

**VILLAGE OF WINNEBAGO, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
APRIL 30, 2010**

# 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, 2010, 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, 2010, 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 29, 2010

*Elliott + Company*

**VILLAGE OF WINNEBAGO, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2010**  
**(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, 2010.

**FINANCIAL HIGHLIGHTS**

- Net asset position and performance in total – The Village's total net assets at April 30, 2010 were \$7,872,674.
- Governmental activity summary – Net assets for governmental activities increased by \$247,870 during the year.
- Business-type activity summary – Net assets for governmental activities increased by \$346,143 during the year.
- General Fund summary – The Village's General Fund reported an increase of \$177,454 in fund balance for the year.
- Budget vs. actual – The Village's actual revenues for the General Fund were \$185,178 less than the budgeted revenues, The actual expenditures were \$509,312 less than total budgeted expenditures for the General Fund.
- New capital – Net capital and infrastructure assets increased by \$557,030.

**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"> <li>- Statement of net assets</li> <li>- Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of net assets</li> <li>- Statement of revenues, Expenses, and changes in net assets</li> <li>- Statement of cash flows</li> </ul>
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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and other other assets	\$ 1,716,614	1,685,564	1,284,579	1,304,285	3,001,193	2,989,849
Capital assets	3,388,306	3,169,514	2,055,994	1,717,756	5,444,300	4,887,270
<b>Total assets</b>	<b>5,104,920</b>	<b>4,855,078</b>	<b>3,340,573</b>	<b>3,022,041</b>	<b>8,445,493</b>	<b>7,877,119</b>
Other liabilities	329,948	293,808	149,828	140,475	479,776	434,283
Long-term liabilities	17,566	51,734	75,477	112,441	93,043	164,175
<b>Total liabilities</b>	<b>347,514</b>	<b>345,542</b>	<b>225,305</b>	<b>252,916</b>	<b>572,819</b>	<b>598,458</b>
Net assets:						
Invested in capital assets, net of related debt	3,285,718	3,084,857	1,906,254	1,533,757	5,191,972	4,618,614
Restricted	296,474	516,986	205,671	221,765	502,145	738,751
Unrestricted	1,175,214	907,693	1,003,343	1,013,603	2,178,557	1,921,296
<b>Total net assets</b>	<b>\$ 4,757,406</b>	<b>4,509,536</b>	<b>3,115,268</b>	<b>2,769,125</b>	<b>7,872,674</b>	<b>7,278,661</b>

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, 2010 were \$7,872,674 for all funds. This is an increase of \$594,013 during the year. Total assets increased from \$7,877,117 to \$8,445,493, an increase of \$568,376. Cash and investments decreased by \$99,156. The capital assets (net) increased by \$557,030.

The total liabilities decreased by \$25,639. The non-current liabilities due in more than one year decreased by \$71,132. The decrease in non-current liabilities resulted from payments on existing debt.

The net assets of business-type activities increased by \$346,143 during the year and ended at \$3,115,268. Unrestricted assets, available to finance the continuing operation of its business-type activities, were \$1,003,343. The annual operating cost of the Village's business-type activities for the fiscal year was \$821,844.

The total net assets at April 30, 2010 were \$7,872,674, of which 66% is the investment in capital assets, net of the related debt, another 6% is restricted for debt service and maintenance of roads and bridges. The remaining 28% or \$2,178,557 available for any purpose, which is an increase of \$257,263 or 13% from the unrestricted net assets of 2009.

### **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, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 89,621	82,815	821,120	838,697	910,741	921,512
Grants & contributions						
Operating	30,270	5,480	-	-	30,270	5,480
Capital contributions	323,690	281,707	350,000	-	673,690	281,707
General revenues:						
Property taxes	437,851	396,165	-	-	437,851	396,165
Other taxes	792,532	817,150	-	-	792,532	817,150
Investment income	2,109	13,700	3,094	11,869	5,203	25,569
Miscellaneous	34,239	58,662	-	-	34,239	58,662
<b>Total revenues received</b>	<b>1,710,312</b>	<b>1,655,679</b>	<b>1,174,214</b>	<b>850,566</b>	<b>2,884,526</b>	<b>2,506,245</b>
<b>EXPENSES</b>						
General government	384,507	414,559	-	-	384,507	414,559
Public safety	445,832	527,275	-	-	445,832	527,275
Highways & streets	572,741	580,722	-	-	572,741	580,722
Parks & recreation	56,497	61,434	-	-	56,497	61,434
Interest	2,865	5,300	6,227	8,833	9,092	14,133
Water & sewer	-	-	821,844	630,910	821,844	630,910
<b>Total expenses disbursed</b>	<b>1,462,442</b>	<b>1,589,290</b>	<b>828,071</b>	<b>639,743</b>	<b>2,290,513</b>	<b>2,229,033</b>
Excess of revenues over (under) expenses	247,870	66,389	346,143	210,823	594,013	277,212
<b>Changes in net assets</b>	<b>247,870</b>	<b>66,389</b>	<b>346,143</b>	<b>210,823</b>	<b>594,013</b>	<b>277,212</b>
<b>Beginning net assets</b>	<b>4,509,536</b>	<b>4,443,147</b>	<b>2,769,125</b>	<b>2,558,302</b>	<b>7,278,661</b>	<b>7,001,449</b>
<b>Ending net assets</b>	<b>\$ 4,757,406</b>	<b>4,509,536</b>	<b>3,115,268</b>	<b>2,769,125</b>	<b>7,872,674</b>	<b>7,278,661</b>

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 2.70% at April 30, 2010), 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 \$1,710,312. The largest source of revenue was \$437,851 from property tax. Sales and use taxes were the next highest with revenue for the year of \$362,061. Contributed capital ranged third with \$323,690. The next highest source of income was state income tax with \$228,141. The revenues from these four sources represent 79% of the governmental activity revenues. Total revenue from all taxes was \$1,230,383 or 72%. The Village also recognized \$89,621 in charges for services or 5% of total revenue.

##### **Expenses:**

The Village's total governmental activity expenses were \$1,462,442. The three major functional areas were general government \$384,507 or 26% of the total; public works \$572,741 or 39% of the total; and public safety of \$445,832 or 30%. These three functional areas account \$1,403,080 or 96% of the total expenses of the Village.

Personnel costs including wages, health & life insurance, and retirement benefits were \$628,460 or 43% of the total expenses. Another major expense was highways and streets contractual services expense of \$323,874 or 22% of the total expenses.

## **Business-Type Activities**

### **Revenues:**

Revenues from business-type activities total \$1,174,214. The largest source of revenue was \$459,143 or 39% from sewer revenue. Charges for water were the next highest with revenue for the year of \$193,217 or 16%. Refuse and recycling income ranged third with \$160,448 or 14%. The revenues from these three sources represent 69% of the business-type activity revenues. The Village also received grant revenue of \$350,000 or 30%. All other revenue totaled \$11,406 or 1% of total revenues.

### **Expenses:**

The Village's total business-type activity expenses were \$828,071. The three major areas of operating expenses were wages & benefit expenses of \$188,728 or 23% of the total; refuse & recycling expenses of \$144,116 or 17% of the total; and depreciation of \$185,070 or 22% of the total. These three areas account for \$517,914 or 62% of the total business-type expenses of the Village. Overall, expenses in total increased by \$188,328 or 29% compared to the prior year.

## **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

At April 30, 2010, the governmental funds reported a combined fund balance of \$1,400,097; a decrease of \$8,378 from the prior year, which is mainly attributed to a decrease of \$248,625 in the Motor Fuel Tax Fund. The General Fund balance increased by \$177,454. All other funds netted an increase of \$62,793.

The Village's cash and equivalents increased by \$152,322 for all governmental funds excluding Motor Fuel Tax during the year ended April 30, 2010. Motor Fuel Tax Fund cash and cash equivalents decreased by \$249,134. Accounts payable increased by approximately \$13,674. The Village's overall financial health declined during the year as fund equity decreased by \$8,378, cash decreased by \$96,812 and accounts payable and accrued liabilities increased by \$15,792. However, cash balances were adequate to fund current operations.

Motor Fuel Tax fund expenditures were \$323,874, a decrease of \$46,996 from prior year. Motor fuel tax revenue decreased by only \$8,750 to \$75,249 while interest income decreased significantly from \$6,809 to \$598.

Police Protection fund revenues decreased from \$297,737 to \$273,490 in the current fiscal year. Expenses decreased from \$505,010 in 2009 to \$457,716 in 2010, a decrease of approximately 10%, which was mainly caused by lower personnel expenditures. The net effect of these changes was an increase in fund balance of \$2,702.

Debt Service fund revenues of \$63,901 increased by \$23,895 from the prior year and expenditures of \$35,788 were exactly the same as in 2009. The fund balance increased by \$28,113 to \$132,229.

## General Fund Budgetary Highlights

General Fund	FY 10 Original Budget	FY 10 Amended Budget	FY 10 Actual
Revenues			
Taxes	\$ 900,000	900,000	832,288
Licenses & permits	20,500	20,500	31,863
Interest	-	-	1,143
Other	151,500	151,500	21,528
Total revenues	1,072,000	1,072,000	886,822
Expenditures			
General government	431,939	431,939	276,380
Highways & streets	574,813	579,313	246,060
Capital Outlay	25,000	20,500	-
Total expenditures	1,031,752	1,031,752	522,440
Excess of revenues over (under) expenditures	40,248	40,248	364,382
Other financing sources (uses)			
Transfers in	38,500	38,500	-
Transfers out	(358,250)	(358,250)	(186,928)
Total other financing sources	(319,750)	(319,750)	(186,928)
Net change in fund balance	\$ (279,502)	(279,502)	177,454

## 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 \$557,030. See Note 5 to the Financial Statements for more details.

### Entity Wide Change in Net Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 50,854	50,854	-	-	50,854	50,854
Construction in process	-	-	558,249	196,862	558,249	196,862
Buildings & improvements	306,323	266,648	2,991,767	2,991,767	3,298,090	3,258,415
Equipment and vehicles	391,525	391,525	297,645	167,926	689,170	559,451
Software	21,564	10,782	10,782	-	32,346	10,782
Infrastructure	3,320,933	2,997,243	426,406	426,406	3,747,339	3,423,649
Subtotals	4,091,199	3,717,052	4,284,849	3,782,961	8,376,048	7,500,013
Accumulated depreciation	(702,893)	(547,538)	(2,228,855)	(2,065,205)	(2,931,748)	(2,612,743)
Totals	\$ 3,388,306	3,169,514	2,055,994	1,717,756	5,444,300	4,887,270

### **Long-term Debt**

At April 30, 2010, the Village owed \$220,635 in long-term debt. See Note 6 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 2009 assessed valuation is \$4,500,586 leaving a debt margin of \$4,448,852.

### **ECONOMIC FACTORS**

Non property tax revenues for 2011 are expected to be lower than for 2010. Property tax, which is the largest source of revenue, had been increasing by approximately 5% per year and is expected to increase by approximately 12% in 2011.

Other taxes such as sales and income are expected to be 5 to 10% less in 2011. 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, 2010

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 960,899	1,020,630	1,981,529
Restricted cash and cash equivalents	-	205,671	205,671
Receivables:			
Property taxes	455,225	-	455,225
State of Illinois	234,860	-	234,860
Utility users	-	96,736	96,736
Prepaid items	17,934	9,238	27,172
Internal balances	47,696	(47,696)	-
Total current assets	1,716,614	1,284,579	3,001,193
Capital assets not being depreciated	50,854	558,249	609,103
Capital assets, net of depreciation	3,337,452	1,497,745	4,835,197
Total assets	5,104,920	3,340,573	8,445,493
<b><u>Liabilities and Net Assets</u></b>			
<b>Current liabilities:</b>			
Accounts payable	30,538	30,686	61,224
Accrued payroll	18,651	3,913	22,564
Compensated absences	18,979	181	19,160
Meter deposits	-	40,785	40,785
Deferred revenue	227,612	-	227,612
Due within one year	34,168	74,263	108,431
Total current liabilities	329,948	149,828	479,776
<b>Noncurrent liabilities:</b>			
Due in more than one year	17,566	75,477	93,043
Total liabilities	347,514	225,305	572,819
<b>Net assets:</b>			
Invested in capital assets, net of related debt	3,285,718	1,906,254	5,191,972
Restricted:			
Highways and streets	164,245	-	164,245
Debt service	132,229	205,671	337,900
Unrestricted	1,175,214	1,003,343	2,178,557
Total net assets	\$ 4,757,406	3,115,268	7,872,674

See accompanying notes to financial statements.



# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Activities

For the Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 384,507	89,621	-	-	(294,886)	-	(294,886)
Public safety	445,832	-	3,000	-	(442,832)	-	(442,832)
Highways and streets	572,741	-	-	323,690	(249,051)	-	(249,051)
Culture and recreation	56,497	-	27,270	-	(29,227)	-	(29,227)
Interest	2,865	-	-	-	(2,865)	-	(2,865)
Total governmental activities	<u>1,462,442</u>	<u>89,621</u>	<u>30,270</u>	<u>323,690</u>	<u>(1,018,861)</u>	<u>-</u>	<u>(1,018,861)</u>
<b>Business-type activities:</b>							
Water and sewer	821,844	821,120	-	350,000	-	349,276	349,276
Interest	6,227	-	-	-	-	(6,227)	(6,227)
Total business-type activities	<u>828,071</u>	<u>821,120</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>343,049</u>	<u>343,049</u>
Total	<u>\$ 2,290,513</u>	<u>910,741</u>	<u>30,270</u>	<u>673,690</u>	<u>(1,018,861)</u>	<u>343,049</u>	<u>(675,812)</u>

### General revenues:

#### Taxes:

Property	\$ 437,851	-	437,851
Sales and use	362,061	-	362,061
Income tax	228,141	-	228,141
Telecommunications	109,518	-	109,518
Personal property replacement	18,161	-	18,161
Motor fuel	74,651	-	74,651
Unrestricted investment earnings	2,109	1,990	4,099
Gain on sale of capital assets		1,104	1,104
Miscellaneous	34,239	-	34,239
Total general revenues	<u>1,266,731</u>	<u>3,094</u>	<u>1,269,825</u>
Change in net assets	<u>247,870</u>	<u>346,143</u>	<u>594,013</u>

### Net assets:

Beginning	<u>4,509,536</u>	<u>2,769,125</u>	<u>7,278,661</u>
Ending	<u>\$ 4,757,406</u>	<u>3,115,268</u>	<u>7,872,674</u>

See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Balance Sheet Governmental Funds

April 30, 2010

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents \$	565,080	45,948	150,507	66,060	133,304	960,899
Receivables:						
Property taxes	222,551	144,384	-	88,290	-	455,225
State of Illinois	202,449	25,995	6,416	-	-	234,860
Prepaid items	7,065	10,869	-	-	-	17,934
Due from other funds	90,574	-	7,322	22,024	2,644	122,564
Total assets	<u>1,087,719</u>	<u>227,196</u>	<u>164,245</u>	<u>176,374</u>	<u>135,948</u>	<u>1,791,482</u>
<b>Liabilities:</b>						
Accounts payable	16,564	10,838	-	-	3,136	30,538
Accrued payroll	7,534	11,117	-	-	-	18,651
Deferred revenue	141,975	81,208	-	44,145	-	267,328
Due to other funds	19,486	55,382	-	-	-	74,868
Total liabilities	<u>185,559</u>	<u>158,545</u>	<u>-</u>	<u>44,145</u>	<u>3,136</u>	<u>391,385</u>
<b>Fund balances:</b>						
Reserved:						
Prepays	7,065	10,869	-	-	-	17,934
Debt service	-	-	-	132,229	-	132,229
Unreserved, reported in:						
General	895,095	-	-	-	-	895,095
Special revenue	-	57,782	164,245	-	132,812	354,839
Total fund equity	<u>902,160</u>	<u>68,651</u>	<u>164,245</u>	<u>132,229</u>	<u>132,812</u>	<u>1,400,097</u>
Total liabilities and fund equity	<u>1,087,719</u>	<u>227,196</u>	<u>164,245</u>	<u>176,374</u>	<u>135,948</u>	<u>1,791,482</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, 2010

**Total fund balances – governmental funds** \$ 1,400,097

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	\$ 4,091,199	
Accumulated depreciation	<u>(702,893)</u>	3,388,306

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	(51,734)	
Compensated absences	<u>(18,979)</u>	(70,713)

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

Sales and use taxes	30,700	
Telecommunication taxes	<u>9,016</u>	<u>39,716</u>

**Total net assets – governmental activities** \$ 4,757,406

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, 2010

	General Fund	Police Protection Fund	Motor Fuel Fund	Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 832,288	241,354	-	63,816	19,590	1,157,048
Intergovernmental	-	3,000	-	-	-	3,000
Licenses, fees, and permits	31,863	22,504	-	-	35,054	89,421
Motor Fuel Tax allotment	-	-	74,651	-	-	74,651
Interest	1,143	39	598	85	243	2,108
Other	21,528	6,593	-	-	33,588	61,709
Total revenues	<u>886,822</u>	<u>273,490</u>	<u>75,249</u>	<u>63,901</u>	<u>88,475</u>	<u>1,387,937</u>
<b>Expenditures:</b>						
Current:						
General government	276,380	-	-	-	-	276,380
Public safety	-	457,716	-	-	-	457,716
Highways and streets	246,060	-	-	-	-	246,060
Culture and recreation	-	-	-	-	56,497	56,497
Capital expenditures	-	-	323,874	-	-	323,874
Debt service:						
Principal	-	-	-	32,923	-	32,923
Interest	-	-	-	2,865	-	2,865
Total expenditures	<u>522,440</u>	<u>457,716</u>	<u>323,874</u>	<u>35,788</u>	<u>56,497</u>	<u>1,396,315</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>364,382</u>	<u>(184,226)</u>	<u>(248,625)</u>	<u>28,113</u>	<u>31,978</u>	<u>(8,378)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	186,928	-	-	-	186,928
Transfers out	<u>(186,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186,928)</u>
Total other financing sources (uses)	<u>(186,928)</u>	<u>186,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>177,454</u>	<u>2,702</u>	<u>(248,625)</u>	<u>28,113</u>	<u>31,978</u>	<u>(8,378)</u>
<b>Fund balances:</b>						
Beginning	<u>724,706</u>	<u>65,949</u>	<u>412,870</u>	<u>104,116</u>	<u>100,834</u>	<u>1,408,475</u>
Ending	<u>\$ 902,160</u>	<u>68,651</u>	<u>164,245</u>	<u>132,229</u>	<u>132,812</u>	<u>1,400,097</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, 2010

**Net Change in Fund Balances - total governmental funds** \$ (8,378)

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	374,147
Depreciation expense	(155,355)

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	2,420
Telecommunications taxes	(3,735)

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	32,923
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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>5,848</u>
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**Change in net assets of governmental activities** \$ 247,870

See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Net Assets Proprietary Fund

April 30, 2010

With Comparative Totals for the Year Ended April 30, 2009

	<u>Enterprise Fund</u>	
	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash and equivalents	\$ 1,020,630	1,006,879
Restricted cash and cash equivalents	205,671	221,765
Receivables:		
Property tax, net of allowance for doubtful accounts		
Utility users	96,736	94,364
Due from other funds	7,900	7,900
Prepaid items	9,238	6,667
Total current assets	<u>1,340,175</u>	<u>1,337,575</u>
<b>Noncurrent assets:</b>		
Fixed assets, net of accumulated depreciation	<u>2,055,994</u>	<u>1,717,756</u>
Total assets	<u>3,396,169</u>	<u>3,055,331</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable	30,686	23,264
Accrued wages	3,913	3,800
Compensated absences	181	1,318
Meter deposits	40,785	40,535
Due to other funds	55,596	33,293
Current portion of long-term debt	74,263	71,558
Total current liabilities	<u>205,424</u>	<u>173,768</u>
<b>Noncurrent liabilities:</b>		
Revenue bonds payable	<u>75,477</u>	<u>112,441</u>
Total liabilities	<u>280,901</u>	<u>286,209</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	1,906,254	1,533,757
Restricted net assets – debt service	205,671	221,765
Unrestricted net assets	<u>1,003,343</u>	<u>1,013,600</u>
<b>Total net assets</b>	<u>\$ 3,115,268</u>	<u>2,769,122</u>

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, 2010

With Comparative Totals for the Year Ended April 30, 2009

	Enterprise Fund	
	2010	2009
<b>Operating revenues:</b>		
Refuse and recycling revenue	\$ 160,448	154,441
Sewer revenue	459,143	471,350
Water revenue	193,217	205,198
Water deposit revenue	345	1,592
Miscellaneous	7,967	6,116
Total operating revenues	<u>821,120</u>	<u>838,697</u>
<b>Operating expenses:</b>		
Water and sewer department	492,658	310,203
Refuse and recycling expenses	144,116	143,816
Depreciation	185,070	176,891
Total operating expenses	<u>821,844</u>	<u>630,910</u>
Operating income (loss)	<u>(724)</u>	<u>207,787</u>
<b>Non-operating revenues (expenses):</b>		
Interest income	1,990	11,869
Gain on sale of capital assets	1,104	-
Grant revenue	350,000	-
Interest expense	(6,227)	(8,833)
Total non-operating revenues (expenses)	<u>346,867</u>	<u>3,036</u>
Income before contributions and transfers	<u>346,143</u>	<u>210,823</u>
<b>Other financing sources (uses):</b>		
Operating transfers	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Change in net assets	<u>346,143</u>	<u>210,823</u>
<b>Net assets:</b>		
Net assets - beginning	<u>2,769,125</u>	<u>2,558,302</u>
Net assets - ending	<u>\$ 3,115,268</u>	<u>2,769,125</u>

See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Cash Flows

### Proprietary Fund

For the Year Ended April 30, 2010

With Comparative Totals for the Year Ended April 30, 2009

	Enterprise	
	2010	2009
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 818,998	823,040
Payments to suppliers	(420,892)	(343,917)
Payments to employees	(189,752)	(120,423)
Net cash flows from operating activities	<u>208,354</u>	<u>358,700</u>
<b>Cash flows from capital and related financing activities:</b>		
Grant revenue for capital improvements	350,000	-
Payment of revenue bond principal and notes payable	(71,558)	(68,952)
Proceeds from issuance of new debt	48,700	-
Payments on capital lease	(11,400)	-
Purchase of and construction of fixed assets	(523,308)	(63,692)
Proceeds received on sale of fixed assets	1,100	-
Interest paid	(6,222)	(8,833)
Net cash flows from capital financing activities	<u>(212,688)</u>	<u>(141,477)</u>
<b>Cash flows from non-capital financing activities:</b>		
Property taxes	-	-
Net cash flows from non-capital financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities -</b>		
Interest on investments	1,990	11,869
Net decrease in cash and cash equivalents	<u>(2,344)</u>	<u>229,092</u>
Cash and cash equivalents, beginning of year	<u>1,228,645</u>	<u>999,553</u>
Cash and cash equivalents, end of year	<u><u>1,226,301</u></u>	<u><u>1,228,645</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Net operating loss	(724)	207,787
Adjustment to reconcile net operating loss to net cash provided by operating activities:		
Depreciation expense	185,070	176,891
Changes in assets & liabilities:		
(Increase) decrease in:		
Utility accounts receivable	(2,372)	(7,657)
Due from other funds	-	(7,900)
Prepaid expenses	(2,571)	(971)
Increase (decrease) in:		
Accounts payable	7,422	(8,443)
Accrued wages	113	636
Compensated absences	(1,137)	(1,543)
Refundable deposits	250	(100)
Due to other funds	22,303	-
Net cash flows from operating activities	<u>\$ 208,354</u>	<u>358,700</u>

See accompanying notes to financial statements.



# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements

April 30, 2010

### (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, 2010

#### **(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, 2010

**(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. However, the Village has decided for the fiscal year 2010 to recognize four months of income tax collected by the State of Illinois and vouchered, but not paid during the 60 day period. This change resulted in a consistent recognition of 12 months of income tax revenue when compared with prior years. 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.

## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2010

#### (1) Summary of Significant Accounting Policies (Continued)

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 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, 2010

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **(b) Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits, savings and money market accounts. As of April 30, 2010, the Village had no investments.

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 2009 tax levy was as follows:

Lien Date	January 1, 2009
Levy Date	December 7, 2009
First Installment Due	June 4, 2010
Second Installment Due	September 3, 2010

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 2009 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has been recorded as a receivable as of April 30, 2010 as the tax had been levied by the Village and extended by the County but would not be collected until fiscal year 2011.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2010

### (1) Summary of Significant Accounting Policies (Continued)

The Village's 2009 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	0.4265	0.4375
Police Protection	0.2767	0.6000
Chlorination	0.0001	0.0200
IMRF	0.0001	None
Audit	0.0001	None
Liability Insurance	0.0001	None
Bond and Interest	<u>0.1692</u>	None
TOTAL VILLAGE	<u>0.8728</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

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Notes to Financial Statements (Continued)  
April 30, 2010

**(1) Summary of Significant Accounting Policies (Continued)**

**(d) Fixed Assets (Continued)**

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

**(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.

**(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, 2010 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.

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Notes to Financial Statements (Continued)  
April 30, 2010

**(1) Summary of Significant Accounting Policies (Continued)**

**(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 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



## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2010

#### (2) Cash and Cash Equivalents (Continued)

Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

##### ***Custodial Credit Risk***

At year-end, the carrying amount of the Village's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$2,187,200 and the bank balance was \$2,161,582.

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, 2010, 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, 2010 were as follows:

	<u>Receivable</u>
Governmental-type:	
General fund	\$ 222,551
Police Protection fund	144,384
Nonmajor governmental funds	<u>88,290</u>
Total governmental-type	\$ <u><u>455,225</u></u>

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

April 30, 2010

**(5) Capital Assets**

The Village has not yet made the decision to either continue building another water treatment plant or to contract with the Rock River Reclamation District for the east side of the Village. During the fiscal year, no additional cost was incurred for construction in process for the plant

The governmental activities capital asset activity for the year ended April 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 50,854	—	—	50,854
Total capital assets, not being depreciated	50,854	—	—	50,854
Capital assets, being depreciated:				
Buildings and improvements	266,648	39,675	—	306,323
Equipment and vehicles	391,525	—	—	391,525
Software	10,782	10,782	—	21,564
Infrastructure	2,997,243	323,690	—	3,320,933
Total capital assets, being depreciated	3,666,198	374,147	—	4,040,345
Total accumulated depreciation	(547,538)	(155,355)	—	(702,893)
Total capital assets, being depreciated, net	3,118,660	218,792	—	3,337,452
Governmental activities capital assets, net	\$ 3,169,514	218,792	—	3,388,306

The business-type activities capital asset activity for the year ended April 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated –				
Construction in process	\$ 196,862	361,387	—	558,249
Total capital assets, not being depreciated	196,862	361,387	—	558,249
Capital assets, being depreciated				
Buildings and improvements	2,991,767	—	—	2,991,767
Equipment and vehicles	167,926	151,139	(21,420)	297,645
Software	—	10,782	—	10,782
Infrastructure	426,406	—	—	426,406
Total capital assets, being depreciated	3,586,099	161,921	(21,420)	3,726,600
Total accumulated depreciation	(2,065,205)	(185,070)	21,420	(2,228,855)
Total capital assets, being depreciated, net	1,520,894	(23,149)	—	1,497,745
Business-type activities capital assets, net	\$ 1,717,756	338,238	—	2,055,994

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

April 30, 2010

**(5) Capital Assets (Continued)**

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

	<u>2010</u>
Governmental activities:	
General government	\$ 125,848
Public safety	<u>29,507</u>
Total governmental activities, depreciation expense	\$ <u>155,355</u>
Business-type activities – Water and sewer operations	\$ <u>185,070</u>

**(6) 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, 2010, the Village has \$205,671 on deposit in these restricted cash and cash equivalent accounts.

The following is a summary of changes in long-term debt for the year ended April 30, 2010:

**VILLAGE OF WINNEBAGO, ILLINOIS**  
**Notes to Financial Statements (Continued)**  
**April 30, 2010**

**(6) Long-term Debt (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>	
					<u>Principal</u>	<u>Interest</u>
<b>Governmental activities:</b>						
Bonds payable:						
General Obligation Sewer Improvement Bond Series of 1990 maturing May 10, 2011, with interest at a rate of 3.745%, principal maturities on May 1 and November 1	\$ 84,656	-	32,922	51,734	34,168	1,620
Compensated absences	24,827	2,889	8,737	18,979	18,979	-
Governmental activities – long-term liabilities	<u>\$ 109,483</u>	<u>2,889</u>	<u>41,659</u>	<u>70,713</u>	<u>53,147</u>	<u>1,620</u>
<b>Business-type activities:</b>						
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	\$ 183,999	-	71,558	112,441	74,263	3,522
Rent to own purchase agreement: Agreement to purchase excavator with a purchase price of \$48,700; payment due in fiscal year 2011.	-	48,700	11,400	37,300	37,300	-
Compensated absences	1,318	-	1,137	181	181	-
Business-type activities – long-term liabilities	<u>\$ 185,317</u>	<u>48,700</u>	<u>84,095</u>	<u>149,922</u>	<u>111,744</u>	<u>3,522</u>

As of April 30, 2010, the future debt service requirements of the long-term debt are as follows:

<u>Year ending April 30</u>	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$ 34,168	1,620	111,563	3,522	150,873
2012	17,566	329	38,178	715	56,788
	<u>\$ 51,734</u>	<u>1,949</u>	<u>149,741</u>	<u>4,237</u>	<u>207,661</u>

The Village entered into a rent-to-purchase agreement for an excavator with a local vendor in the amount of \$48,700. The Village paid \$11,400 in rental fees which are applied to the purchase price during fiscal year ending April 30, 2010 and the amount remaining of \$37,300 is due in the next fiscal year.

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

April 30, 2010

**(6) Long-term Debt (continued)**

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, 2010, the statutory limit of the Village was \$4,500,586. The Village's outstanding debt was \$51,734 leaving a legal debt margin of \$4,448,852.

**(7) Individual Fund Disclosures**

Transfers were made to supplement the revenues received by the police protection fund and to reallocate wages from the General Fund – Highways and Streets to the Water & Sewer Fund:

		<u>Transfers in</u>	<u>Transfers out</u>
General Fund	*	\$	186,928
Special Revenue:			
Police Protection Fund	*	186,928	-
Total		\$ <u>186,928</u>	<u>186,928</u>

\* denotes major fund

Interfund balances are mainly for revenues and expenses that were reclassified to different funds after they had been received or paid by the wrong fund. The only exception was a transfer from the General to the Police Protection Fund to eliminate a negative cash balance of \$52,739 in the prior fiscal year.

Motor Fuel Tax Fund	*	7,322	-
Police Protection Fund	*	-	55,382
Community Dev. Fund		2,644	-
Debt Service:			
Debt Service Fund	*	22,024	-
Enterprise:			
Water & Sewer Fund	*	-	47,695
Total		\$ <u>122,563</u>	<u>122,563</u>

\* denotes major fund

## **VILLAGE OF WINNEBAGO, ILLINOIS**

### **Notes to Financial Statements (Continued)**

April 30, 2010

#### **(8) 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, 2010 ranged from \$500 to \$25,000. The membership contribution for all of the coverages is \$41,169. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

#### **(9) 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](http://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 2009 was 10.90 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.

##### *Annual Pension Cost*

For 2009 the Village's annual pension cost of \$61,015 for the Regular plan was equal to its required and actual contributions.

##### **Three-Year Trend Information for the Regular Plan**

## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2010

#### (9) Illinois Municipal Retirement Fund (Continued)

<u>Actuarial Valuation Date</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
12/31/09	\$	61,015	100%	\$	—
12/31/08		70,990	100%		—
12/31/07		68,924	100%		—

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2007, 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 10% 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 15% 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, 2007, was 27 years.

#### *Funded Status and Funding Progress*

As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 59.42 percent funded. The actuarial accrued liability for benefits was \$924,703 and the actuarial value of assets was \$549,501, resulting in an underfunded actuarial accrued liability (UAAL) of \$375,202. The covered payroll (annual payroll of active employees covered by the plan) was \$559,767 and the ratio of the UAAL to the covered payroll was 67 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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, 2010

#### **(10) Commitments**

In June 2009, the Village received a CDAP grant of \$350,000 for its sewer construction project. The money was used within the fiscal year. The Village is required to pay \$120,000 for the project. At April 30, 2010, approximately \$108,600 was still outstanding.

#### **(11) Subsequent Events**

The Village has entered into an 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.

The Village paid off the General Obligation bonds on October 11, 2010.

#### **(12) Pending Pronouncements.**

Management is determining the impact of the following new GASB pronouncements:

GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" effective for financial statements for periods beginning after June 15, 2009.

GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" effective for financial statements for periods beginning after June 15, 2009.

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" effective for financial statements for periods beginning after June 15, 2010.

GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies" effective for financial statements for periods beginning after June 15, 2009.



**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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 900,000	900,000	832,288	(67,712)	838,001
Licenses, fees and permits	20,500	20,500	31,863	11,363	19,218
Other	151,500	151,500	22,671	(128,829)	21,467
Total revenues	<u>1,072,000</u>	<u>1,072,000</u>	<u>886,822</u>	<u>(185,178)</u>	<u>878,686</u>
<b>Expenditures:</b>					
Current:					
General government	431,939	431,939	276,380	155,559	304,706
Highways and streets	574,813	579,313	246,060	333,253	234,075
Capital expenditures	25,000	20,500	-	20,500	7,845
Total expenditures	<u>1,031,752</u>	<u>1,031,752</u>	<u>522,440</u>	<u>509,312</u>	<u>546,626</u>
<b>Excess of revenues over expenditures</b>	40,248	40,248	364,382	324,134	332,060
<b>Other financing sources (uses):</b>					
Operating transfers in	38,500	38,500	-	(38,500)	24,238
Operating transfers out	<u>(358,250)</u>	<u>(358,250)</u>	<u>(186,928)</u>	<u>171,322</u>	<u>(160,395)</u>
Total other financing sources (uses)	<u>(319,750)</u>	<u>(319,750)</u>	<u>(186,928)</u>	<u>132,822</u>	<u>(136,157)</u>
<b>Net change in fund balance</b>	\$ <u>(279,502)</u>	<u>(279,502)</u>	177,454	<u>456,956</u>	195,903
<b>Fund balance:</b>					
Beginning			<u>724,706</u>		<u>528,803</u>
Ending			<u>902,160</u>		<u>724,706</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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 231,000	231,000	241,354	10,354	251,736
Grants	8,500	8,500	3,000	(5,500)	5,480
Other	37,500	37,500	29,136	(8,364)	40,521
Total revenues	<u>277,000</u>	<u>277,000</u>	<u>273,490</u>	<u>(3,510)</u>	<u>297,737</u>
<b>Expenditures:</b>					
Current:					
Public Safety	<u>704,502</u>	<u>704,502</u>	<u>457,716</u>	<u>246,786</u>	<u>505,010</u>
Total expenditures	<u>704,502</u>	<u>704,502</u>	<u>457,716</u>	<u>246,786</u>	<u>505,010</u>
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	(427,502)	(427,502)	(184,226)	(250,296)	(207,273)
<b>Other financing sources (uses):</b>					
Operating transfers in	<u>286,600</u>	<u>286,600</u>	<u>186,928</u>	<u>(99,672)</u>	<u>160,395</u>
<b>Net change in fund balance</b>	\$ <u>(140,902)</u>	<u>(140,902)</u>	2,702	<u>(349,968)</u>	(46,878)
<b>Fund balance:</b>					
Beginning			<u>65,949</u>		<u>112,827</u>
Ending			<u>68,651</u>		<u>65,949</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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Intergovernmental -					
Motor fuel taxes	\$ 65,000	65,000	74,651	9,651	77,190
Interest	7,500	7,500	598	(6,902)	6,809
Total revenues	<u>72,500</u>	<u>72,500</u>	<u>75,249</u>	<u>2,749</u>	<u>83,999</u>
<b>Expenditures:</b>					
Highways and streets:					
Highways, streets and bridges	462,500	453,000	279,452	173,548	264,887
Engineering	37,500	47,000	44,422	2,578	16,820
Utilities	-	-	-	-	89,163
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>323,874</u>	<u>176,126</u>	<u>370,870</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(427,500)</u>	<u>(427,500)</u>	<u>(248,625)</u>	<u>(173,377)</u>	<u>(286,871)</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	<u>370,000</u>	<u>370,000</u>	<u>-</u>	<u>(370,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (57,500)</u>	<u>(57,500)</u>	<u>(248,625)</u>	<u>(543,377)</u>	<u>(286,871)</u>
<b>Fund balance:</b>					
Beginning			<u>412,870</u>		<u>699,741</u>
Ending			<u>164,245</u>		<u>412,870</u>

# **VILLAGE OF WINNEBAGO, ILLINOIS**

## **Required Supplementary Information Schedule of Funding Progress Illinois Municipal Retirement Fund**

April 30, 2010

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll (b-a)/c</b>
12/31/09	\$ 549,501	924,703	375,202	59.42 %	559,767	67.03 %
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, 2009 is \$531,503 and the funded ratio would be 57.48%.

## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Required Supplementary Information

April 30, 2010

#### 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 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.

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# VILLAGE OF WINNEBAGO, ILLINOIS

## Combining Balance Sheet Nonmajor Governmental Funds

April 30, 2010

	Special Revenue			Total Nonmajor Governmental Funds
	Community Development	Retirement Fund	Fourth of July Fund	
<b>Assets:</b>				
Cash and cash equivalents:	\$ 115,805	-	17,499	133,304
Due from other funds	2,644	-	-	2,644
Total assets	<u>118,449</u>	<u>-</u>	<u>17,499</u>	<u>135,948</u>
<b>Liabilities:</b>				
Accounts payable	3,136	-	-	3,136
Total liabilities	<u>3,136</u>	<u>-</u>	<u>-</u>	<u>3,136</u>
<b>Fund balances:</b>				
Unreserved, undesignated	115,313	-	17,499	132,812
Total fund balances	<u>115,313</u>	<u>-</u>	<u>17,499</u>	<u>132,812</u>
<b>Total liabilities and fund balances</b>	<u>\$ 118,449</u>	<u>-</u>	<u>17,499</u>	<u>135,948</u>

# **VILLAGE OF WINNEBAGO, ILLINOIS**

## **Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

### **Nonmajor Governmental Funds**

For the Year Ended April 30, 2010

	<u>Special Revenue</u>			Total Nonmajor Governmental Funds
	<u>Community Development</u>	<u>Retirement Fund</u>	<u>Fourth of July Fund</u>	
<b>Revenues:</b>				
Taxes	\$ 19,590	-	-	19,590
Fees & charges	35,054	-	-	35,054
Interest	243	-	-	243
Other	6,318	-	27,270	33,588
Total revenues	<u>61,205</u>	<u>-</u>	<u>27,270</u>	<u>88,475</u>
<b>Expenditures:</b>				
Culture and recreation	<u>28,011</u>	<u>-</u>	<u>28,486</u>	<u>56,497</u>
Total expenditures	<u>28,011</u>	<u>-</u>	<u>28,486</u>	<u>56,497</u>
<b>Excess of revenue over expenditures</b>	<u>33,194</u>	<u>-</u>	<u>(1,216)</u>	<u>31,978</u>
<b>Other financing sources (uses):</b>				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	33,194	-	(1,216)	31,978
Beginning	<u>82,119</u>	<u>-</u>	<u>18,715</u>	<u>100,834</u>
Ending	\$ <u>115,313</u>	<u>-</u>	<u>17,499</u>	<u>132,812</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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Telecommunication taxes	\$ 10,000	10,000	19,590	9,590	-
Fees & charges	30,600	30,600	35,054	4,454	29,564
Interest	700	700	243	(457)	564
Other	1,200	1,200	6,318	5,118	1,398
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>61,205</u>	<u>18,705</u>	<u>31,526</u>
<b>Expenditures:</b>					
Culture & Recreation					
Contractual services:					
Presidential project	12,500	12,500	6,318	6,182	7,439
Legal expenses	6,250	6,250	2,857	3,393	7,726
Community projects	6,875	6,875	4,198	2,677	-
Supplies:					
Community expenses	3,125	3,125	2,655	470	2,245
Hardship Fund	2,500	2,500	1,983	517	1,977
4th of July expenses	12,500	12,500	10,000	2,500	10,000
Total expenditures	<u>43,750</u>	<u>43,750</u>	<u>28,011</u>	<u>15,739</u>	<u>29,387</u>
<b>Excess of revenue over (under) expenditures</b>	<u>(1,250)</u>	<u>(1,250)</u>	<u>33,194</u>	<u>2,966</u>	<u>2,139</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (11,250)</u>	<u>(11,250)</u>	<u>33,194</u>	<u>12,966</u>	<u>2,139</u>
<b>Fund balance</b>					
Beginning			<u>82,119</u>		<u>79,980</u>
Ending			<u>\$ 115,313</u>		<u>82,119</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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Property taxes	\$ -	-	-	-	-
Interest	-	-	-	-	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
General government:	-	-	-	-	-
Total expenditures	-	-	-	-	-
<b>Excess of revenue over (under) expenditures</b>	-	-	-	-	-
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	-	(24,238)
Total other financing sources sources (uses)	-	-	-	-	(24,238)
<b>Net change in fund balance</b>	\$ -	-	-	-	(24,238)
<b>Fund balance</b>					
Beginning			-		24,238
Ending			\$ -		-

**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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Other	\$ 30,000	30,000	27,270	(2,730)	35,119
Total revenues	30,000	30,000	27,270	(2,730)	35,119
<b>Expenditures:</b>					
Culture & Recreation Supplies					
Fourth of July expenses	43,750	43,750	28,486	15,264	32,047
Total expenditures	43,750	43,750	28,486	15,264	32,047
<b>Excess of revenue over     expenditures</b>	<u>(13,750)</u>	<u>(13,750)</u>	<u>(1,216)</u>	<u>12,534</u>	<u>3,072</u>
<b>Other financing sources (uses):</b>					
Transfers in (out)	5,000	5,000	-	(5,000)	-
<b>Net change in fund balance</b>	\$ <u>(8,750)</u>	<u>(8,750)</u>	<u>(1,216)</u>	<u>7,534</u>	<u>3,072</u>
<b>Fund balance</b>					
Beginning			18,715		15,643
Ending			\$ <u>17,499</u>		<u>18,715</u>

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Schedule of Detailed Revenues and Expenditures (Continued)  
**General Fund**  
For the Year Ended April 30, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes:					
Property taxes	\$ 220,000	220,000	226,344	6,344	215,524
Sales taxes	335,000	335,000	324,213	(10,787)	322,200
State income tax	280,000	280,000	228,141	(51,859)	236,418
Local use tax	45,000	45,000	35,429	(9,571)	41,986
Replacement tax	20,000	20,000	18,161	(1,839)	21,873
Total taxes	900,000	900,000	832,288	(67,712)	838,001
Licenses, fees, and permits	20,500	20,500	31,863	11,363	19,218
Other revenue:					
Stimulus grants	67,000	67,000	-	(67,000)	-
Interest	5,000	5,000	1,143	(3,857)	5,428
Miscellaneous	79,500	79,500	21,528	(57,972)	16,039
Total other	151,500	151,500	22,671	(128,829)	21,467
Total revenues	1,072,000	1,072,000	886,822	(185,178)	878,686
<b>Expenditures:</b>					
General government:					
Salaries	63,750	63,750	50,233	13,517	50,217
Salaries – elected officials	78,125	78,125	59,810	18,315	56,278
Payroll taxes	13,875	15,875	12,204	3,671	11,612
Employee benefits	47,500	47,500	21,164	26,336	22,303
Employee welfare	2,250	2,250	2,040	210	2,400
Office equipment	20,000	20,000	15,562	4,438	15,616
Professional services	23,750	23,750	11,721	12,029	28,533
Engineering	37,500	35,200	13,416	21,784	15,706
Legal services	68,750	68,750	34,990	33,760	38,716
Inspection fees	21,250	21,250	12,719	8,531	15,853
Postage	438	438	450	(12)	216
Telephone	3,125	3,125	2,738	387	2,504
Publishing	3,750	3,750	1,270	2,480	2,483
Printing	1,000	1,300	1,081	219	802
Dues	2,250	2,250	1,242	1,008	1,964
Travel	188	238	199	39	150
Training	625	575	305	270	867
Small equipment	625	625	515	110	547
Office maintenance	6,250	6,250	4,075	2,175	5,090
Audit and accounting services	13,125	13,125	10,500	2,625	9,500
IML renewal contract	7,500	5,500	4,609	891	4,769
Recapture payments	\$ 188	188	141	47	6,099

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Schedule of Detailed Revenues and Expenditures (Continued)  
**General Fund**  
For the Year Ended April 30, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued):					
General government (continued):					
Office supplies	\$ 8,750	10,250	9,415	835	7,554
Building water usage	500	500	329	171	252
Miscellaneous expense	6,250	6,750	5,652	1,098	4,675
Contingency	625	625	-	625	-
Total general government	<u>431,939</u>	<u>431,939</u>	<u>276,380</u>	<u>155,559</u>	<u>304,706</u>
Highways and streets:					
Salaries	147,313	147,313	82,300	65,013	118,816
Employee benefits	37,125	37,125	22,718	14,407	25,834
Payroll taxes	11,125	11,125	6,264	4,861	9,172
Maintenance – buildings	6,250	6,250	36	6,214	595
Maintenance – vehicles	10,000	12,000	9,188	2,812	4,359
Maintenance – streets & sidewalks	45,000	45,000	30,743	14,257	15,968
Maintenance – equipment	7,500	10,000	7,931	2,069	7,163
Telephone	1,750	2,050	1,738	312	1,614
Electricity	150,000	150,000	35,895	114,105	-
Supplies	5,000	5,000	2,787	2,213	2,360
Gas and oil	25,000	25,000	15,867	9,133	12,872
Tree removal	5,000	5,000	2,270	2,730	336
IML renewal	15,000	14,700	9,458	5,242	10,763
Stimulus	83,750	83,750	18,865	64,885	-
Contingency	25,000	25,000	-	25,000	-
Capital lease payment	-	-	-	-	24,223
Capital outlay – equipment	25,000	20,500	-	20,500	7,845
Total public works	<u>599,813</u>	<u>599,813</u>	<u>246,060</u>	<u>353,753</u>	<u>241,920</u>
Total expenditures	<u>\$ 1,031,752</u>	<u>1,031,752</u>	<u>522,440</u>	<u>509,312</u>	<u>546,626</u>

**VILLAGE OF WINNEBAGO, ILLINOIS**

Schedule of Detailed Revenues and Expenditures - Budget and Actual

**Police Protection Fund**

For the Year Ended April 30, 2010

With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes:					
Property taxes	\$ 146,000	146,000	147,691	1,691	141,151
Telecommunications	85,000	85,000	93,663	8,663	110,585
Total taxes	<u>231,000</u>	<u>231,000</u>	<u>241,354</u>	<u>10,354</u>	<u>251,736</u>
Intergovernmental – grants	<u>8,500</u>	<u>8,500</u>	<u>3,000</u>	<u>(5,500)</u>	<u>5,480</u>
Other revenue:					
Fines and forfeits	32,000	32,000	22,504	(9,496)	34,033
Interest	500	500	39	(461)	383
Miscellaneous	5,000	5,000	6,593	1,593	6,105
Total other revenue	<u>37,500</u>	<u>37,500</u>	<u>29,136</u>	<u>(8,364)</u>	<u>40,521</u>
<b>Total revenues</b>	<u>277,000</u>	<u>277,000</u>	<u>273,490</u>	<u>(3,510)</u>	<u>297,737</u>
<b>Expenditures:</b>					
Public safety					
Salaries	447,500	433,875	270,046	163,829	322,593
Payroll taxes	33,375	33,375	23,567	9,808	29,671
Employee benefits	108,875	108,875	78,114	30,761	76,848
Uniforms	4,063	5,563	4,546	1,017	3,430
Computers and equipment	625	625	110	515	454
Professional services	6,250	7,750	6,695	1,055	6,330
Vehicle maintenance	6,625	6,625	3,461	3,164	4,867
Legal	13,750	22,750	20,146	2,604	11,619
Postage	438	438	89	349	494
Telephone	4,938	4,938	3,023	1,915	3,483
Publishing and printing	625	625	217	408	416
Dues	313	313	137	176	859
Travel	375	375	180	195	1,161
Liability insurance	18,125	19,750	14,904	4,846	13,263
Gas & oil	18,750	17,550	7,652	9,898	10,341
Grants	10,625	10,625	-	10,625	5,798
Miscellaneous	625	625	445	180	112
Bike rodeo expense	-	-	-	-	215
Alert-leads user fee	2,500	2,500	1,728	772	1,584
Police garage maintenance	18,750	18,750	11,375	7,375	50
Pre-employment physical	500	500	-	500	-
Small equipment	3,125	3,125	2,754	371	3,547
Training	3,750	4,950	4,398	552	6,267
DARE program expense	-	-	4,129	(4,129)	1,608
<b>Total expenditures</b>	<u>\$ 704,502</u>	<u>704,502</u>	<u>457,716</u>	<u>246,786</u>	<u>505,010</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, 2010

With Comparative Totals for the Year Ended April 30, 2009

	2010			Variance	2009
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>					
Property taxes	\$ 39,300	39,300	63,816	24,516	39,490
Interest	500	500	85	(415)	516
Total revenues	<u>39,800</u>	<u>39,800</u>	<u>63,901</u>	<u>24,101</u>	<u>40,006</u>
<b>Expenditures:</b>					
Debt service					
GO bond - principal	40,625	40,625	32,923	7,702	31,724
GO bond - interest	<u>4,375</u>	<u>4,375</u>	<u>2,865</u>	<u>1,510</u>	<u>4,064</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>35,788</u>	<u>9,212</u>	<u>35,788</u>
<b>Net change in fund balance</b>	<u>\$ (5,200)</u>	<u>(5,200)</u>	28,113	<u>33,313</u>	4,218
<b>Fund balance</b>					
Beginning			<u>104,116</u>		<u>99,898</u>
Ending			<u>\$ 132,229</u>		<u>104,116</u>

**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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010			Variance	2009
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
<b>Operating revenues:</b>					
Water service income	\$ 200,500	200,500	191,167	(9,333)	196,498
Sewer service income	454,000	454,000	459,093	5,093	463,250
Water hook-up fees	5,000	5,000	2,050	(2,950)	8,700
Sewer hook-up fees	5,000	5,000	50	(4,950)	8,100
Water deposit revenue	1,000	1,000	345	(655)	1,592
Garbage charges	157,000	157,000	160,308	3,308	151,733
Garbage stickers	500	500	140	(360)	2,708
Miscellaneous revenue	2,500	2,500	7,967	5,467	6,116
Total operating revenues	\$ 825,500	825,500	821,120	(4,380)	838,697
<b>Operating expenses:</b>					
Office salary	36,250	29,350	51,399	(22,049)	27,945
Part-time wages	3,750	6,250	5,122	1,128	-
Meter reader	26,250	26,250	19,134	7,116	21,442
Plant operator	76,875	76,875	61,287	15,588	48,431
Health insurance	27,375	27,375	24,288	3,087	1,154
Payroll taxes	11,438	12,938	12,944	(6)	9,266
Employee benefits	22,500	22,900	14,554	8,346	11,278
Building water usage	1,250	1,550	1,275	275	1,009
Alarm system	5,000	5,000	2,389	2,611	3,471
Chemicals	17,500	17,500	9,422	8,078	10,876
Engineering	43,750	43,750	38,332	5,418	21,406
EPA permit fees	7,500	7,500	6,000	1,500	6,000
Garbage expense	196,250	196,250	144,116	52,134	143,816
Garbage stickers / bins	625	625	-	625	2,033
Liability insurance	15,000	15,000	12,249	2,751	9,029
Large and maintenance service equip	10,000	10,000	3,535	6,465	42,435
Office & computer equipment	1,250	1,250	735	515	201
Operating supplies	75,000	75,000	61,888	13,112	30,087
Postage	6,250	6,250	4,437	1,813	5,206
Pre-employment physical	200	200	166	34	-
Printing	3,750	3,450	1,951	1,499	2,008
Professional fees	3,000	3,000	1,820	1,180	2,395
Rental and small equipment	28,750	32,250	7,347	24,903	5,380
Telephone	1,750	1,750	1,454	296	371
Travel & training	4,250	3,250	753	2,497	92
Utilities	67,500	67,500	90,941	(23,441)	32,555
Water analysis	6,000	6,000	3,131	2,869	5,326
Water deposit expense	1,250	1,250	616	634	506
Water sewer upgrade	985,175	985,175	53,085	932,090	10,300
Grant expense	437,500	437,500	-	437,500	-
Depreciation	-	-	185,070	(185,070)	176,891
Capital outlay	62,500	62,500	2,404	60,096	-
Total operating expenses	2,185,438	2,185,438	821,844	1,363,594	630,909
Operating income	(1,359,938)	(1,359,938)	(724)	(1,367,974)	207,788



**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, 2010  
With Comparative Totals for the Year Ended April 30, 2009

	2010				2009
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Nonoperating income (expenses):</b>					
Interest income	\$ 5,000	5,000	1,990	(3,010)	11,869
Gain on sale of asset	-	-	1,104	1,104	-
Grant revenue	350,000	350,000	350,000	-	-
Revenue bond principal	(88,125)	(88,125)	-	88,125	-
Revenue bond interest	(10,000)	(10,000)	(6,227)	3,773	(8,833)
Total nonoperating income (expenses)	256,875	256,875	346,867	89,992	3,036
Income before contributions and transfers	(1,103,063)	(1,103,063)	346,143	(1,277,982)	210,824
<b>Other financing sources (uses):</b>					
Operating transfers	607,075	607,075	-	(607,075)	-
Total other financing sources (uses)	607,075	607,075	-	(607,075)	-
<b>Change in net assets</b>	<u>\$ (495,988)</u>	<u>(495,988)</u>	346,143	<u>(1,885,057)</u>	210,824
<b>Net assets</b>					
Beginning			2,769,124		2,558,300
Ending			<u>\$ 3,115,267</u>		<u>2,769,124</u>

# VILLAGE OF WINNEBAGO, ILLINOIS

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

April 30, 2010

	Tax Years		
	2009	2008	2007
<b>Assessed valuations</b>	<u>\$ 52,180,708</u>	<u>50,525,682</u>	<u>46,896,221</u>
<b>Tax rates:</b>			
General	0.4265	0.4159	0.4280
General – Audit	0.0001	-	-
General – Liability	0.0001	-	-
Police	0.2767	0.2990	0.2776
Debt Service	0.1692	0.0779	0.0839
Sewer Chlorination	0.0001	-	-
Pension	0.0001	-	-
Total tax rate	<u>0.8728</u>	<u>0.7928</u>	<u>0.7895</u>
<b>Tax extensions:</b>			
General	222,551	210,136	200,716
General- Audit	52	-	-
General- Liability	52	-	-
Police	144,384	151,072	130,184
Debt Service	88,290	39,360	39,346
Sewer Chlorination	52	-	-
Pension	52	-	-
	<u>455,433</u>	<u>400,568</u>	<u>370,246</u>
<b>Collections **</b>			
General	-	210,042	200,533
General- Audit	-	-	-
General- Liability	-	-	-
Police	-	151,004	130,065
Debt Service	-	39,342	39,310
Sewer Chlorination	-	-	-
Pension	-	-	-
	<u>\$ -</u>	<u>400,388</u>	<u>369,908</u>
Percentage of extensions collected	<u>-</u>	<u>99.96</u>	<u>99.91 %</u>

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

Note: This schedule is presented on the cash basis, which differs from the Village's financial statement presentation.

**VILLAGE OF WINNEBAGO, ILLINOIS**

Schedule of Legal Debt Margin

April 30, 2010

	<u>2009</u>	<u>2008</u>
<b>Assessed Valuations *</b>	\$ <u>52,180,708</u>	<u>50,525,682</u>
<b>Statutory Debt Limitation</b> (8.625% of Assessed Valuation)	<u>4,500,586</u>	<u>4,357,840</u>
General Obligation bonds payable	<u>51,734</u>	<u>85,780</u>
Total payable	<u>51,734</u>	<u>85,780</u>
<b>Legal Debt Margin</b>	\$ <u>4,448,852</u>	<u>4,272,060</u>

\* Assessed valuations are for the tax year one year earlier. For example, the assessed value for year ended April 30, 2010 is the assessed value of tax year 2009.

## VILLAGE OF WINNEBAGO, ILLINOIS

### Supplementary Information for Bond Ordinance

April 30, 2010  
(Unaudited)

Total gallons treated at the wastewater plant for year 237,000,000

#### **Water, Sewer, and Garbage Rates:**

Water, sewer and garbage rates effective January 1, 2008 are as follows:

##### Water and sewer combined rates

First 1,000 gallons-	\$	25.27	(minimum charge)
Up to 2,000 gallons-	\$	27.96	(minimum charge)
2,000 to 3,000 gallons-	\$	30.68	(minimum charge)
Next 97,000 gallons-	\$	4.4300	per thousand gallons
Over 100,000 gallons-	\$	4.1633	per thousand gallons

##### Water service

First 1,000 gallons-	\$	6.57	(minimum charge)
Up to 2,000 gallons-	\$	7.27	(minimum charge)
2,000 to 3,000 gallons-	\$	7.99	(minimum charge)
Next 97,000 gallons-	\$	1.5943	per thousand gallons
Over 100,000 gallons-	\$	1.3287	per thousand gallons

##### Sewer Service

Flat sewer rate	\$	35.45	
First 1,000 gallons-	\$	18.70	(minimum charge)
Up to 2,000 gallons-	\$	20.69	(minimum charge)
2,000 to 3,000 gallons-	\$	22.69	(minimum charge)
Over 3,000 gallons-	\$	2.8346	per thousand gallons

##### Garbage Service

\$12.50 per month