TOWNSHIP OF NUNDA, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2007

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

DAM, SNELL & TAVEIRNE, LTD.

CERTIFIED • PUBLIC • ACCOUNTANTS

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, 2007, 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, 2007, 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.

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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 & Taveirne, Ltd.

Dam, Snell & Taveirne, Ltd.
Fox Lake, Illinois
October 12, 2007

Management's Discussion and Analysis (MD&A)

Nunda Township
McHenry County, Illinois
Management's Discussion and Analysis
For the Year Ended March 31, 2007

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, 2007, with comparisons to fiscal year 2006.

Financial Highlights

- Government-wide net assets increased by $287,195.
- Government-wide capital assets increased by $1,149,911.
- General revenues of $3,605,415 account for 98% of all revenues.
- The Township had $15,840,583 in net assets, of which $2,152,976 was unrestricted.
- Total debt, excluding compensated absences, increased $7,516.

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

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, 2007 and 2006.

Table 1	Statement of Net Assets As of March 31, Governmental Activities		
	2007	2006	Change
Assets:			
Current and other assets	$ 5,755,684	$ 6,390,188	$ (634,504)
Capital assets	14,821,463	13,671,552	1,149,911
Total assets	20,577,147	20,061,740	515,407
Liabilities:			
Long-term liabilities	1,007,623	1,025,236	(17,613)
Other liabilities	3,728,941	3,483,116	245,825
Total liabilities	4,736,564	4,508,352	228,212
Net Assets:			
Invested in capital assets, net of debt	13,682,412	13,566,692	115,720
Restricted	5,195	1,020,988	(1,015,793)
Unrestricted	2,152,976	965,708	1,187,268
Total net assets	$15,840,583	$15,553,388	$ 287,195

Capital asset balances for the year ended March 31, 2006 have been adjusted by $375,005 as described in the Notes to the Financial Statements (Note 10).

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 $15,840,583 at the close of fiscal year 2007. Of this amount, $13,682,412 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, $2,152,976, may be used to meet the Township's ongoing obligations to citizens and creditors.

During the fiscal year the Township issued $147,376 of installment debt, which accounts for a portion of the increase in liabilities. However, the majority of the increase in liabilities is due to a higher property tax levy (2006 levy) compared to the prior year (2005 levy), resulting in higher deferred property tax revenue at March 31, 2007.

Governmental Activities- Governmental activities increased Nunda Township's net assets by $287,195. The changes in net assets for the years ended March 31, 2007 and 2006 are outlined below in Table 2.

Table 2

Changes in Net Assets
For the Years Ended March 31,

	Governmental Activities		
	2007	2006	Change
Program Revenue			
Charges for service	$ 93,156	$ 28,025	$ 65,131
General Revenue			
Property taxes	3,293,376	3,092,741	200,635
Other taxes	85,870	85,262	608
Interest	158,421	102,069	56,352
Miscellaneous	67,748	97,535	(29,787)
Total revenue	3,698,571	3,405,632	292,939
Governmental Activities Expenses			
General government	963,762	958,963	4,799
Highways and streets	2,338,772	2,349,676	(10,904)
Health and welfare	39,913	41,343	(1,430)
Cemeteries	21,282	19,665	1,617
Interest	47,647	38,313	9,334
Total expenses	3,411,376	3,407,960	3,416
Change in Net Assets	287,195	(2,328)	289,523
Net Assets - Beginning	15,553,388	15,555,716	(2,328)
Net Assets - Ending	$ 15,840,583	$ 15,553,388	$ 287,195

Revenues increased $292,939 over the prior year, primarily due to increases in property taxes and interest income. The increase in property tax revenue was a result of a levy increase of approximately 6.5% between the 2004 levy (FY2006 revenue) and the 2005 levy (FY2007 revenue). Interest income was higher in fiscal year 2007 compared to the prior year because of better rates received as well as investment of the proceeds from the Series 2005 debt certificates.

Total expenses for fiscal year 2007 increased $200,387, or 6% over the prior year, primarily due to road improvements.

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 2007, Nunda Township's governmental funds reported a combined ending fund balance of $2,185,772, a decrease of $872,095 from the prior year. Approximately 91% of the fund balance or $1,980,219 constitutes unreserved fund balance, which is available for spending at the discretion of the Township. The remainder of the fund balance, $205,553, 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 2007, total (unreserved) fund balance of the general fund was $213,470. 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 Township's general fund balance decreased by $990,049. The key reason for the decrease was the construction of an addition to the township garage which was primarily funded by debt certificates issued in the prior fiscal year.

During the current fiscal year the Road and Bridge fund balance decreased by $55,074. The key reason for the decrease was the additional purchase of equipment.

The Permanent Hard Road fund increased its fund balance by $148,333 during the fiscal year. Property tax revenue, interest income, and charges for services and materials increased over the prior period.

Capital Assets and Debt Administration

Capital assets- Nunda Township's investment in capital assets for its governmental activities as of March 31, 2007 amounts to $14,821,463 (net of accumulated depreciation), as indicated in the following table:

	2007	2006
Land	$ 8,491,909	$ 8,491,909
Buildings	1,396,781	323,232
Fixtures and equipment	1,224,653	941,884
Cemetery assets *	-	-
Infrastructure	3,708,120	3,914,527
Total capital assets, net	$14,821,463	$13,671,552

*Cemetery assets of $26,424 were fully depreciated as of March 31, 2005.

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 $1,112,376, 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:

	2007	2006
Series 2005 debt certificates	$ 965,000	$ 1,000,000
Capital leases	-	104,860
Installment contracts	147,376	-
	$ 1,112,376	$ 1,104,860

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, 2007

	Governmental Activities
ASSETS	
Current	
Cash and cash equivalents	$ 2,187,681
Receivables	
Property taxes	3,443,888
Other governments	23,757
Inventory	100,358
Total current assets	5,755,684
Noncurrent	
Capital assets not being depreciated	8,491,909
Capital assets being depreciated, net	6,329,554
Total noncurrent assets	14,821,463
Total assets	$ 20,577,147
LIABILITIES AND NET ASSETS	
Liabilities	
Current	
Accounts payable	$ 89,898
Accrued payroll and withholdings	20,466
Accrued interest	15,704
Refundable deposits	15,660
Deferred property tax revenue	3,443,888
Compensated absences	16,561
Debt certificates	55,000
Installment agreements	71,764
Total current liabilities	3,728,941
Noncurrent	
Compensated absences	11,040
Debt certificates, net of unamortized premium of $10,971	920,971
Installment agreements	75,612
Total noncurrent liabilities	1,007,623
Total liabilities	4,736,564
Net Assets	
Invested in capital assets, net of related debt	13,682,412
Restricted for cemetery purposes	5,195
Unrestricted	2,152,976
Total net assets	15,840,583
Total liabilities and net assets	$ 20,577,147

See Notes to Basic Financial Statements.

Township of Nunda, Illinois

Statement of Activities
Year Ended March 31, 2007

Functions/ Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Governmental activities			
General government	$ 963,762	$ 2,355	$ (961,407)
Highways and streets	2,338,772	85,876	(2,252,896)
Health and welfare	39,913	-	(39,913)
Cemeteries	21,282	4,925	(16,357)
Interest	47,647	-	(47,647)
Total governmental activities	$ 3,411,376	$ 93,156	(3,318,220)

General revenues	
Taxes	
Property	3,293,376
Other	85,870
Interest	158,421
Miscellaneous	67,748
Total general revenues	3,605,415
Change in net assets	287,195
Net assets	
Beginning of year	15,178,383
Prior period adjustment (Note 10)	375,005
End of year	$ 15,840,583

See Notes to Basic Financial Statements.

Fund Financial Statements

Township of Nunda, Illinois

Balance Sheet
Governmental Funds
March 31, 2007

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 230,847	$ 240,622	$ 1,460,109	$ 256,103	$ 2,187,681
Receivables					
Property taxes	907,501	676,396	1,672,322	187,669	3,443,888
Other governments	-	8,757	15,000	-	23,757
Inventory	-	100,358	-	-	100,358
Total assets	$ 1,138,348	$ 1,026,133	$ 3,147,431	$ 443,772	$ 5,755,684
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 9,744	$ 13,211	$ 66,635	$ 308	$ 89,898
Accrued payroll and withholdings	7,633	-	12,404	429	20,466
Refundable deposits	-	15,660	-	-	15,660
Deferred property tax revenue	907,501	676,396	1,672,322	187,669	3,443,888
Total liabilities	924,878	705,267	1,751,361	188,406	3,569,912
Fund balances					
Reserved for inventory	-	100,358	-	-	100,358
Reserved for perpetual care	-	-	-	5,195	5,195
Unreserved - designated for land acquisition	-	-	-	100,000	100,000
Unreserved - undesignated					
General fund	213,470	-	-	-	213,470
Special revenue funds	-	220,508	-	150,171	370,679
Capital project fund	-	-	1,396,070	-	1,396,070
Total fund balances	213,470	320,866	1,396,070	255,366	2,185,772
Total liabilities and fund balances	$ 1,138,348	$ 1,026,133	$ 3,147,431	$ 443,772	$ 5,755,684

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, 2007

Total fund balances - governmental funds	$	2,185,772
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		14,821,463
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		(15,704)
Compensated absences		(27,601)
Debt certificates		(965,000)
Unamortized premium on debt certificates		(10,971)
Installment agreements		(147,376)
Net assets of governmental funds	$	15,840,583

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, 2007

	General Fund	Road and Bridge Fund	Permanent Hard Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 866,955	$ 650,141	$ 1,598,291	$ 177,989	$ 3,293,376
Replacement taxes	23,447	25,598	32,475	4,350	85,870
Interest	40,155	18,787	87,169	12,310	158,421
Rents	101,303	-	-	-	101,303
Insurance dividend	2,996	956	-	7,204	11,156
Fines	-	35,715	-	-	35,715
Fees	-	1,300	-	-	1,300
Other income	5,979	11,784	87,348	5,267	110,378
Total revenues	1,040,835	744,281	1,805,283	207,120	3,797,519
Expenditures					
Current					
General government	934,186	-	-	-	934,186
Highways and streets	-	208,269	1,656,950	121,230	1,986,449
Health and welfare	-	-	-	39,913	39,913
Cemeteries	-	-	-	21,282	21,282
Debt service	96,942	110,623	-	-	207,565
Capital outlay	999,756	627,839	-	-	1,627,595
Total expenditures	2,030,884	946,731	1,656,950	182,425	4,816,990
Excess (deficiency) of revenues over (under) expenditures	(990,049)	(202,450)	148,333	24,695	(1,019,471)
Other financing sources (uses)					
Installment loan proceeds	-	147,376	-	-	147,376
Excess of revenues and other sources over expenditures and other uses	(990,049)	(55,074)	148,333	24,695	(872,095)
Fund balances					
Beginning of year	1,203,519	375,940	1,247,737	230,671	3,057,867
End of year	$ 213,470	$ 320,866	$ 1,396,070	$ 255,366	$ 2,185,772

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, 2007

Net change in fund balances - total governmental funds		$ (872,095)
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	$ 1,830,535	
Depreciation expense	(585,940)	1,244,595
Some capital additions were financed through the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the Statement of Net Assets, debt is reported as a liability. In the current period, proceeds were received from:		
Installment agreements		(147,376)
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	(548,667)	
Related accumulated depreciation	453,983	(94,684)
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		104,860
Debt certificates principal payments		35,000
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		18,013
(Increase) decrease in compensated absences		(3,163)
Amortization of debt certificate premium		2,045
Change in net assets of governmental activities		$ 287,195

See 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.

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.

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.

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.

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.

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.

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.

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 amended its original budget and appropriation ordinance for the General (Town) fund.

As of March 31, 2007, 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 2006 property tax levy is levied to finance the operations of fiscal year 2007, the 2006 property tax levy is recorded as a receivable and the property tax revenue is deferred. The 2005 property tax levy is recorded as revenue by the Township in accordance with the applicable measurement focus and basis of accounting for fiscal year 2007.

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 2005 become due and payable in two installments in June 2006 and September 2006. 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, 2007, 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, 2007, $1,928,897 of the Township's total bank balance of $2,234,093 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 7,568
Uninsured and collateral held by pledging bank's safekeeping department	1,921,329
Total	$1,928,897

Note 5 – Capital Assets

A summary of changes in the capital assets for governmental activities of the Township for the year ended March 31, 2007, is as follows:

	April 1, 2006	Additions	Deletions	March 31, 2007
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 8,491,909	$ -	$ -	$ 8,491,909
Capital assets being depreciated:				
Buildings	984,439	1,110,065	-	2,094,504
Fixtures and equipment	2,793,213	720,470	548,667	2,965,016
Cemetery assets	26,424	-	-	26,424
Infrastructure	7,102,606	-	-	7,102,606
Total depreciable assets	10,906,682	1,830,535	548,667	12,188,550
Less accumulated depreciation for:				
Buildings	661,207	36,516	-	697,723
Fixtures and equipment	1,851,329	343,017	453,983	1,740,363
Cemetery assets	26,424	-	-	26,424
Infrastructure	3,188,079	206,407	-	3,394,486
Total accumulated depreciation	5,727,039	585,940	453,983	5,858,996
Net depreciable capital assets	5,179,643	1,244,595	94,684	6,329,554
Governmental activities Capital assets, net	$13,671,552	$1,244,595	$ 94,684	$ 14,821,463

Depreciation was charged to the following functions/programs:

Governmental activities:	
General government	$ 21,283
Highways and streets	564,657
Total depreciation expense – governmental activities	$ 585,940

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, 2007:

	Outstanding Debt as of April 1, 2006	Additions	Reductions	Outstanding Debt as of March 31, 2007	Due Within One Year
Compensated absences	$ 24,438	$ 64,390	$ 61,227	$ 27,601	$ 16,561
Installment contracts	-	147,376	-	147,376	71,764
Debt Certificates*	1,000,000	-	35,000	965,000	55,000
Capital leases	104,860	-	104,860	-	-
	$ 1,129,298	$ 211,766	$ 201,087	$ 1,139,977	$ 143,325

* Excludes unamortized premium of $10,971.

Outstanding debt as of March 31, 2007, consists of the following:

Installment contract, requires annual installments of $32,418, which includes interest at 5.33%, through June 9, 2008	$ 60,000
Installment agreement, requires annual installments of $47,251, which includes interest at 5.39%, through June 16, 2008	87,376
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	965,000
Total outstanding debt	$1,112,376

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

	Debt Certificates		Installment Agreements	
Year ended March 31:	Principal	Interest	Principal	Interest
2008	$ 55,000	$ 43,565	$ 71,764	$ 7,906
2009	60,000	41,090	75,612	4,056
2010	60,000	38,390	-	-
2011	65,000	35,690	-	-
2012	65,000	32,765	-	-
2013-2017	385,000	116,125		
2018-2020	275,000	25,350	-	-
Totals	$ 965,000	$ 332,975	$ 147,376	$ 11,962

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 - Road and Bridge 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 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.

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 2006 was 1.16 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, 2006, was 5 years.

For calendar year 2006, the Township's annual pension cost of $13,303 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2004, 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 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 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 2006 actuarial valuation were based on the 2002-2004 experience study.

Trend Information	Cost (APC) and Annual Required Contribution (ARC)	% of APC and ARC Contributed
Actuarial Valuation Date:		
December 31, 2006	$ 13,303	100%
December 31, 2005	65,182	100
December 31, 2004	21,276	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.

Note 10 – *Prior Period Adjustment*

In the government-wide financial statements, the beginning balances reported for capital assets and related accumulated depreciation have been adjusted to reflect the Township's detailed records. This change increased the net capital assets and investment in net capital assets by $375,005.

Required Supplementary Information

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

Schedule of Funding Progess -

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)
12/31/2006	$ 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)
12/31/1997	1,051,243	609,625	(441,618)	172.44	627,438	(70.38)

Schedule of Employer Contributions -

Actuarial Valuation Date	Annual Required Contributions	Percentage Contributed
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
12/31/1997	38,946	100

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General (Town) Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 860,000	$ 866,955	$ 6,955
Replacement taxes	20,000	23,447	3,447
Interest - investments	12,000	13,427	1,427
Interest - County Treasurer	300	398	98
Interest - debt certificates	10,000	26,330	16,330
Rental	2,500	2,355	(145)
Rent income road district	96,942	98,948	2,006
Insurance dividend	3,000	2,996	(4)
Grant revenue	300,000	5,000	(295,000)
Miscellaneous income	300	979	679
Total revenues	1,305,042	1,040,835	(264,207)
Expenditures			
Current			
General government	956,050	934,186	21,864
Debt service	96,942	96,942	-
Capital outlay	1,312,000	999,756	312,244
Total expenditures	2,364,992	2,030,884	334,108
Excess (deficiency) of revenues over expenditures	$ (1,059,950)	(990,049)	$ 69,901
Fund balance			
Beginning of year		1,203,519	
End of year		$ 213,470	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
Budget and Actual
General (Town) Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Expenditures			
General government			
Administration			
Salaries	$ 17,000	$ 12,460	$ 4,540
Deputy clerk	500	-	500
Professional services	5,000	6,714	(1,714)
Accounting services	11,000	10,290	710
Legal services	5,000	9,358	(4,358)
Professional improvement	500	1,146	(646)
Equipment purchase	3,000	2,603	397
Maintenance expense	5,000	7,423	(2,423)
Dues - Township officials	1,300	257	1,043
Travel	500	177	323
Publishing	1,000	244	756
Utilities	7,500	10,471	(2,971)
General insurance	4,000	4,086	(86)
Liability insurance	10,200	10,198	2
Workers compensation insurance	7,500	7,501	(1)
Unemployment compensation	100	69	31
Social security tax	1,000	853	147
Illinois Municipal Retirement	175	114	61
Interest expense debt certificates	61,942	61,942	-
Principal reduction debt certificates	35,000	35,000	-
Total administration	177,217	180,906	(3,689)
Town officials			
Supervisor's salary	59,500	59,656	(156)
Town clerk's salary	11,950	11,983	(33)
Assessor's salary	65,520	63,791	1,729
Highway commissioner's salary	74,880	75,088	(208)
Board of trustees	7,800	6,150	1,650
Road district treasurer	1,000	1,003	(3)
Cemetery trustees	1,500	1,500	-
Life insurance	450	377	73
Hospitalization insurance	44,000	46,818	(2,818)
Social security taxes	17,000	16,657	343
Illinois Municipal Retirement	2,500	2,319	181
Total town officials	286,100	285,342	758

(Continued)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
Budget and Actual
General (Town) Fund (continued)
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
General government (continued)			
Supervisor's office			
Clerical staff salaries	$ 38,000	$ 38,618	$ (618)
Professional improvement	500	169	331
Travel	500	240	260
Office supplies	4,000	4,901	(901)
Telephone	3,000	1,424	1,576
Life insurance	100	126	(26)
Hospitalization insurance	600	570	30
Unemployment compensation	500	245	255
Social security taxes	3,000	3,357	(357)
Illinois Municipal Retirement	625	345	280
Miscellaneous	2,000	501	1,499
Total supervisor's office	52,825	50,496	2,329
Assessor's office			
Clerical staff salaries	312,000	312,799	(799)
Professional services	5,200	1,208	3,992
Professional improvement	7,800	5,234	2,566
Equipment purchase	9,000	5,714	3,286
Computer expenses	12,500	9,220	3,280
Automobile expenses	8,600	7,374	1,226
Dues	850	312	538
Travel	2,000	869	1,131
Office supplies	4,500	3,500	1,000
Postage	550	595	(45)
Printing	1,400	283	1,117
Publications and subscriptions	5,100	5,257	(157)
Maintenance	1,600	729	871
Telephone	5,500	4,372	1,128
Life insurance	1,000	961	39
Hospitalization insurance	91,000	104,262	(13,262)
Unemployment compensation	1,000	1,015	(15)
Social security tax	24,000	23,128	872
Illinois Municipal Retirement	4,000	3,582	418
Miscellaneous	3,000	2,481	519
Total assessor's office	500,600	492,895	7,705

(Continued)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
Budget and Actual
General (Town) Fund (continued)
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
General government (continued)			
Township - park			
Grounds maintenance	$ 4,500	$ -	$ 4,500
Bay Road Park development	5,000	2,260	2,740
Total township - park	9,500	2,260	7,240
Other			
Construction costs	1,000,000	991,439	8,561
Land acquisition	300,000	-	300,000
McHenry Area Youth Commission	2,000	2,000	-
Planning commission	5,000	943	4,057
Open space	2,000	1,274	726
Recycling	6,000	7,123	(1,123)
Newsletter	5,000	5,405	(405)
Gypsy Moth	2,000	-	2,000
Mosquito abatement	6,750	6,750	-
Contingencies	10,000	4,051	5,949
Total other	1,338,750	1,018,985	319,765
Total expenditures	$ 2,364,992	$ 2,030,884	$ 334,108

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Road and Bridge Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 650,447	$ 650,141	$ (306)
Replacement taxes	24,000	25,598	1,598
Interest	100	18,787	18,687
Insurance dividend	2,000	956	(1,044)
Fines - traffic	22,000	35,715	13,715
Fees - Culvert administration fee	1,500	1,300	(200)
Other			
Material and equipment sales	55,000	4,540	(50,460)
Miscellaneous	500	7,244	6,744
Total revenues	755,547	744,281	(11,266)
Expenditures			
Current			
Highways and streets:			
Administration	34,763	33,593	1,170
Road division	38,000	29,850	8,150
Bridge division	50,000	7,914	42,086
Building division	50,000	37,221	12,779
Equipment division	100,000	99,691	309
Debt service	-	110,623	(110,623)
Capital outlay	715,000	627,839	87,161
Total expenditures	987,763	946,731	41,032
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	$ (232,216)	(202,450)	$ 29,766
Other financing sources (uses)			
Installment loan proceeds		147,376	
Excess of revenues and other sources over expenditures and other uses		(55,074)	
Fund balance			
Beginning of year		375,940	
End of year		$ 320,866	

Township of Nunda, Illinois

Detailed Schedule of Expenditures
Budget and Actual
Road and Bridge Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Highways and streets			
Administration			
Accounting services	$ 2,500	$ 2,310	$ 190
Professional improvement	2,000	1,205	795
Dues	500	640	(140)
Office supplies	3,500	2,223	1,277
Postage	800	440	360
Printing	1,500	150	1,350
Publishing	1,500	960	540
Equipment maintenance	1,000	757	243
Telephone	15,000	15,481	(481)
General insurance	4,463	6,979	(2,516)
Miscellaneous	2,000	2,448	(448)
Total administration	34,763	33,593	1,170
Road division			
Road improvements	11,500	2,831	8,669
Uniforms	5,500	4,913	587
Street lighting	21,000	22,106	(1,106)
Total road division	38,000	29,850	8,150
Bridge division			
Maintenance/operating supplies	50,000	7,914	42,086
Total bridge division	50,000	7,914	42,086
Building division			
Maintenance	25,000	19,585	5,415
Ground maintenance supplies	3,000	1,432	1,568
Waste removal	7,000	4,226	2,774
Utilities	15,000	11,978	3,022
Total building division	50,000	37,221	12,779

(Continued)

Township of Nunda, Illinois

Detailed Schedule of Expenditures
Budget and Actual
Road and Bridge Fund (continued)
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Highways and streets - (continued)			
Equipment division			
Vehicle / equipment maintenance	$ 100,000	$ 99,691	$ 309
Total equipment division	100,000	99,691	309
Total highways and streets	272,763	208,269	64,494
Debt service - equipment division			
Principal	-	104,860	(104,860)
Interest	-	5,763	(5,763)
Total debt service	-	110,623	(110,623)
Capital outlay			
Administration			
Office equipment	5,000	4,769	231
Building division			
Buildings	60,000	46,500	13,500
Equipment division			
Equipment purchases	650,000	576,570	73,430
Total capital outlay	715,000	627,839	87,161
Total expenditures	$ 987,763	$ 946,731	$ 41,032

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, 2007

		Road District				
	General Assistance Fund	Insurance Fund	Social Security Fund	IMRF Fund	Cemetery Fund	Total
ASSETS						
Cash and cash equivalents	$ 57,938	$ 4,099	$ 12,287	$ 46,816	$ 134,963	$ 256,103
Property taxes receivable	33,420	50,131	57,844	29,564	16,710	187,669
Total assets	$ 91,358	$ 54,230	$ 70,131	$ 76,380	$ 151,673	$ 443,772
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 308	$ -	$ -	$ -	$ -	$ 308
Accrued payroll and withholdings	429	-	-	-	-	429
Deferred property tax revenue	33,420	50,131	57,844	29,564	16,710	187,669
Total liabilities	34,157	50,131	57,844	29,564	16,710	188,406
Fund balances						
Reserved for perpetual care	-	-	-	-	5,195	5,195
Unreserved						
Designated for land acquisition	-	-	-	-	100,000	100,000
Unreserved						
Undesignated	57,201	4,099	12,287	46,816	29,768	150,171
Total fund balances	57,201	4,099	12,287	46,816	134,963	255,366
Total liabilities and fund balances	$ 91,358	$ 54,230	$ 70,131	$ 76,380	$ 151,673	$ 443,772

Township of Nunda, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended March 31, 2007

		Road District				
	General Assistance Fund	Insurance Fund	Social Security Fund	IMRF Fund	Cemetery Fund	Total
Revenues						
Property taxes	$ 31,479	$ 47,220	$ 54,489	$ 29,062	$ 15,739	$ 177,989
Replacement taxes	3,905	-	-	-	445	4,350
Interest	3,378	-	1,189	2,132	5,611	12,310
Insurance dividend	-	7,204	-	-	-	7,204
Other	-	-	-	-	5,267	5,267
Total revenues	38,762	54,424	55,678	31,194	27,062	207,120
Expenditures						
Current						
Highways and streets	-	62,925	50,956	7,349	-	121,230
Health and welfare	39,913	-	-	-	-	39,913
Cemeteries	-	-	-	-	21,282	21,282
Total expenditures	39,913	62,925	50,956	7,349	21,282	182,425
Excess (deficiency) of revenues over expenditures	(1,151)	(8,501)	4,722	23,845	5,780	24,695
Fund balance						
Beginning of year	58,352	12,600	7,565	22,971	129,183	230,671
End of year	$ 57,201	$ 4,099	$ 12,287	$ 46,816	$ 134,963	$ 255,366

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Assistance Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 30,500	$ 31,479	$ 979
Replacement taxes	3,000	3,905	905
Interest	2,450	3,378	928
Other	50	-	(50)
Total revenues	36,000	38,762	2,762
Expenditures			
Current			
Health and welfare			
Home relief	42,500	9,376	33,124
Administration	39,875	30,537	9,338
Other	10,000	-	10,000
Total expenditures	92,375	39,913	52,462
Excess (deficiency) of revenues over expenditures	$ (56,375)	(1,151)	$ 55,224
Fund balance			
Beginning of year		58,352	
End of year		$ 57,201	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Road District Insurance Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 47,250	$ 47,220	$ (30)
Interest	100	-	(100)
Insurance dividend	5,000	7,204	2,204
Total revenues	52,350	54,424	2,074
Expenditures			
Current			
Highways and streets			
Accounting services	550	495	55
Liability insurance	24,922	24,922	-
Workers compensation insurance	30,003	30,003	-
Unemployment insurance	7,000	7,505	(505)
Total expenditures	62,475	62,925	(450)
Excess (deficiency) of revenues over expenditures	$ (10,125)	(8,501)	$ 1,624
Fund balance			
Beginning of year		12,600	
End of year		$ 4,099	

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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 54,519	$ 54,489	$ (30)
Interest	100	1,189	1,089
Total revenues	54,619	55,678	1,059
Expenditures			
Current			
Highways and streets			
Accounting services	550	495	55
Social security tax	50,000	50,461	(461)
Total expenditures	50,550	50,956	(406)
Excess (deficiency) of revenues over expenditures	$ 4,069	4,722	$ 653
Fund balance			
Beginning of year		7,565	
End of year		$ 12,287	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Road District IMRF Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 29,081	$ 29,062	$ (19)
Interest	100	2,132	2,032
Total revenues	29,181	31,194	2,013
Expenditures			
Current			
Highways and streets			
Accounting services	550	495	55
Illinois Municipal Retirement	40,000	6,854	33,146
Total expenditures	40,550	7,349	33,201
Excess (deficiency) of revenues over expenditures	$ (11,369)	23,845	$ 35,214
Fund balance			
Beginning of year		22,971	
End of year		$ 46,816	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Cemetery Fund
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property tax	$ 15,225	$ 15,739	$ 514
Replacement tax	300	445	145
Interest income	4,000	5,611	1,611
Other income			
Sale of lots	1,000	4,600	3,600
Burial permits	150	205	55
Monument permits	100	120	20
Perpetual care revenue	200	342	142
Miscellaneous	100	-	(100)
Total revenues	21,075	27,062	5,987
Expenditures			
Current			
General administration	11,750	9,462	2,288
Maintenance	11,000	1,830	9,170
Grounds improvements	10,000	9,990	10
Purchase of graves	1,000	-	1,000
Contingencies	10,000	-	10,000
Total expenditures	43,750	21,282	22,468
Excess (deficiency) of revenues over expenditures	$ (22,675)	5,780	$ 28,455
Fund balance			
Beginning of year		129,183	
End of year		$ 134,963	

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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	$ 1,599,239	$ 1,598,291	$ (948)
Replacement taxes	30,000	32,475	2,475
Interest	15,000	87,169	72,169
Other			
Services and material sales	10,000	44,321	34,321
Miscellaneous	100	43,027	42,927
Total revenues	1,654,339	1,805,283	150,944
Expenditures			
Current			
Highways and streets:			
Administration	307,442	260,303	47,139
Road division	2,182,000	1,396,520	785,480
Other	1,500	127	1,373
Total expenditures	2,490,942	1,656,950	833,992
Excess (deficiency) of revenues over expenditures	$ (836,603)	148,333	$ 984,936
Fund balance			
Beginning of year		1,247,737	
End of year		$ 1,396,070	

Township of Nunda, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Permanent Hard Road
Year Ended March 31, 2007

	Original and Final Budget	Actual	Variance
Expenditures			
Current			
Highways and streets:			
Administration			
Accounting services	$ 6,500	$ 6,105	$ 395
Legal services	35,000	9,800	25,200
Travel	5,500	2,514	2,986
Insurance - life	2,300	1,474	826
Insurance - hospital	160,000	141,152	18,848
Employee physicals	1,200	310	890
Rental expense - Town fund	96,942	98,948	(2,006)
Total administration	307,442	260,303	47,139
Road division			
Salaries	800,000	684,555	115,445
Engineering services	125,000	85,436	39,564
Road maintenance materials	150,000	72,382	77,618
Rental	25,000	146	24,854
Maintenance/ operating supplies	150,000	84,409	65,591
Maintenance personnel	5,000	3,310	1,690
Road improvements/ maintenance	800,000	348,787	451,213
Gasoline and oil	75,000	78,774	(3,774)
Signs and posts	25,000	18,013	6,987
Road safety program	7,000	4,056	2,944
Road striping	20,000	16,652	3,348
Total road division	2,182,000	1,396,520	785,480
Other			
Monitoring system - gas tanks	1,500	127	1,373
Total other	1,500	127	1,373
Total expenditures	$ 2,490,942	$ 1,656,950	$ 833,992

Statistical Section (Unaudited)

Township of Nunda, Illinois

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

Levy Year	2006		2005		2004		2003		2002	
Assessed Valuations	$1,298,396,885		$1,211,545,304		$1,099,905,237		$1,014,574,420		$915,054,323	
Rates and Extensions										
Town	0.071	$ 916,668	0.071	$ 867,467	0.074	$ 815,032	0.076	$ 773,107	0.080	$ 730,217
General assistance	0.003	33,758	0.002	31,500	0.003	28,597	0.003	26,379	0.003	24,706
Road and bridge, net	0.053	683,228	0.054	650,447	0.060	611,061	0.057	581,293	0.060	551,658
Permanent hard road	0.130	1,689,214	0.132	1,599,240	0.137	1,502,471	0.140	1,424,462	0.147	1,345,129
Cemetery	0.001	16,879	0.001	15,748	0.001	14,298	0.001	13,189	0.001	12,810
Insurance	0.004	50,637	0.003	47,250	0.004	43,996	0.004	41,597	0.004	38,432
Social security	0.005	58,428	0.004	54,520	0.005	50,596	0.006	47,685	0.005	44,837
IMRF	0.002	29,863	0.002	29,081	0.002	26,401	0.002	24,353	0.003	22,879
	0.269	$ 3,478,675	0.269	$ 3,295,253	0.286	$ 3,092,452	0.289	$ 2,932,065	0.303	$ 2,770,668
Taxes collected	$ -		$ 3,293,376		$ 3,092,741		$ 2,929,298		$ 2,763,683	
% of Extensions collected	0.00%		99.94%		100.01%		99.91%		99.75%	

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.