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Grafton Township, IL

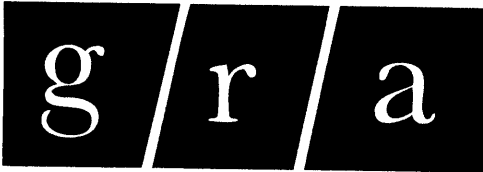
Annual Financial Report

For Year Ended March 31, 2012

GRAFTON TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor
and Members of the Board of
Grafton Township, IL

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grafton Township, of Illinois as of and for the year ended March 31, 2012, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Township of Grafton prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 Grafton Township, of Illinois, as of March 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2-6, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Grafton Township, of Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

George Roach & Associates, P.C.

May 24, 2013

GRAFTON TOWNSHIP, IL

Management's Discussion and Analysis

As management of the Grafton Township (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2012. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at March 31, 2012 by \$1,885,413 (*net assets*). Of this amount, \$274,602 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets increased by \$221,631.
- At March 31, 2012, the Township's governmental funds reported combined ending fund balances of \$989,826, a decrease of \$291,738 from the prior year.
- At March 31, 2012, the fund balance for the General Fund was \$270,975.
- The Township's total fixed assets increased by \$64,869 during the year ended March 31, 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-wide financial statements

The government-wide financial statements are prepared using the modified cash basis of accounting and are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private-sector businesses.

The statement of net assets presents financial information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township include general government, services for youth and family, seniors, general assistance and mental health, and road and bridge projects.

Fund financial statements

All of the funds of the Township are governmental funds. The fund financial statements are prepared using the modified cash basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's four funds and one component unit (road and bridge).

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget to actual revenues and expenditures.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning Grafton Township's progress in funding its obligation to provide pension benefits to its employees. Additionally, required supplementary information regarding a statement of revenues, expenditures, and changes in fund balance - budget vs. actual for each major fund is presented in this section.

The Township adopts an annual budget for all funds. A budgetary comparison statement has been provided for the Town Fund and other governmental funds to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Grafton Township, assets exceeded liabilities by \$1,885,413 for the year ended March 31, 2012. A portion of the Township's net assets reflects its investment in capital assets, \$856,687. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net asset balance is \$1,028,726, of which \$754,124 is restricted and \$274,602 is unrestricted.

Grafton Township Net Assets

	Governmental Activities	
	<u>3/31/2012</u>	<u>3/31/2011</u>
Current and Other Assets	\$ 997,476	\$ 1,288,332
Fixed Assets	1,165,587	1,100,718
Total Assets	\$ 2,163,063	\$ 2,389,050
Long-term Liabilities	250,000	\$ 665,000
Other Liabilities	20,000	60,268
Total Liabilities	\$ 270,000	\$ 725,268
Net Assets:		
Invested in Capital Assets, Net of Related Debt	856,687	1,077,218
Restricted	754,124	-
Unrestricted	274,602	586,564
Total Net Assets	\$ 1,885,413	\$ 1,663,782

An additional portion of the Township's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$274,602) may be used to meet the Township's ongoing obligations to citizens and creditors.

At March 31, 2012, the Township is able to report positive balances in all three categories of net assets. The Township's net assets increased by \$221,631 during the year ended March 31, 2012.

Governmental activities

Key elements of the increases to net assets by governmental activities are as follows:

Grafton Township Changes Net Assets

	Governmental Activities	
	3/31/2012	3/31/2011
Revenues		
Program Revenues		
Charges for Services	\$ 8,747	\$ 67,444
Operating Grants	13,209	3,796
General Revenues		
Property Taxes	1,652,920	1,602,072
Replacement Taxes	63,993	70,095
Intergovernmental Receipts	404,175	-
Interest	8,807	2,339
Licenses, fees, permits	-	-
Other income	1,322	11,131
Total Revenues	2,153,173	1,756,877
Expenses		
General Government	950,285	967,200
Assessor	453,061	393,541
General Assistance	63,220	73,455
Road and Bridge	428,393	311,083
Interest	36,583	44,458
Total Expenses	1,931,542	1,789,737
Increase/(Decrease) in Net Assets	221,631	(32,860)
Net Assets - Beginning of Year	1,663,782	1,696,642
Net Assets - End of Year	\$ 1,885,413	\$ 1,663,782

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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

Governmental funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the 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 the end of the fiscal year.

At March 31, 2012, the Township's governmental funds reported combined ending fund balances of \$989,826, a decrease of \$291,738 in comparison with the prior year.

The Town Fund is the chief operating fund of the Township. At March 31, 2012, the fund balance of the Town Fund was \$270,975. This represents a decrease of \$400,205 compared to the prior fiscal year.

General Fund Budgetary Highlights

Expenditures in the General Town Fund of \$1,393,076 were under revenues by \$400,205 and were \$ 361,275 less than the appropriation of \$1,754,351.

CAPITAL ASSETS

The Township's capital fixed assets for its governmental activities as of March 31, 2012 amount to \$1,165,587 (net of accumulated depreciation). This investment in fixed assets includes land, roads and improvements, buildings and improvements, vehicles, and other equipment.

Major fixed asset events during the current fiscal year included the following:

Fixed Assets	Balance			Balance
	April 1, 2011	Increases	Decreases	March 31, 2012
Land	\$ 412,886	\$ -	\$ -	\$ 412,886
Buildings	298,577	-	-	298,577
Equipment	458,681	16,483	-	475,164
Road Improvements	-	115,235	-	115,235
Vehicles	448,660	-	-	448,660
Total Fixed Assets	1,618,804	131,718	-	1,750,522
Less: Accumulated Depreciation	518,086	66,849	-	584,935
Fixed Assets (Net)	\$ 1,100,718	\$ 64,869	\$ -	\$ 1,165,587

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Township for 2012 is \$1,322,459,704. That represents a decrease in EAV of \$155,803,476 over the prior year's EAV. Taxes recorded in these financial statements are from the 2010 levy. A summary of the assessed valuations and extensions for tax years 2012, 2011, and 2010 is as follows:

Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

**GRAFTON TOWNSHIP, ILLINOIS
ASSESSED VALUATIONS, EXTENDED TAX RATES
PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES**

TAX LEVY YEAR	2012	2011	2010
ASSESSED VALUATION			
McHenry County	<u>\$ 1,322,459,704</u>	<u>\$ 1,478,263,180</u>	<u>\$ 1,443,604,765</u>

TAX RATES AND PERCENTAGE ALLOCATIONS BY FUND

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
Town -- Corporate	0.080208	56.59	0.069212	56.62	0.06534	53.25
Town -- Insurance	0.001333	0.94	0.001138	0.93	0.00116	0.95
Public Assistance	0.001569	1.11	0.001339	1.10	0.00546	4.45
Road & Bridge	0.017927	12.65	0.016429	13.44	0.01649	13.44
Permanent Road	0.037845	26.70	0.031676	25.91	0.03180	25.91
Road & Bridge -- IMRF	0.000958	0.68	0.001019	0.83	0.00102	0.83
Road & Bridge -- Insurance	0.001890	1.33	0.001436	1.17	0.00144	1.17
Totals	<u>0.141730</u>	<u>100.00</u>	<u>0.122249</u>	<u>100.00</u>	<u>0.12271</u>	<u>100.00</u>

Property Tax Extensions

Funds	2012	2011	2010
Town -- Corporate	\$ 1,060,718	\$ 1,023,135	\$ 943,266
Town -- Insurance	17,628	16,823	16,746
Public Assistance	20,749	19,794	78,806
Road & Bridge	237,077	242,864	238,065
Permanent Road	500,485	468,255	458,994
Road & Bridge -- IMRF	12,669	15,064	14,768
Road & Bridge -- Insurance	24,994	21,228	20,802
Totals	<u>\$ 1,874,320</u>	<u>\$ 1,807,163</u>	<u>\$ 1,771,447</u>

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor, Grafton Township, 10109 Vine Street, Huntley, IL 60142.

GRAFTON TOWNSHIP, ILLINOIS
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
March 31, 2012

	Governmental Activities
ASSETS	
Cash and investments, at cost	\$ 997,476
Fixed Assets	1,165,587
TOTAL ASSETS	\$ 2,163,063
LIABILITIES	
Payroll withholdings	\$ 7,650
Current portion of long term debt	20,000
Long term Debt	250,000
TOTAL LIABILITIES	277,650
NET ASSETS	
Investment in capital assets, net of related debt	856,687
Restricted - general assistance	162,768
Restricted - gen. road & bridge	556,083
Restricted - IMRF	24,733
Restricted - insurance	10,540
Unrestricted	274,602
TOTAL NET ASSETS	\$ 1,885,413

The accompanying notes are an integral part of these statements.

GRAFTON TOWNSHIP, ILLINOIS
GOVERNMENTAL FUND TYPES
COMBINED BALANCE SHEET -- MODIFIED CASH BASIS
 March 31, 2012

ASSETS	Corporate Fund	General Assistance Fund	Road & Bridge Fund	Total
Cash	\$ 277,413	\$ 162,768	\$ 557,295	\$ 997,476
TOTAL ASSETS	\$ 277,413	\$ 162,768	\$ 557,295	\$ 997,476
LIABILITIES				
Payroll withholdings	\$ 6,438	\$ -	\$ 1,212	\$ 7,650
TOTAL LIABILITIES	6,438	-	1,212	7,650
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	35,273	162,768	556,083	754,124
Committed	-	-	-	-
Assigned	100,000	-	-	100,000
Unassigned	135,702	-	-	135,702
TOTAL FUND BALANCE	270,975	162,768	556,083	989,826
TOTAL LIABILITIES AND FUND BALANCE	\$ 277,413	\$ 162,768	\$ 557,295	\$ 997,476

The accompanying notes are an integral part of these statements.

GRAFTON TOWNSHIP, ILLINOIS

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES -- MODIFIED CASH BASIS**

Year Ended March 31, 2012

	Corporate Fund	General Assistance Fund	Road & Bridge Fund	Total
REVENUE				
Property taxes	\$ 960,832	\$ 74,843	\$ 617,245	\$ 1,652,920
Replacement taxes	23,696	-	40,297	63,993
Licenses, fees, and permits	4,753	-	3,994	8,747
Intergovernmental receipts	-	-	404,350	404,350
Grants and donations	-	-	13,209	13,209
Interest income	475	137	710	1,322
Miscellaneous revenue	3,115	1,121	4,396	8,632
TOTAL REVENUE	<u>992,871</u>	<u>76,101</u>	<u>1,084,201</u>	<u>2,153,173</u>
EXPENDITURES				
Administrative	879,945	47,117	65,588	992,650
Assessor	449,041	-	-	449,041
Transportation	64,090	-	-	64,090
Home relief	-	16,103	-	16,103
Maintenance	-	-	75,212	75,212
Debt Service -- principal	-	-	420,000	420,000
Debt Service -- interest	-	-	16,583	16,583
Permanent Road	-	-	411,232	411,232
TOTAL EXPENDITURES	<u>1,393,076</u>	<u>63,220</u>	<u>988,615</u>	<u>2,444,911</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES	(400,205)	12,881	95,586	(291,738)
MUNICIPAL EQUITY				
Balance, beginning of year	671,180	149,887	460,497	1,281,564
TOTAL MUNICIPAL EQUITY	<u>\$ 270,975</u>	<u>\$ 162,768</u>	<u>\$ 556,083</u>	<u>\$ 989,826</u>

The accompanying notes are an integral part of these statements.

GRAFTON TOWNSHIP, ILLINOIS
RECONCILIATIONS OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF GOVERNMENTAL NET ASSETS AND STATEMENT OF ACTIVITIES

Year Ended March 31, 2012

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET ASSETS

Total Fund Balances--Total Governmental Funds (Exhibit C)	\$	989,826
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Amount net of depreciation		1,165,587
Other employee benefit obligations accruals are not reported in funds		
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Assets		
		<u>(270,000)</u>
Total Net Assets of Governmental Activities (Exhibit A)	\$	<u>1,885,413</u>

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO GOVERNMENTAL STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	(291,738)
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciation over their useful life. (amount shown is net of depreciation)		
		64,869
Governmental funds report the payment of debt and leases as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability.		
		448,500
Changes in Net Assets governmental funds	\$	<u>221,631</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accounting policies of Grafton Township (the “Township”) are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Township follows all Governmental Accounting Standards Board (GASB) pronouncements and pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements; to the extent they are applicable to the modified cash basis of accounting. The more significant accounting policies used by the Township are discussed below. In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Township’s overall financial position and results of operations
- Financial statements prepared using modified cash basis accounting for all of the Township’s activities
- A change in the fund financial statements to focus on the major funds

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

Reporting Entity

The Township is located in the Village of Huntley, Illinois and is governed by a board. The Township is primarily funded through a tax levy, operating grants, fines and fees, and charitable donations. Revenue is used to operate and staff the Township. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Township, there are no component units to be included in these financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Township’s basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township’s major funds).

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) are reported using the modified cash basis of accounting. Revenue is recorded when received and expenses are recorded paid. Property taxes are recognized as revenue in the year received.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies (Continued)

The statement of net assets includes and recognizes all long-term assets and long-term debt and obligations. The Township's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to Township patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenue is recognized as soon as it is received. Expenditures generally are recorded when paid, as under cash accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be susceptible to cash and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

The Township reports all the funds as major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund, while the Township Road & Bridge Fund accounts for the resources associated with taxes levied specifically for the maintenance of the Township's road and bridges. General Assistance funds are administered by the Township Supervisor in accordance with the policies of the Township.

Financial Statement Amounts:

Bank Deposits and Investments - The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Township maintains a cash and investment pool which is available for use by the General and Special Revenue Funds.

The Township's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20-50 years
Equipment, furniture, and fixtures	5-20 years

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. A liability for these amounts is reported in the governmental fund - General Fund only for employee terminations as of year end.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

The Township has a pension plan covering substantially all the full-time employees. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Township's appropriation Ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, 2012, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2012 appropriations ordinance was adopted May 24, 2011.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Township has not classified any items as being Nonspendable.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies (Continued)

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board. These amounts cannot be used for any other purpose unless the Township Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Township did not have any committed resources as of March 30, 2012.

Assigned - This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township Board or through the Township Board delegating this responsibility to the Township manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Township would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

(2) Cash and Investments

The Township's investment policies are governed by state statutes whereby Township money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

The Township's pooled and nonpooled deposits are categorized to give an indication of the level of risk assumed by the Township at March 31, 2012. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	<u>Category</u>			Bank balance	Carrying amount
	1	2	3		
<u>Pooled deposits</u>					
Checking/savings	\$ 250,000	\$ 746,717		\$996,717	\$997,476

NOTES TO FINANCIAL STATEMENTS

(3) Illinois Municipal Retirement

A. Plan Description

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. Your employer 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.imrfor.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 9.33 percent. The employer 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. The required contribution for calendar year 2011 was \$60,246.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	60,246	100%	\$0
12/31/10	63,643	96%	0
12/31/09	60,726	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer 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 employer regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 81.18 percent funded. The actuarial accrued liability for benefits was \$1,010,713 and the actuarial value of assets was \$820,512, resulting in an underfunded actuarial accrued liability (UAAL) of \$190,201. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$645,724 and the ratio of the UAAL to the covered payroll was 29 percent.

NOTES TO FINANCIAL STATEMENTS

(4) Changes in General Fixed Assets

	Balance			Balance
	April 1, 2011	Acquisitions	Disposals	March 31, 2012
Land	\$ 412,886			\$ 412,886
Buildings	298,577			298,577
Equipment	458,681	\$ 16,483		475,164
Road Improvements	-	115,235		115,235
Vehicles	448,660			448,660
Total	1,618,804	\$ 131,718	\$ -	1,750,522
Less : Accumulated Depreciation	(518,086)			(584,935)
Net Assets	\$ 1,100,718			\$ 1,165,587

(5) Long-term Debt

On August 1, 2008 the Township's Road and Bridge Fund issued debt certificates in the amount of \$700,000 in order to purchase the existing township building. Principal payments are due on each January 1 beginning in 2011 and continuing until 2028. Interest rates range from 4.10-5.00% and are to be paid each July 1 and January 1, through 2028. The balance due on these debt certificates at March 31, 2012 is \$300,000. At March 31, 2011 the annual debt service requirements to cover these debt certificates:

Year Ending			
March 31,	Principal	Interest	Total
2013	\$ 20,000	\$ 12,800	\$ 32,800
2014	20,000	11,800	31,800
2015	25,000	10,800	35,800
2016	25,000	9,550	34,550
2017-2020	140,000	23,450	163,450
2,021	40,000	1,660	41,660
Totals	\$ 270,000	\$ 70,060	\$ 340,060

Long-term liability activity for the year ended March 31, 2012 was as follows:

	Balance		Balance		Amounts
Governmental Activities: Long-Term Debt	April 1, 2011	Additions	Retirements	March 31, 2012	Due Within
					One Year
Debt Certificates	\$ 685,000		\$ 415,000	\$ 270,000	\$ 20,000
Tractor -- Capital Lease	23,500		23,500	-	-
Total Governmental Long Term Obligations	\$ 708,500	\$ -	\$ 438,500	\$ 270,000	\$ 20,000

(6) Risk Management

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTES TO FINANCIAL STATEMENTS

(7) Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial Statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

The Township is named in lawsuits between township officials. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the Township, such loss has been accrued in the accompanying financial statements. Litigation where loss to the Township is reasonably possible has not been accrued; however, the Township management is vigorously defending against all such claims and an estimate of such loss, if any, is not possible. The outcome of the remaining claims cannot be determined at this time.

There have been no other recognized or non-recognized subsequent events that have occurred between March 31, 2012 and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Township prepares its budget on the modified cash basis of accounting.

Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Township procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

1. Prior to June 15th the Township Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding April 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to June 31st.
4. The Township Treasurer is authorized to expend the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The original budget was not amended during the fiscal year.
6. Formal budgetary integration is not employed as a management control device during the year for any fund.
7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.

REQUIRED SUPPLEMENTARY INFORMATION

IMRF Trend Information

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.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 820,512	\$ 1,010,713	\$ 190,201	81.18%	\$ 645,724	29.46%
12/31/2010	\$ 698,918	\$ 847,614	\$ 148,696	82.46%	\$ 692,521	21.47%
12/31/2009	\$ 900,094	\$ 987,773	\$ 87,679	91.12%	\$ 755,299	11.61%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$247,067. On a market basis, the funded ratio would be 91.30%.

GRAFTON TOWNSHIP, ILLINOIS
TOWN FUND

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS

Year Ended March 31, 2012

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Modified Cash Basis</u>
REVENUE			
Property taxes	\$ 960,012	\$ 960,012	\$ 960,832
Replacement taxes	28,000	28,000	23,696
Municipal transport income	4,700	4,700	4,753
Intergovernmental VOH	10,000	10,000	-
Intergovernmental road	17,073	17,073	-
Grants and donations	10	10	-
Interest income	1,560	1,560	475
Sale of assets	120,000	120,000	-
Miscellaneous revenue	2,010	2,010	3,115
Total Revenues	<u>1,143,365</u>	<u>1,143,365</u>	<u>992,871</u>
GENERAL AND ADMINISTRATIVE			
Personnel			
Salaries	40,000	40,000	35,291
Elected officials	220,000	220,000	179,459
Health insurance	56,000	56,000	71,973
Social Security	24,700	24,700	772
Unemployment insurance	5,000	5,000	12,197
IMRF contribution	23,500	23,500	23,127
Total personnel	<u>369,200</u>	<u>369,200</u>	<u>322,819</u>
Contractual services			
Maintenance - buildings	5,000	5,000	3,813
Maintenance - equipment	4,000	4,000	3,747
TOIRMA insurance	16,000	16,000	13,946
Accounting services	12,000	12,000	1,662
Legal services	150,000	150,000	105,649
Other professional services	25,000	25,000	-
Other contract services - clerk	2,000	2,000	6,858
Officials stipend	1,000	1,000	295
Postage	500	500	386
Telephone	3,500	3,500	869
Publishing	1,500	1,500	452
Printing	2,000	2,000	1,682
Dues, memberships	2,500	2,500	2,119
Travel expenses	1,000	1,000	496
Training and education	1,500	1,500	1,408
GA room rental	60,500	60,500	-
Room rental	1,500	1,500	625
Annual meeting	2,000	2,000	600
Utilities	6,000	6,000	4,897
Total contractual services	<u>297,500</u>	<u>297,500</u>	<u>149,504</u>

SCHEDULE 1
(Continued)

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS

Year Ended March 31, 2012

	<u>Original</u> <u>Appropriations</u>	<u>Final</u> <u>Appropriations</u>	<u>Modified</u> <u>Cash</u> <u>Basis</u>
Commodities			
Fuel and oil	500	500	566
Other miscellaneous	500	500	651
Office supplies	3,000	3,000	2,956
Operating supplies	3,500	3,500	3,174
Total commodities	7,500	7,500	7,347
Capital expenditures/debt service			
Building--Road District	443,711	443,711	400,000
Equipment	5,000	5,000	275
Total capital expenditures	448,711	448,711	400,275
TOTAL ADMINISTRATIVE	1,122,911	1,122,911	879,945
ASSESOR OFFICE			
Personnel			
Salaries	320,000	320,000	272,516
Social Security	24,500	24,500	36,354
Medicare	-	-	8,401
Health insurance	58,800	58,800	51,757
IMRF contribution	32,000	32,000	24,733
Professional appraisal services	14,400	14,400	-
Uniforms	300	300	38
Payroll service fees	5,000	5,000	1,317
Total personnel	455,000	455,000	395,116
Contractual services			
Maintenance services	9,000	9,000	2,743
Legal services	5,000	5,000	-
Postage	450	450	21
Printing	300	300	-
Publishing	100	100	-
Telephone	2,640	2,640	3,060
Dues, memberships	150	150	-
Travel and meetings	8,000	8,000	3,048
Training and education	2,800	2,800	1,660
Total contractual services	28,440	28,440	10,532
Commodities			
Office supplies	8,500	8,500	4,370
Periodicals and publications	2,800	2,800	260
Other miscellaneous	200	200	4
Total commodities	11,500	11,500	4,634

SCHEDULE 1
(Concluded)

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS

Year Ended March 31, 2012

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Modified Cash Basis</u>
Capital expenditures			
Building	25,000	25,000	-
Software	37,000	37,000	36,745
Equipment	7,500	7,500	2,014
Total capital expenditures	69,500	69,500	38,759
TOTAL ASSESOR OFFICE	564,440	564,440	449,041
TRANSPORTATION			
Personnel			
Salaries	42,000	42,000	44,157
Social Security	-	-	-
Medicare	-	-	-
IMRF contribution	-	-	-
Total personnel	42,000	42,000	44,157
Contractual services			
Maintenance - vehicles	5,000	5,000	6,337
Printing	2,000	2,000	812
Telephone	2,000	2,000	1,041
Postage	4,000	4,000	2,232
Total contractual services	13,000	13,000	10,422
Commodities			
Gas/diesel/oil	8,000	8,000	6,626
Office supplies	600	600	123
Other miscellaneous	400	400	589
Total commodities	9,000	9,000	7,338
Other expenditures			
Bingo games	3,000	3,000	2,173
Total other expenditures	3,000	3,000	2,173
TOTAL TRANSPORTATION	67,000	67,000	64,090
TOTAL DISBURSEMENTS			
CORPORATE FUND	1,754,351	1,754,351	1,393,076
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (610,986)	\$ (610,986)	\$ (400,205)

GRAFTON TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND
COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS
Year Ended March 31, 2012

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Modified Cash Basis</u>
REVENUE			
Property taxes	\$ 78,806	\$ 78,806	\$ 74,843
Interest income	200	200	137
Miscellaneous revenue	150	150	1,121
Total Revenues	79,156	79,156	76,101
GENERAL AND ADMINISTRATION			
Personnel			
Salaries	18,000	18,000	37,756
Social Security	1,377	1,377	-
Medicare	261	261	-
Unemployment insurance	1,206	1,206	-
Health insurance	3,000	3,000	-
Retirement contribution	1,800	1,800	-
Total personnel	25,644	25,644	37,756
Contractual services			
Maintenance service - building	15,000	15,000	-
Maintenance service - equipment	9,356	9,356	600
Maintenance service - vehicle	-	-	3,187
Accounting services	2,500	2,500	-
Legal services	2,000	2,000	-
Other professional services	1,500	1,500	841
Postage	280	280	88
Printing	1,500	1,500	132
Publishing	500	500	65
Telephone	1,500	1,500	517
Training and education	1,000	1,000	690
Tavel and meetings	1,000	1,000	52
Utilities	1,500	1,500	500
Total contractual services	37,636	37,636	6,672
Commodities			
Fuel and oil	500	500	400
Office supplies	1,000	1,000	902
Operating supplies	500	500	-
Total commodities	2,000	2,000	1,302
Capital expenditures			
Capital outlay - equipment	2,000	2,000	1,387
Total capital expenditures	2,000	2,000	1,387
TOTAL ADMINISTRATIVE	67,280	67,280	47,117

SCHEDULE 2
(concluded)

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS

Year Ended March 31, 2012

	<u>Original</u> <u>Appropriations</u>	<u>Final</u> <u>Appropriations</u>	<u>Modified</u> <u>Cash</u> <u>Basis</u>
HOME RELIEF			
Contractual services			
Transportation assistance	1,000	1,000	-
Physician services	11,806	11,806	-
Hospital services	7,000	7,000	-
Dental services	2,000	2,000	-
Other medical services insurance	4,000	4,000	2,460
Funeral and burial services	9,000	9,000	-
Shelter	9,000	9,000	2,648
Utility payments	37,000	37,000	10,807
Ambulance services	2,000	2,000	-
Eyecare	2,000	2,000	-
Total contractual services	84,806	84,806	15,915
Commodities			
Food	1,000	1,000	188
Personal incidentals	1,000	1,000	-
Household incidentals	1,000	1,000	-
Flat Grant	3,500	3,500	-
Prescriptions	750	750	-
Fuel	560	560	-
Total commodities	7,810	7,810	188
TOTAL HOME RELIEF	92,616	92,616	16,103
TOTAL DISBURSEMENTS GENERAL ASSISTANCE FUND	159,896	159,896	63,220
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (80,740)	\$ (80,740)	\$ 12,881

GRAFTON TOWNSHIP, ILLINOIS
GENERAL ROAD & BRIDGE FUND
COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS
Year Ended March 31, 2012

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Modified Cash Basis</u>
REVENUE			
Property taxes	\$ 582,749	\$ 582,749	\$ 581,736
IMRF property taxes	14,768	14,768	14,743
Insurance property taxes	20,802	20,802	20,766
Replacement taxes	43,000	43,000	40,297
Court fines and permits	3,000	3,000	1,020
Rental income	39,000	39,000	-
Intergovernmental agreement	426,100	426,100	404,350
Permits and bonds	2,000	2,000	2,974
Grants and donations	10,000	10,000	13,209
Interest income	930	930	710
Miscellaneous revenue	3,400	3,400	4,396
Total Revenues	1,145,749	1,145,749	1,084,201
GENERAL AND ADMINISTRATION			
Personnel			
Salaries	6,000	6,000	5,645
Unemployment insurance	6,000	6,000	1,802
IMRF contribution	35,000	35,000	14,322
Total personnel	47,000	47,000	21,769
Contractual services			
Maintenance - equipment	1,000	1,000	-
Dues and subscriptions	300	300	185
Accounting services	4,000	4,000	1,151
Legal services	12,000	12,000	6,993
Postage	50	50	18
Telephone	4,500	4,500	2,984
Publishing	1,500	1,500	56
Printing	200	200	-
Training	500	500	25
Travel and meetings	5,000	5,000	2,686
Risk Mgmt. - TOIRMA ins.	30,000	30,000	20,068
Total contractual services	59,050	59,050	34,166
Commodities			
Office supplies	400	470	470
Other miscellaneous	8,000	7,930	147
Total commodities	8,400	8,400	617
Capital expenditures			
Equipment	4,000	4,000	207
Total capital expenditures	4,000	4,000	207
Other expenditures			
Municipal replacement tax	8,850	8,850	8,829
Contingency	32,000	32,000	-
Total other expenditures	40,850	40,850	8,829
TOTAL ADMINISTRATIVE	159,300	159,300	65,588

SCHEDULE 3
(Continued)

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS
Year Ended March 31, 2012

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Modified Cash Basis</u>
MAINTENANCE			
Personnel			
Salaries	8,500	8,500	7,903
Total personnel	8,500	8,500	7,903
Contractual services			
Maintenance - buildings	10,000	10,000	6,226
Maintenance - equipment	8,000	8,000	3,843
Maintenance - vehicles	8,500	8,500	813
Maintenance - road	1,200	1,200	-
Garbage disposal	3,000	3,000	1,539
Engineering	500	500	-
Utilities	9,000	9,000	3,389
Rentals	300	300	-
Total contractual services	40,500	40,500	15,810
Commodities			
Building maintenance supplies	10,000	10,000	307
Equipment supplies	10,000	10,000	2,510
Vehicle supplies	10,000	10,000	2,873
Road supplies	10,200	10,200	-
Operating supplies	2,500	2,500	719
Small tools	6,000	6,000	228
Miscellaneous	3,000	3,000	-
Total commodities	51,700	51,700	6,637
Debt Service			
Building--principal	437,000)	437,000)	420,000
Building--interest))))	16,583
Total debt service	437,000	437,000	436,583
Capital expenditures			
Roads/equipment leases	122,500	122,500	44,862
Other improvements	25,000	25,000	-
Total capital expenditures	147,500	147,500	44,862
Other expenditures			
Intergovernmental agreement	17,073	17,073	-
Total other expenditures	17,073	17,073	-
TOTAL MAINTENANCE	702,273	702,273	511,795

SCHEDULE 3
(Concluded)

COMPARISON OF REVENUES AND DISBURSEMENTS WITH APPROPRIATIONS
Year Ended March 31, 2012

PERMANENT ROAD DEPARTMENT	Original Appropriations	Final Appropriations	Modified Cash Basis
Personnel			
Salaries	194,000	194,000	139,046
Health insurance	30,000	30,000	19,051
Social Security	13,500	13,500	9,461
Medicare	3,500	3,500	2,213
Uniforms	1,500	1,500	301
Total personnel	242,500	242,500	170,072
Contractual services			
Maintenance - equipment			
Maintenance - roads	210,000	210,000	124,492
Maintenance - street lights	6,000	6,000	3,465
Maintenance - road striping	19,000	19,000	12,832
Maintenance - road and signs	20,000	20,000	294
Engineering services	15,000	15,000	10,088
Rentals	3,000	3,000	-
Total contractual services	273,000	273,000	151,171
Commodities			
Salt, calcium, ice control	100,000	100,000	62,957
Road supplies	39,000	39,000	7,831
Miscellaneous	10,000	10,000	1,509
Operating supplies	10,000	10,000	693
Gas/diesel/oil	45,000	45,000	16,999
Total commodities	204,000	204,000	89,989
Other expenditures			
Contingency	15,000	15,000	-
Total other expenditures	15,000	15,000	-
TOTAL PERMANENT ROAD	734,500	734,500	411,232
TOTAL DISBURSEMENTS	1,596,073	1,596,073	988,615
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (450,324)	\$ (450,324)	\$ 95,586