

**VILLAGE OF WINNEBAGO, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2011**

# 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, 2011, 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, 2011, 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 17, 2011

*Elliott + Company*

VILLAGE OF WINNEBAGO, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
APRIL 30, 2011  
(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, 2011.

<b>FINANCIAL HIGHLIGHTS</b>
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- Net asset position and performance in total – The Village's total net assets at April 30, 2011 were \$7,872,110.
- Governmental activity summary – Net assets for governmental activities increased by \$125,521 during the year.
- Business-type activity summary – Net assets for business activities decreased by \$126,085 during the year.
- General Fund summary – The Village's General Fund reported an increase of \$104,470 in fund balance for the year.
- Budget vs. actual – The Village's actual revenues for the General Fund were \$30,704 less than the budgeted revenues. The actual expenditures were \$192,691 less than total budgeted expenditures for the General Fund.

<b>OVERVIEW OF THE FINANCIAL STATEMENTS</b>
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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, 2011 and 2010**

	Governmental Activities		Business-type Activities		Total Government	
	2011	2010	2011	2010	2011	2010
Current and other						
other assets	\$ 1,717,162	1,716,614	1,200,263	1,284,579	2,987,425	3,001,193
Capital assets	3,313,612	3,388,306	1,974,510	2,055,994	5,348,122	5,444,300
<b>Total assets</b>	<b>5,100,774</b>	<b>5,104,920</b>	<b>3,174,773</b>	<b>3,340,573</b>	<b>8,335,547</b>	<b>8,445,493</b>
Other liabilities	217,847	329,948	185,590	149,828	463,437	479,776
Long-term liabilities	-	17,566	-	75,477	-	93,043
<b>Total liabilities</b>	<b>217,847</b>	<b>347,514</b>	<b>185,590</b>	<b>225,305</b>	<b>463,437</b>	<b>572,819</b>
Net assets:						
Invested in capital assets, net of related debt	3,312,758	3,285,718	1,974,510	1,906,254	5,297,268	5,191,972
Restricted	214,040	296,474	189,765	205,671	483,805	502,145
Unrestricted	1,236,129	1,175,214	824,908	1,003,343	2,091,037	2,178,557
<b>Total net assets</b>	<b>\$ 4,812,927</b>	<b>4,757,406</b>	<b>2,989,183</b>	<b>3,115,268</b>	<b>7,872,110</b>	<b>7,872,674</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, 2011 were \$7,872,109 for all funds. This is a decrease of \$564 during the year. Total assets decreased from \$8,445,493 to \$8,335,547, a decrease of \$109,946. Cash increased by \$79,417. The capital assets (net) decreased by \$96,178.

The total liabilities decreased by \$109,381. The non-current liabilities due in more than one year decreased by \$93,043. The decrease in non-current liabilities resulted from payoff of existing debt.

The net assets of business-type activities decreased by \$126,085 during the year and ended at \$2,989,183. Unrestricted assets, available to finance the continuing operation of its business-type activities, were \$824,908. The annual operating cost of the Village's business-type activities for the fiscal year was \$989,949.

The total net assets at April 30, 2011 were \$7,872,109, of which 67% 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 27% or \$2,091,036 available for any purpose, which is a decrease of \$87,521 or 4% from the unrestricted net assets of 2010.

### **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, 2011 and 2010**

	Governmental Activities		Business-type Activities		Total Government	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 72,656	89,621	834,867	821,120	907,523	910,741
Grants & contributions						
Operating	44,213	30,270	-	-	44,213	30,270
Capital contributions	66,750	323,690	-	350,000	66,750	673,690
General revenues:						
Property taxes	423,015	437,851	-	-	423,015	437,851
Other taxes	768,019	792,532	-	-	768,019	792,532
Investment income	1,826	2,109	1,788	3,094	3,614	5,203
Gain on sale of capital assets	-	-	5,080	-	5,080	-
Miscellaneous	24,403	34,239	-	-	24,403	34,239
Total revenues received	1,400,882	1,710,312	841,735	1,174,214	2,242,617	2,884,526
<b>EXPENSES</b>						
General government	428,725	384,507	-	-	428,725	384,507
Public safety	463,655	445,832	-	-	463,655	445,832
Highways & streets	268,633	572,741	-	-	268,633	572,741
Parks & recreation	89,457	56,497	-	-	89,457	56,497
Interest	891	2,865	1,871	6,227	2,762	9,092
Water & sewer	-	-	989,949	821,844	989,949	821,844
Total expenses disbursed	1,251,361	1,462,442	991,820	828,071	2,243,181	2,290,513
Excess of revenues over (under) expenses	149,521	247,870	(150,085)	346,143	(564)	594,013
Transfers	(24,000)		24,000		-	-
Changes in net assets	125,521	247,870	(126,085)	346,143	(564)	594,013
Beginning net assets	4,757,406	4,509,536	3,115,268	2,769,125	7,872,674	7,278,661
Ending net assets	\$ 4,882,927	4,757,406	2,989,183	3,115,268	7,872,110	7,872,674

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 1.5% at April 30, 2011), 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 \$1,400,882. The largest source of revenue was \$423,015 from property tax. Sales and use taxes were the next highest with revenue for the year of \$362,309. Income tax ranged third with \$228,911. The next highest source of income was telecommunications tax with \$99,723. The revenues from these four sources represent 77% of the governmental activity revenues. Total revenue from all taxes was \$1,191,034 or 85%. The Village also recognized \$72,656 in charges for services or 5% of total revenue.

**Expenses:**

The Village's total governmental activity expenses were \$1,251,361. The three major functional areas were general government \$428,725 or 34% of the total; public works \$268,633 or 21% of the total; and public safety of \$463,655 or 37%. These three functional areas account \$1,161,013 or 93% of the total expenses of the Village.

Personnel costs including wages, health & life insurance, and retirement benefits were \$509,333 or 41% of the total expenses.

## **Business-Type Activities**

### **Revenues:**

Revenues from business-type activities total \$841,735. The largest source of revenue was \$467,447 or 56% from sewer revenue. Charges for water were the next highest with revenue for the year of \$192,821 or 20%. Refuse and recycling income ranged third with \$170,493 or 23%. The revenues from these three sources represent 99% of the business-type activity revenues. All other revenue totaled \$6,868 or 1% of total revenues.

### **Expenses:**

The Village's total business-type activity expenses were \$991,820. The three major areas of operating expenses were wages & benefit expenses of \$151,496 or 15% of the total; refuse & recycling expenses of \$178,110 or 18% of the total; and depreciation of \$199,744 or 20% of the total. These three areas account for \$529,350 or 53% of the total business-type expenses of the Village. Overall, expenses in total increased by \$163,749 or 20% compared to the prior year.

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

At April 30, 2011, the governmental funds reported a combined fund balance of \$1,494,413; an increase of \$94,315 from the prior year, which is mainly attributed to an increase of \$104,170 in the General Fund. The Motor Fuel Tax Fund balance increased by \$30,174. All other funds netted a decrease of \$40,329.

The Village's cash and equivalents increased by \$141,456 for all governmental funds. Motor Fuel Tax Fund cash and cash equivalents increased by \$56,789. Accounts payable increased by approximately \$15,208.

Motor Fuel Tax fund expenditures were \$124,547, a decrease of \$199,327 from prior year. Motor fuel tax revenue increased by 13,027 to \$87,678 and the Village received grant income of \$66,750.

Police Protection fund revenues decreased from \$273,490 to \$266,682 in the current fiscal year. Expenses increased from \$457,716 in 2010 to \$477,657 in 2011, an increase of approximately 4%, which was mainly caused by higher equipment expenditures. The net effect of these changes was a decrease in fund balance of \$5,656.

## General Fund Budgetary Highlights

General Fund	FY 11	
	Original & Final Budget	FY 11 Actual
Revenues		
Taxes	\$ 780,550	820,205
Licenses & permits	20,000	9,225
Interest	-	-
Other	76,000	16,416
<b>Total revenues</b>	<b>876,550</b>	<b>845,846</b>
Expenditures		
General government	379,188	286,480
Highways & streets	324,563	229,580
Capital Outlay	25,000	20,000
<b>Total expenditures</b>	<b>728,751</b>	<b>536,060</b>
<b>Excess of revenues over (under) expenditures</b>	<b>147,799</b>	<b>309,786</b>
Other financing sources (uses)		
Transfers in	-	-
Transfers out	(278,520)	(205,316)
<b>Total other financing sources</b>	<b>(278,520)</b>	<b>(205,316)</b>
<b>Net change in fund balance</b>	<b>\$ (130,721)</b>	<b>104,470</b>

## 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 decreased by a net of \$96,178. See Note 5 to the Financial Statements for more details.

### Entity Wide Change in Net Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 50,854	50,854	-	-	50,854	50,854
Construction in process	-	-	-	558,249	-	558,249
Buildings & improvements	315,999	306,323	2,991,767	2,991,767	3,307,766	3,298,090
Equipment and vehicles	425,524	391,525	321,814	297,645	747,338	689,170
Software	21,564	21,564	10,782	10,782	32,346	32,346
Infrastructure	3,404,809	3,320,933	1,078,746	426,406	4,483,555	3,747,339
<b>Subtotals</b>	<b>4,218,750</b>	<b>4,091,199</b>	<b>4,403,109</b>	<b>4,284,849</b>	<b>8,621,859</b>	<b>8,376,048</b>
Accumulated depreciation	(845,138)	(702,893)	(2,428,599)	(2,228,855)	(3,273,737)	(2,931,748)
<b>Totals</b>	<b>\$ 3,373,612</b>	<b>3,388,306</b>	<b>1,974,510</b>	<b>2,055,994</b>	<b>5,348,122</b>	<b>5,444,300</b>

### **Long-term Debt**

At April 30, 2011, the Village had paid off its 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 2010 assessed valuation is \$4,424,993, which equals the debt margin.

### **ECONOMIC FACTORS**

Non property tax revenues for 2012 are expected to be slightly lower than 2011. Property tax, which is the largest source of revenue, had been increasing by approximately 5% per year and is expected to increase by approximately 1.5% in 2012.

Other taxes such as sales and income are expected to be 5% less in 2012. The Village expects to operate within its revenues by reducing spending as necessary.

The Village has changed its year end from April 30 to December 31. The next period will be an eight month period beginning May 1, 2011 and ending December 31, 2011. It is expected that the year end change will result in an increase in cash balances in the General and Police Protections Funds of approximately \$80,000 and \$50,000, respectively.

### **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, 2011

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,102,355	974,497	2,076,852
Restricted cash and cash equivalents	-	189,765	189,765
Receivables:			
Property taxes	378,728	-	378,728
State of Illinois	202,382	-	202,382
Utility users	-	107,804	107,804
Prepaid items	20,492	11,402	31,894
Internal balances	83,205	(83,205)	-
Total current assets	1,787,162	1,200,263	2,987,425
Capital assets not being depreciated	50,854	558,249	609,103
Capital assets, net of depreciation	3,322,758	1,416,261	4,739,019
Total assets	5,160,774	3,174,773	8,335,547
 <b><u>Liabilities and Net Assets</u></b>			
<b>Current liabilities:</b>			
Accounts payable	45,746	137,974	183,720
Accrued payroll	18,389	5,054	23,443
Compensated absences	17,360	1,477	18,837
Meter deposits	-	41,085	41,085
Deferred revenue	196,352	-	196,352
Total current liabilities	277,847	185,590	463,437
<b>Net assets:</b>			
Invested in capital assets, net of related debt	3,322,758	1,974,510	5,297,268
Restricted:			
Highways and streets	194,419	-	194,419
Debt service	99,621	189,765	289,386
Unrestricted	1,266,129	824,908	2,091,037
Total net assets	\$ 4,882,927	2,989,183	7,872,110

See accompanying notes to financial statements.



# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Activities

For the Year Ended April 30, 2011

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	\$ 428,725	72,656	-	-	(356,069)	-	(356,069)
Public safety	463,655	-	3,000	-	(460,655)	-	(460,655)
Highways and streets	268,633	-	-	66,750	(201,883)	-	(201,883)
Culture and recreation	89,457	-	41,213	-	(48,244)	-	(48,244)
Interest	891	-	-	-	(891)	-	(891)
Total governmental activities	1,251,361	72,656	44,213	66,750	(1,067,742)	-	(1,067,742)
<b>Business-type activities:</b>							
Water and sewer	989,949	834,867	-	-	-	(155,082)	(155,082)
Interest	1,871	-	-	-	-	(1,871)	(1,871)
Total business-type activities	991,820	834,867	-	-	-	(156,953)	(156,953)
Total	\$ 2,243,181	907,523	44,213	66,750	(1,067,742)	(156,953)	(1,224,695)
<b>General revenues:</b>							
Property taxes					\$ 423,015	-	423,015
Sales and use tax					326,309	-	326,309
Income tax					228,911	-	228,911
Telecommunications tax					99,723	-	99,723
Personal property replacement tax					25,398	-	25,398
Motor fuel tax					87,678	-	87,678
Unrestricted investment earnings					1,826	1,788	3,614
Gain on sale of capital assets						5,080	5,080
Miscellaneous					24,403	-	24,403
Transfers					(24,000)	24,000	-
Total general revenues and transfers					1,193,263	30,868	1,224,131
Change in net assets					125,521	(126,085)	(564)
<b>Net assets:</b>							
Beginning					4,757,406	3,115,268	7,872,674
Ending					\$ 4,882,927	2,989,183	7,872,110

See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Balance Sheet Governmental Funds

April 30, 2011

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents \$	693,230	32,349	207,296	169,480	1,102,355
Receivables:					
Property taxes	224,354	154,374	-	-	378,728
State of Illinois	172,291	19,988	6,105	3,998	202,382
Prepaid items	9,287	11,205	-	-	20,492
Due from other funds	90,574	-	7,322	60,177	158,073
Total assets	<u>1,189,736</u>	<u>217,916</u>	<u>220,723</u>	<u>233,655</u>	<u>1,862,030</u>
<b>Liabilities:</b>					
Accounts payable	17,185	275	26,304	1,983	45,747
Accrued payroll	6,170	12,219	-	-	18,389
Deferred revenue	140,265	87,045	-	1,303	228,613
Due to other funds	19,486	55,382	-	-	74,868
Total liabilities	<u>183,106</u>	<u>154,921</u>	<u>26,304</u>	<u>3,286</u>	<u>367,617</u>
<b>Fund balances:</b>					
Reserved:					
Prepays	9,287	11,205	-	-	20,492
Debt service	-	-	-	99,621	99,621
Unreserved, reported in:					
General	997,343	-	-	-	997,343
Special revenue	-	51,790	194,419	130,748	376,957
Total fund equity	<u>1,006,630</u>	<u>62,995</u>	<u>194,419</u>	<u>230,369</u>	<u>1,494,413</u>
Total liabilities and fund equity \$	<u>1,189,736</u>	<u>217,916</u>	<u>220,723</u>	<u>233,655</u>	<u>1,862,030</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, 2011

**Total fund balances – governmental funds** **\$ 1,494,413**

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	\$ 4,218,750	
Accumulated depreciation	<u>(845,138)</u>	3,373,612

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

Compensated absences	(17,360)
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Other long-term assets are not available to pay current period  
expenditures and, therefore, are deferred in the funds

Sales and use taxes	24,443	
Telecommunication taxes	<u>7,819</u>	<u>32,262</u>

**Total net assets – governmental activities** **\$ 4,882,927**

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, 2011**

	<u>General Fund</u>	<u>Police Protection Fund</u>	<u>Motor Fuel Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes	\$ 820,205	226,998	-	63,606	1,110,809
Intergovernmental	-	3,000	66,750	-	69,750
Licenses, fees, and permits	9,225	28,214	-	35,217	72,656
Motor Fuel Tax allotment	-	-	87,678	-	87,678
Interest	1,201	41	294	290	1,826
Other	15,215	8,429	-	41,972	65,616
Total revenues	<u>845,846</u>	<u>266,682</u>	<u>154,722</u>	<u>141,085</u>	<u>1,408,335</u>
<b>Expenditures:</b>					
Current:					
General government	286,480	-	-	-	286,480
Public safety	-	477,654	-	-	477,654
Highways and streets	229,580	-	-	-	229,580
Culture and recreation	-	-	-	99,133	99,133
Capital expenditures	20,000	-	124,548	-	144,548
Debt service:					
Principal	-	-	-	51,734	51,734
Interest	-	-	-	891	891
Total expenditures	<u>536,060</u>	<u>477,654</u>	<u>124,548</u>	<u>151,758</u>	<u>1,290,020</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>309,786</u>	<u>(210,972)</u>	<u>30,174</u>	<u>(10,673)</u>	<u>118,315</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	205,316	-	-	205,316
Transfers out	(205,316)	-	-	(24,000)	(229,316)
Total other financing sources (uses)	<u>(205,316)</u>	<u>205,316</u>	<u>-</u>	<u>(24,000)</u>	<u>(24,000)</u>
<b>Net change in fund balance</b>	<u>104,470</u>	<u>(5,656)</u>	<u>30,174</u>	<u>(34,673)</u>	<u>94,315</u>
<b>Fund balances:</b>					
Beginning	<u>902,160</u>	<u>68,651</u>	<u>164,245</u>	<u>265,042</u>	<u>1,400,098</u>
Ending	<u>\$ 1,006,630</u>	<u>62,995</u>	<u>194,419</u>	<u>230,369</u>	<u>1,494,413</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, 2011

<b>Net Change in Fund Balances - total governmental funds</b>	<b>\$ 94,315</b>
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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	127,551
Depreciation expense	(142,245)

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	(6,255)
Telecommunications taxes	(1,198)

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	51,734
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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>1,619</u>
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<b>Change in net assets of governmental activities</b>	<b>\$ <u>125,521</u></b>
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See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Net Assets

### Proprietary Fund

April 30, 2011

With Comparative Totals for the Year Ended April 30, 2010

	<u>Enterprise Fund</u>	
	<u>2011</u>	<u>2010</u>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash and equivalents	\$ 974,497	1,020,630
Restricted cash and cash equivalents	189,765	205,671
Receivables:		
Property tax, net of allowance for doubtful accounts		
Utility users	107,804	96,736
Due from other funds	7,900	7,900
Prepaid items	11,402	9,238
Total current assets	<u>1,291,368</u>	<u>1,340,175</u>
<b>Noncurrent assets:</b>		
Fixed assets, net of accumulated depreciation	<u>1,974,510</u>	<u>2,055,994</u>
Total assets	<u>3,265,878</u>	<u>3,396,169</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>		
Accounts payable	137,974	30,686
Accrued wages	5,054	3,913
Compensated absences	1,477	181
Meter deposits	41,085	40,785
Due to other funds	91,105	55,596
Current portion of long-term debt	-	74,263
Total current liabilities	<u>276,695</u>	<u>205,424</u>
<b>Noncurrent liabilities:</b>		
Revenue bonds payable	-	75,477
Total liabilities	<u>276,695</u>	<u>280,901</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	1,974,510	1,906,254
Restricted net assets – debt service	189,765	205,671
Unrestricted net assets	<u>824,908</u>	<u>1,003,343</u>
<b>Total net assets</b>	<u>\$ 2,989,183</u>	<u>3,115,268</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, 2011

With Comparative Totals for the Year Ended April 30, 2010

	Enterprise Fund	
	2011	2010
<b>Operating revenues:</b>		
Refuse and recycling revenue	\$ 170,493	160,448
Sewer revenue	467,447	459,143
Water revenue	192,821	193,217
Water deposit revenue	-	345
Miscellaneous	4,106	7,967
Total operating revenues	<u>834,867</u>	<u>821,120</u>
<b>Operating expenses:</b>		
Water and sewer department	612,095	492,658
Refuse and recycling expenses	178,110	144,116
Depreciation	199,744	185,070
Total operating expenses	<u>989,949</u>	<u>821,844</u>
Operating income (loss)	<u>(155,082)</u>	<u>(724)</u>
<b>Non-operating revenues (expenses):</b>		
Interest income	1,788	1,990
Gain on sale of capital assets	5,080	1,104
Grant revenue	-	350,000
Interest expense	(1,871)	(6,227)
Total non-operating revenues (expenses)	<u>4,997</u>	<u>346,867</u>
Income before contributions and transfers	<u>(150,085)</u>	<u>346,143</u>
<b>Other financing sources (uses):</b>		
Operating transfers	24,000	-
Total other financing sources (uses)	<u>24,000</u>	<u>-</u>
Change in net assets	(126,085)	346,143
<b>Net assets:</b>		
Net assets - beginning	<u>3,115,268</u>	<u>2,769,125</u>
Net assets - ending	<u>\$ 2,989,183</u>	<u>3,115,268</u>

See accompanying notes to financial statements.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Statement of Cash Flows

### Proprietary Fund

For the Year Ended April 30, 2011

With Comparative Totals for the Year Ended April 30, 2010

	Enterprise	
	2011	2010
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 824,099	818,998
Payments to suppliers	(469,133)	(420,892)
Payments to employees	(178,002)	(189,752)
Net cash flows from operating activities	<u>176,964</u>	<u>208,354</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	(112,440)	(71,558)
Proceeds from issuance of new debt	-	48,700
Payments on capital lease	(37,300)	(11,400)
Purchase of and construction of fixed assets	(118,260)	(523,308)
Proceeds received on sale of fixed assets	5,080	1,100
Interest paid	(1,871)	(6,222)
Net cash flows from capital financing activities	<u>(264,791)</u>	<u>(212,688)</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers from governmental funds	24,000	-
Net cash flows from non-capital financing activities	<u>24,000</u>	<u>-</u>
<b>Cash flows from investing activities –</b>		
Interest on investments	1,788	1,990
Net decrease in cash and cash equivalents	<u>(62,039)</u>	<u>(2,344)</u>
Cash and cash equivalents, beginning of year	<u>1,226,301</u>	<u>1,228,645</u>
Cash and cash equivalents, end of year	<u><u>1,164,262</u></u>	<u><u>1,226,301</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Net operating loss	(155,082)	(724)
Adjustment to reconcile net operating loss to net cash provided by operating activities:		
Depreciation expense	199,744	185,070
Changes in assets & liabilities:		
(Increase) decrease in:		
Utility accounts receivable	(11,068)	(2,372)
Due from other funds	-	-
Prepaid expenses	(2,164)	(2,571)
Increase (decrease) in:		
Accounts payable	107,288	7,422
Accrued wages	1,141	113
Compensated absences	1,296	(1,137)
Refundable deposits	300	250
Due to other funds	35,509	22,303
Net cash flows from operating activities	<u><u>\$ 176,964</u></u>	<u><u>208,354</u></u>

See accompanying notes to financial statements.



## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements

April 30, 2011

#### **(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, 2011

#### **(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, 2011

#### (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, 2011

#### (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 *non-operating* 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 non-operating 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, 2011

#### **(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, 2011, 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 2010 tax levy was as follows:

Lien Date	January 1, 2010
Levy Date	December 13, 2010
First Installment Due	June 13, 2011
Second Installment Due	September 2, 2011

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 2010 tax levy, which attached as an enforceable lien on property as of January 1, 2010, has been recorded as a receivable as of April 30, 2011 as the tax had been levied by the Village and extended by the County but would not be collected until fiscal year 2012.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2011

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

The Village's 2010 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	0.4375	0.4375
Police Protection	0.3010	0.6000
Chlorination	0.0001	0.0200
IMRF	0.0001	None
Audit	0.0001	None
Liability Insurance	0.0001	None
TOTAL VILLAGE	<u>0.7389</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, 2011

**(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, 2011 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, 2011

#### **(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, 2011

#### (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 \$2,266,617 and the bank balance was \$2,297,907.

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, 2011, 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, 2011 were as follows:

	<u>Receivable</u>
Governmental-type:	
General fund	\$ 224,354
Police Protection fund	<u>154,374</u>
Total governmental-type	<u>\$ 378,728</u>

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2011

### (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, 2011 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	306,323	9,676	—	315,999
Equipment and vehicles	391,525	33,999	—	425,524
Software	21,564	—	—	21,564
Infrastructure	3,320,933	83,876	—	3,404,809
Total capital assets, being depreciated	4,040,345	127,551	—	4,167,896
Total accumulated depreciation	(702,893)	(142,245)	—	(845,138)
Total capital assets, being depreciated, net	3,337,452	(14,694)	—	3,322,758
Governmental activities capital assets, net	\$ 3,388,306	(14,694)	—	3,373,612

The business-type activities capital asset activity for the year ended April 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated –				
Construction in process	\$ 558,249	34,218	(592,467)	—
Total capital assets, not being depreciated	558,249	34,218	(592,467)	—
Capital assets, being depreciated				
Buildings and improvements	2,991,767	—	—	2,991,767
Equipment and vehicles	297,645	24,169	—	321,814
Software	10,782	—	—	10,782
Infrastructure	426,406	652,340	—	1,078,746
Total capital assets, being depreciated	3,726,600	676,509	—	4,403,109
Total accumulated depreciation	(2,228,855)	(199,744)	—	(2,428,599)
Total capital assets, being depreciated, net	1,497,745	476,765	—	1,974,510
Business-type activities capital assets, net	\$ 2,055,994	510,983	(592,467)	1,974,510

## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2011

#### (5) Capital Assets (Continued)

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

	<u>2011</u>
Governmental activities:	
General government	\$ 126,898
Public safety	<u>15,347</u>
Total governmental activities, depreciation expense	<u>\$ 142,245</u>
Business-type activities – Water and sewer operations	<u>\$ 199,744</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.

During 2011, the Village paid off the bonds.

The following is a summary of changes in long-term debt for the year ended April 30, 2011:

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Notes to Financial Statements (Continued)  
April 30, 2011

**(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	\$ 51,734	-	51,734	-	-	-
Compensated absences	<u>18,979</u>	<u>26,992</u>	<u>28,611</u>	<u>17,360</u>	<u>17,360</u>	<u>-</u>
Governmental activities – long-term liabilities	<u>\$ 70,713</u>	<u>26,992</u>	<u>80,345</u>	<u>17,360</u>	<u>17,360</u>	<u>-</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	\$ 112,441	-	112,441	-	-	-
Rent to own purchase agreement:						
Agreement to purchase excavator with a purchase price of \$48,700; payment due in fiscal year 2011.	37,300	-	37,300	-	-	-
Compensated absences	<u>181</u>	<u>2,669</u>	<u>1,373</u>	<u>1,477</u>	<u>1,477</u>	<u>-</u>
Business-type activities – long-term liabilities	<u>\$ 149,922</u>	<u>2,669</u>	<u>151,114</u>	<u>1,477</u>	<u>1,477</u>	<u>-</u>

During fiscal year 2010, 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 off the balance due during 2011.

**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, 2011, the statutory limit of the Village was \$4,424,993. The Village had no outstanding debt leaving a legal debt margin of \$4,424,993.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2011

### (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	*	\$ -	205,316
Special Revenue:			
Police Protection Fund	*	205,316	-
G.O. Bond		-	24,000
Community Development		-	10,000
Fourth of July		10,000	-
Enterprise:			
Water & Sewer Fund	*	24,000	-
Total		<u>\$ 239,316</u>	<u>239,316</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.

		<u>Due from</u>	<u>Due to</u>
General Fund	*	\$ 90,574	19,486
Special Revenue:			
Motor Fuel Tax Fund	*	7,322	2,644
Police Protection Fund	*	-	52,738
Community Dev. Fund		2,644	-
Debt Service:			
Debt Service Fund	*	57,533	-
Enterprise:			
Water & Sewer Fund	*	7,900	91,105
Total		<u>\$ 165,973</u>	<u>165,973</u>

\* denotes major fund

## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2011

#### (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. The City is a member of the Illinois Municipal League Risk Management Association, (IMLRMA) joint risk management pool of Illinois municipalities through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period May 1, 2010 through April 30, 2011:

#### LIABILITY COVERAGES

DESCRIPTION	TOTAL AVAILABLE LIMITS	SELF-INSURED RETENTION
General Liability	\$8,000,000 each occurrence, each member, for all applicable coverages, incl. "Special Liability Coverages" listed below -- even if more than one coverage applies to the same loss.	\$2,000,000 each occurrence for all applicable coverages including "Special Liability Coverages" listed below-- even if more than one coverage applies to the same loss.
Auto Liability		
Broad Form Property		
Civil Constitutional		
Rights-Assault/Battery		
Contractual Liability		
Employee Benefit Programs Liability		
Incidental Malpractice		
Intentional Building Removal		
Limited Worldwide Liability		
Personal Injury/Advertising Liability	\$2,500,000 each occurrence, each Member/\$8,000,000 annual aggregate	\$2,000,000 each occurrence
Watercraft Liability		
Personal Injury as Respects Employment Practices		

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2011

### (8) Risk Management (Continued)

#### SPECIAL LIABILITY COVERAGES

DESCRIPTION	AVAILABLE COVERAGE LIMITS	SELF-INSURED RETENTION
Premises Medical Payments	3,000 each person \$8,000,000 each occurrence	\$3,000 each person \$2,000,000 each occurrence
Fire Legal Liability	\$100,000 each occurrence \$100,000 annual aggregate	\$100,000 each occurrence \$100,000 annual aggregate
Public Officials/Employees	\$2,500,000 each occurrence \$8,000,000 annual aggregate	\$2,000,000 each occurrence
Liquor Liability	\$1,000,000 each occurrence \$1,000,000 annual aggregate	\$1,000,000 each occurrence \$1,000,000 annual aggregate
Auto Medical Payments	\$10,000 each person \$8,000,000 each occurrence	\$10,000 each person \$2,000,000 each occurrence
Uninsured/Underinsured Motorist	\$500,000 each person \$1,000,000 each accident	\$500,000 each person \$1,000,000 each accident

#### PROPERTY COVERAGES

DESCRIPTION	TOTAL AVAILABLE LIMITS	SELF-INSURED RETENTION
Auto Physical Damage	Combined limit: \$30,000,000 any location; each occurrence \$250,000,000 each occurrence, all members	\$2,000,000 each occurrence, each location
Building/Personal Property		
Inland Marine	\$50,000 extra expense	\$50,000 extra expense
Valuable Papers/Records	\$50,000 each occurrence	\$50,000 each occurrence
Flood/Earthquake Limits apply separately to each peril	*\$5,000,000 each occ./annual agg. each member - \$76,500,000 annual agg. all members	\$1,500,000 each occurrence

#### \*Catastrophe coverage – Flood/Earthquake

All members incurring losses exceeding the applicable per occurrence and/or annual aggregate limits during the same calendar year shall share on a pro rata basis that portion of the annual aggregate limit for all members for that calendar year that remains after all claims for that calendar year have been settled.

# VILLAGE OF WINNEBAGO, ILLINOIS

## Notes to Financial Statements (Continued)

April 30, 2011

### (8) Risk Management (Continued)

#### STAND ALONE COVERAGES

DESCRIPTION	TOTAL AVAILABLE LIMITS	SELF-INSURED RETENTION
Crime	\$100,000 each occurrence	\$100,000 each occurrence
Workers' Comp/Occupational Disease	Statutory	\$2,000,000 each occurrence
Employer's Liability	\$3,000,000 each accident	\$2,000,000 each accident
Public Official Position Bond	As stated in the schedule filed with the Association	Not applicable

The Membership Contribution for all of these coverage's are \$385,222. On April 30, 2011, outstanding reserves were \$484,220. Insurance claims have not exceeded coverage in any one of the past three years.

The deductibles in effect through these policies as of April 30, 2011 ranged from \$500 to \$25,000. The membership contribution for all of the coverages is \$42,713. 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).



## VILLAGE OF WINNEBAGO, ILLINOIS

### Notes to Financial Statements (Continued)

April 30, 2011

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

##### *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 2010 was 11.24 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 2010 the Village's annual pension cost of \$64,211 for the Regular plan was equal to its required and actual contributions.

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

<u>Actuarial Valuation Date</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$	64,211	100%	\$ —
12/31/09		61,015	100%	—
12/31/08		70,990	100%	—

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008, 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 1.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

## **VILLAGE OF WINNEBAGO, ILLINOIS**

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

April 30, 2011

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

##### *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 52.97 percent funded. The actuarial accrued liability for benefits was \$899,189 and the actuarial value of assets was \$476,344, resulting in an underfunded actuarial accrued liability (UAAL) of \$422,845. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$571,272 and the ratio of the UAAL to the covered payroll was 74 percent.

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

#### **(10) GASB 45**

The Village has determined the effects of GASB 45 are immaterial to the financial statements and therefore has not presented the OPEB liability.

#### **(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 has changed its accounting year end from April 30 to December 31. The next period will be an eight month period beginning May 1, 2011 through December 31, 2011.

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

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

GASB Statement No. 54, "Fund Balance Reporting and Government Fund

## **VILLAGE OF WINNEBAGO, ILLINOIS**

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

April 30, 2011

#### **(12) Pending Pronouncements (Continued)**

Type Definition:" effective for financial statements for periods beginning after June 15, 2010.

GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" effective upon issuance GASB Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards" effective upon issuance.

GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34" effective for financial statements for periods beginning after June 15, 2012.

GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" effective for financial statements for periods beginning after December 15, 2011.

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" effective for financial statements for periods beginning after December 15, 2011.

**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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 780,550	780,550	820,205	39,655	832,288
Licenses, fees and permits	20,000	20,000	9,225	(10,775)	31,863
Other	76,000	76,000	16,416	(59,584)	22,671
Total revenues	876,550	876,550	845,846	(30,704)	886,822
<b>Expenditures:</b>					
Current:					
General government	379,188	379,188	286,480	92,708	276,380
Highways and streets	324,563	324,563	229,580	94,983	246,060
Capital expenditures	25,000	25,000	20,000	5,000	-
Total expenditures	728,751	728,751	536,060	192,691	522,440
<b>Excess of revenues over expenditures</b>	147,799	147,799	309,786	161,987	364,382
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	-	-	-
Operating transfers out	(278,520)	(278,520)	(205,316)	73,204	(186,928)
Total other financing sources (uses)	(278,520)	(278,520)	(205,316)	73,204	(186,928)
<b>Net change in fund balance</b>	\$ (130,721)	(130,721)	104,470	235,191	177,454
<b>Fund balance:</b>					
Beginning			902,160		724,706
Ending			\$ 1,006,630		902,160

**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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 244,384	244,384	226,998	(17,386)	241,354
Grants	3,000	3,000	3,000	-	3,000
Other	21,150	21,150	36,684	15,534	29,136
Total revenues	268,534	268,534	266,682	(1,852)	273,490
<b>Expenditures:</b>					
Current:					
Public Safety	614,190	614,190	477,654	136,536	457,716
Total expenditures	614,190	614,190	477,654	136,536	457,716
<b>Excess (deficiency) of revenues over     (under) expenditures</b>	(345,656)	(345,656)	(210,972)	134,684	(184,226)
<b>Other financing sources (uses):</b>					
Operating transfers in	222,816	222,816	205,316	(17,500)	186,928
<b>Net change in fund balance</b>	\$ <u>(122,840)</u>	<u>(122,840)</u>	(5,656)	<u>117,184</u>	2,702
<b>Fund balance:</b>					
Beginning			68,651		65,949
Ending			\$ <u>62,995</u>		<u>68,651</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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Intergovernmental -					
Motor fuel taxes	\$ 75,000	75,000	87,678	12,678	74,651
Grant - state	-	-	66,750	66,750	-
Interest	750	750	294	(456)	598
Total revenues	<u>75,750</u>	<u>75,750</u>	<u>154,722</u>	<u>78,972</u>	<u>75,249</u>
<b>Expenditures:</b>					
Highways and streets:					
Highways, streets and bridges	88,125	85,625	108,449	(22,824)	279,452
Engineering	5,625	8,125	16,099	(7,974)	44,422
Total expenditures	<u>93,750</u>	<u>93,750</u>	<u>124,548</u>	<u>(30,798)</u>	<u>323,874</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ (18,000)</u>	<u>(18,000)</u>	30,174	<u>48,174</u>	<u>(248,625)</u>
<b>Fund balance:</b>					
Beginning			<u>164,245</u>		<u>412,870</u>
Ending			<u>\$ 194,419</u>		<u>164,245</u>

# **VILLAGE OF WINNEBAGO, ILLINOIS**

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

April 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a)/c</u>
12/31/10	\$ 476,344	899,189	422,845	52.97 %	571,272	74.02 %
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, 2010 is \$519,286 and the funded ratio would be 57.75%.

## **VILLAGE OF WINNEBAGO, ILLINOIS**

### **Notes to Required Supplementary Information**

**April 30, 2011**

#### **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.
- I. The Village's expenditures in the Motor Fuel Fund exceeded appropriations by \$30,798.



# VILLAGE OF WINNEBAGO, ILLINOIS

## Combining Balance Sheet Nonmajor Governmental Funds

April 30, 2011

	Special Revenue			Total
	Community	Fourth	Debt	Nonmajor
	Development	of July	Service	Governmenta
		Fund	Fund	Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 112,624	14,768	42,088	169,480
Accounts receivable	3,998	-	-	3,998
Due from other funds	2,644	-	57,533	60,177
Total assets	<u>119,266</u>	<u>14,768</u>	<u>99,621</u>	<u>233,655</u>
<b>Liabilities:</b>				
Accounts payable	83	1,900	-	1,983
Deferred revenue	1,303	-	-	1,303
Total liabilities	<u>1,386</u>	<u>1,900</u>	<u>-</u>	<u>3,286</u>
<b>Fund balances:</b>				
Unreserved, undesignated	117,880	12,868	99,621	230,369
Total fund balances	<u>117,880</u>	<u>12,868</u>	<u>99,621</u>	<u>230,369</u>
<b>Total liabilities and fund balances</b>	<u>\$ 119,266</u>	<u>14,768</u>	<u>99,621</u>	<u>233,655</u>

# VILLAGE OF WINNEBAGO, ILLINOIS

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

### Nonmajor Governmental Funds

For the Year Ended April 30, 2011

	<u>Special Revenue</u>		<u>Debt</u>	<u>Total</u>
	<u>Community</u>	<u>Fourth</u>	<u>Service</u>	<u>Nonmajor</u>
	<u>Development</u>	<u>of July</u>	<u>Fund</u>	<u>Governmental</u>
		<u>Fund</u>		<u>Funds</u>
<b>Revenues:</b>				
Taxes	\$ 19,650	-	43,956	63,606
Fees & charges	35,217	-	-	35,217
Interest	230	-	60	290
Other	759	41,213	-	41,972
Total revenues	<u>55,856</u>	<u>41,213</u>	<u>44,016</u>	<u>141,085</u>
<b>Expenditures:</b>				
Culture and recreation	43,289	55,844	-	99,133
Debt service				-
GO bond - principal	-	-	51,734	51,734
GO bond - interest	-	-	891	891
Total expenditures	<u>43,289</u>	<u>55,844</u>	<u>52,625</u>	<u>151,758</u>
<b>Excess of revenue over expenditures</b>	<u>12,567</u>	<u>(14,631)</u>	<u>(8,609)</u>	<u>(10,673)</u>
<b>Other financing sources (uses):</b>				
Transfers in (out)	<u>(10,000)</u>	<u>10,000</u>	<u>(24,000)</u>	<u>(24,000)</u>
<b>Net change in fund balance</b>	2,567	(4,631)	(32,609)	(34,673)
Beginning	<u>115,313</u>	<u>17,499</u>	<u>132,230</u>	<u>265,042</u>
Ending	\$ <u><u>117,880</u></u>	<u><u>12,868</u></u>	<u><u>99,621</u></u>	<u><u>230,369</u></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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Telecommunication taxes	\$ 20,000	20,000	19,650	(350)	19,590
Fees & charges	30,400	30,400	35,217	4,817	35,054
Interest	200	200	230	30	243
Other	1,200	1,200	759	(441)	6,318
Total revenues	51,800	51,800	55,856	4,056	61,205
<b>Expenditures:</b>					
Culture & Recreation					
Contractual services:					
Presidential project	12,500	12,500	7,906	4,594	6,318
Legal expenses	6,250	6,250	5,826	424	2,857
Community projects	31,875	31,875	22,820	9,055	4,198
Supplies:					
Community expenses	8,500	8,500	6,287	2,213	2,655
Hardship Fund	6,250	6,250	450	5,800	1,983
4th of July expenses	12,500	12,500	-	12,500	10,000
Total expenditures	77,875	77,875	43,289	34,586	28,011
<b>Excess of revenue over (under) expenditures</b>	<u>(26,075)</u>	<u>(26,075)</u>	<u>12,567</u>	<u>38,642</u>	<u>33,194</u>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance:</b>	<u>\$ (36,075)</u>	<u>(36,075)</u>	<u>2,567</u>	<u>38,642</u>	<u>33,194</u>
<b>Fund balance</b>					
Beginning			115,313		82,119
Ending			\$ <u>117,880</u>		<u>115,313</u>

**VILLAGE OF WINNEBAGO, ILLINOIS**  
Schedule of Revenues and Expenditures  
and Changes in Fund Balance— Budget to Actual  
**Fourth of July Fund**  
For the Year Ended April 30, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Other	\$ 30,000	30,000	41,213	11,213	27,270
Total revenues	30,000	30,000	41,213	11,213	27,270
<b>Expenditures:</b>					
Culture & Recreation Supplies					
Fourth of July expenses	65,000	65,000	55,844	9,156	28,486
Total expenditures	65,000	65,000	55,844	9,156	28,486
<b>Excess of revenue over     expenditures</b>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(14,631)</u>	<u>20,369</u>	<u>(1,216)</u>
<b>Other financing sources (uses):</b>					
Transfers in (out)	8,750	8,750	10,000	1,250	-
<b>Net change in fund balance</b>	<u>\$ (26,250)</u>	<u>(26,250)</u>	<u>(4,631)</u>	<u>21,619</u>	<u>(1,216)</u>
<b>Fund balance</b>					
Beginning			17,499		18,715
Ending			\$ <u>12,868</u>		<u>17,499</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, 2011

With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Property taxes	\$ 88,289	88,289	43,956	(44,333)	63,816
Interest	100	100	60	(40)	86
Total revenues	<u>88,389</u>	<u>88,389</u>	<u>44,016</u>	<u>(44,373)</u>	<u>63,902</u>
<b>Expenditures:</b>					
Debt service					
GO bond - principal	109,150	109,150	51,734	57,416	32,923
GO bond - interest	<u>1,211</u>	<u>1,211</u>	<u>891</u>	<u>320</u>	<u>2,865</u>
Total expenditures	<u>110,361</u>	<u>110,361</u>	<u>52,625</u>	<u>57,736</u>	<u>35,788</u>
<b>Other financing sources (uses)</b>					
Operating transfers	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (21,972)</u>	<u>(21,972)</u>	<u>(32,609)</u>	<u>(10,637)</u>	<u>28,114</u>
<b>Fund balance</b>					
Beginning			<u>132,230</u>		<u>104,116</u>
Ending			<u>\$ 99,621</u>		<u>132,230</u>

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

For the Year Ended April 30, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes:					
Property taxes	\$ 232,550	232,550	233,332	782	226,344
Sales taxes	315,000	315,000	290,228	(24,772)	324,213
State income tax	180,000	180,000	228,911	48,911	228,141
Local use tax	35,000	35,000	42,336	7,336	35,429
Replacement tax	18,000	18,000	25,398	7,398	18,161
Total taxes	<u>780,550</u>	<u>780,550</u>	<u>820,205</u>	<u>39,655</u>	<u>832,288</u>
Licenses, fees, and permits	<u>20,000</u>	<u>20,000</u>	<u>9,225</u>	<u>(10,775)</u>	<u>31,863</u>
Other revenue:					
Stimulus grants	67,000	67,000	-	(67,000)	-
Interest	1,200	1,200	1,201	1	1,143
Miscellaneous	7,800	7,800	15,215	7,415	21,528
Total other	<u>76,000</u>	<u>76,000</u>	<u>16,416</u>	<u>(59,584)</u>	<u>22,671</u>
Total revenues	<u>876,550</u>	<u>876,550</u>	<u>845,846</u>	<u>(30,704)</u>	<u>886,822</u>
<b>Expenditures:</b>					
General government:					
Salaries	64,500	64,500	46,886	17,614	50,233
Salaries – elected officials	78,500	78,500	60,868	17,632	59,810
Payroll taxes	15,875	15,875	11,808	4,067	12,204
Employee benefits	21,000	21,500	18,645	2,855	21,164
Employee welfare	2,500	2,850	2,283	567	2,040
Office equipment	16,250	18,092	9,882	8,210	15,562
Professional services	13,750	18,538	14,861	3,677	11,721
Engineering	31,250	31,250	25,901	5,349	13,416
Legal services	50,000	50,000	26,643	23,357	34,990
Inspection fees	16,250	16,250	7,543	8,707	12,719
Postage	625	1,033	1,270	(237)	450
Telephone	3,750	3,750	3,180	570	2,738
Publishing	3,125	3,125	1,224	1,901	1,270
Printing	1,250	1,250	311	939	1,081
Dues	2,250	2,250	1,376	874	1,242
Travel	313	313	209	104	199
Training	625	925	720	205	305
Small equipment	625	625	404	221	515
Large equipment	1,250	250	-	250	-
Office maintenance	18,750	13,850	7,670	6,180	4,075
Audit and accounting services	13,750	13,750	11,850	1,900	10,500
IML renewal contract	5,000	5,000	3,904	1,096	4,609
Recapture payments	\$ 250	250	170	80	141

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

For the Year Ended April 30, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011			Variance Positive (Negative)	2010
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
General government (continued):					
Office supplies	\$ 10,000	10,000	9,245	755	9,415
Building water usage	500	500	295	205	329
Miscellaneous expense	6,625	6,625	5,010	1,615	5,652
Impact fees	625	625	-	625	-
Contingency	-	(2,288)	14,322	(16,610)	-
Total general government	<u>379,188</u>	<u>379,188</u>	<u>286,480</u>	<u>92,708</u>	<u>276,380</u>
Highways and streets:					
Salaries	108,625	108,625	88,275	20,350	82,300
Employee benefits	32,875	32,875	17,259	15,616	22,718
Payroll taxes	8,500	8,500	6,516	1,984	6,264
Maintenance – buildings	6,250	6,250	1,555	4,695	36
Maintenance – vehicles	11,250	11,250	5,790	5,460	9,188
Maintenance – streets & sidewalks	50,000	50,000	34,134	15,866	30,743
Maintenance – equipment	10,000	10,000	5,512	4,488	7,931
Telephone	1,750	2,250	2,016	234	1,738
Electricity	50,000	50,000	42,002	7,998	35,895
Supplies	6,250	6,250	1,725	4,525	2,787
Gas and oil	25,000	25,000	15,027	9,973	15,867
Tree removal	5,000	4,500	2,550	1,950	2,270
IML renewal	9,063	9,063	7,219	1,844	9,458
Stimulus	-	-	-	-	18,865
Capital outlay – equipment	25,000	25,000	20,000	5,000	-
Total highways and streets	<u>349,563</u>	<u>349,563</u>	<u>249,580</u>	<u>99,983</u>	<u>246,060</u>
Total expenditures	<u>\$ 728,751</u>	<u>728,751</u>	<u>536,060</u>	<u>192,691</u>	<u>522,440</u>

**VILLAGE OF WINNEBAGO, ILLINOIS**

Schedule of Detailed Revenues and Expenditures - Budget and Actual

**Police Protection Fund**

For the Year Ended April 30, 2011

With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes:					
Property taxes	\$ 144,384	144,384	145,727	1,343	147,691
Telecommunications	100,000	100,000	81,271	(18,729)	93,663
Total taxes	<u>244,384</u>	<u>244,384</u>	<u>226,998</u>	<u>(17,386)</u>	<u>241,354</u>
Intergovernmental – grants	3,000	3,000	3,000	-	3,000
Other revenue:					
Fines and forfeits	19,600	19,600	28,214	8,614	22,504
Interest	50	50	41	(9)	39
Miscellaneous	1,500	1,500	8,429	6,929	6,593
Total other revenue	<u>21,150</u>	<u>21,150</u>	<u>36,684</u>	<u>15,534</u>	<u>29,136</u>
<b>Total revenues</b>	<u>268,534</u>	<u>268,534</u>	<u>266,682</u>	<u>(1,852)</u>	<u>273,490</u>
<b>Expenditures:</b>					
Public safety					
Office salaries	8,250	8,250	6,410	1,840	270,046
Police Chief	81,250	81,250	65,416	15,834	-
Full time officers	250,625	250,625	202,224	48,401	-
Part time officers	18,750	18,750	14,186	4,564	-
Payroll taxes	33,000	33,000	26,593	6,407	23,567
Employee benefits	102,625	88,250	63,017	25,233	78,114
Uniforms	5,000	4,325	2,891	1,434	4,546
Computers and equipment	625	625	-	625	110
Professional services	9,750	10,875	9,078	1,797	6,695
Vehicle maintenance	15,500	20,000	13,059	6,941	3,461
Legal	22,500	17,535	13,652	3,883	20,146
Postage	438	438	81	357	89
Telephone	4,938	4,988	3,628	1,360	3,023
Publishing and printing	438	738	595	143	217
Dues	313	413	298	115	137
Travel	375	675	357	318	180
Liability insurance	20,625	20,625	15,784	4,841	14,904
Water	438	438	278	160	-
Gas & oil	15,000	12,600	9,102	3,498	7,652
Grants	3,750	3,750	3,000	750	-
Miscellaneous	2,000	2,000	565	1,435	445
Alert-leads user fee	2,500	2,500	1,728	772	1,728
Police garage maintenance	3,125	2,665	264	2,401	11,375
Pre-employment physical	5	505	845	(340)	-
Small equipment	3,125	5,125	4,463	662	2,754
Large equipment	-	14,000	13,999	1	-
Training	8,750	8,750	6,141	2,609	4,398
DARE program expense	-	-	-	-	4,129
<b>Total expenditures</b>	<u>\$ 613,695</u>	<u>613,695</u>	<u>477,654</u>	<u>136,041</u>	<u>457,716</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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2,010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Operating revenues:</b>					
Water service income	\$ 199,500	199,500	192,721	(6,779)	191,167
Sewer service income	454,000	454,000	464,997	10,997	459,093
Water hook-up fees	5,000	5,000	100	(4,900)	2,050
Sewer hook-up fees	5,000	5,000	2,450	(2,550)	50
Water deposit revenue	-	-	-	-	345
Garbage charges	163,000	163,000	170,263	7,263	160,308
Garbage stickers	100	100	230	130	140
Miscellaneous revenue	1,552	1,552	4,106	2,554	7,967
Total operating revenues	\$ 828,152	828,152	834,867	6,715	821,120
<b>Operating expenses:</b>					
Office salary	22,500	22,500	18,797	3,703	51,399
Part-time wages	6,250	6,250	-	6,250	5,122
Meter reader	26,250	26,250	22,244	4,006	19,134
Plant operator	80,500	80,500	63,345	17,155	61,287
Public works wages	36,250	36,250	29,939	6,311	-
Health insurance	31,250	29,150	16,073	13,077	24,288
Payroll taxes	16,375	16,375	13,219	3,156	12,944
Employee benefits	18,750	18,750	16,822	1,928	14,554
Building water usage	1,250	1,250	1,185	65	1,275
Alarm system	4,375	4,375	2,585	1,790	2,389
Chemicals	20,000	20,000	7,626	12,374	9,422
Engineering	43,750	43,750	(11,235)	54,985	38,332
EPA permit fees	7,500	7,500	6,000	1,500	6,000
Garbage expense	201,875	201,875	178,110	23,765	144,116
Garbage stickers / bins	625	625	-	625	-
Liability insurance	17,500	17,500	13,509	3,991	12,249
Large and maintenance service equipment	13,188	13,188	5,424	7,764	3,535
Office & computer equipment	1,250	1,250	-	1,250	735
Operating supplies	62,500	62,500	68,794	(6,294)	61,888
Postage	6,250	6,250	5,955	295	4,437
Pre-employment physical	250	250	-	250	166
Printing	3,750	3,750	3,067	683	1,951
Professional fees	3,125	3,125	1,289	1,836	1,820
Rental and small equipment	13,750	13,750	-	13,750	7,347
Sewer cleaning	25,000	25,000	-	25,000	-
Telephone	1,750	2,050	1,664	386	1,454
Travel & training	4,250	4,250	1,117	3,133	753
Utilities	120,000	122,000	93,021	28,979	90,941
Water analysis	7,500	9,600	8,516	1,084	3,131
Water deposit expense	1,250	1,250	-	1,250	616
Water sewer upgrade	920,351	918,051	222,590	695,461	53,085
Grant expense	437,500	437,500	-	437,500	-
Depreciation	-	-	199,744	(199,744)	185,070
Capital outlay	75,000	75,000	549	74,451	2,404
Total operating expenses	2,231,664	2,231,664	989,949	1,241,715	821,844
Operating income	(1,403,512)	(1,403,512)	(155,082)	1,248,430	(724)

**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, 2011  
With Comparative Totals for the Year Ended April 30, 2010

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Nonoperating income (expenses):</b>					
Interest income	\$ 1,700	1,700	1,788	88	1,990
Gain on sale of asset	-	-	5,080	5,080	1,104
Grant revenue	437,500	437,500	-	(437,500)	350,000
Revenue bond principal	(96,068)	(96,068)	-	96,068	-
Revenue bond interest	(2,631)	(2,631)	(1,871)	760	(6,227)
Total nonoperating income (expenses)	340,501	340,501	4,997	(335,504)	346,867
Income before contributions and transfers	(1,063,011)	(1,063,011)	(150,085)	912,926	346,143
<b>Other financing sources (uses):</b>					
Operating transfers in (out)	(48,399)	(48,399)	24,000	72,399	-
Total other financing sources (uses)	(48,399)	(48,399)	24,000	72,399	-
<b>Change in net assets</b>	<u>\$ (1,111,410)</u>	<u>(1,111,410)</u>	<u>(126,085)</u>	<u>985,325</u>	<u>346,143</u>
<b>Net assets</b>					
Beginning			3,115,268		2,769,125
Ending			<u>\$ 2,989,183</u>		<u>3,115,268</u>

# VILLAGE OF WINNEBAGO, ILLINOIS

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

April 30, 2011

	Tax Years		
	2010	2009	2008
<b>Assessed valuations</b>	<b>\$ 51,304,264</b>	<b>52,180,708</b>	<b>50,525,682</b>
<b>Tax rates:</b>			
General	0.4375	0.4265	0.4159
General – Audit	0.0001	0.0001	-
General – Liability	0.0001	0.0001	-
Police	0.3010	0.2767	0.2990
Debt Service	-	0.1692	0.0779
Sewer Chlorination	0.0001	0.0001	-
Pension	0.0001	0.0001	-
Total tax rate	<b>0.7389</b>	<b>0.8728</b>	<b>0.7928</b>
<b>Tax extensions:</b>			
General	224,354	222,551	210,136
General- Audit	51	52	-
General- Liability	51	52	-
Police	154,375	144,384	151,072
Debt Service	-	88,290	39,360
Sewer Chlorination	51	52	-
Pension	51	52	-
	<b>378,933</b>	<b>455,433</b>	<b>400,568</b>
<b>Collections **</b>			
General	-	222,075	210,042
General- Audit	-	52	-
General- Liability	-	52	-
Police	-	144,076	151,004
Debt Service	-	88,102	39,342
Sewer Chlorination	-	52	-
Pension	-	52	-
	<b>\$ -</b>	<b>454,461</b>	<b>400,388</b>
Percentage of extensions collected	-	99.79 %	99.96 %

\*\* 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, 2011

	<u>2010</u>	<u>2009</u>
<b>Assessed Valuations *</b>	\$ <u>51,304,264</u>	<u>52,180,708</u>
<b>Statutory Debt Limitation</b> (8.625% of Assessed Valuation)	<u>4,424,993</u>	<u>4,500,586</u>
General Obligation bonds payable	<u>-</u>	<u>85,780</u>
Total payable	<u>-</u>	<u>85,780</u>
<b>Legal Debt Margin</b>	\$ <u>4,424,993</u>	<u>4,414,806</u>

\* Assessed valuations are for the tax year one year earlier. For example, the assessed value for year ended April 30, 2011 is the assessed value of tax year 2010.

## VILLAGE OF WINNEBAGO, ILLINOIS

### Supplementary Information for Bond Ordinance

April 30, 2011

(Unaudited)

Total gallons treated at the wastewater plant for year 167,560,000

#### **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

\$13.50 per month