

# FY 2006 Annual Financial Report

## Multi-Purpose Long Form

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*Mark Holden*  
CHAMPAIGN COUNTY CLERK

Unit Name: Gifford Village

County: CHAMPAIGN

Unit Code: 010/035/32

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MAKE SURE YOU HAVE CLICKED THE SUBMIT BUTTON IN THE COMPTROLLER CONNECT PROGRAM. THIS WILL PROVIDE THE COMPTROLLER'S OFFICE WITH A COPY OF YOUR ANNUAL FINANCIAL REPORT.

I attest that, to the best of my knowledge, this report represents a complete and accurate statement of the financial position of Gifford Village as of the end of this fiscal year.

*V. Maynard*

Written signature of government official  
Maynard Duitsman, Treasurer  
Please Sign

Date  
9/19/06

**PLEASE CROSS OUT ALL INCORRECT INFORMATION AND PROVIDE CORRECTIONS**

**STEP 1: ENTER CONTACT INFORMATION**

Is the following information correct and complete?  Yes  No

A. Contact Person (elected or appointed official responsible for filling out this form):		B. Chief Executive Officer (elected or appointed official responsible for the executive administration, i.e. mayor, supervisor, or chairman):		C. Chief Financial Officer (elected or appointed official responsible for maintaining the government's financial records):	
Maynard	Duitsman	Jon	Bouse	Maynard	Duitsman
Treasurer		Mayor		Treasurer	
Water Department Building		P. O. Box 37, 104 E. Center St.		Water Department Building	
Gifford		Gifford		Gifford	
IL		IL		IL	
61847		61847		61847	
Phone: 2175687938		Phone: 217-568-7878		Phone: 2175687938	
Fax:		Fax:		Fax:	
E-mail:		E-mail:		E-mail:	



If the Chief Executive Officer and the Chief Financial Officer are the same person as the Contact Person, please check this box and skip to Step 2. If not, please do not leave columns B and C blank.

STEP 2: VERIFY FISCAL YEAR END

FY END DATE: 03/31/2006

If the fiscal year end date, listed above, is incorrect, cross out the incorrect date and provide the correct date. Official documentation of this change must be sent to the Chicago office before the fiscal year end date is officially changed.

STEP 3: GASB 34, ACCOUNTING SYSTEM, DEBT, UTILITY, HOME RULE AND TIF

A. Has your government implemented GASB 34 in FY 2006 reporting or in previous reporting years? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

- If Yes:
- o Governments who have implemented GASB 34 and are using "other basis of accounting" (OCBOA) such as "Cash Basis" and "Modified Cash Basis" as their accounting system will now be able to select these types as their accounting system.
  - o Please fill out the Alternative Assets & Liabilities page, located on page F1(b)

B. Which type of accounting system does Gifford Village use:

\_\_\_\_\_ Cash - with no assets (Cash Basis) \_\_\_\_\_ X \_\_\_\_\_ Modified Accrual/Accrual  
\_\_\_\_\_ Cash - with assets (Modified Cash Basis) \_\_\_\_\_ \_\_\_\_\_ Combination (explain)

C. Does the government have debt this reporting fiscal year? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ No

D. If "Yes", indicate the type(s) of debt.

\_\_\_\_\_ X \_\_\_\_\_ G.O. Bonds \_\_\_\_\_ Revenue Bonds  
\_\_\_\_\_ Alternate Revenue Bonds \_\_\_\_\_ X \_\_\_\_\_ Contractual Commitments  
\_\_\_\_\_ Other \_\_\_\_\_

E. Does Gifford Village own a public utility company? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ No

F. Is Gifford Village a home rule unit? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

G. Does Gifford Village have a Tax Increment Finance (TIF) district? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

**STEP 4: POPULATION, EAV AND EMPLOYEES**

^What is the total population of Gifford Village?		942
What is the total EAV of Gifford Village?	\$	9,519,080
*How many full time employees are paid?		5
*How many part time employees are paid?		8
What is the total salary paid to all employees?	\$	136,047

^Or provide estimated population

\*Do not include contractual employees.

**STEPS 5 AND 6: COMPONENT UNITS AND APPROPRIATIONS**

Provide the appropriation for the primary government listed in the first row of the table below.

In the remaining rows, provide the names of all component units along with their appropriations. Indicate if the component units are blended or discretely presented, its fiscal year end date and if the component unit was funded with governmental fund types or enterprise fund types. If the component units are already indicated, that data is based on forms submitted last year. If you have more component units than the rows provided below, please indicate them on an attachment.

If you need assistance with the terms indicated below, refer to the *Chart of Accounts and Definitions* and the *How to Fill Out An AFR* documents.

Name of Unit/Component	Appropriation	Type of Component Unit	FISCAL YEAR END	Enterprise Fund Type or Governmental Fund Type
<b>FUNDS SHOULD NOT BE LISTED HERE</b>				
Gifford Village	\$723,820		03/31	
<b>Total Appropriations</b>	\$723,820			

STEP 7: AUDITS

Provide CPA's information if Gifford Village is required to submit an audit to the Office of the Comptroller.

Firm Name:	Michael P. Graham, LTD.
CPA's first name:	Mike
CPA's last name:	Graham, CPA
CPA's Title:	Certified Public Account
Address:	216 E. Sangamon Ave Suite B
City:	Rantoul
State:	IL
ZIP:	61866-2326
Phone:	2178939250
Fax:	2178939230
Email:	mikepgraham@earthlink.net
State Registration Number:	060-0002207

STEP 8: OTHER GOVERNMENTS

Indicate any payments Gifford Village made to other governments for services or programs (include programs performed on a reimbursement, cost-sharing basis or federal payroll taxes).

Intergovernmental agreements - indicate how much was paid	0
Federal government payroll taxes	10,407
All other intergovernmental payments	0

**STEP 9: FUND LISTING & ACCOUNT GROUPS**

A. List all funds and how much was spent in FY 2006 for each fund. Also, indicate the Fund Type (Fund Types are at the top of each column beginning on page F1). If any fund names appear below, the data is based on forms submitted last year. Please make all necessary corrections. If you have more fund names than the rows provided below, please indicate them on an attachment.

Fund Name	Expenditure	Fund Type	FY End
Drainage Fund Fund	7,031	Special Revenue Fund	03/31
General Fund Fund	241,462	General Fund	03/31
Motor Fuel Tax Fund	50,667	Special Revenue Fund	03/31
Park Fund	2,122	Special Revenue Fund	03/31
Road and Bridge Fund	2,500	Special Revenue Fund	03/31
Sewage Fund Fund	112,776	Enterprise Fund	03/31
Water Fund Fund	126,650	Enterprise Fund	03/31
<b>Total Expenditures</b>	<b>543,208</b>		

B. Does Gifford Village have assets or liabilities that should be recorded as a part of Account Groups? See *Chart of Accounts and Definitions* and the *How to Fill Out An AFR* documents for more information about Account Groups.

Yes  No

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▶ **STEP 10: GOVERNMENTAL ENTITIES**

List of governmental entities that are part of or related to the primary government. Exclude component units detailed in Steps 5 & 6. Most small governments do not have governmental entities

Entity Name	Relationship

▶ **STEP 11: REPORTING**

Check any state or local entity where financial reports are filed.

<b>STATE AGENCIES</b>	
<input type="checkbox"/> - Board of Education	<input type="checkbox"/> - Board of Higher Education
<input type="checkbox"/> - DCCA	<input type="checkbox"/> - Department of Insurance
<b>OTHER STATE OR LOCAL OFFICES</b>	
<input checked="" type="checkbox"/> - Illinois Comptroller	<input type="checkbox"/> - Secretary of State
<input type="checkbox"/> - General Assembly - House	<input type="checkbox"/> - General Assembly - Senate
<input checked="" type="checkbox"/> - County Clerk	<input type="checkbox"/> - Circuit Clerk
<input type="checkbox"/> - Governor's Office	<input type="checkbox"/> - Other - _____

Statement of Financial Position

All Funds and Discretely Presented Component Units

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Account Groups	Discretely Presented Component Units	Report in Whole Numbers											
											Assets											
101t	Cash and Cash Equivalent	13,962	50,048	0	0	206,224	0	0	0	0												
102t	Investments	538	49,731	0	0	94,767	0	0	0	0												
113t	Receivables	26,052	1,852	0	0	19,501	0	0	0	0												
109t	Inventories	0	0	0	0	0	0	0	0	0												
111t	Fixed Assets	0	0	0	0	1,488,751	0	0	319,041	0												
112t	Other Assets	9,494	0	0	0	0	0	0	0	0												
113t	Amount available for retirement of long-term debt	0	0	0	0	0	0	0	0	0												
114t	Amount to be provided for payment of long-term debt	0	0	0	0	0	0	0	0	0												
120t	Total Assets	52,046	101,631	0	0	1,809,243	0	0	319,041	0												
												Liabilities										
122t	All Payables	5,268	1,187	0	0	18,921	0	0	0	0												
132t	Deferred Revenues	0	0	0	0	0	0	0	0	0												
133t	Debt Service Payable - Principal	43,416	0	0	0	766,758	0	0	0	0												
134t	Debt Service Payable - Interest	0	0	0	0	0	0	0	0	0												
128t	Other Liabilities	0	0	0	0	0	0	0	0	0												
135t	Total Liabilities	48,684	1,187	0	0	785,679	0	0	0	0												
												Equity										
136t	Fund Balance - Reserved	0	0	0	0	0	0	0	0	0												
137t	Fund Balance - Unreserved	3,362	100,444	0	0	0	0	0	0	0												
138t	Retained Earnings - Reserved	0	0	0	0	0	0	0	0	0												
139t	Retained Earnings - Unreserved	0	0	0	0	1,023,564	0	0	0	0												
140t	Contributed Capital	0	0	0	0	0	0	0	0	0												
141t	Investment in General Fixed Assets	0	0	0	0	0	0	0	319,041	0												
142t	Total Equity	3,362	100,444	0	0	1,023,564	0	0	319,041	0												
145t	Total Liability and Equity	52,046	101,631	0	0	1,809,243	0	0	319,041	0												

Revenue and Receipts

Code	Enter all Amounts in Whole Numbers	Report In Whole Numbers							Discretely Presented Component Units
		General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	
Local Taxes									
201t	Property Tax	50,259	15,947	0	0	4,200	0	0	0
202t	Local Sales Tax	0	0	0	0	0	0	0	0
203t	Utilities Tax	0	0	0	0	0	0	0	0
203a	Electric Utilities	0	0	0	0	0	0	0	0
203b	Water Utilities	0	0	0	0	0	0	0	0
203c	Communications Utilities	0	0	0	0	0	0	0	0
203d	Other Utilities Tax (Explain)	0	0	0	0	0	0	0	0
204t	Other Taxes (Explain)	0	0	0	0	0	0	0	0

Intergovernmental Receipts & State or Federal Grants

211t	State Income Tax	61,891	0	0	0	0	0	0	0
212t	State Sales Tax	87,961	0	0	0	0	0	0	0
213t	State Motor Fuel Tax	0	23,565	0	0	0	0	0	0
214t	State Replacement Tax	2,454	0	0	0	0	0	0	0
205t	State Gaming Tax(es)	0	0	0	0	0	0	0	0
215t	Other State Sources (Explain)	0	0	0	0	61,170	0	0	0
215a	General Support	0	0	0	0	0	0	0	0
215b	Public Welfare	0	0	0	0	0	0	0	0
215c	Health and/or Hospitals	0	0	0	0	0	0	0	0
215d	Streets and Highways	0	0	0	0	0	0	0	0
215e	Culture and Recreation	0	0	0	0	0	0	0	0
215f	Housing and Community Dev	0	0	0	0	0	0	0	0
215g	Water Supply System	0	0	0	0	61,170	0	0	0
215h	Electric/Gas Power System	0	0	0	0	0	0	0	0
215i	Mass Transit	0	0	0	0	0	0	0	0
215j	Other (Explain)	0	0	0	0	0	0	0	0
225t	Federal Sources	0	0	0	0	0	0	0	0
225a	General Support	0	0	0	0	0	0	0	0
225b	Public Welfare	0	0	0	0	0	0	0	0
225c	Health and/or Hospitals	0	0	0	0	0	0	0	0
225d	Streets and Highways	0	0	0	0	0	0	0	0
225e	Culture and Recreation	0	0	0	0	0	0	0	0
225f	Housing and Community Dev	0	0	0	0	0	0	0	0
225g	Water Supply System	0	0	0	0	0	0	0	0

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
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**Intergovernmental Receipts & State or Federal Grants**

225h	Electric/Gas Power System	0	0	0	0	0	0	0	0
225i	Mass Transit	0	0	0	0	0	0	0	0
225j	Other (Explain)	0	0	0	0	0	0	0	0
226f	Other Intergovernmental (Explain)	0	0	0	0	0	0	0	0

**Other Sources**

231f	Licenses and Permits	5,206	0	0	0	0	0	0	0
233f	Fines and Forfeitures	2,435	0	0	0	0	0	0	0
234f	Charges for Services	0	0	0	0	211,157	0	0	0
234a	Water Utilities	0	0	0	0	114,623	0	0	0
234b	Gas Utilities	0	0	0	0	0	0	0	0
234c	Electric Utilities	0	0	0	0	0	0	0	0
234d	Transit Utilities	0	0	0	0	0	0	0	0
234e	Sewer Utilities	0	0	0	0	96,534	0	0	0
234f	Refuse and Disposal Charges	0	0	0	0	0	0	0	0
234g	Parking	0	0	0	0	0	0	0	0
234h	Housing	0	0	0	0	0	0	0	0
234i	Highway or Bridge Tolls	0	0	0	0	0	0	0	0
234j	Culture and Recreation	0	0	0	0	0	0	0	0
234k	Other (Explain)	0	0	0	0	0	0	0	0
235f	Interest	1,397	787	0	0	1,031	0	0	0
236f	Miscellaneous (Explain)	21,030	0	0	0	0	0	0	0
240f	<b>Total Receipts and Revenue</b>	<b>232,633</b>	<b>40,299</b>	<b>0</b>	<b>0</b>	<b>277,558</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Disbursements, Expenditures and Expenses

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report in Whole Numbers									
251t	General Government	113,572	0	0	0	0	0	0	0
251a	Financial Administration	0	0	0	0	0	0	0	0
251b	General Administrative Buildings	0	0	0	0	0	0	0	0
251c	Central Administration	113,572	0	0	0	0	0	0	0
251d	Other (Explain)	0	0	0	0	0	0	0	0
253t	Public Safety	62,975	0	0	0	0	0	0	0
252a	Police	62,975	0	0	0	0	0	0	0
252b	Fire	0	0	0	0	0	0	0	0
252c	Regulation - Building Inspection	0	0	0	0	0	0	0	0
252d	Other (Explain)	0	0	0	0	0	0	0	0
253t	Corrections	0	0	0	0	0	0	0	0
254t	Judiciary and Legal	0	0	0	0	0	0	0	0
255t	Transportation and Public Works	0	60,198	0	0	0	0	0	0
255a	Streets and Highways	0	60,198	0	0	0	0	0	0
255b	Airports	0	0	0	0	0	0	0	0
255c	Parking Meters	0	0	0	0	0	0	0	0
255d	Parking Facilities	0	0	0	0	0	0	0	0
255e	Other (Explain)	0	0	0	0	0	0	0	0
256t	Social Services	0	0	0	0	0	0	0	0
256a	Welfare	0	0	0	0	0	0	0	0
256b	Health (Other than hospitals)	0	0	0	0	0	0	0	0
256c	Hospital Operations	0	0	0	0	0	0	0	0
256d	Cemeteries	0	0	0	0	0	0	0	0
256e	Other (Explain)	0	0	0	0	0	0	0	0
257t	Culture and Recreation	0	2,122	0	0	0	0	0	0
257a	Library	0	0	0	0	0	0	0	0
257b	Parks	0	2,122	0	0	0	0	0	0
257c	Other (Explain)	0	0	0	0	0	0	0	0
258t	Housing	0	0	0	0	0	0	0	0
275t	Environment	0	0	0	0	55,156	0	0	0
275a	Sewage	0	0	0	0	55,156	0	0	0

Disbursements, Expenditures and Expenses

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Report In Whole Numbers								
					Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units				
275b	Solid Waste Management	0	0	0	0	0	0	0	0	0	0	0	0
275c	Other (Explain)	0	0	0	0	0	0	0	0	0	0	0	0
289t	Debt	8,900	0	0	0	29,350	29,350	0	0	0	0	0	0
289a	Interest	7,960	0	0	0	29,350	29,350	0	0	0	0	0	0
289b	Principal	940	0	0	0	0	0	0	0	0	0	0	0
271t	Public Utility Company	0	0	0	0	85,449	85,449	0	0	0	0	0	0
271a	Water	0	0	0	0	85,449	85,449	0	0	0	0	0	0
271b	Electric	0	0	0	0	0	0	0	0	0	0	0	0
271c	Transit	0	0	0	0	0	0	0	0	0	0	0	0
271d	Other (Explain)	0	0	0	0	0	0	0	0	0	0	0	0
272t	Depreciation	0	0	0	0	69,471	69,471	0	0	0	0	0	0
280t	Capital Outlay	56,015	0	0	0	0	0	0	0	0	0	0	0
260t	Other Expenditures (Explain)	0	0	0	0	0	0	0	0	0	0	0	0
270t	Total Expenditures/Expense	241,462	62,320	0	0	0	239,426	0	0	0	0	0	0

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Fund Balances and Other Financing Sources (Uses)

Code	Enter all Amounts in Whole Numbers	Report in Whole Numbers									
		General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units		
301t	Excess of receipts/revenues over (under) expenditures/expenses (240t-270t)	-8,829	-22,021	0	0	38,132	0	0	0		
302t	Operating transfers in	0	15,000	0	0	0	0	0	0		
303t	Operating transfers out	-15,000	0	0	0	0	0	0	0		
304t	Bond proceeds	0	0	0	0	0	0	0	0		
305t	Other (Explain)	0	0	0	0	0	0	0	0		
306t	Net Increase(decrease) in fund balance (301t + 302t - 303t + 304t + 305t)	-23,829	-7,021	0	0	38,132	0	0	0		
307t	Previous year fund balance	27,191	107,465	0	0	985,432	0	0	0		
308t	Other (Explain)	0	0	0	0	0	0	0	0		
310t	Current Year Ending Fund Balance (306t + 307t + 308t)	3,362	100,444	0	0	1,023,564	0	0	0		

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**Statement of Indebtedness**

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	Code	Outstanding End of Year
Report in Whole Numbers								
General Obligation Bonds	400	0	406	0	412	0	418	
Water	400a	0	406a	0	412a	0	418a	
Electric	400b	0	406b	0	412b	0	418b	
Transportation	400c	0	406c	0	412c	0	418c	
Housing	400d	0	406d	0	412d	0	418d	
Other (Explain)	400e	0	406e	0	412e	0	418e	
Revenue Bonds	401	650,098	407	128,660	413	12,000	419	766,75
Water	401a	650,098	407a	128,660	413a	12,000	419a	766,75
Electric	401b	0	407b	0	413b	0	419b	
Transportation	401c	0	407c	0	413c	0	419c	
Housing	401d	0	407d	0	413d	0	419d	
Other (Explain)	401e	0	407e	0	413e	0	419e	
Alternate Revenue Bonds	402	0	408	0	414	0	420	
Contractual Commitments	403	16,376	409	35,000	415	7,960	421	43,41
Other (Explain)	404	0	410	0	416	0	422	
<b>Total Debt</b>	<b>405</b>	<b>666,474</b>	<b>411</b>	<b>163,660</b>	<b>417</b>	<b>19,960</b>	<b>423</b>	<b>810,17</b>

Explanation or Comments:

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\* Cliford Village Capital Outlay

		These are not funds	
Code	Function	Construction	Land, Structures, and Equipment
601t	General Government	0	56,015
602t	Law Enforcement	0	0
603t	Corrections	0	0
604t	Fire	0	0
605t	Sewerage	0	7,605
606t	Sanitation and Wastewater	0	0
607t	Parks and Recreation	0	0
608t	Housing and Community Development	0	0
609t	Highways, Roads and Bridges	0	0
610t	Parking Facilities	0	0
611t	Welfare	0	0
612t	Hospital	0	0
613t	Water	0	147,738
614t	Nursing Homes	0	0
615t	Conservation and Natural Resources	0	0
616t	Libraries	0	0
617t	Other	0	0

\*This page should only be filled out if you have spent funds for capital projects or development.

\*The Capital outlay page is requested by the U.S. Census Bureau and is considered optional by the State Comptroller.

\*If you complete this page you WILL, NOT have to complete the Survey of Government Finances from the U.S. Census Bureau.

\*If you do NOT complete this page the U.S. Census Bureau will contact you for further information.

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Toll-Free Local Government Assistance Hotline (877) 304-3899  
 Gifford Village (010/035/32)  
 Fiscal Year 2006

## Confirmation of 2006 AFR Submission

Gifford Village (010/035/32) has successfully submitted their 2006 Annual Financial Report to the Office of the State Comptroller on 09/18/2006

### Instructions of Printing a Hard Copy of Your Report

To print a hard copy of your report, click here. After the report is displayed in the browser's window, click on the "Printer" icon in the applet's window (not the printer icon on your browser). When the Print Dialog Box is displayed, click on the "Properties" button, select Landscape, and click on the "OK" button. Finally, click on the "OK" button again. **DO NOT** close the browser until the report is completely printed or your report will not get printed.

**FILED**

SEP 21 2006

*Mark Sheldon*  
 CHAMPAIGN COUNTY CLERK

**FILED**

SEP 21 2006

*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

VILLAGE OF GIFFORD  
CHAMPAIGN COUNTY ILLINOIS  
AUDITED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

Michael P. Graham, C.P.A.  
Michael P. Graham, LTD.  
A Professional Corporation  
Rantoul, IL.

VILLAGE OF GIFFORD  
AUDITED FINANCIAL STATEMENTS  
FISCAL YEAR ENDING MARCH 31, 2006

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# MICHAEL P. GRAHAM, C.P.A.

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September 18, 2006

Board of Trustees  
Village of Gifford  
of Champaign County, Illinois  
Gifford, IL. 61847

## INDEPENDENT AUDITOR'S REPORT

Ladies & Gentlemen:

I have audited the Combined Financial Statements of the Village of Gifford of Champaign County, Illinois as of and for the year ended March 31, 2006, as listed in the Table of Contents. These Combined Financial Statements are the responsibility of the Village's management. My responsibility is to express an opinion on the Combined Financial Statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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. I believe my audit provides a reasonable basis for my opinion.

As described in Note 1, the Village of Gifford prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the regulatory basis of accounting and budget laws of the State of Illinois, Illinois Municipal Code (65 ILCS 5/8-8-5 et seq.), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, because of the Village's policy to prepare its financial statements on a basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Gifford, Champaign County, Illinois as of March 31, 2006, or the changes in financial position for the year then ended.

Also, In my opinion the financial statements referred to above present fairly, in all material respects, the modified accrual and encumbered cash balances of the Village of Gifford, Champaign County, Illinois as of March 31, 2006, and the revenues it earned and expenditures it incurred on the basis of accounting described in Note 1. This presentation is in compliance with the Illinois Municipal Code (65 ILCS 5/8-8-5 et seq.).

This report is intended solely for the information and use of the audit committee, management, others within the organization, The Comptroller's Office of the State of Illinois, and the Village Board and is not intended to be and should not be used by anyone other than these specified parties. Though restricted in use, reports issued in connection with a local government are a matter of public record consistent with the laws of the State of Illinois.

My audit was made for the purpose of forming an opinion on the Combined Financial Statements taken as whole. The combining fund financial schedules and supplemental schedule listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the Combined Financial Statements of the Village of Gifford of Champaign County, Illinois. Such information has been subjected to the auditing procedures applied to the audit of the Combined Financial Statements and, in my opinion, is fairly presented in all material respects in relation to the Combined Financial Statements taken as a whole.

Sincerely,

*Michael P. Graham, C.P.A.*

Michael P. Graham, C.P.A.  
September 18, 2006  
Rantoul, IL.



VILLAGE OF GIFFORD, ILLINOIS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 ALL GOVERNMENTAL FUND TYPES  
FOR FISCAL YEAR ENDING MARCH 31, 2006

	<u>GENERAL &amp; SPECIAL REVENUE FUNDS</u>		<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	
REAL ESTATE TAXES	\$ 68,500	\$ 66,206	\$ (2,294)
STATE INCOME TAX	55,000	61,891	6,891
REPLACEMENT TAX	1,900	2,454	554
SALES TAX	85,000	87,961	2,961
MOTOR FUEL TAX	23,500	23,565	65
LICENCES & PERMITS	5,350	5,206	(144)
FINES	5,000	2,435	(2,565)
INTEREST INCOME	1,400	2,184	784
DONATIONS	2,400	1,880	(520)
MISCELLANEOUS	<u>21,500</u>	<u>19,150</u>	<u>(2,350)</u>
TOTAL REVENUE	\$ 269,550	\$ 272,932	\$ 3,382
 <u>EXPENDITURES</u>			
GENERAL GOVERNMENT	\$ 133,850	\$ 126,245	\$ 7,605
PUBLIC SAFETY & SERVICE	56,975	59,202	(2,227)
HIGHWAYS & STREETS	99,500	60,198	39,302
CULTURE & RECREATION PARK	3,000	2,122	878
CAPITAL OUTLAY	<u>35,000</u>	<u>56,015</u>	<u>(21,015)</u>
TOTAL EXPENDITURES	\$ 328,325	\$ 303,782	\$ 24,543
EXCESS OR (DEFICIT)	\$ (58,775)	\$ (30,850)	\$ 27,925
 <u>OTHER SOURCES (USES)</u>			
TRANSFERS IN	\$ 16,000	15,000	(1,000)
TRANSFERS (OUT)	<u>(16,000)</u>	<u>(15,000)</u>	<u>1,000</u>
TOTAL OTHER	\$ -0-	\$ -0-	\$ -0-
EXCESS OF (DEFICIT)	\$ (58,775)	\$ (30,850)	\$ 27,925
FUND BALANCE APRIL 1st	\$ 134,656	\$ 134,656	
FUND BALANCE MARCH 31st	\$ 75,881	\$ 103,806	

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS AND AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VILLAGE OF GIFFORD  
GENERAL FUND  
STATEMENT OF OPERATING RESULTS  
FOR THE FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
SALES TAX	\$ 87,961
INCOME TAX	61,891
REAL ESTATE	50,259
REPLACEMENT TAX	2,424
INTEREST INCOME	1,397
LICENCE AND PERMITS	5,206
MISCELLANEOUS	19,150
COURT FINES	2,435
DONATIONS	<u>1,880</u>
 TOTAL REVENUE	 \$232,633
 <u>EXPENDITURES:</u>	
EQUIPMENT	\$ 56,015
SALARY-OFFICER'S AND TRUSTEES	32,745
STREET LIGHTING AND UTILITIES	9,057
INSURANCE BONDS	13,521
PROFESSIONAL FEES	5,224
ADMINISTRATIVE	9,378
SUPPLIES	8,937
REPAIRS AND MAINTENANCE	2,675
DRAINAGE, SANITATION, & SIDEWALKS	-0-
PAYROLL TAXES, IMRF, & HEALTH INS	23,375
MISCELLANEOUS	16,620
INTEREST EXPENSE	940
POLICE-SALARIES	50,560
POLICE-EXPENDITURES	8,642
GIFFORD ESDA	<u>3,773</u>
 TOTAL EXPENDITURES	 \$241,462
 EXCESS OR (DEFICIT)	 \$ (8,829)
 OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ -0-
TRANSFERS (OUT)	<u>(15,000)</u>
 TOTAL OTHER SOURCES AND (USES)	 \$(15,000)
 EXCESS OR (DEFICIT)	 \$(23,829)
 FUND BALANCE AT APRIL 1st	 \$ 27,191
 FUND BALANCE AT MARCH 31st	 \$ 3,362

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
MOTOR FUEL TAX FUND  
STATEMENT OF OPERATING RESULTS  
FOR THE FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
STATE MOTOR FUEL TAX ALLOTMENTS	\$ 23,565
INTEREST INCOME	<u>301</u>
TOTAL REVENUE	\$ 23,866
<u>EXPENDITURES:</u>	
STREET MAINTENANCE	\$ <u>50,667</u>
TOTAL EXPENDITURES	\$ 50,667
EXCESS OR (DEFICIT)	\$ (26,801)
FUND BALANCE APRIL 1st	\$ 69,543
FUND BALANCE MARCH 31st	\$ 42,742

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
ROAD & BRIDGE FUND  
STATEMENT OF OPERATING RESULTS  
FOR THE FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
REAL ESTATE TAX	\$ 15,947
INTEREST INCOME	<u>486</u>
TOTAL REVENUE	\$ 16,433
 <u>EXPENDITURES:</u>	
STREET MAINTENANCE	\$ <u>2,500</u>
TOTAL EXPENDITURES	\$ 2,500
EXCESS OR (DEFICIT)	\$ 13,933
 OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ -0-
TRANSFERS (OUT)	<u>-0-</u>
TOTAL OTHER SOURCES AND (USES)	\$ -0-
EXCESS OR (DEFICIT)	\$ 13,933
FUND BALANCE APRIL 1st	\$ 37,188
FUND BALANCE MARCH 31st	\$ 51,121

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
ROESSLER MEMORIAL PARK FUND  
STATEMENT OF OPERATING RESULTS  
FOR FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
INTEREST INCOME	\$ <u>-0-</u>
TOTAL REVENUE	\$ -0-
EXPENDITURES-PARK IMPROVEMENTS	\$ <u>2,122</u>
TOTAL EXPENDITURES	\$ 2,122
EXCESS OR (DEFICIT)	\$ (2,122)
OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ 3,000
TRANSFERS (OUT)	<u>-0-</u>
TOTAL OTHER SOURCES AND (USES)	\$ 3,000
EXCESS OR (DEFICIT)	\$ 878
FUND BALANCE APRIL 1st	\$ 734
FUND BALANCE MARCH 31st	\$ 1,612

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
DRAINAGE FUND  
STATEMENT OF OPERATING RESULTS  
FOR FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
INTEREST INCOME	\$ <u>    -0-</u>
TOTAL REVENUE	\$     -0-
EXPENDITURES-PARK IMPROVEMENTS	\$ <u>  7,031</u>
TOTAL EXPENDITURES	\$  7,031
EXCESS OR (DEFICIT)	\$ (7,031)
OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ 12,000
TRANSFERS (OUT)	<u>    -0-</u>
TOTAL OTHER SOURCES AND (USES)	\$ 12,000
EXCESS OR (DEFICIT)	\$  4,969
FUND BALANCE APRIL 1st	\$     -0-
FUND BALANCE MARCH 31st	\$  4,969

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
WATER FUND  
STATEMENT OF OPERATING RESULTS  
FOR THE FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
SALES OF WATER	\$114,623
REAL ESTATE TAX-IMRF ASSESSMENT	2,100
STATE OF ILLINOIS DCEO GRANT	<u>61,170</u>
 TOTAL REVENUE	 \$177,893
 <u>EXPENDITURES:</u>	
ADMINISTRATION AND GENERAL	\$ 37,318
POWER AND PUMPING	7,198
WATER PLANT SUPPLIES AND REPAIRS	33,735
PROFESSIONAL SERVICES	5,190
INTEREST EXPENSE	16,750
DEPRECIATION EXPENSE	24,451
MISCELLANEOUS	<u>2,008</u>
 TOTAL EXPENDITURES	 \$126,650
 EXCESS OR (DEFICIT)	 \$ 51,243
 OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ -0-
TRANSFERS (OUT)	<u>-0-</u>
 TOTAL OTHER SOURCES AND (USES)	 \$ -0-
 EXCESS OR (DEFICIT)	 \$ 51,243
 FUND BALANCE APRIL 1st	 \$314,133
 FUND BALANCE MARCH 31st	 \$365,376

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
SEWAGE FUND  
STATEMENT OF OPERATING RESULTS  
FOR FISCAL YEAR ENDING  
MARCH 31, 2006

<u>REVENUE:</u>	
SEWAGE SALES AND HOOK-UP FEES	\$ 96,534
INTEREST INCOME	1,031
REAL ESTATE TAX-IMRF ASSESSMENT	<u>2,100</u>
 TOTAL REVENUE	 \$ 99,665
 <u>EXPENDITURES:</u>	
INTEREST EXPENSE	\$ 12,600
ELECTRICITY AND UTILITIES	7,547
MAINTENANCE	12,891
PROFESSIONAL SERVICES	-0-
DEPRECIATION	45,020
MISCELLANEOUS	1,074
ADMINISTRATION	28,788
PAYROLL TAXES, IMRF & HEALTH INS	<u>4,856</u>
 TOTAL EXPENDITURES	 \$112,776
 EXCESS OR (DEFICIT)	 \$(13,111)
 OTHER SOURCES AND (USES)	
TRANSFERS IN	\$ -0-
TRANSFERS (OUT)	<u>(-0-)</u>
 TOTAL OTHER SOURCES AND (USES)	 \$ -0-
 EXCESS OR (DEFICIT)	 \$(13,111)
 FUND BALANCE APRIL 1st	 \$671,299
 FUND BALANCE MARCH 31st	 \$658,188

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

VILLAGE OF GIFFORD  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY ENTERPRISE FUND TYPES  
 FOR FISCAL YEAR ENDING MARCH 31, 2006

	<u>ENTERPRISE FUNDS</u>		<u>TOTAL MEMORANDUM</u>
	<u>WATER FUND</u>	<u>SEWAGE FUND</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
CASH RECEIVED FROM CUSTOMERS	\$ 112,340	\$ 98,210	\$ 210,550
CASH PAYMENTS FOR GOODS & SERVICES	(73,580)	(41,326)	(114,906)
CASH PAYMENTS TO EMPLOYEES	<u>(26,371)</u>	<u>(26,371)</u>	<u>(52,742)</u>
TOTAL OPERATING ACTIVITIES	\$ <u>12,389</u>	\$ <u>30,513</u>	\$ <u>42,902</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
REAL ESTATE TAX RECEIVED	\$ 2,100	\$ 2,100	\$ 4,200
STATE OF ILLINOIS DCEO GRANT	61,170	-0-	61,170
TRANSFERS IN	-0-	-0-	-0-
TRANSFERS (OUT)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL NONCAPITAL FINANCING ACTIVITIES	\$ <u>63,270</u>	\$ <u>2,100</u>	\$ <u>65,370</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
PURCHASE OF FIXED ASSETS	\$ (147,738)	\$ (7,605)	\$ (155,343)
BOND REDEMPTIONS SEWER FUND	-0-	(12,000)	(12,000)
LOAN PROCEEDS WATER FUND IEPA	<u>128,660</u>	<u>-0-</u>	<u>128,660</u>
TOTAL FINANCING ACTIVITIES	\$ <u>(19,078)</u>	\$ <u>(19,605)</u>	\$ <u>(38,683)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
PURCHASE OF INVESTMENTS	\$ -0-	\$ -0-	\$ -0-
EARNINGS ON INVESTMENTS	<u>-0-</u>	<u>1,031</u>	<u>1,031</u>
TOTAL INVESTING ACTIVITIES	\$ <u>-0-</u>	\$ <u>1,031</u>	\$ <u>1,031</u>
NET INCREASE (DECREASE) CASH	\$ 56,581	\$ 14,039	\$ 70,620
CASH BEGINNING OF YEAR	\$ 69,907	\$ 65,697	\$ 135,604
CASH END OF YEAR	\$ <u>126,488</u>	\$ <u>79,736</u>	\$ <u>206,224</u>

THE ACCOMPANYING FOOTNOTES TO FINANCIAL STATEMENTS ARE AND INTEGRAL PART OF THESE FINANCIAL STATEMENTS

VILLAGE OF GIFFORD, ILLINOIS  
AS OF MARCH 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FUND ACCOUNTING

The amounts of the Village of Gifford are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separated set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES

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

SPECIAL REVENUE FUNDS - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY ENTERPRISE FUND TYPES

ENTERPRISE FUND - Enterprise Funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises - when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, or other purposes.

BASIS OF ACCOUNTING

Accounting records of the Village of Gifford, Illinois are maintained on a modified accrual basis. Under this method, revenue is recorded when earned and expenditures are recorded when disbursements are obligated payables.

VILLAGE OF GIFFORD, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending of "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in the net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than the governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than building, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

The account group is not a "fund:". It is concerned only with the measurement of financial position. It is not involved with measurements of results of operations.

The proprietary fund is accounted for on a cost of service of "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with its activity are included in the balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives are as follows:

Water systems - 10 Years & Equipment - 10 Years

VILLAGE OF GIFFORD, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

BAD DEBTS

The Village uses the direct write off method of recognizing losses on uncollectible water accounts. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be significant.

TAXATION LEVY

Real estate taxes are a lien on individual properties from January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the second Tuesday in September of each year. Due dates, by statute, are June 1 and September 1 of the following year. Occasionally, tax bills are mailed late and due dates for payments are extended accordingly.

APPROPRIATION ORDINANCE

The Village adopts an annual appropriation ordinance in accordance with Chapter 24, paragraph 8-2-9 of the Illinois Revised Statutes. The appropriations cover the fiscal year ending March 31. During the fiscal year the Village Board may adopt a supplemental appropriation ordinance in an amount not in excess of the aggregate of any additional revenue available to the Village, or estimated to be received by the Village subsequent to the adoption of the annual appropriation ordinance for that fiscal year. Such supplemental appropriation ordinance shall only affect revenue that was not available for appropriation when the annual appropriation ordinance was adopted. However, Village Board at any time after the first half of each fiscal year by a two-thirds vote of all the members, may make transfers within any department or other separate agency of the Village, of sums of money appropriated for one corporate object or purpose to another corporate object or purpose, but no appropriation for any object or purpose shall thereby be reduced below an amount sufficient to cover all obligations incurred to be incurred against such appropriation.

VILLAGE OF GIFFORD, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

Prior to the adoption of the annual appropriation ordinance, the Village board at least ten days prior to the adoption shall make this proposed appropriation ordinance conveniently available to public inspection and shall hold at least one public hearing thereon. Notice of this hearing shall be given publication in one or more newspapers published locally, at least ten days prior to the time of the public hearing.

Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase or decrease the items contained therein.

MEMORANDUM - TOTAL COLUMNS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis.

VILLAGE OF GIFFORD, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

NOTE 2: INVESTMENTS IN CASH

The Village of Gifford uses primarily Insured Money Market and non-interest bearing checking accounts for all funds. Regulations concerning the restricted use of these accounts have been adhered to strictly.

NOTE 3: SEWAGE REVENUE BONDS PAYABLE

The Village of Gifford Sewage Fund issued Revenue Bonds in 1978 to construct a new sewage treatment plant. The Bonds were issued on June 29, 1978 for \$432,000 bearing an interest rate of 5%. Principle and Interest Expense is due on January 1st of each year as follows;

<u>DATE</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>
1-1-2007	\$16,000	12,000
1-1-2008	16,000	11,200
1-1-2009	16,000	10,400
1-1-2010	16,000	9,600
1-1-2011	16,000	8,800
1-1-2012	20,000	8,000
1-1-2013	20,000	7,000
1-1-2014	20,000	6,000
1-1-2015	24,000	5,000
1-1-2016	24,000	3,800
1-1-2017	24,000	2,600
1-1-2018	<u>28,000</u>	1,400
TOTAL DUE AT 3-31-2006 \$ <u>240,000</u>		

VILLAGE OF GIFFORD  
NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

NOTE 4: Defined Benefit Pension Plan:

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer 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 Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.5 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005, for the Village of Gifford, was 1.27 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2005, the Village's annual pension cost of \$1,000 was equal to the Village's required actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), (b) projected salary increased ranging from 0.4 percent to 11.6 percent per year, and (c) 3 percent per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.0 percent. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2005 was 27 years.

VILLAGE OF GIFFORD  
NOTES TO FINANCIAL STATEMENTS  
AS OF MARCH 31, 2006

NOTE 5: NOTES PAYABLE GENERAL FUND

The Village of Gifford purchased a new John Deere Bucket Tractor Grader Backhoe unit on June 30, 1999. The Village General Fund borrowed \$50,000 from the Gifford State Bank. The terms of the repayment agreement with the Gifford State Bank call for seven annual payments of \$8,900 beginning July 1, 2000 through July 1, 2006 or \$62,300 which includes Accrued Interest Expense of \$12,300.

The Village of Gifford purchased a new Police Vehicle on December 27, 2005, for \$35,000. The Village of Gifford financed this purchase through Gifford State Bank. The Loan is to be repaid beginning in fiscal year 2007 for five year at 5.5% of Interest, with an annual payment each December of \$8,214 or an accumulated balance of \$41,070 which includes \$6,070 of accrued interest.

NOTE 6: NOTES PAYABLE WATER FUND

The Village of Gifford was awarded a State of Illinois Grant to replace their existing Water Treatment Plant at the end of fiscal year ending March 31, 2001, in the amount of \$138,830. The new Water Plant will cost \$500,000.00. The State of Illinois Grant was in the amount of \$200,000.00 with the balance of the project to be financed with a loan from the Illinois Environmental Protection Agency in the amount of \$526,758 for thirty-nine years. The rate of interest charged by the IEPA is 2.57% Loan Proceeds in the amount of \$128,660 were received during fiscal year ending March of 2006.

VILLAGE OF GIFFORD  
SUPPLEMENTAL INFORMATION  
AS OF MARCH 31, 2006

VILLAGE OF GIFFORD  
ASSESSED VALUATION AND REAL ESTATE TAX RATES  
MARCH 31, 2006

ASSESSED VALUATION	<u>REVENUE YEARS</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
	\$9,519,080	\$8,589,460	\$8,812,740
<u>RATES:</u>			
GENERAL CORPORATE	.5542	.5945	.5550
IMRF	.0105	.0076	.0151
AUDIT	.0368	.0340	.0340

VILLAGE OF GIFFORD  
SCHEDULE OF LEGAL DEBT MARGIN  
MARCH 31, 2006

	<u>REVENUE YEAR</u>
ASSESSED VALUATION	<u>2005</u> \$9,519,080
CONSTITUTIONAL DEBT LIMITATION SUBJECT TO LIMITATION IN THE 1979 MUNICIPAL CODE ( 8.625% OF ASSESSED VALUATION)	   <u>821,021</u>
LEGAL DEBT MARGIN FOR GENERAL CORPORATE AND SPECIAL REVENUE FUNDS	   \$ <u>821,021</u>