

VILLAGE OF MAHOMET
Mahomet, Illinois

Annual Financial Report

For the Year Ended April 30, 2011

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For the Year Ended April 30, 2011

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JAMES P. BRAY, CPA (Retired)

September 9, 2011

Honorable President and
Board of Trustees
Village of Mahomet
Mahomet, Illinois

Independent Auditor's Report

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 Mahomet, Mahomet, Illinois (the Village) as of and for the year 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 management of the Village of Mahomet. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mahomet as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 34 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mahomet's financial statements as a whole. The supplementary information presented on pages 39-52 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information presented on pages 39-52 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bray, Drake, Liles & Richardson LLP
BRAY, DRAKE, LILES & RICHARDSON LLP

Village of Mahomet

Management's Discussion and Analysis

April 30, 2011

As management of the Village of Mahomet, we offer readers of these financial statements a narrative overview and analysis of the financial activities of the Village of Mahomet for the fiscal year ended April 30, 2011.

Financial Highlights

- The total net assets of the Village of Mahomet exceeded its liabilities at the close of the most recent fiscal year for both, the governmental and business-type, activities by a total of \$44,475,020 (*net assets*).
- The Village's total net assets increased by \$2,077,031 for the reporting year over the previous fiscal year.
- As of the close of the current fiscal year, the Village of Mahomet's governmental activities reported combined ending fund balances of \$4,017,975, an increase of \$421,067 over the prior year. Of this amount \$1,341,251, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,341,251 or 61% of total general fund expenditures.
- The Village of Mahomet's total debt decreased by \$305,472 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Mahomet's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Mahomet's finances, in a manner similar to private-sector business. They report all funds of the Village of Mahomet including governmental activities and business-type activities.

- The *statement of net assets* presents information on the Village of Mahomet's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Net assets have been increasing over the past years.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

The governmental activities of the Village of Mahomet include general government, public safety (police, ESDA), highways and streets, culture and recreation, community development, economic development and interest on long-term debt. Business-type activities include water and sewer enterprise funds.

Fund financial statements. A fund is a grouping of related accounts which is used to maintain control over resources segregated for specific activities or objectives. The Village of Mahomet, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Mahomet maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet as well as in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Financing Fund, and Transportation System Capital Improvement Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village adopts an annual appropriated budget for its general fund and other major funds. Budgetary comparison statements have been provided for the general fund and other major governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11-12 within this report.

Business-type activities. The Village of Mahomet maintains basic public services by providing a combined water and sewer system for residents. These functions are accounted for in this audit as business-type activities or enterprise funds. These basic proprietary fund statements can be found on pages 13-15. The Village's total net asset for all proprietary fund types was \$7,522,475 (*total net assets*) including restricted net assets of \$1,596,737.

Notes to the financial statements. The notes provide additional information which is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes of the financial statements can be found on pages 16-33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on pages 34-38. This required supplementary information includes information concerning the Village of Mahomet's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for its major governmental funds and related footnotes. This report also contains additional supplementary information on governmental and business-type activities, bond payment schedules, legal debt margin calculations, assessed valuations, tax rates, taxes extended and taxes collected information. Additional supplementary information can be found on pages 39-52 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Mahomet, assets exceeded liabilities by \$44,475,020 at the close of the fiscal year.

The largest portion of the Village's net assets (83%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets still outstanding. The Village of Mahomet uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table reflects the condensed Statement of Net Assets:

Village of Mahomet's Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
Current and Other Assets	\$ 6,634,248	\$ 6,096,384	\$ 2,419,244	\$ 2,306,172	\$ 9,053,492	\$ 8,402,556
Capital Assets	31,903,578	30,825,162	8,831,793	8,736,702	40,735,371	39,561,864
Total Assets	38,537,826	36,921,546	11,251,037	11,042,874	49,788,863	47,964,420
Long-term Liabilities	163,811	256,124	3,217,805	3,480,516	3,381,616	3,736,640
Other Liabilities	1,421,470	1,414,978	510,757	414,813	1,932,227	1,829,791
Total Liabilities	1,585,281	1,671,102	3,728,562	3,895,329	5,313,843	5,566,431
Net Assets:						
Invested in Capital Assets	31,567,700	30,441,124	5,348,988	4,996,186	36,916,688	35,437,310
Restricted	436,565	364,363	1,596,737	1,206,444	2,033,302	1,570,807
Unrestricted	4,948,280	4,444,957	576,750	944,915	5,525,030	5,389,872
Total Net Assets	\$ 36,952,545	\$ 35,250,444	\$ 7,522,475	\$ 7,147,545	\$ 44,475,020	\$ 42,397,989

A portion of the Village's net assets (5%) represents resources which are subject to external restrictions on how they may be used.

Governmental Activities. Governmental activities increased Mahomet's net assets by \$1,702,101, which represents 82% of the Change in Net Assets of the Village. Revenues and expenditures were up in the majority of the major operating governmental functions.

Business-type Activities. There was a total net increase in assets over the previous fiscal year of \$374,930, which represents 18% of the Change in Net Assets of the Village. The increase is due to an increase in charges for services.

The following table summarizes the revenues and expenses of the Village's activities:

Village of Mahomet's Changes in Net Assets

	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	2011	2010
	2011	2010	2011	2010		
Revenues:						
Program revenues						
Charges for services	\$ 499,380	\$ 678,792	\$ 1,777,714	\$ 1,626,104	\$ 2,277,004	\$ 2,304,896
Operating grants & contributions	934,950	6,903,630	-	-	834,950	6,903,630
General revenues:						
Property taxes	2,583,709	2,117,152	38,256	37,458	2,601,965	2,154,610
Other taxes	1,713,239	1,704,516	-	-	1,713,239	1,704,516
Investment earnings	19,708	17,454	11,370	18,936	31,078	36,390
Miscellaneous	85,601	76,404	-	-	85,601	76,404
Total revenues	5,816,587	11,497,948	1,827,340	1,682,498	7,643,927	13,180,446
Expenses:						
General government	427,484	702,863	-	-	427,484	702,863
Public safety	890,177	834,239	-	-	890,177	834,239
Highways and streets	2,236,002	1,830,335	-	-	2,236,002	1,830,335
Culture and recreation	333,056	244,410	-	-	333,056	244,410
Planning and zoning	199,953	225,954	-	-	199,953	225,954
Economic development	14,157	41,003	-	-	14,157	41,003
Interest on long-term debt	13,657	15,871	-	-	13,657	15,871
Water department	-	-	921,671	882,466	921,671	882,466
Sewer department	-	-	530,739	526,052	530,739	526,052
Total expenses	4,114,486	3,894,675	1,452,410	1,408,518	5,566,896	5,303,193
Excess (deficiency) of revenues over expenses	1,702,101	7,603,273	374,930	273,980	2,077,031	7,877,253
Other financing sources (uses):						
Transfers in (out)	-	50,626	-	(50,626)	-	-
Change in net assets	1,702,101	7,653,899	374,930	223,354	2,077,031	7,877,253
Beginning net assets	35,250,444	27,596,545	7,147,545	6,924,191	42,397,989	34,520,736
Ending net assets	\$ 36,952,545	\$ 35,250,444	\$ 7,522,475	\$ 7,147,545	\$ 44,475,020	\$ 42,397,989

Revenues for governmental activities for the Village of Mahomet are generated from a number of different sources and for the most part are dependent upon different financial factors. The majority of general revenue is derived from property taxes, which provides long-term stability, though there is a healthy balance of support from sales, income, and utility taxes.

Highways and streets expenses constituted the largest single category of expense within governmental activities totaling \$2,236,002 or 54% of total expenses of \$4,114,486. Public safety expenses were next at \$890,177 or 22% of total expenses in governmental activities.

Business-type activities include revenues and expenses for water and sewer utility provision. Charges for services exceeded expenditures in the reporting year by \$374,930. These excess revenues are being set aside for future infrastructure investment including the sanitary sewer treatment plant expansion.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful

in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Village of Mahomet's governmental funds reported combined ending fund balances of \$4,017,975, an increase of \$421,067. 33% of this amount, or \$1,341,251, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Key factors in this growth include increases in the Village's assessed valuation and corresponding property tax receipts.

The General Fund balance increased \$321,519 mainly due to increased interfund transfers during the year.

The Tax Increment Financing Fund has an ending fund balance of \$529,048 but still owes the General Corporate fund \$152,860 which is represented on page 32 of the audit as an interfund receivable/payable due to the start up costs of the TIF District.

The Transportation System Capital Improvement Fund balance decreased \$195,592 because of projects in the capital improvement plan that were completed during the year. Additional projects are expected to be expended in fiscal year 11-12.

Business-type funds. Enterprise, proprietary or business-type funds are used to account business-type activities provided to the public. For the Village of Mahomet, these activities are financed by user charges including water/sewer utility billings and water/sewer system connection fees. These funds experienced an increase of \$374,930 in net assets.

Budgetary Highlights

The Village staff develops a working budget prior to the beginning of each fiscal year. This working budget is based on Village Board goals of what programs to fund, capital projects and purchases desired, levels of taxation, types and amounts of user fees, estimates of State revenues, historical operating expenses and desired cash reserves and fund balance. The working budget is presented to the Village Board and adopted by a majority vote. The Village staff uses this budget to guide operations throughout the fiscal year.

The legal spending limits of the Village of Mahomet, as well as most municipal governments, are set by the appropriation ordinance. The appropriation ordinance is also developed by Village staff taking into account the maximum acceptable spending for operations and other possible contingencies. The appropriation ordinance is passed by the Village Board in accordance with State statutes. If the municipality has erred by underestimating the appropriation ordinance for a particular year there are few remedies available to correct the error.

During the fiscal year 2011, there was no change in overall appropriation amounts between the original and final amended appropriation budget. Explanations of significant variations between the original budget and final budget in the General Fund are as follows:

- In the General Fund, revenues were understated. The final budgeted amount was \$1,817,192 with actual revenues being \$2,202,711. The fiscal year ended with a positive variance in the amount of \$385,519. Property tax revenues along with income and sales taxes were higher than anticipated for FY10-11.
- Expenses in the General Fund which include general government, public safety (police, ESDA), highways and streets, community development, engineering, economic development and capital outlay had a final budgeted amount of \$3,162,091 with the actual being \$2,195,490. The fiscal year ended with a positive variance in the amount of \$966,601.

Capital Asset and Debt Administration

Capital assets. The Village of Mahomet's investment in capital assets for its governmental (\$31,903,578) and business-type (\$8,831,793) activities as of April 30, 2011, totals to \$40,735,371. This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, water/wastewater distribution system, and infrastructure. Following is a Comparative Statement of Capital Assets, net of depreciation:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,569,463	\$ 1,569,463	\$ 103,466	\$ 103,466	\$ 1,672,929	\$ 1,672,929
Construction in Progress	-	-	1,213,269	3,116,308	1,213,269	3,116,308
Buildings	1,632,225	1,630,284	6,051,367	3,813,436	7,683,592	5,443,720
Equipment	603,083	520,186	181,774	219,232	784,857	739,418
Distribution System	-	-	1,281,917	1,484,260	1,281,917	1,484,260
Infrastructure	<u>28,098,807</u>	<u>27,105,229</u>	<u>-</u>	<u>-</u>	<u>28,098,807</u>	<u>27,105,229</u>
	<u>\$31,903,578</u>	<u>\$30,825,162</u>	<u>\$ 8,831,793</u>	<u>\$ 8,736,702</u>	<u>\$40,735,371</u>	<u>\$39,561,864</u>

Additional information on the Village's capital assets can be found in Note 2.C in the Notes to Basic Financial Statements of this report.

Long-term debt. At the end of the current fiscal year, the Village of Mahomet had total bonded debt outstanding of \$3,703,480, of this amount, \$66,300 counts against the Village's statutory debt limitation of 8.625% of total assessed valuation. The entire amount is backed by the full faith and credit of the Village. Following is a comparative statement of outstanding debt:

	Governmental Activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds-						
Alternate Revenue Bonds	\$ 218,480	\$ 328,677	\$ 3,485,000	\$ 3,745,000	\$ 3,703,480	\$ 4,073,677
Notes Payable	117,398	55,361	-	-	117,398	55,361
Less deferred charge on refunding	<u>-</u>	<u>-</u>	<u>(2,195)</u>	<u>(4,883)</u>	<u>(2,195)</u>	<u>(4,883)</u>
Total	<u>\$ 335,878</u>	<u>\$ 384,038</u>	<u>\$ 3,482,805</u>	<u>\$ 3,740,117</u>	<u>\$ 3,818,683</u>	<u>\$ 4,124,155</u>

The Village of Mahomet's total debt decreased by \$305,472 during the current fiscal year. Additional information on the Village's long-term debt can be found in Note 3.E. in the Notes to Basic Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

The equalized assessed value (EAV) of taxable property in the Village of Mahomet for 2010 levy year was \$145,331,681, which represents one-third market value. Residential developments constitute 90% of the EAV. The Village's tax rate at December 31, 2010 was \$.8132 per \$100 of assessed value. Keeping the Village's tax rate low has been a long-standing goal for the Village of Mahomet. Due to "tax caps" the Village's tax rate is declining. The percentage of real estate taxes collected has been over 96 percent in past years.

State budgetary constraints have caused payments from the Local Government Distributive Fund to be delayed more than usual. The current delay in payments is approximately four months versus two months. In the past, there has been a HB 652 introduced that would require that the money be directly deposited into the Local Government Distributive Fund to avoid delays in

receiving the municipality's share of income tax. This would have been a positive effect for income tax collections to municipalities. State shared revenues are estimated for the upcoming fiscal year to be \$73.00 per capita for income tax assuming there will be no statutory reduction in income tax distribution which has been proposed. The Illinois Municipal League (IML) does expect efforts to take away some portion of the municipal share and letting state government use it for its expenses. Sales tax, use tax and telecommunication are usually received on a timely monthly basis from the state.

Construction activity has been relatively slow with the economic conditions at the time. The economic recovery is proceeding more slowly than expected. Economists predict a very mild recovery to begin during the end of calendar year 2011. The Village has and expects to continue having some activity in residential and commercial construction. Residential homes are still being constructed in Hunter's Ridge, Country Ridge, Thornewood and Whisper Meadows Subdivisions. FitTek built a brand new fitness facility to accommodate the citizens of Mahomet and the surrounding area residents. A new building permit was issued for a large youth dance studio, and a new restaurant in FY10/11. The Twist and Shout Dance Studio and the Wingery Restaurant both opened the summer of 2011. The Glenwood Assisted Living Community of Mahomet has a seven apartment expansion project underway and expected to open in August 2011.

Water and Wastewater revenues are scheduled to increase according to the ordinances approved in 2011. The water revenues will be utilized to retire current debt for the Water Treatment plant and for upcoming water capital improvement projects. Wastewater revenues will be utilized to retire current debt issued for the East Mahomet interceptor sanitary sewer project and to fund planned expenditures associated with the \$13 million Wastewater Treatment Plant expansion. Ordinance 11-03-03 provides that these water usage charges shall increase on May 1 annually at a rate of \$.01 per 100 gallons. Ordinance 11-03-04 provides that the wastewater usage charges shall increase on May 1 annually at a rate of \$.09 per 100 gallons. Water and wastewater connection fee ordinances were approved at the May 27th, 2008 Board meeting. The fees for water connections are scheduled to increase \$25 annually for five years and reviewed by the Board each year. The wastewater connection fees are scheduled to increase \$25.00 per unit annually for five years and annual Board review.

The IMRF contribution rate for calendar year 2011 is 10.68% an increase over the 2010 rate of 10.30%. The employee contribution will remain at 4.50%. Each year, an independent actuary calculates an employer contribution rate for each employer. In addition to retirement benefits, IMRF also provides death and disability benefits. Employer contributions are paid directly from the water/wastewater funds and levied funds for IMRF.

The Village will face some long term financial challenges with increased benefit cost for employees, e.g., health insurance and funding for IMRF. The police pension fund will be established in FY11/12, mandated by the 2010 census numbers. The future pension costs for the police department will have a large unfunded accrued liability. The tax levy for this fund will be comprised of two amounts, the employer portion of the normal cost and the amount necessary to amortize the unfunded accrued liability of the fund. The Village will need to focus on finding more effective measures to reduce expenditures, efficiency in staffing and continue to provide quality services in the near future.

There are currently no other known contingencies that would force a major change in the Village's budgeting, spending, or taxation.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the: Village Administrator Mell Smigielski or Village Treasurer Jeanne Schacht, Village of Mahomet, 503 E. Main, P.O. 259, Mahomet, IL 61853 or call 217/586-4456

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Net Assets

April 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,488,476	\$ 998,486	\$ 4,486,962
Investments	-	-	-
Receivables	25,141	177,898	203,039
Due from governmental entities	2,771,978	38,368	2,810,346
Prepaid items	49,016	11,200	60,216
Deferred bond issue costs, net	-	67,784	67,784
Restricted Assets:			
Cash and cash equivalents	299,637	1,125,508	1,425,145
Capital Assets (net of accumulated depreciation):			
Land	1,569,463	103,466	1,672,929
Construction in progress	-	1,213,269	1,213,269
Buildings and improvements	1,632,225	6,051,367	7,683,592
Equipment	603,083	181,774	784,857
Distribution system	-	1,281,917	1,281,917
Infrastructure	<u>28,098,807</u>	<u>-</u>	<u>28,098,807</u>
Total assets	<u>38,537,826</u>	<u>11,251,037</u>	<u>49,788,863</u>
<u>Liabilities:</u>			
Accounts payable	229,616	160,895	390,511
Accrued expenses	179,440	84,862	264,302
Unearned revenues	840,347	-	840,347
Non-current liabilities:			
Due within one year	172,067	265,000	437,067
Due after more than one year	<u>163,811</u>	<u>3,217,805</u>	<u>3,381,616</u>
Total liabilities	<u>1,585,281</u>	<u>3,728,562</u>	<u>5,313,843</u>
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	31,567,700	5,348,988	36,916,688
Restricted for:			
Debt service	104,936	393,950	498,886
Prepaid items	49,016	11,200	60,216
Capital projects	269,647	1,191,587	1,461,234
Other	12,966	-	12,966
Unrestricted	<u>4,948,280</u>	<u>576,750</u>	<u>5,525,030</u>
Total net assets	<u>\$ 36,952,545</u>	<u>\$ 7,522,475</u>	<u>\$ 44,475,020</u>

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Activities

For the Year Ended April 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:						
Governmental activities:						
General government	\$ 427,484	\$ 94,436	-	\$ (333,048)	\$ -	\$ (333,048)
Public safety	890,177	25,806	-	(864,371)	-	(864,371)
Highways and streets	2,236,002	211,580	934,950	(1,089,472)	-	(1,089,472)
Culture and recreation	333,056	167,558	-	(165,498)	-	(165,498)
Planning and zoning	199,953	-	-	(199,953)	-	(199,953)
Economic development	14,157	-	-	(14,157)	-	(14,157)
Interest on long-term debt	13,657	-	-	(13,657)	-	(13,657)
Total governmental activities	4,114,486	499,380	934,950	(2,680,156)	-	(2,680,156)
Business-type activities:						
Water	921,671	644,770	-	-	(276,901)	(276,901)
Sewer	530,739	1,132,944	-	-	602,205	602,205
Total business-type activities	1,452,410	1,777,714	-	-	325,304	(2,354,852)
Total functions/programs	\$ 5,566,896	\$ 2,277,094	\$ 934,950	(2,680,156)	325,304	(2,354,852)
General revenues:						
Taxes:						
Property taxes				2,563,709	38,256	2,601,965
Motor fuel taxes				123,379	-	123,379
Replacement taxes				6,186	-	6,186
Income taxes				332,045	-	332,045
Sales taxes				684,086	-	684,086
Utility taxes				567,543	-	567,543
Interest income				19,708	11,370	31,078
Miscellaneous income				85,601	-	85,601
Transfers				-	-	-
Total general revenues				4,382,257	49,626	4,431,883
Change in net assets				1,702,101	374,930	2,077,031
Net assets, beginning				35,250,444	7,147,545	42,397,989
Net assets, ending				\$ 36,952,545	\$ 7,522,475	\$ 44,475,020

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Balance Sheet - Governmental Funds

April 30, 2011

	General	Tax Increment Financing	Transportation System Capital Imp.	Other Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 1,934,309	\$ 161,140	\$ 679,623	\$ 713,404	\$ 3,488,476
Investments	-	-	-	-	-
Due from other governments	959,729	1,256,678	32,897	425,133	2,674,437
Utility taxes receivable	-	-	-	25,141	25,141
Due from other funds	152,860	-	-	-	152,860
Prepaid insurance	-	-	-	49,016	49,016
Restricted assets:					
Cash and cash equivalents	-	-	-	299,637	299,637
Total assets	\$ 3,046,898	\$ 1,417,818	\$ 712,520	\$ 1,512,331	\$ 6,689,567
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 105,607	\$ 107,571	\$ -	\$ 16,438	\$ 229,616
Accrued salaries	18,544	-	-	3,139	21,683
Due to other funds	-	152,860	-	-	152,860
Accrued compensated absences	148,119	-	-	6,142	154,261
Deferred revenue	1,238,582	628,339	-	246,251	2,113,172
Total liabilities	1,510,852	888,770	-	271,970	2,671,592
Fund balance:					
Nonspendable	-	-	-	49,016	49,016
Restricted	-	-	-	387,549	387,549
Committed	-	529,048	-	-	529,048
Assigned	194,795	-	712,520	803,796	1,711,111
Unassigned	1,341,251	-	-	-	1,341,251
Total fund balance	1,536,046	529,048	712,520	1,240,361	4,017,975
Total liabilities and fund balance	\$ 3,046,898	\$ 1,417,818	\$ 712,520	\$ 1,512,331	

Reconciliation to Statement of Net Assets:Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities of \$40,667,432, net of accumulated depreciation of \$8,763,854, are not financial resources and, therefore, are not reported in the funds. 31,903,578

Other assets are not available to pay for current-period expenditures and therefore are deferred or not recorded in the funds. 1,370,366

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (339,374)

Net assets of governmental activities \$ 36,952,545

VILLAGE OF MAHOMET

Mahomet, Illinois

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

For the Year Ended April 30, 2011

	General	Tax Increment Financing	Transportation System Cap. Imp.	Other Governmental	Total Governmental Funds
Revenues:					
Property taxes	\$ 786,249	\$ 1,166,907	\$ -	\$ 408,508	\$ 2,361,664
Motor fuel taxes	-	-	-	123,379	123,379
Replacement income taxes	6,186	-	-	-	6,186
Income taxes	381,314	-	-	-	381,314
Sales taxes	684,086	-	-	-	684,086
Utility taxes	-	-	205,358	362,185	567,543
Permits and licenses	94,436	-	-	-	94,436
Fines	25,806	-	-	-	25,806
Rentals and fees	-	-	-	167,558	167,558
Grant income	-	-	256,500	-	256,500
Developer reimbursements	193,029	-	18,551	-	211,580
Interest income	10,487	952	3,496	4,773	19,708
Miscellaneous	21,118	-	600	63,883	85,601
Total revenues	<u>2,202,711</u>	<u>1,167,859</u>	<u>484,505</u>	<u>1,130,286</u>	<u>4,985,361</u>
Expenditures:					
Current					
General government	396,185	-	-	15,007	411,192
Public safety	808,770	-	-	34,083	842,853
Highways and streets	491,679	840,253	-	21,532	1,353,464
Culture and recreation	-	-	-	304,076	304,076
Planning and zoning	199,953	-	-	-	199,953
Economic development	14,157	-	-	-	14,157
Debt Service:					
Principal	72,717	-	-	110,197	182,914
Interest and fiscal charges	2,062	-	-	13,277	15,339
Capital outlay	209,967	174,748	731,031	124,600	1,240,346
Total expenditures	<u>2,195,490</u>	<u>1,015,001</u>	<u>731,031</u>	<u>622,772</u>	<u>4,564,294</u>
Excess of revenues over (under) expenditures	<u>7,221</u>	<u>152,858</u>	<u>(246,526)</u>	<u>507,514</u>	<u>421,067</u>
Other Financing Sources (Uses):					
Debt proceeds	-	-	-	-	-
Transfers in	438,298	-	50,934	108,380	597,612
Transfers out	(124,000)	-	-	(473,612)	(597,612)
Total other financing sources (uses)	<u>314,298</u>	<u>-</u>	<u>50,934</u>	<u>(365,232)</u>	<u>-</u>
Net change in fund balances	321,519	152,858	(195,592)	142,282	421,067
Fund balances, beginning	<u>1,214,527</u>	<u>376,190</u>	<u>908,112</u>	<u>1,098,079</u>	<u>3,596,908</u>
Fund balances, ending	<u>\$ 1,536,046</u>	<u>\$ 529,048</u>	<u>\$ 712,520</u>	<u>\$ 1,240,361</u>	<u>\$ 4,017,975</u>

Reconciliation to the Statement of Activities:

Net change in fund balances - total governmental funds	\$ 421,067
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while government activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	909,454
Depreciation expense	(644,242)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	831,226
New debt is an other financing source in governmental funds, while repayment of bond and loan principal is an expenditure in the governmental funds, but the new debt increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets.	182,914
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	1,682
Change in Net Assets of Governmental Activities	<u>\$ 1,702,101</u>

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Net Assets - Proprietary Funds
April 30, 2011

	Waterworks		Sewerage		Water		Sewer		Other		Total
					Bond & Interest	Expansion	Bond & Interest		Proprietary		
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 154,787	\$ 217,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,281	\$ -	\$ 986,486
Property taxes receivable	38,368	-	-	-	-	-	-	-	-	-	38,368
Accounts receivable, net	45,254	132,644	-	-	-	-	-	-	-	-	177,898
Prepaid insurance	5,540	5,660	-	-	-	-	-	-	-	-	11,200
Total current assets	243,949	355,722	-	-	-	-	-	-	626,281	-	1,225,952
Noncurrent assets:											
Cash-restricted	-	-	287,788	699,159	138,561	-	138,561	-	-	-	1,125,508
Deferred bond issue costs, net	-	-	48,058	-	19,726	-	19,726	-	-	-	67,784
Capital assets:											
Property, plant and equipment	8,105,007	5,791,226	-	1,213,269	-	-	-	-	-	-	15,109,502
Accumulated depreciation	(4,397,462)	(1,880,247)	-	-	-	-	-	-	-	-	(6,277,709)
Total noncurrent assets	3,707,545	3,910,979	335,846	1,912,428	158,287	-	158,287	-	-	-	10,025,085
Total assets	3,951,494	4,266,701	335,846	1,912,428	158,287	-	158,287	-	626,281	-	11,251,037
LIABILITIES											
Current liabilities:											
Accounts payable	13,636	13,406	-	125,955	-	-	-	7,898	-	-	160,895
Accrued expenses	18,386	22,280	33,190	-	11,006	-	-	-	-	-	84,862
Notes payable - current	-	-	-	-	-	-	-	-	-	-	-
General Obligation bonds - current	-	-	165,000	-	100,000	-	-	-	-	-	265,000
Total current liabilities	32,022	35,686	198,190	125,955	111,006	-	111,006	7,898	-	-	510,757
Non-current liabilities:											
General Obligation bonds	-	-	2,417,805	-	800,000	-	-	-	-	-	3,217,805
Total non-current liabilities	-	-	2,417,805	-	800,000	-	-	-	-	-	3,217,805
Total liabilities	32,022	35,686	2,615,995	125,955	911,006	-	911,006	7,898	-	-	3,728,562
NET ASSETS											
Invested in capital assets,											
net of related debt	3,707,545	3,910,979	(2,582,805)	1,213,269	(900,000)	-	-	-	-	-	5,348,988
Restricted:											
Restricted for prepaid items	5,540	5,660	-	-	-	-	-	-	-	-	11,200
Restricted for capital projects	-	-	-	573,204	-	-	-	-	618,383	-	1,191,587
Restricted for debt service	-	-	262,400	-	131,550	-	-	-	-	-	393,950
Unrestricted	206,387	314,376	40,256	-	15,731	-	-	-	-	-	576,750
Total net assets	\$ 3,919,472	\$ 4,231,015	\$ (2,280,149)	\$ 1,786,473	\$ (752,719)	\$ -	\$ 618,383	\$ -	\$ -	\$ -	\$ 7,522,475

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET
Mahomet, Illinois

**Statement of Revenues, Expenses and Changes in Net Assets -
Proprietary Funds**

For the Year Ended April 30, 2011

	Waterworks	Sewerage	Water		Sewer Expansion	Sewer Bond and Interest	Other Proprietary	Total
			Bond and Interest					
Operating Revenues:								
Charges for services	\$ 604,753	\$ 1,057,195	\$ -	\$ -	\$ -	\$ -	\$ 111,769	\$ 1,773,717
Miscellaneous	3,985	12	-	-	-	-	-	3,997
Total operating revenues	608,738	1,057,207	-	-	-	-	111,769	1,777,714
Operating Expenses:								
Personal services	164,158	167,201	-	-	-	-	-	331,359
Supplies and materials	113,569	102,410	-	-	-	-	-	215,979
Contractual services	99,389	126,485	-	-	-	-	-	225,874
Depreciation and amortization expense	437,364	127,018	-	-	-	-	-	564,382
Total operating expenses	814,480	523,114	-	-	-	-	-	1,337,594
Operating income (loss)	(205,742)	534,093	-	-	-	-	111,769	440,120
Non operating Revenues (Expenses):								
Property taxes	38,256	-	-	-	-	-	-	38,256
Interest income	611	1,094	964	964	5,981	452	2,268	11,370
Interest expense	-	-	(107,191)	(107,191)	-	(7,625)	-	(114,816)
Total non operating revenues (expenses)	38,867	1,094	(106,227)	(106,227)	5,981	(7,173)	2,268	(65,190)
Income (loss) before transfers in (out)	(166,875)	535,187	(106,227)	(106,227)	5,981	(7,173)	114,037	374,930
Transfers in (out)	(139,185)	1,978,097	234,000	234,000	300,000	(27,826)	(2,345,086)	-
Change in nets assets	(306,060)	2,513,284	127,773	127,773	305,981	(34,999)	(2,231,049)	374,930
Net assets - beginning	4,225,532	1,717,731	(2,407,922)	(2,407,922)	1,480,492	(717,720)	2,849,432	7,147,545
Net assets - ending	\$ 3,919,472	\$ 4,231,015	\$ (2,280,149)	\$ (2,280,149)	\$ 1,786,473	\$ (752,719)	\$ 618,383	\$ 7,522,475

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Cash Flows
Proprietary Funds

For the Year Ended April 30, 2011

	Waterworks	Sewerage	Water Bond and Interest	Sewer Expansion	Sewer Bond and Interest	Other Proprietary	Totals
Cash Flows from Operating Activities:							
Receipts from users	\$ 603,152	\$ 1,017,848	\$ -	\$ -	\$ -	\$ 114,393	\$ 1,735,393
Payments to suppliers	(217,306)	(232,758)	-	-	-	-	(450,064)
Payments to employees	(165,238)	(164,148)	-	-	-	-	(329,386)
Other receipts (payments)	3,985	12	-	-	-	-	3,997
Net cash provided by (used in) operating activities	224,593	620,954	-	-	-	114,393	959,940
Cash Flows from Noncapital Financing Activities:							
Property taxes	38,258	-	-	-	-	-	38,258
Operating transfers in	65,815	2,496,697	234,000	312,450	114,600	75,000	3,298,562
Operating transfers out	(205,000)	(518,600)	-	-	-	(2,420,086)	(3,143,686)
Net cash provided (used) by noncapital financing activities	(100,927)	1,978,097	234,000	312,450	114,600	(2,345,086)	193,134
Cash Flows from Capital and Related Financing Activities:							
Sale (purchase) of capital assets	(65,815)	(2,496,697)	-	(454,225)	-	2,329,422	(687,315)
Interest paid on capital debt	-	-	(102,817)	-	(34,964)	-	(137,781)
Principal paid on capital debt	-	-	(160,000)	-	(100,000)	-	(260,000)
Net cash used for capital and related financing activities	(65,815)	(2,496,697)	(262,817)	(454,225)	(134,964)	2,329,422	(1,085,066)
Cash Flows from Investing Activities:							
Investment income	609	1,094	964	5,981	451	2,268	11,367
Sale of investments	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	609	1,094	964	5,981	451	2,268	11,367
Net increase (decrease) in cash and cash equivalents	58,460	103,448	(27,853)	(135,794)	(19,913)	100,997	79,345
Cash and cash equivalents, beginning of the year	96,327	113,970	315,641	834,953	158,474	525,284	2,044,649
Cash and cash equivalents, end of the year	\$ 154,787	\$ 217,418	\$ 287,788	\$ 699,159	\$ 138,561	\$ 626,281	\$ 2,123,994
Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities							
Operating income (loss)	\$ (205,742)	\$ 534,093	\$ -	\$ -	\$ -	\$ 111,769	\$ 440,120
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation and amortization	437,364	127,018	-	-	-	-	564,382
Change in assets and liabilities:							
(Increase) decrease-accounts receivable	334	(39,347)	-	-	-	-	(39,013)
(Increase) decrease-prepaid insurance	(327)	(335)	-	-	-	-	(662)
Increase (decrease)-accounts payable	(8,116)	(3,627)	-	-	-	2,624	(9,019)
Increase (decrease)-accrued expenses	1,080	3,052	-	-	-	-	4,132
Total adjustments	430,335	86,861	-	-	-	2,624	519,820
Net cash provided (used) by operating activities	\$ 224,593	\$ 620,954	\$ -	\$ -	\$ -	\$ 114,393	\$ 959,940

The notes to basic financial statements are an integral part of this statement.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements
April 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C., these financial statements conform to generally accepted accounting principles (GAAP) as applicable to governments. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. FASB statements and interpretations issued after November 30, 1989 have not been applied.

1.A. FINANCIAL REPORTING ENTITY

The Village's financial reporting entity is composed of the following:

Primary Government: Village of Mahomet

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

1.B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In March 2009, the GASB issued Statement No. 54-*Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications based primarily on the extent to which the Village is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance policies and procedures.

The Village of Mahomet made the decision to implement this standard for this fiscal year ending April 30, 2011.

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Village presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements -- (continued)

April 30, 2011

1.B. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS (continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Village. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Brief Description</u>
Motor Fuel Tax	Accounts for revenues received and expenditures paid for street maintenance.
Bond Issue	Accounts for property taxes levied and expenses of the 2005 G.O. Bond issue.
Utility Tax	Accounts for electric and gas taxes and for expenses of the 1998 G.O. bond issue.
Forfeited Funds	Accounts for revenues received from DUI and Drug fines.
IMRF	Accounts for property taxes levied and makes the required payments to the Illinois Municipal Retirement Fund.
Community Center	Accounts for revenues and expenses for operating the community center. Rental income provides revenue for operating expenses.
Recreation	Accounts for revenues and expenses for the various recreation programs of the Village. Registration fees provide most of the revenues for operating expenses.
Social Security	Accounts for property taxes levied and makes the required payments to the Federal and State Government.
Parks	Accounts for property taxes levied for maintaining the parks in the Village.
Insurance	Accounts for property taxes levied for making the required insurance payments of the Village.
Tax Increment Financing	Accounts for the incremental property taxes realized within the Tax Increment Financing District. Expenditure of these revenues is restricted to capital improvements and redevelopment and to other taxing bodies.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

1.B. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS (continued)

Trans. System Accounts for capital improvements to the street system of the Village. Telecommunication taxes
 Capital Improvement provide the revenue for these improvements.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

<i>Fund</i>	<i>Brief Description</i>
Water	Accounts for revenues received and expenses paid for operating the water system.
Sewer	Accounts for revenues received and expenses paid for operating the sewer system.
Water Bond & Interest	Accounts for expenses associated with the 2003A bond issue. Transfers from the water fund provide revenue for these expenses.
Sewer Bond & Interest	Accounts for expenses associated with the 2003B bond issue. Transfers from the sewer fund provide revenue for these expenses.
Interceptor San. Sewer 2003B Bonds	Accounts for the construction expenses associated with constructing the interceptor sanitary sewer. Transfers from the sewer bond and interest fund provide revenues for these expenses.
Water Capital Improvements	Accounts for revenues and expenses for improving and maintaining the water system.
Sewer Capital Improvements	Accounts for revenues and expense for improving and maintaining the sewer system.
Sewer Expansion	Accounts for costs associated with the sewer expansion project. Transfers from other enterprise funds provide revenue for these expenses.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

MEASUREMENT FOCUS (continued)

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, using the accrual basis method of accounting. On this basis, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33. Property taxes are recognized as revenue in the year for which the taxes are levied. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

Governmental Funds

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate:

On this basis, all material sources of revenue are recognized when they become measurable and available. “Available” is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the Village, this translates to 60 days after the end of the fiscal year. Major sources of revenue susceptible to accrual include property taxes, sales taxes, income taxes, personal property replacement taxes, other intergovernmental revenues, charges for services and investment interest.

Material amounts of expenditures are recognized when the liability is incurred. Exceptions include: principal and interest on long-term debt, which is recognized when due.

Proprietary Funds

The measurement focus for proprietary funds is the flow of economic resources. All proprietary funds are accounted for using the accrual basis method of accounting. On this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Proprietary funds operating revenues consist of charges for services and miscellaneous revenue resulting from the provision of services to users. In the enterprise funds, this translates to water and sewer revenue. Operating expenses are those incurred in providing water and sewer services. Operating expenses are expenses incurred in providing the services, such as personal services, materials and supplies and contractual services.

1.D. ASSETS, LIABILITIES, AND EQUITY

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements -- (continued)
April 30, 2011

1.D. ASSETS, LIABILITIES, AND EQUITY (continued)

INVESTMENTS

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at fair value.

CAPITAL ASSETS

The Village's GAAP basis of accounting reports capital assets and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Governmental Activities

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report equipment capital assets, \$5,000 for building capital assets and \$20,000 for infrastructure capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	50-100 years
Improvements other than buildings	40-80 years
Machinery, furniture, and equipment	3-20 years
Vehicles	4-8 years
Infrastructure	40-80 years

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Business-Type Activities (Enterprise Funds)

Enterprise Fund capital assets valued at \$5,000 or more are capitalized within the fund. Capital assets are stated at actual or estimated historical cost. Donated fixed assets are valued at their fair market value on the date donated. Depreciation is computed on the straight-line method over the estimated useful life of the asset. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, \$28,532 of interest was capitalized. The range of estimated useful lives by type of asset is as follows:

Buildings	50-100 years
Improvements other than buildings	40-80 years
Machinery, furniture, and equipment	3-20 years
Vehicles	4-8 years
Infrastructure	40-80 years

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)
April 30, 2011

1.D. ASSETS, LIABILITIES, AND EQUITY (continued)

LONG-TERM DEBT

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Fund Financial Statements

EQUITY CLASSIFICATION

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the Village's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements. Governmental fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Village board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the Village board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative fund balance in other governmental funds represents excess of expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

PROGRAM REVENUES

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village has the following program revenues:

- General government
- permits, licenses, fees, police fines and parking fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**VILLAGE OF MAHOMET
Mahomet, Illinois**

Notes to Basic Financial Statements – (continued)

April 30, 2011

1.E. REVENUES, EXPENDITURES, AND EXPENSES (continued)

OPERATING REVENUE AND EXPENSES

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

1.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

FUND FINANCIAL STATEMENTS

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans-Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services-Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements-Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers-Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances-Amounts reported in the fund financial statements are interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities-Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

1.G. PROPERTY TAXES

Property taxes are levied and attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent year (by passage of the Tax Levy Ordinance). The 2010 tax levy was adopted by the Board on December 14, 2010. Tax bills are prepared by the County and issued on or about May 1, and are payable in two installments, on or about June 1, and September 1. The Village receives significant distributions of taxes approximately one month after these due dates. No provision has been made for delinquent property taxes since in past years the amount has been immaterial. In the governmental funds, property taxes are recorded as receivables and deferred revenues at the time the tax levy attaches as an enforceable lien on January 1. In the enterprise funds, property taxes are recorded as revenue at the time the tax levy attaches as an enforceable lien on January 1. The Village has received and recognized \$1,268,493 from the 2010 tax levy. The remainder of the taxes recognized are from the 2009 and prior tax levies. On the governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

1.H. USE OF ESTIMATES

The preparation of financial statements in conformity accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

1.I. COMPENSATED ABSENCES

Village employees are granted vacation, compensatory and personal time in various amounts. Vacation, compensatory and personal time may be accumulated and upon separation from service; employees are eligible to receive payment for their accumulated time. Sick time is no longer granted to employees. Employees who previously had accumulated sick time can only use this time for a personal disability or for retirement (inclusion with IMRF). Such amounts are accrued when incurred in the government-wide and proprietary fund financial statements. Governmental funds record as an expenditure the amount of accrued during the year that would normally be liquidated with expendable resources. Governmental funds have recorded \$154,261 as the current portion of compensated absences and the government-wide statements have recorded \$0 as the long-term portion. The proprietary funds recorded \$36,113 as compensated absences all of which is due within one year.

1.J. PREPAID ITEMS

In governmental and business-type funds, prepaid expenditures/expenses are deferred and expensed over the term when the services are received.

1.K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Village's allowance for estimated uncollectible receivables at April 30, 2011 is as follows: Water Fund \$2,000 and the Sewer Fund \$3,000.

NOTE 2. DETAIL NOTES-TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

2.A. DEPOSITS AND INVESTMENTS

At April 30, 2011 the carrying amount of the Village's deposits totaled \$5,912,117 and the bank balances totaled \$6,093,350.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements -- (continued)

April 30, 2011

2.A. DEPOSITS AND INVESTMENTS (continued)

CUSTODIAL CREDIT RISK - DEPOSITS

Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the Village's name. It is Village policy to require collateral for deposit and investment balances above Federal Deposit Insurance Corporation (FDIC) insurance coverage. At April 30, 2011, the Village's deposits were either covered by FDIC insurance or by pledged collateral held in the Village's name.

INVESTMENTS

At April 30, 2011 the carrying amount of the Village's investments totaled \$0 and the bank balances totaled \$0. Nonnegotiable certificates of deposits are the Village's usual investment.

CUSTODIAL CREDIT RISK - INVESTMENTS

The nonnegotiable certificates of deposits are usually covered completely by FDIC insurance or by pledged collateral held in the Village's name.

CREDIT RATING RISK - INVESTMENTS

Investments are subject to credit rating risk for all debt securities, whether held directly or indirectly (through investment pools, mutual funds or money market funds). The nonnegotiable certificates of deposits are not subject to credit rating risk.

CONCENTRATION OF CREDIT RISK - INVESTMENTS

Investments are subject to concentration of credit risk when 5% or more of the total are in securities of a single issuer. The nonnegotiable certificates of deposits are not subject to concentration of credit risk disclosures.

INTEREST RATE RISK - INVESTMENTS

Investments are subject to a decline in fair value due to fluctuating market interest rates. Interest rate risk is minimized by having maturities of less than 1 year for 100% of the Village's investments.

DEPOSITS – LEGAL AND CONTRACTUAL PROVISIONS

Deposits and investments are limited by Public Funds Investment Act of the State of Illinois to the following:

- Bonds, notes, certificates of indebtedness, treasury bills which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Interest-bearing savings, certificates of deposit, or time deposits of any bank as defined by the Illinois Banking Act.
- Short term obligations of corporations organized in the U.S. with assets exceeding \$500,000,000 and other specified criteria.
- Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio is limited to obligations described in points 1 and 2 above.
- Federal National Mortgage Association.
- Public Treasurers' Investment Pools.
- Repurchase agreements of government securities within the meaning of the Government Securities Act of 1986.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)
 April 30, 2011

2.B. RESTRICTED ASSETS

Assets that are not available to finance general operations of the Village are reported as restricted on the Statement of Net Assets. The restriction for transportation projects in the governmental activities is imposed under State of Illinois laws concerning how motor fuel taxes may be spent. The Village's policy is to apply restricted resources first when an expense is incurred for purposes, which both restricted and unrestricted net assets are available. The Village's restricted assets are as follows:

Governmental Funds

The Special Revenue Funds have restricted assets consisting of the following:

Reserved for debt service	\$104,936
Reserved for prepaid items	49,016
Reserved by enabling legislation for highways and streets	269,647
Other	<u>12,966</u>
Total restricted assets – Special Revenue Funds	<u>\$436,565</u>

Proprietary Funds

Proprietary Funds have restricted assets consisting of the following:

The Proprietary Funds have in accordance with bond ordinances and other restrictions restricted the following assets:

Capital Projects	\$1,191,587
Prepaid items	11,200
Debt Service	<u>393,950</u>
Total restricted assets – Proprietary Funds	<u>\$1,596,737</u>

2.C. CAPITAL ASSETS

A summary of capital assets related to governmental and business-type activities is presented below:

	<i>Balance at May 1, 2010</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance at April 30, 2011</i>
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,569,463	\$ 0	\$ 0	\$ 1,569,463
Other capital assets:				
Buildings	1,261,051	0	0	1,261,051
Other improvements	666,571	35,830	0	702,401
Machinery and equipment	1,194,422	181,793	0	1,376,215
Infrastructure	<u>34,253,266</u>	<u>1,505,035</u>	<u>0</u>	<u>35,758,301</u>
Total other capital assets	<u>37,375,310</u>	<u>1,722,658</u>	<u>0</u>	<u>39,097,968</u>
Less accumulated depreciation for:				
Buildings	271,672	20,659	0	292,331
Other improvements	25,666	13,230	0	38,896
Machinery and equipment	674,237	98,896	0	773,133
Infrastructure	<u>7,148,036</u>	<u>511,457</u>	<u>0</u>	<u>7,659,493</u>
Total accumulated depreciation	<u>8,119,611</u>	<u>644,242</u>	<u>0</u>	<u>8,763,853</u>
Other capital assets, net	<u>29,255,699</u>	<u>1,078,416</u>	<u>0</u>	<u>30,334,115</u>
Governmental activities capital assets, net	<u>\$30,825,162</u>	<u>\$1,078,416</u>	<u>\$ 0</u>	<u>\$31,903,578</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

2.C. CAPITAL ASSETS (continued)

	<i>Balance at</i> <i>May 1, 2010</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance at</i> <i>April 30, 2011</i>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 103,466	\$ 0	\$ 0	\$ 103,466
Construction in progress	<u>3,116,307</u>	<u>570,403</u>	<u>(2,473,442)</u>	<u>1,213,268</u>
Subtotal	<u>3,219,773</u>	<u>570,403</u>	<u>(2,473,442)</u>	<u>1,316,734</u>
Other capital assets:				
Buildings and improvements	5,358,818	2,562,512	0	7,921,330
Machinery and equipment	627,414	0	0	627,414
Water and sewer distribution system	<u>5,244,022</u>	<u>0</u>	<u>0</u>	<u>5,244,022</u>
Total other capital assets	<u>11,230,254</u>	<u>2,562,512</u>	<u>0</u>	<u>13,792,766</u>
Less accumulated depreciation for:				
Buildings and improvements	1,545,381	324,581	0	1,869,962
Machinery and equipment	408,182	37,458	0	445,640
Water and sewer distribution system	<u>3,759,764</u>	<u>202,343</u>	<u>0</u>	<u>3,962,107</u>
Total accumulated depreciation	<u>5,713,327</u>	<u>564,382</u>	<u>0</u>	<u>6,277,709</u>
Other capital assets, net	<u>5,516,927</u>	<u>1,998,130</u>	<u>0</u>	<u>7,515,057</u>
Business-type activities capital assets, net	<u>\$8,736,700</u>	<u>\$2,568,533</u>	<u>\$(2,473,442)</u>	<u>\$8,831,791</u>

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental Activities:

General government	\$ 16,292
Public safety	47,324
Highways and streets	551,646
Culture and recreation	<u>28,980</u>
Total depreciation expense for governmental activities	<u>\$644,242</u>

Business-Type Activities:

Water	\$437,364
Sewer	<u>127,018</u>
Total depreciation expense for business-type activities	<u>\$564,382</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

NOTE 3. OTHER NOTES

3.A. DEFERRED COMPENSATION PLAN

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Retirement Solutions. The plan, available to all full-time Village employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement death or unforeseeable emergency. Contributions to the plan are recorded on the Village’s books as current salaries expenditures. All assets and income of the plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The Village does not take an active role in the managing the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the Village’s financial statements.

3.B. DEFINED BENEFIT PENSION PLAN

Plan Description:

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. IMRF is an agent-multiple pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the General Assembly of the State of Illinois. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/prubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy. As set by statute, plan members are required to contribute 4.50 % of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of their employees. The employer contribution rate for calendar year 2010 was 10.30% 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. The required contribution for calendar year 2010 was \$123,222.

THREE-YEAR TREND INFORMATION FOR THE 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	\$123,122	100%	\$0
12/31/09	106,821	100%	0
12/31/08	96,418	100%	0

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

3.B. DEFINED BENEFIT PENSION PLAN (continued)

Annual Pension Cost (continued). The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village’s plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village plan’s unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was 79.96 percent funded. The actuarial accrued liability for benefits was \$2,584,836 and the actuarial value of assets was \$2,066,831, resulting in an underfunded actuarial accrued liability (UAAL) of \$518,005. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,195,361 and the ratio of the UAAL to the covered payroll was 43 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.

3.C. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees’ health and life; and natural disasters.

The Village manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors, and omissions	Purchased commercial insurance	None
b. Workers compensation, health and life	Purchased commercial insurance	None
c. Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

3.D. MOTOR FUEL TAX ALLOTMENT

Under current procedures, the allotments of the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved each month by the Department of Transportation, State of Illinois.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

3.E. LONG-TERM DEBT

The Village issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Installment purchase agreements are also general obligations of the government.

The following is a summary of the Village's long-term debt transactions for the year ended April 30, 2011:

	<u>Balance</u> <u>May 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>April 30, 2011</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>Governmental activities</i>					
Notes Payable:					
Fisher National Bank	\$ 55,361	\$ 0	\$ 17,717	\$ 37,644	\$ 18,440
First Mid-Illinois Bank and Trust	0	134,754	55,000	79,754	38,935
General obligation bonds:					
General obligation bonds (Series 1998)	198,377	0	46,197	152,180	48,392
General obligation bonds ltd tax (Series 2005)	<u>130,300</u>	<u>0</u>	<u>64,000</u>	<u>66,300</u>	<u>66,300</u>
Total governmental activities long-term liabilities	<u>\$384,038</u>	<u>\$134,754</u>	<u>\$182,914</u>	<u>\$335,878</u>	<u>\$172,067</u>
<i>Business-type activities</i>					
General obligation bonds:					
General obligation bonds (2003A)	\$2,745,000	\$0	\$160,000	\$2,585,000	\$165,000
General obligation bonds (2003B)	1,000,000	0	100,000	900,000	100,000
Less deferred charge on refunding:	<u>(4,883)</u>	<u>0</u>	<u>(2,688)</u>	<u>(2,195)</u>	<u>(2,195)</u>
Total business-type activities Long-term liabilities	<u>\$3,740,117</u>	<u>\$0</u>	<u>\$257,312</u>	<u>\$3,482,805</u>	<u>\$262,805</u>

Arbitrage Compliance

Proceeds from tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Village invests records and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. Arbitrage liabilities are reported as enterprise fund liabilities. At April 30, 2011 arbitrage liabilities were \$0.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2011

3.E. LONG-TERM DEBT (continued)

The annual debt service requirements for bonds and notes payable are:

Year ending April 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$172,067	\$ 9,809	\$ 265,000	\$128,950
2013	110,713	6,153	270,000	119,988
2014	53,098	1,261	275,000	110,585
2015	0	0	280,000	100,732
2016	0	0	290,000	90,327
2017-21	0	0	1,435,000	278,396
2022-26	0	0	670,000	42,645
Total	<u>\$335,878</u>	<u>\$17,223</u>	<u>\$3,485,000</u>	<u>\$871,623</u>

All outstanding general obligation bonds recorded in Enterprise Funds are secured by a first lien on net revenues earned by Enterprise Funds. The outstanding general obligation bonds recorded in the government-wide statement of net assets are secured by a first lien on net revenues earned by the Utility Tax Fund and by certain property taxes within the Village. Net revenues are defined in the general obligation bond agreements. The Enterprise Funds are required to establish user fees and rates that will yield net revenues equal to at least 1.25 times the debt service that will become due in the following fiscal year. In addition, the Enterprise Funds are required to have established a "Junior Debt Service Account (2003), an "Operation and Maintenance Account" and a "Surplus Account". The Village has established and is using these accounts in accordance with the bond ordinance. The Utility Tax Fund is required to establish utility tax rates that will yield net revenues equal to at least 1.25 times the debt service that will become due in the following fiscal year.

3.F. DEFICIT FUND BALANCE AND NET ASSETS

The following funds have deficit fund balances or retained earnings: Water Bond and Interest, \$2,280,149 and Sewer Bond and Interest, \$752,719. It is expected that these deficits will be reduced in the future by increased revenues in each fund.

3.G. EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended April 30, 2011, the Village did not have any expenditures over the legal appropriation limits.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)
April 30, 2011

3.H. CONSTRUCTION COMMITMENTS

As of April 30, 2011, the Village had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of completion</u>
Wastewater Treatment Plant Expansion	<u>\$13,000,000</u>	2013

3.I. REVENUES DUE FROM STATE AND COUNTY GOVERNMENTS

The following is a breakdown of the amounts due from the State and County governments in both the government-wide financial statements at April 30, 2011:

<u>Champaign County:</u>	
Property taxes	\$2,521,800
Police fines and fees	1,114
<u>State of Illinois:</u>	
Sales tax	107,795
Income tax	97,541
Corporate pers. repl. tax	765
Telecommunications tax	32,897
Motor Fuel Tax	<u>10,066</u>
Total	<u>\$2,771,978</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)
April 30, 2011

3.J. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of April 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$152,860	\$ 0
Special revenue funds:		
TIF fund	<u>0</u>	<u>152,860</u>
Totals	<u>\$152,860</u>	<u>\$152,860</u>

Represents advance of startup costs associated with the Tax Increment Financing Fund. This interfund balance is expected to be reimbursed as revenues from the district expand. This amount is not expected to be repaid within one year.

Transfers to/from Other Funds

Transfers to/from other funds at April 30, 2011, consist of the following:

From the General Fund to nonmajor governmental funds for operations	\$ 74,000
From nonmajor governmental funds to the General Fund for operations	438,298
From the General Fund to the Transportation System Cap. Imp. Fund for infrastructure costs	50,000
From nonmajor governmental funds to nonmajor governmental funds for operations	94,731
From nonmajor governmental funds to the Transportation System Cap. Imp. Fund for operations	934
From the Water Fund to nonmajor enterprise funds for operations	25,000
From the Water Fund to the Water Bond and Interest Fund for bond payments	180,000
From nonmajor enterprise funds to the Water Fund to transfer capital assets	65,815
From nonmajor enterprise funds to the Sewer Fund to transfer capital assets	2,354,271
From the Sewer Fund to nonmajor enterprise funds for operations	50,000
From the Sewer Bond and Interest Fund to the Sewer Fund to transfer capital assets	142,425
From the Sewer Fund to the Sewer Expansion Fund for operations	300,000
From the Sewer Fund to the Sewer Bond and Interest Fund for bond payments	168,600

**VILLAGE OF MAHOMET
Mahomet, Illinois**

Notes to Basic Financial Statements – (continued)

April 30, 2011

3.K. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Village does not maintain a retiree healthcare plan. The Village is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you go amount necessary to provide current benefits to retirees. Any participating retired plan members would contribute 100 percent of their premium costs. An implicit rate subsidy exists even though any retirees would contribute 100 percent of their premium because of the pooled aspects of providing health benefit coverage. The subsidy is generated as a result of the basic nature of insurance – one risk group subsidizes another to arrive at a blended premium. In all likelihood, current employees who are young and healthy subsidize older retirees. The Village has no unionized workers and contribution requirements can be changed by the Village board at any time.

The Village has no retirees included in its healthcare premiums at April 30, 2011 or during the year ending April 30, 2011. As a result, the Village's implicit liability is zero or some minimal amount below what is considered material for purposes of this audit report for the year ending April 30, 2011.

Required Supplementary Information

VILLAGE OF MAHOMET

Mahomet, Illinois

REQUIRED SUPPLEMENTARY INFORMATION
Illinois Municipal Retirement Fund Schedule of Funding Progress
 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 Percentage of Covered Payroll ((b-a)/c)</u>
12/31/10	\$2,066,831	\$2,584,836	\$518,005	79.96%	\$1,195,361	43.33%
12/31/09	1,809,384	2,315,469	506,085	78.14%	1,146,149	44.16%
12/31/08	1,611,843	1,981,816	369,973	81.33%	1,058,374	34.96%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$2,164,866. On a market basis, the funded ratio would be 83.75%.

VILLAGE OF MAHOMET

Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - General Fund

For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 758,245	\$ 758,245	\$ 786,249	\$ 28,004
Replacement taxes	5,000	5,000	6,186	1,186
Income taxes	262,870	262,870	381,314	118,444
Sales taxes	600,000	600,000	684,086	84,086
Utility taxes	-	-	-	-
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	102,000	102,000	94,436	(7,564)
Fines	22,500	22,500	25,806	3,306
Rentals and fees	-	-	-	-
Grant income	24,562	24,562	-	(24,562)
Developer reimbursements	-	-	193,029	193,029
Interest income	5,215	5,215	10,487	5,272
Miscellaneous	36,800	36,800	21,118	(15,682)
Total revenues	<u>1,817,192</u>	<u>1,817,192</u>	<u>2,202,711</u>	<u>385,519</u>
<u>Expenditures:</u>				
Current				
General government	428,980	428,980	396,185	32,795
Public safety	810,660	813,860	808,770	5,090
Highways and streets	520,560	520,560	491,679	28,881
Culture and recreation	-	-	-	-
Planning and zoning	232,385	233,560	199,953	33,607
Economic development	35,445	35,445	14,157	21,288
Debt service				
Principal	20,000	20,000	72,717	(52,717)
Interest expense and fiscal charges	-	-	2,062	(2,062)
Capital outlay	1,114,061	1,109,686	209,967	899,719
Total expenditures	<u>3,162,091</u>	<u>3,162,091</u>	<u>2,195,490</u>	<u>966,601</u>
Excess (deficiency) of revenues over (under) expenditures	(1,344,899)	(1,344,899)	7,221	(581,082)
<u>Other financing sources (uses):</u>				
Bond proceeds	-	-	-	-
Transfers in	452,990	452,990	438,298	14,692
Transfers out	(134,000)	(134,000)	(124,000)	(10,000)
Total other financing sources (uses)	<u>318,990</u>	<u>318,990</u>	<u>314,298</u>	<u>4,692</u>
Net change in fund balances	(1,025,909)	(1,025,909)	321,519	(576,390)
Fund balances - beginning	1,214,527	1,214,527	1,214,527	-
Fund balances - ending	<u>\$ 188,618</u>	<u>\$ 188,618</u>	<u>\$ 1,536,046</u>	<u>\$ (576,390)</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - Tax Increment Financing Fund

For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 976,625	\$ 976,625	\$ 1,166,907	\$ 190,282
Replacement taxes	-	-	-	-
Income taxes	-	-	-	-
Sales taxes	-	-	-	-
Utility taxes	-	-	-	-
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	-	-	-	-
Fines	-	-	-	-
Rentals and fees	-	-	-	-
Grant income	-	-	-	-
Developer reimbursements	-	-	-	-
Interest income	820	820	952	132
Miscellaneous	-	-	-	-
Total revenues	<u>977,445</u>	<u>977,445</u>	<u>1,167,859</u>	<u>190,414</u>
Expenditures:				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	911,000	911,000	840,253	70,747
Culture and recreation	-	-	-	-
Planning and zoning	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Capital outlay	<u>4,200,000</u>	<u>4,200,000</u>	<u>174,748</u>	<u>4,025,252</u>
Total expenditures	<u>5,111,000</u>	<u>5,111,000</u>	<u>1,015,001</u>	<u>4,095,999</u>
Excess (deficiency) of revenues over (under) expenditures	(4,133,555)	(4,133,555)	152,858	(3,905,585)
Other financing sources (uses):				
Bond proceeds	4,200,000	4,200,000	-	4,200,000
Transfers in	-	-	-	-
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	-	<u>(25,000)</u>
Total other financing sources (uses)	<u>4,175,000</u>	<u>4,175,000</u>	-	<u>4,175,000</u>
Net change in fund balances	41,445	41,445	152,858	269,415
Fund balances - beginning	<u>376,190</u>	<u>376,190</u>	<u>376,190</u>	-
Fund balances - ending	<u>\$ 417,635</u>	<u>\$ 417,635</u>	<u>\$ 529,048</u>	<u>\$ 269,415</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - Transportation System Cap. Imp.

For the Year Ended April 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Replacement taxes	-	-	-	-
Income taxes	-	-	-	-
Sales taxes	-	-	-	-
Utility taxes	241,500	241,500	205,358	(36,142)
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	-	-	-	-
Fines	-	-	-	-
Rentals and fees	-	-	-	-
Grant income	270,000	270,000	256,500	(13,500)
Developer reimbursements	83,000	83,000	18,551	(64,449)
Interest income	3,800	3,800	3,496	(304)
Miscellaneous	-	-	600	600
Total revenues	<u>598,300</u>	<u>598,300</u>	<u>484,505</u>	<u>(113,795)</u>
Expenditures:				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	30,150	30,150	-	30,150
Culture and recreation	-	-	-	-
Planning and zoning	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Capital outlay	875,750	875,750	731,031	144,719
Total expenditures	<u>905,900</u>	<u>905,900</u>	<u>731,031</u>	<u>174,869</u>
Excess (deficiency) of revenues over (under) expenditures	(307,600)	(307,600)	(246,526)	(288,664)
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Transfers in	52,150	52,150	50,934	1,216
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>52,150</u>	<u>52,150</u>	<u>50,934</u>	<u>1,216</u>
Net change in fund balances	(255,450)	(255,450)	(195,592)	(287,448)
Fund balances - beginning	<u>908,112</u>	<u>908,112</u>	<u>908,112</u>	-
Fund balances - ending	<u>\$ 652,662</u>	<u>\$ 652,662</u>	<u>\$ 712,520</u>	<u>\$ (287,448)</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Notes to Budgetary Comparison Schedules

April 30, 2011

Budget Law:

The Village board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of each fiscal year, a board designated person or persons designated by the board submits to the board a proposed operating budget for the year commencing on May 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- c. Subsequent to the public hearings the budget is adopted by the board.

The legal level of control at which expenditures may not legally exceed appropriations is at the fund level.

Basis of Accounting

The budget is prepared on the cash basis of accounting.

Supplementary Information

VILLAGE OF MAHOMET

Mahomet, Illinois

Balance Sheet
Nonmajor Governmental Funds - (continued)
 April 30, 2011

	Forfeited Funds	IMRF Fund	Community Center Fund	Recreation Fund	Social Security Fund	Parks Fund	Insurance Fund
<u>ASSETS</u>							
Cash	\$ -	\$ 34,954	\$ 18,872	\$ 87,450	\$ 21,306	\$ 473,111	\$ 13,030
Cash - restricted	12,966	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Investments - restricted	-	-	-	-	-	-	-
Property taxes receivable	-	103,621	-	-	84,438	83,275	75,718
Due from State of Illinois	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	49,016
Total assets	\$ 12,966	\$ 138,575	\$ 18,872	\$ 87,450	\$ 105,744	\$ 556,386	\$ 137,764
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ 364	\$ 4,247	\$ -	\$ 609	\$ -
Accrued salaries	-	-	328	1,448	-	1,363	-
Due to other funds	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	6,142	-	-	-
Deferred revenue	-	50,951	-	42,105	41,617	40,935	37,221
Total liabilities	-	50,951	692	53,942	41,617	42,907	37,221
<u>Fund Balances:</u>							
Nonspendable	-	-	-	-	-	-	49,016
Restricted	12,966	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	87,624	18,180	33,508	64,127	513,479	51,527
Unassigned	-	-	-	-	-	-	-
Total fund balances	12,966	87,624	18,180	33,508	64,127	513,479	100,543
Total liabilities and fund balances	\$ 12,966	\$ 138,575	\$ 18,872	\$ 87,450	\$ 105,744	\$ 556,386	\$ 137,764

(continued)

VILLAGE OF MAHOMET

Mahomet, Illinois

Balance Sheet
Nonmajor Governmental Funds
 April 30, 2011

	<u>Bond Issue</u>	<u>Utility Tax</u>	<u>Motor Fuel Tax</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash	\$ -	\$ 64,681	\$ -	\$ 713,404
Cash - restricted	15,872	-	270,799	299,637
Investments	-	-	-	-
Investments - restricted	-	-	-	-
Property taxes receivable	68,015	-	-	415,067
Due from State of Illinois	-	-	10,066	10,066
Utility taxes receivable	-	25,141	-	25,141
Due from other funds	-	-	-	-
Prepaid insurance	-	-	-	49,016
Total assets	\$ 83,887	\$ 89,822	\$ 280,865	\$ 1,512,331
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ 11,218	\$ 16,438
Accrued salaries	-	-	-	3,139
Due to other funds	-	-	-	-
Accrued compensated absences	-	-	-	6,142
Deferred revenue	33,422	-	-	246,251
Total liabilities	33,422	-	11,218	271,970
<u>Fund Balances:</u>				
Nonspendable	-	-	-	49,016
Restricted	50,465	54,471	269,647	387,549
Committed	-	-	-	-
Assigned	-	35,351	-	803,796
Unassigned	-	-	-	-
Total fund balances	50,465	89,822	269,647	1,240,361
Total liabilities and fund balances	\$ 83,887	\$ 89,822	\$ 280,865	\$ 1,512,331

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Net Assets
Nonmajor Proprietary Funds

April 30, 2011

	Water Capital Improvements	Interceptor San. Sewer 2003B Bonds	Sewer Capital Improvements	Totals
<u>ASSETS</u>				
<u>Current assets:</u>				
Cash and cash equivalents	\$ 390,485	\$ -	\$ 235,796	\$ 626,281
Total current assets	<u>390,485</u>	<u>-</u>	<u>235,796</u>	<u>626,281</u>
<u>Noncurrent assets:</u>				
Cash - restricted	-	-	-	-
Investments - restricted	-	-	-	-
Capital assets:				
Property, plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 390,485</u>	<u>\$ -</u>	<u>\$ 235,796</u>	<u>\$ 626,281</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 7,898	\$ -	\$ -	\$ 7,898
Total liabilities	<u>7,898</u>	<u>-</u>	<u>-</u>	<u>7,898</u>
<u>Net Assets</u>				
Restricted for capital projects	382,587	-	235,796	618,383
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>382,587</u>	<u>-</u>	<u>235,796</u>	<u>618,383</u>
Total liabilities and net assets	<u>\$ 390,485</u>	<u>\$ -</u>	<u>\$ 235,796</u>	<u>\$ 626,281</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - (continued)
For the Year Ended April 30, 2011

	Forfeited Funds	IMRF Fund	Community Center Fund	Recreation Fund	Social Security Fund	Parks Fund	Insurance Fund
Revenues:							
Property taxes	\$ -	\$ 101,248	\$ -	\$ -	\$ 85,847	\$ 81,758	\$ 71,252
Motor fuel taxes	-	-	-	-	-	-	-
Rentals, fees and services	-	-	1,700	137,623	-	28,235	-
Utility taxes	-	-	-	-	-	-	-
Grant income	-	-	-	-	-	-	-
Developer reimbursements	-	-	-	-	-	-	-
Interest income	57	251	96	310	166	2,086	173
Miscellaneous	1,400	-	-	29,607	-	5,575	-
Total revenues	1,457	101,499	1,796	167,540	86,013	117,654	71,425
Expenditures:							
Current							
General government	-	-	-	-	-	-	15,007
Public safety	6,727	-	-	-	-	-	27,356
Highways and streets	-	-	-	-	-	-	21,532
Culture and recreation	-	-	12,235	171,207	-	115,266	5,368
Planning and zoning	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,029	-	45,876	-
Total expenditures	6,727	-	12,235	173,236	-	161,142	69,263
Excess of revenues over (under) expenditures	(5,270)	101,499	(10,439)	(5,696)	86,013	(43,488)	2,162
Other Financing Sources (Uses):							
Operating transfers in	-	-	583	24,403	-	83,394	-
Operating transfers out	-	(100,208)	-	(2,000)	(82,404)	(2,000)	-
Total other financing sources (uses)	-	(100,208)	583	22,403	(82,404)	81,394	-
Excess of revenues and other sources over (under) expenditures and other uses	(5,270)	1,291	(9,856)	16,707	3,609	37,906	2,162
Fund balances, beginning of the year	18,236	86,333	28,036	16,801	60,518	475,573	98,381
Fund balances, end of the year	\$ 12,966	\$ 87,624	\$ 18,180	\$ 33,508	\$ 64,127	\$ 513,479	\$ 100,543

(continued)

VILLAGE OF MAHOMET

Mahomet, Illinois

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

For the Year Ended April 30, 2011

	Bond issue	Utility Tax	Motor Fuel Tax	Totals
<u>Revenues:</u>				
Property taxes	\$ 68,403	\$ -	\$ -	\$ 408,508
Motor fuel taxes	-	-	123,379	123,379
Rentals, fees and services	-	-	-	167,558
Utility taxes	-	362,185	-	362,185
Grant income	-	-	-	-
Developer reimbursements	-	-	-	-
Interest income	147	599	888	4,773
Miscellaneous	-	-	27,301	63,883
Total revenues	68,550	362,784	151,568	1,130,286
<u>Expenditures:</u>				
Current				
General government	-	-	-	15,007
Public safety	-	-	-	34,083
Highways and streets	-	-	-	21,532
Culture and recreation	-	-	-	304,076
Planning and zoning	-	-	-	-
Debt service				
Principal retirement	64,000	46,197	-	110,197
Interest and fiscal charges	4,951	8,326	-	13,277
Capital outlay	-	-	76,695	124,600
Total expenditures	68,951	54,523	76,695	622,772
Excess of revenues over (Under) expenditures	(401)	308,261	74,873	507,514
<u>Other Financing Sources (Uses):</u>				
Debt proceeds	-	-	-	-
Operating transfers in	-	-	-	108,380
Operating transfers out	-	(287,000)	-	(473,612)
Total other financing sources (uses)	-	(287,000)	-	(365,232)
Excess of revenues and other sources over (under) expenditures and other uses	(401)	21,261	74,873	142,282
Fund balances, beginning of the year	50,866	68,561	194,774	1,098,079
Fund balances, end of the year	\$ 50,465	\$ 89,822	\$ 269,647	\$ 1,240,361

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Proprietary Funds
For the Year Ended April 30, 2011

	Water Capital Improvements	Interceptor San. Sewer 2003B Bonds	Sewer Capital Improvements	Totals
<u>Operating Revenues:</u>				
Charges for services	\$ 36,032	\$ -	\$ 75,737	\$ 111,769
Miscellaneous	-	-	-	-
Total operating revenues	<u>36,032</u>	<u>-</u>	<u>75,737</u>	<u>111,769</u>
<u>Operating Expenses:</u>				
Personnel services	-	-	-	-
Supplies and materials	-	-	-	-
Contractual services	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>36,032</u>	<u>-</u>	<u>75,737</u>	<u>111,769</u>
<u>Nonoperating Revenues (Expenses):</u>				
Property taxes	-	-	-	-
Interest income	1,559	2	707	2,268
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>1,559</u>	<u>2</u>	<u>707</u>	<u>2,268</u>
Income (loss) before operating transfers in (out)	<u>37,591</u>	<u>2</u>	<u>76,444</u>	<u>114,037</u>
Transfers in (out)	<u>(40,815)</u>	<u>(2,331,016)</u>	<u>26,745</u>	<u>(2,345,086)</u>
Change in net assets	<u>(3,224)</u>	<u>(2,331,014)</u>	<u>103,189</u>	<u>(2,231,049)</u>
Net assets - beginning	<u>385,811</u>	<u>2,331,014</u>	<u>132,607</u>	<u>2,849,432</u>
Net assets - ending	<u>\$ 382,587</u>	<u>\$ -</u>	<u>\$ 235,796</u>	<u>\$ 618,383</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended April 30, 2011

	Water Capital Improvements	Interceptor San. Sewer 2003B Bonds	Sewer Capital Improvements	Totals
<u>Cash Flows from Operating Activities:</u>				
Receipts from users	\$ 38,656	\$ -	\$ 75,737	\$ 114,393
Payments to suppliers	-	-	-	-
Payments to employees	-	-	-	-
Other receipts (payments)	-	-	-	-
Net cash provided by (used in) operating activities	<u>38,656</u>	<u>-</u>	<u>75,737</u>	<u>114,393</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Property taxes	-	-	-	-
Operating transfers in	25,000	-	50,000	75,000
Operating transfers out	(65,815)	(2,331,016)	(23,255)	(2,420,086)
Net cash provided (used) by noncapital financing activities	<u>(40,815)</u>	<u>(2,331,016)</u>	<u>26,745</u>	<u>(2,345,086)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Sale (purchase) of capital assets	-	2,329,422	-	2,329,422
Interest paid on capital debt	-	-	-	-
Principal paid on capital debt	-	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>2,329,422</u>	<u>-</u>	<u>2,329,422</u>
<u>Cash Flows from Investing Activities:</u>				
Investment income	1,559	2	707	2,268
Sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Net cash provided (used) by investing activities	<u>1,559</u>	<u>2</u>	<u>707</u>	<u>2,268</u>
Net increase (decrease) in cash, cash equivalents and investments	(600)	(1,592)	103,189	100,997
Cash and cash equivalents, beginning of the year	<u>391,085</u>	<u>1,592</u>	<u>132,607</u>	<u>525,284</u>
Cash and cash equivalents, end of the year	<u>\$ 390,485</u>	<u>\$ -</u>	<u>\$ 235,796</u>	<u>\$ 626,281</u>
<u>Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities</u>				
Operating income (loss)	\$ 36,032	\$ -	\$ 75,737	\$ 111,769
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	-	-	-	-
Change in assets and liabilities:				
(Increase) decrease-accounts receivable	-	-	-	-
(Increase) decrease-property taxes receivable	-	-	-	-
(Increase) decrease-prepaid insurance	-	-	-	-
(Increase) decrease-deferred charges	-	-	-	-
Increase (decrease)-accounts payable	2,624	-	-	2,624
Increase (decrease)-accrued expenses	-	-	-	-
Increase (decrease)-deferred revenue	-	-	-	-
Total adjustments	<u>2,624</u>	<u>-</u>	<u>-</u>	<u>2,624</u>
Net cash provided (used) by operating activities	<u>\$ 38,656</u>	<u>\$ -</u>	<u>\$ 75,737</u>	<u>\$ 114,393</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Bonds (Utility Taxes Alt. Revenue Source)
(Series 1998)
Police Building
Debt Service Schedule
April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
07/01/11	\$ 48,392	\$ 3,614	\$ 52,006	\$ -	
01/01/12	-	2,465	2,465	54,471	4.75%
07/01/12	50,690	2,465	53,155	-	
01/01/13	-	1,261	1,261	54,416	4.75%
07/01/13	53,098	1,261	54,359	54,359	4.75%
	<u>\$ 152,180</u>	<u>\$ 11,066</u>	<u>\$ 163,246</u>	<u>\$ 163,246</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Waterworks and Sewerage
Refunding Bonds (Alternate Revenue Source)

(Series 2003A)

Debt Service Schedule

April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Total</u>	<u>Rate</u>
07/01/11	\$ 165,000	\$ 50,061	\$ 215,061	\$ -	3.30%
01/01/12	-	47,339	47,339	262,400	
07/01/12	170,000	47,339	217,339	-	3.40%
01/01/13	-	44,449	44,449	261,788	
07/01/13	175,000	44,449	219,449	-	3.50%
01/01/14	-	41,386	41,386	260,835	
07/01/14	180,000	41,386	221,386	-	3.60%
01/01/15	-	38,146	38,146	259,532	
07/01/15	190,000	38,146	228,146	-	3.70%
01/01/16	-	34,631	34,631	262,777	
07/01/16	200,000	34,631	234,631	-	3.80%
01/01/17	-	30,831	30,831	265,462	
07/01/17	200,000	30,831	230,831	-	3.90%
01/01/18	-	26,931	26,931	257,762	
07/01/18	210,000	26,931	236,931	-	4.00%
01/01/19	-	22,731	22,731	259,662	
07/01/19	210,000	22,731	232,731	-	4.05%
01/01/20	-	18,479	18,479	251,210	
07/01/20	215,000	18,479	233,479	-	4.10%
01/01/21	-	14,071	14,071	247,550	
07/01/21	220,000	14,071	234,071	-	4.15%
01/01/22	-	9,506	9,506	243,577	
07/01/22	225,000	9,506	234,506	-	4.20%
01/01/23	-	4,781	4,781	239,287	
07/01/23	225,000	4,781	229,781	229,781	4.25%
	<u>\$ 2,585,000</u>	<u>\$ 716,623</u>	<u>\$ 3,301,623</u>	<u>\$ 3,301,623</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Waterworks and Sewerage Bonds
(Alternate Revenue Source)
(Series 2003B)
Debt Service Schedule
April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Total</u>	<u>Rate</u>
07/01/11	\$ 100,000	\$ 16,600	\$ 116,600	\$ -	3.30%
01/01/12	-	14,950	14,950	131,550	
07/01/12	100,000	14,950	114,950	-	3.40%
01/01/13	-	13,250	13,250	128,200	
07/01/13	100,000	13,250	113,250	-	3.50%
01/01/14	-	11,500	11,500	124,750	
07/01/14	100,000	11,500	111,500	-	3.60%
01/01/15	-	9,700	9,700	121,200	
07/01/15	100,000	9,700	109,700	-	3.70%
01/01/16	-	7,850	7,850	117,550	
07/01/16	100,000	7,850	107,850	-	3.80%
01/01/17	-	5,950	5,950	113,800	
07/01/17	100,000	5,950	105,950	-	3.90%
01/01/18	-	4,000	4,000	109,950	
07/01/18	100,000	4,000	104,000	-	4.00%
01/01/19	-	2,000	2,000	106,000	
07/01/19	100,000	2,000	102,000	102,000	4.00%
	<u>\$ 900,000</u>	<u>\$ 155,000</u>	<u>\$ 1,055,000</u>	<u>\$ 1,055,000</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Bonds
(Series 2005)
Limited Tax
Debt Service Schedule
April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
06/01/2011	\$ -	\$ 1,326	\$ 1,326	\$ -	
12/01/2011	<u>66,300</u>	<u>1,326</u>	<u>67,626</u>	<u>68,952</u>	4.00%
	<u>\$ 66,300</u>	<u>\$ 2,652</u>	<u>\$ 68,952</u>	<u>\$ 68,952</u>	

VILLAGE OF MAHOMET

Mahomet, Illinois

Notes Payable
Fisher National Bank
Debt Service Schedule

April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
05/15/2011	\$ 18,440	\$ 1,339	\$ 19,779	\$ 19,779	3.50%
05/15/2012	<u>19,204</u>	<u>683</u>	<u>19,887</u>	<u>19,887</u>	3.50%
	<u>\$ 37,644</u>	<u>\$ 2,022</u>	<u>\$ 39,666</u>	<u>\$ 39,666</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes Payable
First Mid-Illinois Bank and Trust
Debt Service Schedule
April 30, 2011

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
07/15/2011	\$ 38,935	\$ 1,065	\$ 40,000	\$ 40,000	3.50%
07/15/2012	<u>40,819</u>	<u>1,744</u>	<u>42,563</u>	<u>42,563</u>	3.50%
	<u>\$ 79,754</u>	<u>\$ 2,809</u>	<u>\$ 82,563</u>	<u>\$ 82,563</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

Equalized Assessed Valuations, Tax Rates, Taxes Extended and Collected
and Legal Debt Margin
April 30, 2011

Tax Levy Year	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Equalized Assessed Valuation	<u>\$ 145,331,681</u>	<u>\$ 140,765,812</u>	<u>\$ 134,656,068</u>	<u>\$ 123,978,945</u>	<u>\$ 112,061,441</u>
<u>Tax Rates</u>					
General	0.3343	0.3291	0.3453	0.3000	0.2147
Bond	0.0468	0.0484	0.0503	0.0545	0.0598
IMRF	0.0713	0.0695	0.0545	0.0724	0.0826
Fire protection	0.0264	0.0267	0.0293	0.0335	0.1289
Police protection	0.1145	0.1142	0.1187	0.1266	0.0644
Audit	0.0066	0.0064	0.0065	0.0067	0.0062
Liability insurance	0.0521	0.0469	0.0457	0.0473	0.0530
Street and bridge	0.0449	0.0344	0.0368	0.0385	0.0373
Park	0.0573	0.0564	0.0592	0.0623	0.0631
Public benefit	-	-	-	-	0.0420
ESDA	0.0009	0.0008	0.0009	0.0010	0.0010
Social security	0.0581	0.0615	0.0551	0.0616	0.0668
Chloridine	-	-	-	-	0.0168
1/2 road and bridge	<u>0.1088</u>	<u>0.0823</u>	<u>0.0533</u>	<u>0.0537</u>	<u>0.0555</u>
Total	<u>0.9220</u>	<u>0.8766</u>	<u>0.8556</u>	<u>0.8581</u>	<u>0.8921</u>
Taxes extended - in total	<u>\$ 1,303,490</u>	<u>\$ 1,233,941</u>	<u>\$ 1,193,351</u>	<u>\$ 1,063,802</u>	<u>\$ 999,756</u>
Taxes collected	<u>\$ 640,154</u>	<u>\$ 1,190,196</u>	<u>\$ 1,149,325</u>	<u>\$ 1,071,651</u>	<u>\$ 997,950</u>
Percentage of Extensions					
Collected		<u>96.45%</u>	<u>96.31%</u>	<u>100.74%</u>	<u>99.82%</u>

Note: Does not include tax increment area.

SCHEDULE OF LEGAL DEBT MARGIN

Assessed valuation	<u>\$ 145,331,681</u>
Debt limit - 8.625%	\$ 12,534,857
Outstanding general obligation bonds	3,703,480
Less alternate revenue source general obligation bonds	<u>(3,637,180)</u>
Legal debt margin	<u>\$ 12,468,557</u>