

VILLAGE OF WINNEBAGO, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
APRIL 30, 2009

VILLAGE OF WINNEBAGO, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Village of Winnebago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnebago, Illinois (Village) as of and for the year then ended April 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Winnebago, Illinois, as of April 30, 2009, and the respective changes in financial position and cash flows of its proprietary fund, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis, budgetary comparison information and other required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. 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 an opinion on the financial statements that collectively comprise the Village's basic financial statements. The combining, individual non-major fund financial statements and the schedules listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual non-major fund financial statements and schedules listed in the table of contents as other supplementary information 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.

October 7, 2009

Elliott & Company

VILLAGE OF WINNEBAGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2009
(Unaudited)

This section of the Village of Winnebago's Annual Financial Report presents our discussion and analysis of the Village's financial activities during the year ended April 30, 2009.

FINANCIAL HIGHLIGHTS

- Net asset position and performance in total – The Village's total net assets at April 30, 2009 were \$7,278,659.
- Governmental activity summary – Net assets for governmental activities increased by \$66,389 during the year.
- Business-type activity summary – Net assets for governmental activities increased by \$210,823 during the year.
- General Fund summary – The Village's General Fund reported an increase of \$195,904 in fund balance for the year.
- Budget vs. actual – The Village's budgeted revenues for the General Fund exceeded total actual revenues by \$49,460 while the actual expenditures were less than total budgeted expenditures by \$334,125.
- New capital – Net capital and infrastructure assets increased by \$47,059.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements, which present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the Village's overall financial status.

Fund financial statements focus on individual parts of the Village government, reporting Village operation in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, the Village has provided sections for combining statements to provide detail on non-major funds and additional supplementary information.

The following table summarizes the major features of the Village's financial statements.

GOVERNMENT-WIDE STATEMENTS		FUND STATEMENTS	
		Governmental Funds	Proprietary Funds
Scope	Entire Village government	Activities of the Village that are not proprietary such as public safety	Activities the Village Operates similar to private Business such as the water department
Required financial statements	<ul style="list-style-type: none"> - Statement of net assets - Statement of activities 	<ul style="list-style-type: none"> - Balance sheet - Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> - Statement of net assets - Statement of revenues, Expenses, and changes in net assets - Statement of cash flows
Accounting basis	Accrual	Modified accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources
Type of assets & liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital, short and long-term
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to disclose bottom line results for the Village and its governmental and business-type activities.

This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and / or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including administration, financial services, police, and public works. Property taxes, telecommunication taxes, and shared state tax distributions finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long term financial information.

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual), which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds, proceeds from sales of capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide Statements.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity.

If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its costs of maintenance in lieu of depreciation. The Village has elected to depreciate assets over their useful life. If a project is considered

maintenance - a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. An “overlay” of a street will be considered maintenance whereas a “rebuild” of a street will be capitalized.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

In accordance with GASB Statement No. 34, a comparative analysis of government-wide information is presented.

NET ASSETS

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets (on a comparative basis):

Table 1
Statement of Net Assets
As of April 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Current and Other assets	\$ 1,685,564	1,849,821	1,304,283	1,058,663	2,989,847	2,908,484
Capital assets	3,169,514	3,009,256	1,717,756	1,830,955	4,887,270	4,840,211
Total assets	4,855,078	4,859,077	3,022,039	2,889,618	7,877,117	7,748,695
Current and other liabilities	293,808	331,273	140,475	147,319	434,283	478,592
Long-term Liabilities	51,734	84,657	112,441	183,999	164,175	268,656
Total liabilities	345,542	415,930	252,916	331,318	598,458	747,248
Net assets:						
Invested in capital assets, net of related debt	3,084,857	2,869,888	1,533,757	1,578,004	4,618,614	4,447,892
Restricted	516,986	799,639	221,765	287,528	738,751	1,087,167
Unrestricted	907,693	773,620	1,013,601	692,768	1,921,294	1,466,388
Total net assets	\$ 4,509,536	4,443,147	2,769,123	2,558,300	7,278,659	7,001,447

For more detailed information see the Statement of Net Assets.

Normal Impacts–Net Assets

There are six common (basic) types of transactions that will generally affect the comparability of the Statements of Net Assets summary presentation.

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net assets.

Borrowing For Capital – Increases current assets and long-term debt.

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and invested in capital assets, net of debt.

Current Year Impacts–Net Assets

The Village's combined net assets at April 30, 2009 were \$7,278,659 for all funds. This is an increase of \$277,212 during the year. Total assets increased from \$7,748,695 to \$7,877,117, an increase of \$128,422. Cash and investments increased by \$69,701. The capital assets (net) increased by \$47,059 or 1% of the total.

The total liabilities decreased by \$148,790. The non-current liabilities due in more than one year decreased by \$104,481. The decrease in non-current liabilities resulted from payments on existing debt.

The net assets of business-type activities increased by \$210,823 during the year and ended at \$2,769,123. Unrestricted assets, available to finance the continuing operation of its business-type activities, were \$1,013,601. The annual operating cost of the Village's business-type activities for the fiscal year was \$630,910.

The total net assets at April 30, 2009 were \$7,278,659, of which 63% is the investment in capital assets, net of the related debt, another 10% is restricted for debt service and maintenance of roads and bridges. The remaining 27% or \$1,921,294 available for any purpose, which is an increase of \$454,906 or 31% from the unrestricted net assets of 2008.

Statement of Changes In Net Assets

The following chart reflects the condensed Statement of Changes in Net Assets.

Overall, the financial condition continues to improve as measured by the fact that assets increased and liabilities decreased.

Table 2
Changes in Net Assets
For the Years Ended April 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program revenues:						
Charges for services	\$ 82,815	90,271	838,697	787,906	921,512	878,177
Operating grants	5,480	6,542	-	25,000	5,480	31,542
Capital contributions	281,707	-	-	-	281,707	-
General revenues:						
Property taxes	396,165	366,229	-	105	396,165	366,334
Other taxes	817,150	876,201	-	-	817,150	876,201
Interest	13,700	54,734	11,869	33,525	25,569	88,259
Miscellaneous	58,662	70,409	-	-	58,662	70,409
Total revenues	1,656,679	1,464,386	850,566	846,536	2,506,245	2,310,922
EXPENSES						
General government	414,559	473,073	-	-	414,559	473,073
Public safety	527,275	597,128	-	-	527,275	597,128
Public works	580,722	516,048	-	-	580,722	516,048
Parks & recreation	61,434	74,779	-	-	61,434	74,779
Interest	5,300	5,221	8,833	11,344	14,133	16,565
Water & sewer	-	-	630,910	685,502	630,910	685,502
Total expenses	1,589,290	1,666,249	639,743	696,846	2,229,033	2,363,095
Changes in net assets	66,389	(201,863)	210,823	149,690	277,212	(52,173)
Net assets, beginning	4,443,147	4,645,010	2,558,300	2,408,610	7,001,447	7,053,620
Net assets, ending	\$ 4,509,536	4,443,147	2,769,123	2,558,300	7,278,659	7,001,447

For more detailed information see the Statement of Activities.

Normal Impact—Changes In Net Assets

Reflected below are eight common (basic) impacts on revenues and expense.

Revenues:

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease In Village Approval Rates – while statutes set certain tax rates, the Village Board has authority to impose and periodically increase/decrease rates (building permit fees, etc.). The Village's property taxes are subject to tax caps, which generally limit Village increases to the lesser of the change in the Consumer Price Index or 5%.

Changing Patterns In Intergovernmental And Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts On Investment Income – The Village's investment portfolio is managed with an approach utilizing competitive pricing, and diversity of investments.

Expenses:

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted, or expanded to meet changing community needs

Changes In Authorized Personnel – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

Salary Increases (annual adjustments and step increases) – The Village strives to maintain a competitive salary range position in the marketplace.

Inflation – While overall inflation appears to be modest (the CPI was 0.10% at April 30, 2009), the Village is a major consumer of certain commodities and services, which typically experience inflation at a rate that can be significantly different from the CPI. Examples of such items include health insurance, fuel, electricity and operating supplies.

Current Year Impacts—Changes In Net Assets

Governmental Activities

Revenues:

Revenues from governmental activities total \$1,656,679. The largest source of revenue was \$396,165 from property tax. Sales and use taxes were the next highest with revenue for the year of \$367,186. Contributed capital ranged third with \$281,707. The next highest source of income was state income tax with \$236,418. The revenues from these four sources represent 78% of the governmental activity revenues. Total revenue from all taxes was \$1,213,315 or 73%. The Village also recognized \$82,815 in charges for services or 5% of total revenue.

Expenses:

The Village's total governmental activity expenses were \$1,589,290. The three major functional areas were general government \$414,559 or 26% of the total; public works \$580,722 or 37% of the total; and public safety of \$527,275 or 33%. These three functional areas account \$1,522,557 or 96% of the total expenses of the Village.

Personnel costs including wages, health & life insurance, and retirement benefits were \$723,343 or 46% of the total expenses. Another major expense was highways and streets contractual services expense of \$370,870 or 23% of the total expenses.

Business-Type Activities

Revenues:

Revenues from business-type activities total \$850,566. The largest source of revenue was \$471,350 or 56% from sewer revenue. Charges for water were the next highest with revenue for the year of \$205,198 or 24%. Refuse and recycling income ranged third with \$154,441 or 18%. The revenues from these three sources represent 98% of the business-type activity revenues. All other revenue totaled \$19,577 or 2% of total revenues.

Expenses:

The Village's total business-type activity expenses were \$639,743. The three major areas of operating expenses were wages & benefit expenses of \$119,516 or 19% of the total; refuse & recycling expenses of \$143,816 or 22% of the total; and depreciation of \$176,891 or 28% of the total. These three areas account for \$440,223 or 69% of the total business-type expenses of the Village. Overall, expenses in total decreased by \$57,103 or 8% compared to the prior year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At April 30, 2009, the governmental funds reported a combined fund balance of \$1,408,476; a decrease of \$152,654 from the prior year, which is mainly attributed to a decrease of \$286,871 in the Motor Fuel Tax Fund. The General Fund balance increased by \$195,904. All other funds netted a decrease of \$61,687.

The Village's cash and investments increased by \$134,087 for all governmental funds excluding Motor Fuel Tax during the year ended April 30, 2009. Motor Fuel Tax Fund cash and investments decreased by \$293,478. Accounts payable decreased by approximately \$37,443. The Village's overall financial health continued is stable, as the cash balances were adequate to fund current operations.

Motor Fuel Tax fund expenditures were \$370,870, an increase of \$127,352 from prior year. Motor fuel tax revenue decreased by only \$5,391 to \$77,190 while interest income decreased significantly from \$28,509 to \$6,809.

Police Protection fund revenues increased slightly from \$283,864 to \$297,737 in the current fiscal year. Expenses decreased from \$587,926 in 2008 to \$505,010 in 2009, a decrease of 14%, which was mainly caused by lower personnel expenditures. The net effect of these changes was a decrease in fund balance of \$46,878.

Debt Service fund revenues of \$40,006 decreased by \$1,698 from the prior year and expenditures of \$35,788 were almost exactly the same as in 2008. The fund balance increased by \$4,218 to \$104,116.

General Fund Budgetary Highlights

General Fund	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 876,502	876,502	838,001
Licenses, Fees and Permits	30,353	30,353	19,218
Interest	5,251	5,251	5,428
Other	16,041	16,041	16,040
Total	928,147	928,147	878,687
Expenditures			
Expenditures	885,126	880,751	546,626
Operating transfers	(654,563)	(650,563)	(136,157)
Net Change in Fund Balance	\$ (611,542)	(603,167)	195,904

CAPITAL ASSETS AND DEBT ADMINISTRATION

As allowed by GASB Statement No. 34, the Village has elected to capitalize its infrastructure assets prospectively. During the current year, the Village's capital assets increased by a net of \$47,059. See Note 6 to the Financial Statements for more details.

Table 3
Entity Wide
Change in Net Capital Assets

	Beginning Balance	Net Additions/ Deletions	Ending Balance
Non-depreciable assets			
Land	\$ 50,854	-	50,854
Construction in progress	183,421	13,441	196,862
Depreciable capital assets			
Buildings and improvements	3,258,415	-	3,258,415
Equipment and vehicles	502,356	67,876	570,232
Infrastructure	3,141,943	281,707	3,423,650
Accumulated depreciation	(2,296,778)	(315,965)	(2,612,743)
Total	\$ 4,840,211	47,059	4,887,270

Long-term Debt

At April 30, 2009, the Village owed \$294,800 in long-term debt. See Note 7 to the Financial Statements for more details.

State statutes limit the amount of general obligation debt the Village may issue to 8.625% of its total assessed valuation. The current debt limitation based upon the 2008 assessed valuation is \$4,357,840 leaving a debt margin of \$4,272,060.

ECONOMIC FACTORS

Revenues for 2010 are expected to be significantly lower than for 2009. Property tax, which is the largest source of revenue, had been increasing by approximately 5% per year and is expected to increase by approximately 8% in 2010.

Other taxes such as sales and income are expected to be 8 to 10% less in 2010. The Village expects to operate within its revenues by reducing spending as necessary.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Sally Bennett, Treasurer, Village of Winnebago, 108 West Main Street, Winnebago Illinois, 61088.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Net Assets

April 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 1,057,711	1,006,880	2,064,591
Restricted cash and cash equivalents	-	221,765	221,765
Receivables:			
Property taxes	400,568	-	400,568
State of Illinois	181,917	-	181,917
Utility users	-	94,364	94,364
Prepaid items	19,975	6,667	26,642
Internal balances	25,393	(25,393)	-
Total current assets	<u>1,685,564</u>	<u>1,304,283</u>	<u>2,989,847</u>
Capital assets, net	<u>3,169,514</u>	<u>1,717,756</u>	<u>4,887,270</u>
Total assets	<u><u>4,855,078</u></u>	<u><u>3,022,039</u></u>	<u><u>7,877,117</u></u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	16,864	23,264	40,128
Accrued payroll	16,533	3,800	20,333
Compensated absences	24,827	1,318	26,145
Meter deposits	-	40,535	40,535
Deferred revenue	202,661	-	202,661
Due within one year	32,923	71,558	104,481
Total current liabilities	<u>293,808</u>	<u>140,475</u>	<u>434,283</u>
Noncurrent liabilities:			
Due in more than one year	51,734	112,441	164,175
Total liabilities	<u>345,542</u>	<u>252,916</u>	<u>598,458</u>
Net assets:			
Invested in capital assets, net of related debt	3,084,857	1,533,757	4,618,614
Restricted:			
Highways and streets	412,870	-	412,870
Debt service	104,116	221,765	325,881
Unrestricted, undesignated	907,693	1,013,601	1,921,294
Total net assets	<u><u>\$ 4,509,536</u></u>	<u><u>2,769,123</u></u>	<u><u>7,278,659</u></u>

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Activities

For the Year Ended April 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Changes in Net Assets	
					Governmental Activities	Business-type Activities Total
Governmental activities:						
General government	\$ 414,559	19,218	-	-	(395,341)	(395,341)
Public safety	527,275	34,033	5,480	-	(487,762)	(487,762)
Public works	580,722	-	-	281,707	(299,015)	(299,015)
Culture and recreation	61,434	29,564	-	-	(31,870)	(31,870)
Interest	5,300	-	-	-	(5,300)	(5,300)
Total governmental activities	1,589,290	82,815	5,480	281,707	(1,219,288)	(1,219,288)
Business-type activities:						
Water and sewer	630,910	838,697	-	-	-	207,787
Interest	8,833	-	-	-	-	(8,833)
Total business-type activities	639,743	838,697	-	-	-	198,954
Total	\$ 2,229,033	921,512	5,480	281,707	(1,219,288)	198,954 (1,020,334)

General revenues:

Taxes:

Property	\$ 396,165	-	396,165
Sales and use	367,186	-	367,186
Income tax	236,418	-	236,418
Telecommunications	114,483	-	114,483
Personal property replacement	21,873	-	21,873
Motor fuel	77,190	-	77,190
Unrestricted investment earnings	13,700	11,869	25,569
Miscellaneous	58,662	-	58,662
Total general revenues	1,285,677	11,869	1,297,546
Change in net assets	66,389	210,823	277,212
Net assets:			
Beginning	4,443,147	2,558,300	7,001,447
Ending	\$ 4,509,536	2,769,123	7,278,659

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

**Balance Sheet
Governmental Funds**

April 30, 2009

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 466,986	28,105	399,641	62,412	100,567	1,057,711
Receivables:						
Property taxes	210,136	151,072	-	39,360	-	400,568
State of Illinois	141,994	34,016	5,907	-	-	181,917
Prepaid items	10,642	9,333	-	-	-	19,975
Due from other funds	68,272	-	7,322	22,024	2,644	100,262
Total assets	<u>898,030</u>	<u>222,526</u>	<u>412,870</u>	<u>123,796</u>	<u>103,211</u>	<u>1,760,433</u>
Liabilities:						
Accounts payable	12,699	4,165	-	-	-	16,864
Accrued payroll	7,791	8,742	-	-	-	16,533
Deferred revenue	133,347	88,287	-	19,680	2,377	243,691
Due to other funds	19,486	55,383	-	-	-	74,869
Total liabilities	<u>173,323</u>	<u>156,577</u>	<u>-</u>	<u>19,680</u>	<u>2,377</u>	<u>351,957</u>
Fund equity:						
Fund balance:						
Reserved						
Prepays	10,642	9,333	-	-	-	19,975
Debt service	-	-	-	104,116	-	104,116
Unreserved, reported in:						
General	714,065	-	-	-	-	714,065
Special revenue	-	56,616	412,870	-	100,834	570,320
Total fund equity	<u>724,707</u>	<u>65,949</u>	<u>412,870</u>	<u>104,116</u>	<u>100,834</u>	<u>1,408,476</u>
Total liabilities and fund equity	<u>\$ 898,030</u>	<u>222,526</u>	<u>412,870</u>	<u>123,796</u>	<u>103,211</u>	<u>1,760,433</u>

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets

April 30, 2009

Total fund balances – governmental funds	\$ 1,408,476
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital assets	\$ 3,717,052	
Accumulated depreciation	<u>(547,538)</u>	3,169,514

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

GO bonds	(84,657)	
Compensated absences	<u>(24,827)</u>	(109,484)

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds

Sales and use taxes	28,279	
Telecommunication taxes	<u>12,751</u>	<u>41,030</u>

Total net assets – governmental activities	\$ <u><u>4,509,536</u></u>
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See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended April 30, 2009

	General Fund	Police Protection Fund	Motor Fuel Fund	Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 838,001	251,736	-	39,490	-	1,129,227
Intergovernmental	-	5,480	-	-	-	5,480
Licenses, fees, and permits	19,218	34,033	-	-	29,564	82,815
Motor Fuel Tax allotment	-	-	77,190	-	-	77,190
Interest	5,428	383	6,809	516	564	13,700
Other	16,040	6,105	-	-	36,517	58,662
Total revenues	<u>878,687</u>	<u>297,737</u>	<u>83,999</u>	<u>40,006</u>	<u>66,645</u>	<u>1,367,074</u>
Expenditures:						
Current:						
General government	304,706	-	-	-	-	304,706
Public safety	-	505,010	-	-	-	505,010
Public works	209,852	-	-	-	-	209,852
Culture and recreation	-	-	-	-	61,434	61,434
Capital expenditures	7,845	-	370,870	-	-	378,715
Debt service:						
Principal	22,987	-	-	31,724	-	54,711
Interest	1,236	-	-	4,064	-	5,300
Total expenditures	<u>546,626</u>	<u>505,010</u>	<u>370,870</u>	<u>35,788</u>	<u>61,434</u>	<u>1,519,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>332,061</u>	<u>(207,273)</u>	<u>(286,871)</u>	<u>4,218</u>	<u>5,211</u>	<u>(152,654)</u>
Other financing sources (uses)						
Transfers in	24,238	160,395	-	-	-	184,633
Transfers out	(160,395)	-	-	-	(24,238)	(184,633)
Total other financing sources (uses)	<u>(136,157)</u>	<u>160,395</u>	<u>-</u>	<u>-</u>	<u>(24,238)</u>	<u>-</u>
Net change in fund balance	<u>195,904</u>	<u>(46,878)</u>	<u>(286,871)</u>	<u>4,218</u>	<u>(19,027)</u>	<u>(152,654)</u>
Fund balances:						
Beginning	<u>528,803</u>	<u>112,827</u>	<u>699,741</u>	<u>99,898</u>	<u>119,861</u>	<u>1,561,130</u>
Ending	<u>\$ 724,707</u>	<u>65,949</u>	<u>412,870</u>	<u>104,116</u>	<u>100,834</u>	<u>1,408,476</u>

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

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

April 30, 2009

Net Change in Fund Balances - total governmental funds \$ (152,654)

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

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

Capital asset purchases capitalized	299,333
Depreciation expense	(139,075)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Sales and use taxes	3,000
Telecommunications taxes	3,898

The repayment of long-term debt is reported as an expenditure when due in the governmental funds but as a reduction of principal outstanding in the statement of activities:

GO bonds	31,724
Capital lease	22,987

Certain expenses reported in the Statement of Activities, such as compensated absences do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Decrease in compensated absences	<u>(2,824)</u>
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Change in net assets of governmental activities \$ 66,389

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Net Assets Proprietary Fund

April 30, 2009

With Comparative Totals for the Year Ended April 30, 2008

	Enterprise Fund	
	2009	2008
<u>Assets</u>		
Current assets:		
Cash and equivalents	\$ 1,006,880	712,025
Restricted cash and cash equivalents	221,765	287,528
Receivables:		
Property tax, net of allowance for doubtful accounts	-	-
Utility users	94,364	86,707
Due from other funds	7,900	-
Prepaid items	6,667	5,696
Total current assets	1,337,576	1,091,956
Noncurrent assets:		
Fixed assets, net of accumulated depreciation	1,717,756	1,830,955
Total assets	3,055,332	2,922,911
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	23,264	31,707
Accrued wages	3,800	3,164
Compensated absences	1,318	2,861
Meter deposits	40,535	40,635
Due to other funds	33,293	33,293
Current portion of long-term debt	71,558	68,952
Total current liabilities	173,768	180,612
Noncurrent liabilities:		
Revenue bonds payable	112,441	183,999
Total liabilities	286,209	364,611
Net assets:		
Invested in capital assets, net of related debt	1,533,757	1,578,004
Restricted net assets – debt service	221,765	287,528
Unrestricted net assets	1,013,601	692,768
Total net assets	\$ 2,769,123	2,558,300

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Net Assets Proprietary Fund

For the Year Ended April 30, 2009

With Comparative Totals for the Year Ended April 30, 2008

	Enterprise Fund	
	2009	2008
Operating revenues:		
Refuse and recycling revenue	\$ 154,441	146,272
Sewer revenue	471,350	437,576
Water revenue	205,198	200,321
Grant income	-	25,000
Water deposit revenue	1,592	566
Miscellaneous	6,116	3,171
Total operating revenues	<u>838,697</u>	<u>812,906</u>
Operating expenses:		
Water and sewer department	310,203	378,556
Refuse and recycling expenses	143,816	132,992
Depreciation	176,891	173,954
Total operating expenses	<u>630,910</u>	<u>685,502</u>
Operating income	<u>207,787</u>	<u>127,404</u>
Non-operating revenues (expenses):		
Interest income	11,869	33,525
Interest expense	(8,833)	(11,344)
Property taxes	-	105
Total non-operating revenues (expenses)	<u>3,036</u>	<u>22,286</u>
Income before contributions and transfers	210,823	149,690
Contributed capital	-	-
Change in net assets	<u>210,823</u>	<u>149,690</u>
Net assets:		
Net assets - beginning	<u>2,558,300</u>	<u>2,408,610</u>
Net assets - ending	<u>\$ 2,769,123</u>	<u>2,558,300</u>

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Statement of Cash Flows

Proprietary Fund

For the Year Ended April 30, 2009

With Comparative Totals for the Year Ended April 30, 2008

	Enterprise	
	2009	2008
Cash flows from operating activities:		
Receipts from customers	\$ 823,040	802,659
Payments to suppliers	(343,917)	(363,195)
Payments to employees	(120,423)	(129,373)
Net cash flows from operating activities	<u>358,700</u>	<u>310,091</u>
Cash flows from capital and related financing activities:		
Payment of revenue bond principal and notes payable	(68,952)	(66,440)
Purchase of fixed assets	(63,692)	(27,475)
Interest paid	(8,833)	(11,344)
Net cash flows from capital financing activities	<u>(141,477)</u>	<u>(105,259)</u>
Cash flows from non-capital financing activities:		
Property taxes	-	8,005
Net cash flows from non-capital financing activities	<u>-</u>	<u>8,005</u>
Cash flows from investing activities –		
Interest on investments	11,869	33,525
Net decrease in cash and cash equivalents	<u>229,092</u>	<u>246,362</u>
Cash and cash equivalents, beginning of year	<u>999,553</u>	<u>753,191</u>
Cash and cash equivalents, end of year	<u><u>1,228,645</u></u>	<u><u>999,553</u></u>
Reconciliation of operating loss to net cash provided by operating activities:		
Net operating loss	207,787	127,404
Adjustment to reconcile net operating loss to net cash provided by operating activities:		
Depreciation expense	176,891	173,954
Changes in assets & liabilities:		
(Increase) decrease in:		
Utility accounts receivable	(7,657)	(11,117)
Due from other funds	(7,900)	-
Prepaid expenses	(971)	2,119
Increase (decrease) in:		
Accounts payable	(8,443)	19,126
Accrued wages	636	(2,934)
Compensated absences	(1,543)	669
Refundable deposits	(100)	870
Net cash flows from operating activities	<u><u>\$ 358,700</u></u>	<u><u>310,091</u></u>

See accompanying notes to financial statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements

April 30, 2009

(1) Summary of Significant Accounting Policies

The Village of Winnebago, Illinois (Village) operates under a Board of Trustees form of government and provides services to the public such as public safety, water and sewer system, streets and general administrative services.

The accounting policies of the Village conform to U.S. generally accepted accounting principles as applicable to government units (herein referred to as GAAP). The Village of Winnebago's basic financial statements include the accounts of all Village operations that are controlled by or dependent on the Village. Control or dependence is determined by financial interdependency, selection of governing board, designation of management, accountability for fiscal matters and ability to significantly influence operations.

In evaluating how to define the government, for financial reporting purposes, the Village has considered all potential component units. The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. The Village does not have any component units. This report includes all of the funds units of the Village (the primary government). It includes all activities considered to be part of (controlled by or dependent on) the Village as set forth under GAAP criteria.

(a) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements (i. e., the Statement of Net Assets and the Statement of Activities) report information on all the non-fiduciary activities of the Village. For the most part, the effect of the interfund activity has been removed from these statements.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments not properly included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and enterprise funds.

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (intended to finance). Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

Governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

accounting period in which they become measurable and available to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes, franchise taxes, utility taxes, interest revenue and charges for services. Sales tax and telecommunication tax owed to the state at year-end on behalf of the Village are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The following is a description of the governmental funds of the Village:

General Fund – The General Fund is the general operating fund of the Village. It is used for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of funds for the payment of general long-term debt principal, interest, and related costs.

Proprietary Funds

The focus of the proprietary fund measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. The U.S. generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Village has elected to consistently not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989 as permitted under Governmental Standards Board Statement No. 20 for its proprietary fund.

A proprietary fund is a fund in which a fee is charged to external users of goods and services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)
April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

with fees and charges or (c) establishes fees and charges based on pricing policy designed to recover similar costs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result

from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the Village. It is used to account for all the financial resources except those required to be accounted for in another fund.

Police Protection Fund

This fund accounts for the Village's revenues and expenses related to public safety.

Motor Fuel Tax Fund

This fund records the receipt of the Village's share of state gasoline taxes. This fund is then expended for the maintenance of roads and bridges. State of Illinois law requires separate accounting for such revenues and expenditures.

The major proprietary fund is:

Water & Sewer Fund

This fund accounts for the provision of water treatment and distribution to the residential and commercial users of the Village. It also accounts for the storm drainage runoff service provided to the residential and commercial users of the Village and accounts for trash collection services provided to the residential and some commercial users of the Village.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

(b) *Cash and Investments*

Cash and cash equivalents consist of demand deposits and savings accounts. Investments as of April 30, 2009 consist of certificates of deposit and money market accounts through various financial institutions.

Temporary cash and investments are stated at cost, which approximates market. Although money market accounts appear to be easily accessible, they are considered to be investments for the Village's purposes.

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

(c) *Property Taxes*

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the Village Board. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year-end. Revenue from those taxes, which are not considered available is deferred.

The property tax calendar for the 2008 tax levy was as follows:

Lien Date	January 1, 2008
Levy Date	December 8, 2008
First Installment Due	June 5, 2009
Second Installment Due	September 4, 2009

Tax bills were mailed at least 30 days prior to the first installment due date. Property taxes are billed and collected by the County Treasurer of Winnebago County, Illinois.

The 2008 tax levy, which attached as an enforceable lien on property as of January 1, 2008, has been recorded as a receivable as of April 30, 2009 as the tax had been levied by the Village and extended by the County but would not be collected until fiscal year 2010. Fifty % of the receivable has been deferred since it would not be received within 60 days after year end.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

The Village's 2008 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

Type of Levy	Rate Per \$100 of Assessed Valuation	
	Rate	Legal Maximum
Village		
Corporate	0.4159	0.4375
Police Protection	0.2990	0.6000
Bond and Interest	0.0779	None
TOTAL VILLAGE	<u>0.7928</u>	

(d) Fixed Assets

Capital assets, which include buildings, land improvements, construction in progress and equipment, are reported in the government-wide financial statements. The Village defines capital assets as assets with initial individual costs of \$2,500 or more for equipment, \$10,000 or more for building and improvements and \$50,000 or more for infrastructure. Infrastructure includes roads, bridges, curbs, sidewalks, lighting systems, gutters, draining systems, and the water and sewer system. The cost of infrastructure has been capitalized and depreciated beginning in fiscal year 2005. Such assets are recorded at historical cost if purchased or constructed. Donated assets are stated at estimated fair market value as of the date of donation. The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the useful life are not capitalized.

All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives:

Appliances and tools	5 years
Equipment	7 years
Vehicles under 13,000 gross vehicle weight	4 years
Vehicles over 13,000 gross vehicle weight	6 years
Road improvements	10 years
Other improvements	20 years
Buildings and new infrastructure	40 years

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)
April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

(e) *Budgets and Budgetary Accounting*

Budgeted amounts are as originally adopted, or as amended by the Village Board of Trustees.

Unexpended budgeted amounts lapse at the end of each year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line items.

Budgeted amounts are shown on the GAAP basis.

(f) *Compensated Absences*

Village employees are granted personal time for compensated absences in varying amounts. Accumulation of personal time is allowed. Upon termination, the employee is compensated for the unused personal time to a maximum of 40 hours for part-time employees and 80 hours for full-time employees. Compensated absences are recorded in governmental funds when due (upon employee retirement or termination).

(g) *Receivables – Utility Users*

Cycle billing procedures are followed in charging consumers for water and sewer treatment. Billings are issued on a monthly basis. Receivables at year-end consist of amounts actually billed less payments received plus an estimate of the unbilled amount due from the date of the last cycle billing to year-end.

(h) *Prepaid Items*

Payments made to vendors for services, which will benefit periods beyond April 30, 2009 are recorded as prepaid items. Prepaid items recorded in governmental funds do not represent current resources that are available for appropriation and, thus, an equivalent portion of fund balance is reserved.

(i) *Interfund Activity*

Interfund activity is reported either as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are reported when one fund incurs a cost, charges the appropriate benefiting

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)
April 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide-financial statements.

(j) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(2) Cash and Cash Equivalents

Statutes authorize the Village to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions, which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(2) Cash and Cash Equivalents (Continued)

Custodial Credit Risk

At year-end, the carrying amount of the Village's deposits into checking, money market accounts, savings accounts and certificates of deposit was \$2,310,614 and the bank balance was \$2,322,475.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a deposit policy for custodial credit risk, as of April 30, 2009, none of the Village's bank balance was exposed to custodial credit risk as the entire balance was either insured or covered by collateral held by the financial institution's trust department or agent in the Village's name.

(3) Restricted Cash

Certain resources of cash accounts are classified as restricted in the financial statements because their use is to be limited to the future restricted purposes.

(4) Property Tax Receivables

Property taxes receivables for the various fund types as of April 30, 2009 were as follows:

	<u>Receivable</u>
Governmental-type:	
General fund	\$ 210,136
Police Protection fund	151,072
Nonmajor governmental funds	<u>39,360</u>
Total governmental-type	<u><u>400,568</u></u>

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(5) Interfund Receivables and Payables

The following is a summary of interfund receivables and payables at April 30, 2009, which also includes all interfund loans:

Receivable Fund	Payable Fund	Detail	Amount
General fund	Enterprise	Interfund charges	\$ 15,533
General fund	Police protection	Interfund charges	52,739
Motor fuel fund	General fund	Interfund charges	7,322
Community Dev. Fund	Police protection	Interfund charges	2,644
Debt service fund	Enterprise	Interfund charges	22,024
Enterprise fund	General fund	Interfund charges	12,164
			<u>\$ 112,426</u>

(6) Capital Assets

The Village is in the process of upgrading its water treatment plant. At April 30, 2009, construction in process for the plant amounted to \$196,862. This amount will not be depreciated until placed in service.

The governmental activities capital asset activity for the year ended April 30, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 50,854	—	—	50,854
Construction in process	—	—	—	—
Total capital assets, not being depreciated	<u>50,854</u>	<u>—</u>	<u>—</u>	<u>50,854</u>
Capital assets, being depreciated:				
Buildings and improvements	266,648	—	—	266,648
Equipment and vehicles	384,681	17,626	—	402,307
Infrastructure	2,715,536	281,707	—	2,997,243
Total capital assets, being depreciated	<u>3,366,865</u>	<u>299,333</u>	<u>—</u>	<u>3,666,198</u>
Total accumulated depreciation	<u>(408,463)</u>	<u>(139,075)</u>	<u>—</u>	<u>(547,538)</u>
Total capital assets, being depreciated, net	<u>2,958,402</u>	<u>160,258</u>	<u>—</u>	<u>3,118,660</u>
Governmental activities capital assets, net	<u>\$ 3,009,256</u>	<u>160,258</u>	<u>—</u>	<u>3,169,514</u>

The business-type activities capital asset activity for the year ended April 30, 2009 is as follows:

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)

April 30, 2009

(6) Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated –				
Construction in process	\$ 183,421	13,441	–	196,862
Total capital assets, not being depreciated	183,421	13,441	–	196,862
Capital assets, being depreciated				
Buildings and improvements	2,991,767	–	–	2,991,767
Equipment and vehicles	117,675	50,250	–	167,925
Infrastructure	426,407	–	–	426,407
Total capital assets, being depreciated	3,535,849	50,250	–	3,586,099
Total accumulated depreciation	(1,888,315)	(176,890)	–	(2,065,205)
Total capital assets, being depreciated, net	1,647,534	(126,640)	–	1,520,894
Business-type activities capital assets, net	\$ 1,830,955	(113,199)	–	1,717,756

Depreciation expense was charged to functions/programs of the primary government as follows:

	2009
Governmental activities:	
General government	\$ 117,740
Public safety	21,335
Total governmental activities, depreciation expense	\$ 139,075
Business-type activities – Water and sewer operations	\$ 176,890

(7) Long-term Debt

The ordinance authorizing the issuance of Waterworks and Sewerage Revenue Bonds provides for the following restricted revenue accounts to be maintained:

1. Bond and Interest – monthly deposit to provide for the payment and retirement of bond principal and interest.
2. Bond Depreciation – monthly deposit of \$625 to provide for necessary repairs and replacements to the system.
3. Bond Reserve – the accumulation of a minimum balance of \$40,000 to pay maturing principal and interest when no other funds are available.

As of April 30, 2009, the Village has \$221,765 on deposit in these restricted cash and cash equivalent accounts.

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)

April 30, 2009

(7) Long-term Debt (continued)

The following is a summary of changes in long-term debt for the year ended April 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year	
					Principal	Interest
Governmental activities:						
Bonds payable:						
General Obligation Sewer Improvement Bond Series of 1990 maturing May 10, 2010, with interest at a rate of 3.745%, principal maturities on May 1 and November 1	\$ 116,380	-	31,724	84,656	32,923	2,865
Capital lease:						
Capital lease to purchase wheel loader for \$94,800 with down payment of \$50,000. final payment of \$24,223 due 1/10/09 interest at 5.25%	22,987	-	22,987	-	-	-
Compensated absences	22,003	24,827	22,003	24,827	24,827	-
Governmental activities – long-term liabilities	\$ 161,370	24,827	76,714	109,483	57,750	2,865
Business-type activities:						
Bonds payable:						
Waterworks and Sewerage Revenue Bond Series of 1990, maturing November 1, 2011, with interest at a rate of 3.741%, principal maturities on May 1 and November 1	\$ 252,951	-	68,952	183,999	71,558	6,227
Compensated absences	2,861	1,318	2,861	1,318	1,318	-
Business-type activities – long-term liabilities	\$ 255,812	1,318	71,813	185,317	72,876	6,227

As of April 30, 2009, the future debt service requirements of the long-term debt are as follows:

Year ending April 30	Government Fund		Business-type Fund		Total
	Principal	Interest	Principal	Interest	
2010	\$ 32,923	2,865	71,558	6,227	113,573
2011	34,168	1,620	74,263	3,522	113,573
2012	17,566	329	38,178	715	56,788
	\$ 84,657	4,814	183,999	10,464	283,934

Legal Debt Margin

The Village's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 8.625% of its equalized assessed value. At April 30, 2009, the statutory limit of the Village was \$4,357,840. The Village's outstanding debt was \$85,780 leaving a legal debt margin of \$4,272,060.

VILLAGE OF WINNEBAGO, ILLINOIS
Notes to Financial Statements (Continued)
April 30, 2009

(8) Transfers

Transfers were made to supplement the revenues received by the police protection fund and to close out the Retirement Fund:

	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 24,238	160,395
Special Revenue:		
Police Protection	160,395	—
Retirement Fund	—	24,238
Total	\$ <u>184,633</u>	<u>184,633</u>

(9) Risk Management

The Village 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. In order to handle such risks of loss the Village purchases insurance coverage through Illinois Municipal League Risk Management Association. The deductibles in effect through these policies as of April 30, 2009 ranged from \$500 to \$25,000. The amounts of settlements have not exceeded insurance coverage for the past three years.

(10) Illinois Municipal Retirement Fund

Plan Description

The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's 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.imrf.org.

Funding Policy

As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 11.63 percent of annual covered payroll. The Village 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.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(10) Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost

For 2008, the Village's annual pension cost of \$70,990 for the Regular plan was equal to its required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
12/31/08	\$	70,990	100%	\$	—
12/31/07		68,924	100%		—
12/31/06		57,691	100%		—

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's plan 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 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 28 years.

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 68.48 percent funded. The actuarial accrued liability for benefits was \$1,070,204 and the actuarial value of assets was \$732,897, resulting in an underfunded actuarial accrued liability (UAAL) of \$337,307. The covered payroll (annual payroll of active employees covered by the plan) was \$610,407 and the ratio of the UAAL to the covered payroll was 55 percent.

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

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Financial Statements (Continued)

April 30, 2009

(11) Commitments

In May 2009, the Village accepted a bid of Vizu-Sewer Clean & Seal, Inc. for \$326,671 for sanitary sewer lining and improvements.

(12) Subsequent Events

The Village has entered into another agreement with a developer within the Village. The agreement requires the Village to rebate a portion of the retail sales tax equal to 35% of annual retail sales tax revenue collected during the year by the Village as a result of sales generated by all businesses in the development commencing on sales made during November 2011 until \$600,000 has been rebated. Payment is to be made annually within 180 days after November 2012.

In June 2009, the Village received a CDAP grant of \$350,000 for its sewer construction project. The money has to be used within two years.

(13) Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. This Statement will become effective for the fiscal year ended April 30, 2010.

Statement No. 47, Accounting for Termination Benefits, establishes accounting standards for voluntary and involuntary termination benefits, including termination benefits provided through a defined benefit other post employment benefit plan (OPEB). For those termination benefits provided through a defined benefit OPEB plan, this Statement must be implemented concurrently with Statement No. 45.

Management has not yet completed their assessment of these statements; however, they are not expected to have a material effect on the overall financial statement presentation.

VILLAGE OF WINNEBAGO, ILLINOIS
Required Supplementary Information
Schedule of Revenues and Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes	\$ 876,502	876,502	838,001	(38,501)	858,894
Licenses, fees and permits	30,353	30,353	19,218	(11,135)	31,707
Other	21,292	21,292	21,468	176	30,969
Total revenues	<u>928,147</u>	<u>928,147</u>	<u>878,687</u>	<u>(49,460)</u>	<u>921,570</u>
Expenditures:					
Current:					
General government	511,813	507,438	304,706	202,732	360,018
Highways and streets	325,813	325,813	234,075	91,738	294,343
Capital expenditures	47,500	47,500	7,845	39,655	10,217
Total expenditures	<u>885,126</u>	<u>880,751</u>	<u>546,626</u>	<u>334,125</u>	<u>664,578</u>
Excess of revenues over expenditures	43,021	47,396	332,061	(383,585)	256,992
Other financing sources (uses):					
Operating transfers in	-	-	24,238	(24,238)	-
Operating transfers out	(654,563)	(650,563)	(160,395)	490,168	(261,358)
Total other financing sources (uses)	<u>(654,563)</u>	<u>(650,563)</u>	<u>(136,157)</u>	<u>465,930</u>	<u>(261,358)</u>
Net change in fund balance	\$ <u>(611,542)</u>	<u>(603,167)</u>	195,904	<u>82,345</u>	(4,366)
Fund balance:					
Beginning			<u>528,803</u>		<u>533,169</u>
Ending			<u>724,707</u>		<u>528,803</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Required Supplementary Information
Schedule of Revenues and Expenditures
and Changes in Fund Balance - Budget and Actual
Police Protection Fund
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes	\$ 235,363	235,363	251,736	16,373	234,552
Grants	5,480	5,480	5,480	-	6,542
Other	40,405	40,405	40,521	116	42,770
Total revenues	<u>281,248</u>	<u>281,248</u>	<u>297,737</u>	<u>16,489</u>	<u>283,864</u>
Expenditures:					
Current:					
Public Safety	825,000	825,000	505,010	319,990	559,603
Capital expenditures	-	-	-	-	28,323
Total expenditures	<u>825,000</u>	<u>825,000</u>	<u>505,010</u>	<u>319,990</u>	<u>587,926</u>
Excess (deficiency) of revenues over (under) expenditures	(543,752)	(543,752)	(207,273)	(303,501)	(304,062)
Other financing sources (uses):					
Operating transfers in	<u>160,395</u>	<u>160,395</u>	<u>160,395</u>	-	<u>261,358</u>
Net change in fund balance	<u>\$ (383,357)</u>	<u>(383,357)</u>	<u>(46,878)</u>	<u>(303,501)</u>	<u>(42,704)</u>
Fund balance:					
Beginning			<u>112,827</u>		<u>155,531</u>
Ending			<u>65,949</u>		<u>112,827</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Required Supplementary Information
Schedule of Revenues and Expenditures
and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental -					
Motor fuel taxes	\$ 77,905	77,905	77,190	(715)	82,581
Interest	6,809	6,809	6,809	-	28,509
Total revenues	<u>84,714</u>	<u>84,714</u>	<u>83,999</u>	<u>(715)</u>	<u>111,090</u>
Expenditures:					
Highways and streets:					
Highways, streets and bridges	350,000	350,000	264,888	85,112	218,197
Engineering	37,500	37,500	16,820	20,680	25,321
Utilities	-	-	89,162	(89,162)	-
Contingencies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>412,500</u>	<u>412,500</u>	<u>370,870</u>	<u>41,630</u>	<u>243,518</u>
Net change in fund balance	\$ <u>(327,786)</u>	<u>(327,786)</u>	(286,871)	<u>(42,345)</u>	(132,428)
Fund balance:					
Beginning			<u>699,741</u>		<u>832,169</u>
Ending			<u><u>412,870</u></u>		<u><u>699,741</u></u>

VILLAGE OF WINNEBAGO, ILLINOIS

Required Supplementary Information Schedule of Funding Progress Illinois Municipal Retirement Fund

April 30, 2009

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 % of Covered Payroll (b-a)/c
12/31/08	\$ 732,897	1,070,204	337,307	68.48 %	610,407	55.26 %
12/31/07	\$ 622,719	919,137	296,418	67.75 %	628,866	47.14 %
12/31/06	\$ 498,101	812,146	314,045	61.33 %	523,984	59.93 %
12/31/05	\$ 382,249	646,622	264,373	59.11 %	512,632	51.57 %
12/31/04	\$ 292,853	483,861	191,008	60.52 %	466,885	40.91 %
12/31/03	\$ 221,655	419,415	197,760	52.85 %	385,799	51.26 %
12/31/02	\$ 101,763	223,410	121,647	45.55 %	348,027	34.95 %
12/31/01	\$ 47,329	127,727	80,398	37.05 %	332,658	24.17 %

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$607,774 and the funded ratio would be 56.79%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 experience study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

VILLAGE OF WINNEBAGO, ILLINOIS

Notes to Required Supplementary Information

April 30, 2009

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General, major Special Revenue funds – Police Protection and Motor Fuel funds; non-major Special Revenue funds – Community Development, Retirement, and Fourth of July on the modified accrual basis and Enterprise Fund – Water and Sewer on the accrual basis by line item within fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

- A. The Village Finance Committee submits to the Village Board a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to May 1, the budget is legally enacted by Village Board action. This is the amount reported as original budget.
- D. The Village Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the Village Board as a supplemental appropriation ordinance.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for general, special revenue funds, debt service and enterprise funds.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/ budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

VILLAGE OF WINNEBAGO, ILLINOIS

Combining Balance Sheet Nonmajor Governmental Funds

April 30, 2009

	Special Revenue			Total Nonmajor Governmental Funds
	Community Development	Retirement Fund	Fourth of July Fund	
Assets:				
Cash and cash equivalents:	\$ 81,641	-	18,926	100,567
Receivables:				
Telecommunications	-	-	-	-
Due from other funds	2,644	-	-	2,644
Total assets	<u>84,285</u>	<u>-</u>	<u>18,926</u>	<u>103,211</u>
Liabilities:				
Accounts payable	2,166	-	211	2,377
Total liabilities	<u>2,166</u>	<u>-</u>	<u>211</u>	<u>2,377</u>
Fund balances:				
Unreserved, undesignated	82,119	-	18,715	100,834
Total fund balances	<u>82,119</u>	<u>-</u>	<u>18,715</u>	<u>100,834</u>
Total liabilities and fund balances	<u>\$ 84,285</u>	<u>-</u>	<u>18,926</u>	<u>103,211</u>

VILLAGE OF WINNEBAGO, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the Year Ended April 30, 2009

	Special Revenue			Total Nonmajor Governmental Funds
	Community Development	Retirement Fund	Fourth of July Fund	
Revenues:				
Taxes	\$ -	-	-	-
Fees & charges	29,564	-	-	29,564
Interest	564	-	-	564
Other	1,398	-	35,119	36,517
Total revenues	<u>31,526</u>	<u>-</u>	<u>35,119</u>	<u>66,645</u>
Expenditures:				
Culture and recreation	<u>29,387</u>	<u>-</u>	<u>32,047</u>	<u>61,434</u>
Total expenditures	<u>29,387</u>	<u>-</u>	<u>32,047</u>	<u>61,434</u>
Excess of revenue over expenditures	<u>2,139</u>	<u>-</u>	<u>3,072</u>	<u>5,211</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(24,238)</u>	<u>-</u>	<u>(24,238)</u>
Net change in fund balance	<u>2,139</u>	<u>(24,238)</u>	<u>3,072</u>	<u>(19,027)</u>
Beginning	<u>79,980</u>	<u>24,238</u>	<u>15,643</u>	<u>119,861</u>
Ending	<u>\$ 82,119</u>	<u>-</u>	<u>18,715</u>	<u>100,834</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues and Expenditures
and Changes in Fund Balance— Budget to Actual
Community Development Fund
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Telecommunication taxes	\$ -	-	-	-	16,842
Fees & charges	22,114	22,114	29,564	7,450	29,560
Interest	564	564	564	-	2,200
Other	1,398	1,398	1,398	-	1,619
Total revenues	<u>24,076</u>	<u>24,076</u>	<u>31,526</u>	<u>7,450</u>	<u>50,221</u>
Expenditures:					
Culture & Recreation					
Contractual services:					
Presidential project	10,000	10,000	7,439	2,561	7,653
Legal expenses	2,500	2,500	7,726	(5,226)	-
Community projects	-	-	-	-	16,986
Supplies:					
Misc. expenses	-	-	-	-	205
Community expenses	2,625	2,625	2,245	380	1,051
Hardship Fund	2,500	2,500	1,977	523	2,164
Downtown expenses	188	188	-	188	165
4th of July expenses	12,500	12,500	10,000	2,500	10,000
Contingency	-	-	-	-	-
Total expenditures	<u>30,313</u>	<u>30,313</u>	<u>29,387</u>	<u>926</u>	<u>38,224</u>
Excess of revenue over (under) expenditures	<u>(6,237)</u>	<u>(6,237)</u>	<u>2,139</u>	<u>6,524</u>	<u>11,997</u>
Other financing sources (uses):					
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (16,237)</u>	<u>(16,237)</u>	<u>2,139</u>	<u>16,524</u>	<u>11,997</u>
Fund balance					
Beginning			<u>79,980</u>		<u>67,983</u>
Ending			<u>\$ 82,119</u>		<u>79,980</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues and Expenditures
and Changes in Fund Balance— Budget to Actual
Retirement Fund

For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property taxes	\$ -	-	-	-	8,678
Interest	-	-	-	-	492
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	-	-	-	9,170
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
General government:	-	-	-	-	-
Total expenditures	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	-	-	-	-	9,170
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers out	-	-	(24,238)	(24,238)	-
	<u>-</u>	<u>-</u>	<u>(24,238)</u>	<u>(24,238)</u>	<u>-</u>
Total other financing sources sources (uses)	-	-	(24,238)	(24,238)	-
	<u>-</u>	<u>-</u>	<u>(24,238)</u>	<u>(24,238)</u>	<u>-</u>
Net change in fund balance	\$ -	-	(24,238)	<u>(24,238)</u>	9,170
	<u>-</u>	<u>-</u>	<u>(24,238)</u>	<u>(24,238)</u>	<u>-</u>
Fund balance					
Beginning			24,238		15,068
			<u>24,238</u>		<u>15,068</u>
Ending		\$ -			24,238
		<u>\$ -</u>			<u>24,238</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues and Expenditures
and Changes in Fund Balance– Budget to Actual
Fourth of July Fund
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Other	\$ 35,119	35,119	35,119	-	45,213
Total revenues	35,119	35,119	35,119	-	45,213
Expenditures:					
Culture & Recreation					
Supplies					
Fourth of July expenses	50,000	50,000	32,047	17,953	36,555
Total expenditures	50,000	50,000	32,047	17,953	36,555
Net change in fund balance	\$ (14,881)	(14,881)	3,072	17,953	8,658
Fund balance					
Beginning			15,643		6,985
Ending			\$ 18,715		15,643

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Detailed Revenues and Expenditures (Continued)
General Fund

For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	\$ 209,983	209,983	215,524	5,541	167,698
Sales taxes	329,504	329,504	322,200	(7,304)	322,000
State income tax	271,785	271,785	236,418	(35,367)	302,772
Local use tax	42,896	42,896	41,986	(910)	41,474
Replacement tax	22,334	22,334	21,873	(461)	24,950
Total taxes	<u>876,502</u>	<u>876,502</u>	<u>838,001</u>	<u>(38,501)</u>	<u>858,894</u>
Licenses, fees, and permits	<u>30,353</u>	<u>30,353</u>	<u>19,218</u>	<u>(11,135)</u>	<u>31,707</u>
Other revenue:					
Interest	5,251	5,251	5,428	177	18,071
Miscellaneous	16,041	16,041	16,040	(1)	12,898
Total other	<u>21,292</u>	<u>21,292</u>	<u>21,468</u>	<u>176</u>	<u>30,969</u>
Total revenues	<u>928,147</u>	<u>928,147</u>	<u>878,687</u>	<u>(49,460)</u>	<u>921,570</u>
Expenditures:					
General government:					
Salaries	110,000	105,000	50,217	54,783	60,336
Salaries – elected officials	36,875	36,875	56,278	(19,403)	56,403
Payroll taxes	19,000	19,000	11,612	7,388	17,713
Employee benefits	29,375	29,375	22,303	7,072	22,415
Employee welfare	2,250	2,250	2,400	(150)	2,067
Office equipment	20,000	10,625	15,616	(4,991)	7,733
Professional services	7,500	22,500	28,533	(6,033)	13,970
Engineering	50,000	50,000	15,706	34,294	27,398
Legal services	75,000	75,000	38,716	36,284	39,913
Inspection fees	28,750	24,750	15,853	8,897	22,928
Impact fees	12,750	12,750	-	12,750	-
Postage	375	375	216	159	835
Telephone	2,500	2,500	2,504	(4)	2,246
Publishing	4,375	4,375	2,483	1,892	4,317
Printing	1,250	1,250	802	448	1,212
Dues	2,500	2,500	1,964	536	1,653
Travel	1,250	1,250	150	1,100	946
Training	1,250	1,250	867	383	907
Small equipment	2,500	2,500	547	1,953	-
Physicals	188	188	-	188	-
Office maintenance	8,125	8,125	5,090	3,035	4,031
Audit and accounting services	14,375	14,375	9,500	4,875	11,204
IML renewal contract	8,125	8,125	4,769	3,356	4,504
Winnebago Corners payback	47,500	46,500	-	46,500	39,459
Recapture payments	\$ 7,500	7,500	6,099	1,401	-

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Detailed Revenues and Expenditures (Continued)
General Fund

For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued):					
General government (continued):					
Office supplies	\$ 11,250	11,250	7,554	3,696	9,582
Building water usage	875	875	252	623	665
Miscellaneous expense	6,375	6,375	4,675	1,700	4,533
Contingency	-	-	-	-	3,048
Capital outlay – equipment	3,750	3,750	-	3,750	3,875
Total general government	<u>515,563</u>	<u>511,188</u>	<u>304,706</u>	<u>206,482</u>	<u>363,893</u>
Highways and streets:					
Salaries	157,500	157,500	118,816	38,684	119,686
Employee benefits	34,875	34,875	25,834	9,041	24,287
Payroll taxes	12,188	12,188	9,172	3,016	8,904
Maintenance – buildings	3,750	3,750	595	3,155	1,987
Maintenance – vehicles	10,000	10,000	4,359	5,641	2,641
Maintenance – streets & sidewalks	31,250	31,250	15,968	15,282	23,713
Maintenance – equipment	6,250	6,250	7,163	(913)	2,982
Telephone	-	-	1,614	(1,614)	1,397
Electricity	-	-	-	-	58,805
Supplies	4,375	4,375	2,360	2,015	2,695
Gas and oil	20,000	20,000	12,872	7,128	15,879
Tree removal	5,625	5,625	336	5,289	1,901
IML renewal	15,000	15,000	10,763	4,237	7,653
Contingency	25,000	25,000	-	25,000	-
Capital lease payment	-	-	24,223	(24,223)	21,813
Capital outlay – equipment	43,750	43,750	7,845	35,905	6,342
Total public works	<u>369,563</u>	<u>369,563</u>	<u>241,920</u>	<u>127,643</u>	<u>300,685</u>
Total expenditures	<u>885,126</u>	<u>880,751</u>	<u>546,626</u>	<u>334,125</u>	<u>664,578</u>

VILLAGE OF WINNEBAGO, ILLINOIS

Schedule of Detailed Revenues and Expenditures - Budget and Actual

Police Protection Fund

For the Year Ended April 30, 2009

With Comparative Totals for the Year Ended April 30, 2008

	2009			Variance	2008
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	\$ 130,180	130,180	141,151	10,971	150,524
Telecommunications	105,183	105,183	110,585	5,402	84,028
Total taxes	<u>235,363</u>	<u>235,363</u>	<u>251,736</u>	<u>16,373</u>	<u>234,552</u>
Intergovernmental – grants	<u>5,480</u>	<u>5,480</u>	<u>5,480</u>	<u>-</u>	<u>6,542</u>
Other revenue:					
Fines and forfeits	34,033	34,033	34,033	-	29,004
Interest	268	268	383	115	3,087
DARE program revenue	-	-	-	-	6,000
Miscellaneous	<u>6,104</u>	<u>6,104</u>	<u>6,105</u>	<u>1</u>	<u>4,679</u>
Total other revenue	<u>40,405</u>	<u>40,405</u>	<u>40,521</u>	<u>116</u>	<u>42,770</u>
Total revenues	<u>281,248</u>	<u>281,248</u>	<u>297,737</u>	<u>16,489</u>	<u>283,864</u>
Expenditures:					
Public safety					
Salaries	500,000	500,000	322,593	177,407	347,308
Payroll taxes	48,750	48,750	29,671	19,079	36,971
Employee benefits	120,250	120,250	76,848	43,402	80,033
Uniforms	5,625	5,625	3,430	2,195	4,669
Computers and equipment	3,436	3,436	454	2,982	2,513
Professional services	7,500	7,500	6,330	1,170	9,545
Vehicle maintenance	5,000	5,000	4,867	133	6,553
Legal	11,250	11,250	11,619	(369)	6,583
Postage	500	500	494	6	346
Telephone	4,938	4,938	3,483	1,455	4,160
Publishing and printing	1,563	1,563	416	1,147	1,462
Dues	1,250	1,250	859	391	1,153
Travel	2,500	2,500	1,161	1,339	1,671
Liability insurance	18,125	18,125	13,263	4,862	12,626
Gas & oil	25,000	25,000	10,341	14,659	20,239
Grants	12,500	12,500	5,798	6,702	6,542
Miscellaneous	2,250	2,250	112	2,138	1,232
Bike rodeo expense	563	563	215	348	-
Alert-leads user fee	2,500	2,500	1,584	916	911
Police garage maintenance	1,250	1,250	50	1,200	7
Pre-employment physical	1,500	1,500	-	1,500	592
Small equipment	9,375	9,375	3,547	5,828	-
Training	10,625	10,625	6,267	4,358	11,363
DARE program expense	3,750	3,750	1,608	2,142	3,124
Contingency	25,000	25,000	-	25,000	-
Capital outlay – equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,323</u>
Total expenditures	<u>\$ 825,000</u>	<u>825,000</u>	<u>505,010</u>	<u>319,990</u>	<u>587,926</u>

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues and Expenditures
and Changes in Fund Balance– Budget to Actual
Debt Service Fund

For the Year Ended April 30, 2009

With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property taxes	\$ 39,345	39,345	39,490	145	39,329
Interest	481	481	516	35	2,375
Total revenues	39,826	39,826	40,006	180	41,704
Expenditures:					
Debt service					
GO bond - principal	30,909	30,909	31,724	(815)	30,568
GO bond - interest	5,105	5,105	4,064	1,041	5,221
Total expenditures	36,014	36,014	35,788	226	35,789
Net change in fund balance	\$ 3,812	3,812	4,218	406	5,915
Fund balance					
Beginning			99,898		93,983
Ending			\$ 104,116		99,898

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues, Expenses
and Changes in Net Assets – Budget to Actual (Continued)
Proprietary Fund Types
Water, Sewer, Refuse, and Recycling Funds
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating revenues:					
Water service income	\$ 195,967	195,967	196,498	531	180,371
Sewer service income	457,785	457,785	463,250	5,465	425,026
Water hook-up fees	4,800	4,800	8,700	3,900	19,950
Sewer hook-up fees	4,100	4,100	8,100	4,000	12,550
Water deposit revenue	1,203	1,203	1,592	389	566
Garbage charges	150,462	150,462	151,733	1,271	141,613
Garbage stickers	2,708	2,708	2,708	-	4,659
Grant income	-	-	-	-	25,000
Miscellaneous revenue	6,096	6,096	6,116	20	3,171
Total operating revenues	\$ 823,121	823,121	838,697	15,576	812,906
Operating expenses:					
Office salary	36,250	36,250	27,945	8,305	25,168
Part-time wages	1,250	1,250	-	1,250	-
Meter reader	43,750	43,750	21,442	22,308	19,219
Plant operator	75,000	75,000	48,431	26,569	59,584
Health insurance	813	813	1,154	(341)	-
Payroll taxes	15,312	15,312	9,266	6,046	10,749
Employee benefits	18,125	18,125	11,278	6,847	12,388
Building water usage	1,250	1,250	1,009	241	705
Alarm system	5,000	5,000	3,471	1,529	3,848
Chemicals	15,000	15,000	10,876	4,124	8,087
Contingency	25,000	25,000	-	25,000	-
Engineering	43,750	43,750	21,406	22,344	30,421
EPA permit fees	7,500	7,500	6,000	1,500	6,000
Garbage expense	190,000	190,000	143,816	46,184	132,992
Garbage stickers / bins	6,250	6,250	2,033	4,217	4,937
Liability insurance	15,000	15,000	9,029	5,971	10,713
Large and maintenance service equip	10,000	10,000	42,435	(32,435)	29,532
Office & computer equipment	1,250	1,250	201	1,049	570
Operating supplies	62,500	62,500	30,088	32,412	9,865
Postage	6,000	6,000	5,206	794	4,642
Pre-employment physical	200	200	-	200	-
Printing	2,500	2,500	2,008	492	1,621
Professional fees	3,000	3,000	2,395	605	1,314
Rental and small equipment	7,500	7,500	5,380	2,120	2,748
Telephone	1,750	1,750	371	1,379	1,073
Travel & training	4,250	4,250	92	4,158	458
Utilities	55,000	55,000	32,555	22,445	79,621
Water analysis	6,000	6,000	5,326	674	3,450
Water deposit expense	1,250	1,250	506	744	-
Water sewer upgrade	993,750	993,750	10,300	983,450	26,843
Grant expense	437,500	437,500	-	437,500	25,000
Depreciation	-	-	176,891	(176,891)	173,954
Capital outlay	62,500	62,500	-	62,500	-
Total operating expenses	2,154,200	2,154,200	630,910	1,523,290	685,502
Operating income	(1,331,079)	(1,331,079)	207,787	(1,507,714)	127,404

VILLAGE OF WINNEBAGO, ILLINOIS
Schedule of Revenues, Expenses
and Changes in Net Assets – Budget to Actual (Continued)
Proprietary Fund Types
Water, Sewer, Refuse, and Recycling Funds
For the Year Ended April 30, 2009
With Comparative Totals for the Year Ended April 30, 2008

	2009				2008
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Nonoperating income (expenses):					
Property taxes	\$ -	-	-	-	105
Interest income	10,679	10,679	11,869	1,190	33,525
Well loan principal	(31,930)	(31,930)	-	31,930	-
Revenue bond principal	(68,014)	(68,014)	-	68,014	-
Revenue bond interest	(11,082)	(11,082)	(8,833)	2,249	(11,344)
Total nonoperating income (expenses)	(100,347)	(100,347)	3,036	103,383	22,286
Income before contributions and transfers	(1,431,426)	(1,431,426)	210,823	(1,404,331)	149,690
Other financing sources (uses):					
Contributed capital - infrastructure	-	-	-	-	-
Operating transfers	(94,412)	(94,412)	-	94,412	-
Total other financing sources (uses)	(94,412)	(94,412)	-	94,412	-
Change in net assets	\$ (1,525,838)	(1,525,838)	210,823	(1,309,919)	149,690
Net assets					
Beginning			2,558,300		2,408,610
Ending			<u>\$ 2,769,123</u>		<u>2,558,300</u>

VILLAGE OF WINNEBAGO, ILLINOIS

Schedule of Assessed Valuations, Property Tax Rates, Extensions, and Collections

April 30, 2009

	Tax Years		
	2008	2007	2006
Assessed valuations	<u>\$ 50,525,682</u>	<u>46,896,221</u>	<u>43,576,884</u>
Tax rates:			
General	0.4159	0.4280	0.2547
General – Audit	-	-	0.0085
General – Liability	-	-	0.0085
Police	0.2990	0.2776	0.3923
Debt Service	0.0779	0.0839	0.0904
Sewer Chlorination	-	-	0.0184
Pension	-	-	0.0396
Total tax rate	<u>0.7928</u>	<u>0.7895</u>	<u>0.8124</u>
Tax extensions:			
General	210,136	200,716	110,990
General- Audit	-	-	3,704
General- Liability	-	-	3,704
Police	151,072	130,184	170,952
Debt Service	39,360	39,346	39,394
Sewer Chlorination	-	-	8,018
Pension	-	-	17,257
	<u>400,568</u>	<u>370,246</u>	<u>354,019</u>
Collections **			
General	-	200,533	110,810
General- Audit	-	-	3,698
General- Liability	-	-	3,698
Police	-	130,065	170,674
Debt Service	-	39,310	39,329
Sewer Chlorination	-	-	8,005
Pension	-	-	17,228
	<u>\$ -</u>	<u>369,908</u>	<u>353,442</u>
Percentage of extensions collected	<u>-</u>	<u>99.91 %</u>	<u>99.84 %</u>

** Includes mobile home privilege tax, protested and back taxes.

