>	<u>\$ 230,515</u>	<u>\$ 208,099</u>	<u>\$ 1,048,056</u>	<u>\$ 163,284</u>

* Excludes unamortized premium of \$8,182.

Outstanding debt as of March 31, 2009, consists of the following:

Installment agreement, requires annual installments of \$80,753, which includes interest at 4.96%, through August 28, 2010	\$ 150,006
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	850,000
Total outstanding debt	<u>\$1,000,006</u>

The annual principal and interest requirements for all outstanding debt certificates and installment agreements as of March 31, 2009 are as follows:

Year ended March 31:	Debt Certificates		Installment Agreements	
	Principal	Interest	Principal	Interest
2010	\$ 60,000	\$ 38,390	\$ 73,149	\$ 7,604
2011	65,000	35,690	76,857	3,896
2012	65,000	32,765	-	-
2013	70,000	29,840	-	-
2014	75,000	26,690	-	-
2015-2019	420,000	80,575	-	-
2020	95,000	4,370	-	-
Totals	<u>\$ 850,000</u>	<u>\$ 248,320</u>	<u>\$ 150,006</u>	<u>\$ 11,500</u>

Township of Nunda, Illinois
Notes to Basic Financial Statements

The Township leased a vehicle and a copier from a leasing company under a capital lease. The lease calls for monthly payments of \$265.70 and \$193.00, respectively. The leases expire July 2010 and January 2013 and are 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:	
2010	\$ 5,505
2011	3,113
2012	2,316
2013	1,930
2014	-
Totals	<u>\$ 12,864</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 appropriate 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.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Note 8 - Employee Retirement Plans

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

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. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Township's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require 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 the calendar year 2008 was 1.14 percent of annual covered payroll. 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 rate is set by statute.

Annual Pension Cost. For 2008, the Township's annual pension cost of \$16,946 for the Regular plan was equal to the Town's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 16,946	100%	\$ -
12/31/07	15,542	100%	-
12/31/06	13,303	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Township's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Township's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 5 years.

Township of Nunda, Illinois

Notes to Basic Financial Statements

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 94.22 percent funded. The actuarial accrued liability for benefits was \$2,554,550 and the actuarial value of assets was \$2,406,793, resulting in an underfunded accrued liability (UALL) of \$147,757. The covered payroll (annual payroll of active employees covered by the plan) was \$1,486,512 and the ratio of the UALL to the covered payroll was 10 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 for benefits.

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

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)
12/31/2008	\$ 2,406,793	\$ 2,554,550	\$ 147,757	94.22 %	\$ 1,486,512	9.94 %
12/31/2007	2,666,611	2,195,040	(471,571)	121.48	1,295,201	0.00
12/31/2006	2,362,343	1,832,345	(529,998)	128.92	1,146,782	0.00

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

General (Town) Fund

Year Ended March 31, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 962,000	\$ 961,959	\$ (41)
Replacement taxes	31,000	25,462	(5,538)
Interest - investments	13,000	5,140	(7,860)
Interest - County Treasurer	300	94	(206)
Interest - debt certificates	-	-	-
Rental	2,500	3,225	725
Rent income road district	101,090	101,090	-
Insurance dividend	3,000	3,370	370
Miscellaneous income	1,000	85	(915)
Total revenues	<u>1,113,890</u>	<u>1,100,425</u>	<u>(13,465)</u>
Expenditures			
Current			
General government	1,067,781	1,005,826	61,955
Debt service	101,090	101,090	-
Capital outlay	14,000	8,126	5,874
Total expenditures	<u>1,182,871</u>	<u>1,115,042</u>	<u>67,829</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(68,981)	(14,617)	54,364
Other financing sources (uses)			
Proceeds on sale of equipment	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>\$ (68,981)</u>	<u>(14,617)</u>	<u>\$ 54,364</u>
Beginning of year		<u>206,461</u>	
End of year		<u>\$ 191,844</u>	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund
 Year Ended March 31, 2009

Expenditures	Original and Final Budget	Actual	Variance
General government			
Administration			
Salaries	\$ 15,000	\$ 13,236	\$ 1,764
Moderator	-	150	(150)
Deputy clerk	500	104	396
Professional services	6,000	5,740	260
Accounting services	11,000	9,949	1,051
Legal services	10,000	4,562	5,438
Professional improvement	2,000	601	1,399
Equipment purchase	4,000	495	3,505
Maintenance expense	7,000	10,128	(3,128)
Dues - Township officials	1,100	1,217	(117)
Travel	500	708	(208)
Publishing	1,000	626	374
Utilities	10,000	11,248	(1,248)
General insurance	5,500	5,407	93
Liability insurance	9,100	8,839	261
Workers compensation insurance	10,500	10,541	(41)
Unemployment compensation	450	307	143
Social security tax	1,000	922	78
Illinois Municipal Retirement	100	100	-
Interest expense debt certificates	41,090	41,090	-
Principal reduction debt certificates	60,000	60,000	-
Total administration	195,840	185,970	9,870
Town officials			
Supervisor's salary	64,350	64,504	(154)
Town clerk's salary	12,700	12,731	(31)
Assessor's salary	68,766	68,996	(230)
Highway commissioner's salary	80,990	81,183	(193)
Board of trustees	7,200	6,600	600
Road district treasurer	1,000	1,003	(3)
Cemetery trustees	1,500	1,500	-
Life insurance	450	437	13
Hospitalization insurance	38,000	37,943	57
Social security taxes	18,000	18,164	(164)
Illinois Municipal Retirement	3,200	2,575	625
Total town officials	296,156	295,636	520

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund (continued)
 Year Ended March 31, 2009

	Original and Final Budget	Actual	Variance
General government (continued)			
Supervisor's office			
Clerical staff salaries	\$ 45,900	\$ 35,658	\$ 10,242
Professional improvement	500	(177)	677
Travel	500	229	271
Office supplies	5,500	4,293	1,207
Telephone	2,500	2,962	(462)
Life insurance	175	134	41
Hospitalization insurance	5,000	150	4,850
Unemployment compensation	1,200	982	218
Social security taxes	3,500	3,146	354
Illinois Municipal Retirement	600	395	205
Miscellaneous	2,000	1,232	768
Total supervisor's office	67,375	49,004	18,371
Assessor's office			
Clerical staff salaries	344,000	338,850	5,150
Professional services	5,200	2,500	2,700
Professional improvement	8,700	3,684	5,016
Equipment purchase	10,000	7,631	2,369
Computer expenses	13,500	11,703	1,797
Automobile expenses	8,600	8,881	(281)
Dues	850	700	150
Travel	2,000	504	1,496
Office supplies	4,500	4,096	404
Postage	750	311	439
Printing	1,500	956	544
Publications and subscriptions	6,300	6,444	(144)
Maintenance	1,100	807	293
Telephone	5,500	4,768	732
Life insurance	1,100	1,113	(13)
Hospitalization insurance	125,000	134,125	(9,125)
Unemployment compensation	4,800	2,586	2,214
Social security tax	25,000	25,131	(131)
Illinois Municipal Retirement	4,600	4,245	355
Miscellaneous	3,000	2,472	528
Total assessor's office	576,000	561,507	14,493

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 General (Town) Fund (continued)
 Year Ended March 31, 2009

	Original and Final Budget	Actual	Variance
General government (continued)			
Township - park			
Grounds maintenance	\$ 4,500	\$ 685	\$ 3,815
Bay Road Park development	2,500	20	2,480
Total township - park	<u>7,000</u>	<u>705</u>	<u>6,295</u>
Other			
Construction costs	-	-	-
Land acquisition	-	-	-
McHenry Area Youth Commission	-	-	-
Planning commission	3,500	452	3,048
Open space	2,500	1,053	1,447
Recycling	6,000	7,215	(1,215)
Newsletter	5,000	-	5,000
Gypsy Moth	6,000	6,000	-
Mosquito abatement	7,500	7,500	-
Contingencies	10,000	-	10,000
Total other	<u>40,500</u>	<u>22,220</u>	<u>18,280</u>
Total expenditures	<u>\$ 1,182,871</u>	<u>\$ 1,115,042</u>	<u>\$ 67,829</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, 2009

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 716,433	\$ 716,433	\$ 715,739	\$ (694)
Replacement taxes	26,000	26,000	24,065	(1,935)
Interest	12,200	12,200	6,183	(6,017)
Insurance dividend	1,000	1,000	878	(122)
Fines - traffic	24,000	24,000	36,146	12,146
Grant revenue	100,000	150,000	183,095	33,095
Fees - Culvert administration fee	2,000	2,000	(6,260)	(8,260)
Miscellaneous	500	500	3,409	2,909
Total revenues	882,133	932,133	963,255	31,122
Expenditures				
Current				
Highways and streets:				
Administration	41,735	46,035	39,682	6,353
Road division	285,000	342,300	307,658	34,642
Bridge division	440,000	366,000	28,487	337,513
Building division	62,000	62,100	49,923	12,177
Equipment division	115,000	125,000	117,593	7,407
Debt service	-	79,800	79,602	198
Capital outlay	294,000	271,900	570,060	(298,160)
Total expenditures	1,237,735	1,293,135	1,193,005	100,130
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(355,602)	(361,002)	(229,750)	131,252
Other financing sources (uses)				
Proceeds on sale of equipment	10,100	44,810	42,310	(2,500)
Installment loan proceeds	160,000	160,000	150,006	(9,994)
Total other financing source (uses)	170,100	204,810	192,316	(12,494)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	\$ (185,502)	\$ (156,192)	(37,434)	\$ 118,758
Fund balance				
Beginning of year			195,711	
End of year			<u>\$ 158,277</u>	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 Road and Bridge Fund
 Year Ended March 31, 2009

	Original Budget	Final Budget	Actual	Variance
Highways and streets				
Administration				
Accounting services	\$ 1,946	\$ 1,946	\$ 1,946	\$ -
Professional services	4,500	8,500	1,646	6,854
Professional improvement	1,000	1,000	490	510
Dues	500	500	387	113
Office supplies	2,500	2,500	1,912	588
Postage	1,000	1,000	504	496
Printing	1,000	900	275	625
Publishing	1,000	1,400	1,133	267
Equipment maintenance	1,800	1,800	1,297	503
Telephone	17,000	17,000	17,302	(302)
General insurance	6,489	6,489	6,489	-
Miscellaneous	3,000	3,000	6,301	(3,301)
Total administration	41,735	46,035	39,682	6,353
Road division				
Road improvements	145,000	145,300	132,982	12,318
Road maintenance	100,000	157,000	136,026	20,974
Uniforms	12,000	12,000	9,705	2,295
Street lighting	28,000	28,000	28,945	(945)
Total road division	285,000	342,300	307,658	34,642
Bridge division				
Engineering services	40,000	41,000	-	41,000
Maintenance/operating supplies	400,000	325,000	28,487	296,513
Total bridge division	440,000	366,000	28,487	337,513
Building division				
Maintenance	30,000	30,000	25,433	4,567
Ground maintenance supplies	3,000	3,100	3,065	35
Waste removal	6,000	6,000	4,036	1,964
Utilities	23,000	23,000	17,389	5,611
Total building division	62,000	62,100	49,923	12,177

(Continued)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
 Budget and Actual
 Road and Bridge Fund (continued)
 Year Ended March 31, 2009

	Original Budget	Final Budget	Actual	Variance
Highways and streets - (continued)				
Equipment division				
Vehicle / equipment maintenance	\$ 115,000	\$ 125,000	\$ 117,593	\$ 7,407
Total equipment division	115,000	125,000	117,593	7,407
Total highways and streets	943,735	941,435	543,343	398,092
Debt service - equipment division				
Principal	-	75,700	75,610	90
Interest	-	4,100	3,992	108
Total debt service	-	79,800	79,602	198
Capital outlay				
Administration				
Office equipment	4,000	4,000	2,894	1,106
Bridge division				
Buildings	40,000	30,000	20,658	9,342
Drainage	-	-	326,626	(326,626)
Equipment division				
Equipment purchases	250,000	237,900	219,882	18,018
Total capital outlay	294,000	271,900	570,060	(298,160)
Total expenditures	\$ 1,237,735	\$ 1,293,135	\$ 1,193,005	\$ 100,130

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, 2009

	General Assistance Fund	Road District			Cemetery Fund	Total
		Insurance Fund	Social Security Fund	IMRF Fund		
ASSETS						
Cash and cash equivalents	\$ 38,459	\$ 10,306	\$ 5,608	\$ 77,530	\$ 112,568	\$ 244,471
Property taxes receivable, net	33,002	57,022	64,289	17,517	18,700	190,530
Total assets	<u>\$ 71,461</u>	<u>\$ 67,328</u>	<u>\$ 69,897</u>	<u>\$ 95,047</u>	<u>\$ 131,268</u>	<u>\$ 435,001</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60
Accrued payroll and withholdings	644	-	-	-	-	644
Deferred property tax revenue	33,002	57,022	64,289	17,517	18,700	190,530
Total liabilities	<u>33,706</u>	<u>57,022</u>	<u>64,289</u>	<u>17,517</u>	<u>18,700</u>	<u>191,234</u>
Fund balances						
Reserved for perpetual care	-	-	-	-	5,195	5,195
Unreserved						
Designated for land acquisition	-	-	-	-	100,000	100,000
Unreserved						
Undesignated	37,755	10,306	5,608	77,530	7,373	138,572
Total fund balances	<u>37,755</u>	<u>10,306</u>	<u>5,608</u>	<u>77,530</u>	<u>112,568</u>	<u>243,767</u>
Total liabilities and fund balances	<u>\$ 71,461</u>	<u>\$ 67,328</u>	<u>\$ 69,897</u>	<u>\$ 95,047</u>	<u>\$ 131,268</u>	<u>\$ 435,001</u>

Township of Nunda, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended March 31, 2009

	General Assistance Fund	Road District				Total
		Insurance Fund	Social Security Fund	IMRF Fund	Cemetery Fund	
Revenues						
Property taxes	\$ 30,671	\$ 54,371	\$ 61,343	\$ 16,731	\$ 18,122	\$ 181,238
Replacement taxes	3,849	-	-	-	477	4,326
Interest	870	-	273	1,098	1,741	3,982
Insurance dividend	-	7,412	-	-	-	7,412
Other	-	-	-	-	1,559	1,559
Total revenues	35,390	61,783	61,616	17,829	21,899	198,517
Expenditures						
Current						
Highways and streets	-	56,426	66,434	10,659	-	133,519
Health and welfare	52,638	-	-	-	-	52,638
Cemeteries	-	-	-	-	32,849	32,849
Total expenditures	52,638	56,426	66,434	10,659	32,849	219,006
Excess (deficiency) of revenues over expenditures	(17,248)	5,357	(4,818)	7,170	(10,950)	(20,489)
Fund balance						
Beginning of year	55,003	4,949	10,426	70,360	123,518	264,256
End of year	\$ 37,755	\$ 10,306	\$ 5,608	\$ 77,530	\$ 112,568	\$ 243,767

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

General Assistance Fund

Year Ended March 31, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 30,000	\$ 30,671	\$ 671
Replacement taxes	4,000	3,849	(151)
Interest	2,550	870	(1,680)
Other	50	-	(50)
Total revenues	<u>36,600</u>	<u>35,390</u>	<u>(1,210)</u>
Expenditures			
Current			
Health and welfare			
Home relief	42,500	21,626	20,874
Administration	39,875	31,012	8,863
Other	10,000	-	10,000
Total expenditures	<u>92,375</u>	<u>52,638</u>	<u>39,737</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (55,775)</u>	<u>(17,248)</u>	<u>\$ 38,527</u>
Fund balance			
Beginning of year		<u>55,003</u>	
End of year		<u>\$ 37,755</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, 2009

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 54,421	\$ 54,421	\$ 54,371	\$ (50)
Interest	120	120	-	(120)
Insurance dividend	5,000	5,000	7,412	2,412
Total revenues	59,541	59,541	61,783	2,242
Expenditures				
Current				
Highways and streets				
Accounting services	417	417	417	-
Liability insurance	22,628	22,628	22,628	-
Workers compensation insurance	33,381	33,381	33,381	-
Unemployment insurance	-	-	-	-
Total expenditures	56,426	56,426	56,426	-
Excess (deficiency) of revenues over expenditures	\$ 3,115	\$ 3,115	5,357	\$ 2,242
Fund balance				
Beginning of year			4,949	
End of year			<u>\$ 10,306</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, 2009

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 61,402	\$ 61,402	\$ 61,343	\$ (59)
Interest	520	520	273	(247)
Total revenues	61,922	61,922	61,616	(306)
Expenditures				
Current				
Highways and streets				
Accounting services	417	417	417	-
Social security tax	65,000	65,000	66,017	(1,017)
Total expenditures	65,417	65,417	66,434	(1,017)
Excess (deficiency) of revenues over expenditures	\$ (3,495)	\$ (3,495)	(4,818)	\$ (1,323)
Fund balance				
Beginning of year			10,426	
End of year			<u>\$ 5,608</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, 2009

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 16,746	\$ 16,746	\$ 16,731	\$ (15)
Interest	1,510	1,510	1,098	(412)
Total revenues	18,256	18,256	17,829	(427)
Expenditures				
Current				
Highways and streets				
Accounting services	417	417	417	-
Illinois Municipal Retirement	40,000	40,000	10,242	29,758
Total expenditures	40,417	40,417	10,659	29,758
Excess (deficiency) of revenues over expenditures	\$ (22,161)	\$ (22,161)	7,170	\$ 29,331
Fund balance				
Beginning of year			70,360	
End of year			\$ 77,530	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Cemetery Fund
 Year Ended March 31, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Property tax	\$ 18,000	\$ 18,122	\$ 122
Replacement tax	500	477	(23)
Interest income	4,200	1,741	(2,459)
Other income			
Sale of lots	1,000	800	(200)
Burial permits	150	60	(90)
Monument permits	105	75	(30)
Perpetual care revenue	300	349	49
Miscellaneous	100	275	175
Total revenues	<u>24,355</u>	<u>21,899</u>	<u>(2,456)</u>
Expenditures			
Current			
General administration	14,550	10,095	4,455
Maintenance	16,500	12,384	4,116
Grounds improvements	12,500	10,370	2,130
Purchase of graves	400	-	400
Contingencies	10,000	-	10,000
Total expenditures	<u>53,950</u>	<u>32,849</u>	<u>21,101</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (29,595)</u>	<u>(10,950)</u>	<u>\$ 18,645</u>
Fund balance		<u>123,518</u>	
Beginning of year			
End of year		<u>\$ 112,568</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, 2009

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 1,773,696	\$ 1,773,696	\$ 1,771,952	\$ (1,744)
Replacement taxes	30,000	30,000	29,421	(579)
Interest	40,500	40,500	13,463	(27,037)
Grant revenue	-	-	(32,450)	(32,450)
Other				
Services and material sales	50,000	50,000	40,906	(9,094)
Miscellaneous	100	100	-	(100)
Total revenues	<u>1,894,296</u>	<u>1,894,296</u>	<u>1,823,292</u>	<u>(71,004)</u>
Expenditures				
Current				
Highways and streets:				
Administration	324,743	322,843	293,239	31,504
Road division	2,187,000	2,188,900	2,057,847	129,153
Other	1,500	1,500	654	846
Total expenditures	<u>2,513,243</u>	<u>2,513,243</u>	<u>2,351,740</u>	<u>161,503</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (618,947)</u>	<u>\$ (618,947)</u>	<u>(528,448)</u>	<u>\$ 90,499</u>
Fund balance				
Beginning of year			<u>692,342</u>	
End of year			<u>\$ 163,894</u>	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Permanent Hard Road
 Year Ended March 31, 2009

	Original Budget	Final Budget	Actual	Variance
Expenditures				
Current				
Highways and streets:				
Administration				
Accounting services	\$ 5,143	\$ 5,143	\$ 5,143	\$ -
Legal services	25,000	24,000	15,923	8,077
Travel	5,500	5,500	1,447	4,053
Insurance - life	2,600	2,600	2,329	271
Insurance - hospital	170,000	167,000	154,696	12,304
Employee physicals	1,500	2,500	1,518	982
Unemployment compensation	15,000	15,000	11,093	3,907
Rental expense - Town fund	100,000	101,100	101,090	10
Total administration	324,743	322,843	293,239	29,604
Road division				
Salaries	900,000	900,000	877,532	22,468
Engineering services	60,000	70,000	72,161	(2,161)
Road maintenance materials	150,000	325,000	308,015	16,985
Rental	15,000	4,900	1,968	2,932
Maintenance/ operating supplies	50,000	80,000	29,782	50,218
Maintenance personnel	5,000	8,000	6,388	1,612
Road improvements/ maintenance	800,000	600,000	592,690	7,310
Gasoline and oil	150,000	141,000	128,678	12,322
Signs and posts	30,000	30,000	14,730	15,270
Road safety program	7,000	7,000	3,359	3,641
Road striping	20,000	23,000	22,544	456
Total road division	2,187,000	2,188,900	2,057,847	131,053
Other				
Monitoring system - gas tanks	1,500	1,500	654	846
Total other	1,500	1,500	654	846
Total expenditures	\$ 2,513,243	\$ 2,513,243	\$ 2,351,740	\$ 161,503

Statistical Section (Unaudited)

Township of Nunda, Illinois

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

Levy Year	2008	2007	2006	2005	2004
Assessed Valuations	<u>\$1,456,325,934</u>	<u>\$1,395,512,481</u>	<u>\$1,298,396,885</u>	<u>\$1,211,545,304</u>	<u>\$1,099,905,237</u>
Rates and Extensions					
Town	0.070 \$ 1,020,287	0.069 \$ 962,904	0.071 \$ 916,668	0.071 \$ 867,467	0.074 \$ 815,032
General assistance	0.002 33,335	0.003 30,701	0.003 33,758	0.002 31,500	0.003 28,597
Road and bridge, net	0.052 753,471	0.051 716,434	0.053 683,228	0.054 650,447	0.060 611,061
Permanent hard road	0.130 1,876,796	0.130 1,773,696	0.130 1,689,214	0.132 1,599,240	0.137 1,502,471
Cemetery	0.001 18,889	0.001 18,142	0.001 16,879	0.001 15,748	0.001 14,298
Insurance	0.004 57,598	0.004 54,425	0.004 50,637	0.003 47,250	0.004 43,996
Social security	0.005 64,938	0.005 61,403	0.005 58,428	0.004 54,520	0.005 50,596
IMRF	0.001 17,694	0.002 16,746	0.002 29,863	0.002 29,081	0.002 26,401
	<u>0.265 \$ 3,843,008</u>	<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>
Taxes collected	\$ -	<u>\$ 3,630,888</u>	<u>\$ 3,471,925</u>	<u>\$ 3,293,376</u>	<u>\$ 3,092,741</u>
% of Extensions collected	<u>0.00%</u>	<u>99.90%</u>	<u>99.81%</u>	<u>99.94%</u>	<u>100.01%</u>

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.