

# STAN FELLER, CPA

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Accountant - Tax Consultant  
806 Parkland Ct. Suite 1 - Champaign, Illinois 61821  
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Comptroller, State of Illinois  
Local Government Department  
100 West Randolph Street, Suite 15-500  
Chicago, IL 60601-3252

**FILED**

SEP 13 2006

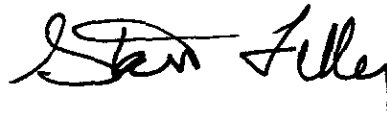
*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

I have audited the financial statements of the funds and account groups of the Village of Homer, Illinois, for the year ended April 30, 2006 and issued my report thereon dated July 19, 2006.

This supplemental report attached to this letter, and prepared from the audited financial statements, a copy of which is enclosed, is intended solely for filing with the State of Illinois Comptroller's Office and is not intended for any other purpose.

The statements in this report are in the format prescribed by the Comptroller's Office, and consequently are not intended to and do not present financial position, results of operations, or changes in financial position in accordance with generally accepted accounting principles.

Champaign, Illinois  
July 19, 2006



DANIEL W. HYNES  
CLERK  
www.localstate.il.us

FY 2006  
ANNUAL FINANCIAL  
MULTIPURPOSE LONG FORM

*Mark A. Reddam*  
CLERK  
CHAMPAIGN COUNTY CLERK

Please return completed reports to:  
Office of the Comptroller  
Local Government Division  
100 W. Randolph Street, Suite 15-500  
Chicago, IL 60601-3252

Unit Name: HOMER VILLAGE

County: CHAMPAIGN

Unit Code: 010/040/32

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

*Cynthia Pruitt*  
Written signature of government official

8/30/06  
Date

Print Name: CINDY PRUITT

Title: TREASURER

PLEASE CROSS OUT ALL INCORRECT INFORMATION AND PROVIDE CORRECTIONS

STEP 1: ENTER CONTACT INFORMATION

Is the following information correct and complete?  Yes  No

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.

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):	
First: <u>CINDY</u>	Last: <u>PRUITT</u>	First: <u>DAVID</u>	Last: <u>LUCAS</u>	First: <u>CINDY</u>	Last: <u>PRUITT</u>
Title: <u>TREASURER</u>		Title: <u>PRESIDENT</u>		Title: <u>TREASURER</u>	
Add: <u>101 N MAIN ST</u>		Add: <u>101 N MAIN ST</u>		Add: <u>101 N. MAIN ST</u>	
City: <u>HOMER</u>		City: <u>HOMER</u>		City: <u>HOMER</u>	
State: <u>IL</u>		State: <u>IL</u>		State: <u>IL</u>	
Zip: <u>61849</u>		Zip: <u>61849</u>		Zip: <u>61849</u>	
Phone: <u>217 896 2521</u>		Phone: <u>217 816 2521</u>		Phone: <u>217 896 2521</u>	
Fax:		Fax:		Fax:	
E-mail:		E-mail:		E-mail:	

UNIT NAME  
Unit Code Number

**HOMEA VILLAGE**  
**0101040132**

STEP 2: VERIFY FISCAL YEAR END

FY END DATE: **4/30/2006**

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 with the AFR before the fiscal year end date can be changed.

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

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

If yes:

- 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.
- Fill out the Alternative Assets & Liabilities page, located on page F1 (b)

B. Which type of accounting system does the government use?

Cash - with no assets (Cash Basis)

Modified Accrual/Accrual

Cash - with assets (Modified Cash Basis)

Other Combination (explain) \_\_\_\_\_

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

D. If "Yes", indicate the type(s) of debt and complete the Statement of Indebtedness page, located on page F6.

G.O. Bonds

Revenue Bonds

Alternate Revenue Bonds

Contractual

Other (explain) \_\_\_\_\_

E. Does the government own a public utility company?  Yes \_\_\_ No

F. Is the government a home rule unit? \_\_\_ Yes  No

G. Does the government have a Tax Increment Finance (TIF) district?  Yes \_\_\_ No

UNIT NAME: **HOWER VILLAGE**  
 Unit Code Number: **010/040/32**  
 STEP 4: POPULATION, EAV, AND EMPLOYEES

What is the total population of the government?	1264
What is the total EAV of the government?	\$ 8,989,068
*How many full time employees are paid?	3
* How many part time employees are paid?	25
What is the total salary paid to all employees?	\$ 146,314

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 appropriation. 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 (Blended or Discretely Presented)	Fiscal Year End	Enterprise Fund Type or Governmental Fund Type
<b>HOWER VILLAGE</b>	\$ 958,932		4 / 30 / 2006	
	\$		/ / 2006	
	\$		/ / 2006	
	\$		/ / 2006	
<b>Total Appropriations</b>	\$			

UNIT NAME: **HOMEER UTILAGE**  
 Unit Code Number: **010/040/32**  
 STEP 7: AUDITS

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

Firm Name:	STAN FELLER CPA
CPA's first name:	STAN
CPA's last name:	FELLER
CPA's title:	CPA OWNER
Address:	806 PARKLAND CT.
City:	CHAMPAIGN
State:	IL
Zip:	61821
Phone:	(217) 351-3192
Fax:	217 351 4135
Email:	
State Registration Number:	065-0009488

STEP 8: OTHER GOVERNMENTS

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

Intergovernmental agreements	\$ - 0 -
Federal government payroll taxes	\$ 11,194
All other intergovernmental payments	\$ - 0 -

UNIT NAME: **HOWEN VILLAGE**  
 Unit Code Number: **010/040/32**  
**STEP 9: FUND LISTING & ACCOUNT GROUPS**

A. List all funds, indicate the amount spent in FY 2006 for each fund and indicate the Fund Type (fund types are at the top of each column beginning on page F1). If pre-printed data appears it 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
GENERAL FUND	209,611	GENERAL	4/30/2006
WATER FUND	95,780	GENERAL	4/30/2006
MPT	21,209	SPECIAL	4/30/2006
LIBRARY	16,284	SPECIAL	4/30/2006
CDG	487	SPECIAL	4/30/2006
RECREATION	3,286	SPECIAL	4/30/2006
TIF	16,752	SPECIAL	4/30/2006
Total Expenditures	\$ 442,580		

B. Does the government 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.

If your government's form type is 'Special Purpose Long', 'Special Purpose Abbreviated', 'Special Purpose Short', 'Multi-Purpose Short', or 'Multi-Purpose Long' with an Accounting Method of 'Cash No Assets', or your government has implemented GASB 34, you must select 'No' for Account Groups.

Yes  No

UNIT NAME: **HOWER VILLAGE**  
 Unit Code Number **010/040/32**

**STEP 10: GOVERNMENTAL ENTITIES**

List the governmental entities that are part of or related to the primary government. Exclude component units detailed in Step 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.

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

NOTE: This alternative Assets & Liability page should be used by those units of government that have implemented GASB 34. If your unit of government has not implemented GASB 34, please leave this page blank and proceed to page F2.

ASSETS

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
CURRENT ASSETS					
Report in Whole Numbers					
101	Cash and cash equivalent	394,184	120,090		
102	Investments				
115	Receivables				
109	Inventories				
112	Other Assets (explain)				
NON-CURRENT ASSETS					
Report in Whole Numbers					
116	Capital Assets/Net of Accumulated Depreciation	230,743	1,406,415		
117	Other Capital Assets (explain)				
120	TOTAL ASSETS	614,927	1,526,505		

LIABILITIES

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
CURRENT LIABILITIES					
Report in Whole Numbers					
122	All Payables	4654			
132	Deferred Revenue				
128	Other Liabilities (explain)				
NON-CURRENT/LONG-TERM LIABILITIES					
Report in Whole Numbers					
129	Due Within One Year	22,000	25,000		
130	Due Beyond One Year		559,245		
131	Other Non-Current/Long Term Liabilities(explain)				
135	TOTAL LIABILITIES	26,654	584,245		

NET ASSETS

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Report in Whole Numbers					
143	Investments in Capital Assets/Net of Related Debt	230,743	222,170		
148	Net Assets - Restricted				
149	Net Assets - Unrestricted	357,530	120,090		
146	TOTAL NET ASSETS	588,273	942,260		
147	TOTAL LIABILITIES & NET ASSETS	614,927	1,526,505		

**Revenues 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	
<i>Local Taxes</i>									
201	Property Tax	69,410	85,236						
202	Local Sales Tax								
203	Utilities Tax								
203 a	Electric Utilities	8319							
203 b	Water Utilities								
203 c	Communications Utilities								
203 d	Other Utilities (Explain)								
204	Other Taxes								
<i>Intergovernmental Receipts &amp; Grants</i>									
211	State Income Tax	87,501							
212	State Sales Tax	62,627							
213	State Motor Fuel Tax		34,647						
214	State Replacement Tax	3,260							
205	State Gaming Tax(es)								
215	Other State Sources								
215 a	General Support								
215 b	Public Welfare								
215 c	Health and/or Hospitals								
215 d	Streets and Highways								
215 e	Culture and Recreation		1478						
215 f	Housing & Community Development								
215 g	Water Supply System		114,429						
215 h	Electric/Gas Power System								
215 i	Mass Transit								
215 j	Other (Explain)								
225	Federal Sources								
225 a	General Support								
225 b	Public Welfare								

**Revenues and Receipts**

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
225 c	Health and/or Hospitals								
225 d	Streets and Highways								
225 e	Culture and Recreation								
225 f	Housing and Community Development								
225 g	Water Supply System								
225 h	Electric/Gas Power System								
225 i	Mass Transit								
225 j	Other (Explain)								
226	Other Intergovernmental Sources (Explain)								

*Other Sources*

231	Licenses and Permits	695							
233	Fines and Forfeitures		13914						
234	Charges for Services								
234 a	Water Utilities					116698			
234 b	Gas Utilities								
234 c	Electric Utilities								
234 d	Transit Utilities								
234 e	Sewer Utilities								
234 f	Refuse & Disposal Charges								
234 g	Parking								
234 h	Housing								
234 i	Highway or Bridge Tolls								
234 j	Culture and Recreation		923						
234 k	Other (Explain)								
235	Interest	21691	8864			511			
236	Miscellaneous	5,316	960			100			
240	TOTAL RECEIPTS AND REVENUE	239,819	260,501			117,309			

**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
251	General Government								
251a	Financial Administration								
251b	General Administrative Buildings								
251c	Central Administration	56,210							
251 d	Other (Explain)								
252	Public Safety								
252a	Police		71169						
252b	Fire								
252c	Regulation - Building Inspection								
252d	Other (Explain)								
253	Corrections								
254	Judiciary and Legal								
255	Transportation and Public Works								
255 a	Streets and Highways	140,291	37961						
255 b	Airports								
255 c	Parking Meters								
255 d	Parking Facilities								
255 e	Other (Explain)								
256	Social Services								
256a	Welfare								
256b	Health (Other than hospitals)								
256c	Hospital Operations								
256d	Cemeteries								
256e	Other (Explain)								
257	Culture and Recreation								
257 a	Library		22054						
257 b	Parks	13,060							
257 c	Other (Explain)								
258	Housing								

*Report In Whole Numbers*

**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
275	Environment								
275a	Sewage								
275b	Solid Waste Management								
275 c	Other (Explain)								
259	Debt								
259a	Interest								
259b	Principle								
271	Public Utility Company								
271a	Water					65,130			
271b	Electric								
271c	Transit								
271d	Other (Explain)								
272	Depreciation					30,650			
280	Capital Outlay								
260	Other Expenditures or Expenses								
270	<b>TOTAL EXPENDITURES/EXPENSE</b>	<b>209,611</b>	<b>137,189</b>			<b>95,780</b>			

Fund Balances and Other Financing Sources (Uses)

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Report in Whole Numbers					Discretely Presented Component Units
				Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	
301	Excess of receipts/revenues over (under) expenditures/expenses (C240 - C270)	30,208	123,312			215,29			
302	Operating transfers in		37,000			114,429			
303	Operating transfers out	( 37,000 )	( 114,429 )						
304	Bond proceeds								
305	Other - Long term debt(explain)								
	Net increase (decrease) in fund balance (301 + 302 - 303 + 304 + 305)	< 6,792 >	45,883			135,958			
307	Previous year fund balance	48,777	304,662			806,302			
308	Other (Explain)		< 35,000 >	RECHA NICTORIZE 204 N - SIBER from call to GASA 34					
310	CURRENT YEAR ENDING FUND BALANCE (306 + 307 + 308)	41,985	315,545			942,260			

**Statement of Indebtedness**

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Report in Whole Numbers				Outstanding End of Year
			Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	
General Obligation Bonds	400		406		412	418	
Water	400a		406 a		412 a	418 a	
Electric	400b		406 b		412 b	418 b	
Transportation	400c		406 c		412 c	418 c	
Housing	400d		406 d		412 d	418 d	
Other (Explain)	400 e		406 e		412 e	418 e	
Revenue Bonds	401		407		413	419	
Water	401a	267,888	407 a	316,357	413 a	419 a	584,248
Electric	401b		407 b		413 b	419 b	
Transportation	401c		407 c		413 c	419 c	
Housing	401d		407 d		413 d	419 d	
Other (Explain)	401 e		407 e		413 e	419 e	
Alternate Revenue Bonds	402		408		414	420	
Contractual Commitments	403		409		415	421	
Other (Explain) BK NOT F	404	35,000	410		416	422	22,000
<b>TOTAL DEBT</b>	<b>405</b>	<b>302,888</b>	<b>411</b>	<b>316,357</b>	<b>417</b>	<b>423</b>	<b>606,248</b>

Explanation or Comments: (Use additional paper if necessary.)

## \*Capital Outlay

Code	Function	These are not funds	
		Construction	Land, Structures and Equipment
601	General Government		
602	Law Enforcement		
603	Corrections		
604	Fire		
605	Sewerage		
606	Sanitation and Wastewater		
607	Parks & Recreation		
608	Housing & Community Development		
609	Highways, Roads and Bridges		
610	Parking Facilities		
611	Welfare		
612	Hospital		
613	Water	425,007	
614	Nursing Homes		
615	Conservation and Natural Resources		
616	Libraries		
617	Other		

- ☞ \*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 Census Bureau will contact you for further information.

**FILED**

JUL 26 2006

2006-2007  
Village of Homer  
Champaign County, Illinois  
Estimate of Revenues

*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

**GENERAL FUND – REVENUES**

**AMOUNT**

General Property Tax	\$22,250.00
Audit – Property Tax Levy	\$4,500.00
Liability Insurance – Property Tax Levy	\$21,000.00
Workman’s Compensation – Property Tax Levy	\$5,000.00
Social Security – Property Tax Levy	\$15,500.00
Streets and Bridges	\$13,000.00
State Replacement Tax	\$1,800.00
State Sales Tax	\$60,000.00
State Income Tax	\$62,000.00
Zoning and Building Permits	\$200.00
Interest	\$1,500.00
Rental of Property	\$700.00
Cilco Franchise	\$1,700.00
Other Income	\$5,300.00
Cable Franchise	\$5,000.00
Telephone Franchise	\$1,400.00
Rock Hauling	\$100.00
Liquor Licenses	\$1,600.00
Liquor Fines	\$500.00
Wireless Grant	<u>\$3,000.00</u>
Total General Fund Revenues:	\$226,050.00

**WATER DEPARTMENT REVENUES**

Water Sales	\$140,000.00
Fire Hydrant Rental	\$300.00
Hook-up Fees	\$1,000.00
Water Deposits	\$500.00
Interest	\$150.00
Wabash Well Sales	\$1,500.00
Wabash Keys	<u>\$20.00</u>
Total Water Department Revenues	\$143,470.00

**MOTOR FUEL TAX FUND REVENUES**

Interest	\$6,000.00
Motor Fuel Tax Revenues	<u>\$33,000.00</u>
Total Motor Fuel Revenues	\$39,000.00

**POLICE FUND REVENUES**

Real Estate Tax	\$37,750.00
Fines	\$15,300.00
Police Car Sale	<u>\$17,000.00</u>
Total Police Fund Revenues	\$70,050.00

**RECREATION BOARD REVENUES**

Property Taxes	\$5,750.00
Donations, July 4 <sup>th</sup>	<u>\$600.00</u>
Total Recreation Board Revenues	\$6,352.00

**LIBRARY FUND REVENUES**

Property Tax	\$13,250.00
Grants	\$5,000.00
Other Income	<u>\$15,000.00</u>
Total Library Fund Revenues	\$33,250.00

**TAX INCREMENT FUND (TIF) REVENUES**

Property Tax	<u>\$30,000.00</u>
Total Tax Increment Fund Revenues	\$30,000.00

**TOTAL ESTIMATED REVENUES \$548,172.00**

The undersigned, Cynthia Pruitt, certifies that she is the Village Treasurer for the Village of Homer, Illinois, as she has personally assisted the Village Clerk and the Village Board of Trustees with the 2006-2007 Budget and Appropriation Ordinance and that these two pages represent the expected revenues for the Village of Homer, Illinois, as taken from the Municipal Budget of the Village of Homer, Illinois, omitting funds transfers, and represents the Village's Estimate of Revenues for the 2006-2007 Fiscal Year, May 1, 2006 to April 30, 2007.

Dated: July 10, 2006

  
\_\_\_\_\_  
Cynthia Pruitt, Village Treasurer

**FILED**

SEP 13 2006

*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

# Village of Homer

Homer, Illinois

ANNUAL FINANCIAL REPORT

For the Year Ended

April 30, 2006

Stan Feller, CPA  
806 Parkland Ct. Suite 1  
Champaign, IL 61821  
217-351-3192

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# STAN FELLER, CPA

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Accountant - Tax Consultant  
806 Parkland Ct. Suite 1 - Champaign, Illinois 61821  
(217) 351-3192 (fax 351-4135)

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Village of Homer

I 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 Homer, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted the 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 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. I believe that my audit provides a reasonable basis for my opinions.

As described in Note 1, the Village prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Village has not presented The Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Homer, as of April 30, 2006, and the respective changes in financial position – modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not required part of the basic financial statements. The accompanying supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Champaign, Illinois  
July 19, 2006

 Stan Feller CPA

## VILLAGE OF HOMER

## STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

April 30, 2006

	Governmental Activities	Business -Type Activities	Totals
<u>Assets</u>			
Cash	\$384,184	\$120,090	\$504,274
Receivable - other			
Capital assets net of accumulated depreciation	<u>230,743</u>	<u>1,406,415</u>	<u>1,637,158</u>
Total Assets	<u>614,927</u>	<u>1,526,505</u>	<u>2,141,432</u>
<u>Liabilities</u>			
Accrued liability	4,654		4,654
Loan - short term	22,000	25,000	47,000
Loan - long term		<u>559,245</u>	<u>559,245</u>
Total Liabilities	<u>26,654</u>	<u>584,245</u>	<u>610,899</u>
<u>Net assets</u>			
Invested in capital assets, net of related debt	230,743	822,170	1,052,913
Restricted			
Unrestricted	<u>357,530</u>	<u>120,090</u>	<u>477,620</u>
Total net assets	<u>\$588,273</u>	<u>\$942,260</u>	<u>\$1,530,533</u>

These financial statements should be read only in connection  
with the accompanying notes to financial statements

VILLAGE OF HOMER  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
Year Ended April 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
<i>Governmental activities</i>							
General government	\$56,260	\$0	\$0	\$0	(56,260)	\$0	(\$56,260)
Public works & transportation	190,680	0	0	0	(190,680)	0	(190,680)
Public safety	77,169	0	0	0	(77,169)	0	(77,169)
Culture & recreation	35,119	923	1,478	0	(32,718)	0	(32,718)
Total governmental activities	359,228	923	1,478	0	(356,827)	0	(356,827)
<i>Business-type activity</i>							
Water	95,780	116,798	0	114,429	0	135,447	135,447
Total primary government	\$152,040	\$116,798	\$0	\$114,429	(\$56,827)	135,447	(221,380)

General revenues							
<i>Taxes:</i>							
Property taxes	154,646				154,646	0	154,646
State income taxes	87,501				87,501	0	87,501
State replacement taxes	3,260				3,260	0	3,260
Sales tax	62,627				62,627	0	62,627
State motor fuel tax	34,697				34,697	0	34,697
Other state sources	0				0	0	0
License & permits	695				695	0	695
Franchise taxes	8,319				8,319	0	8,319
Fines	13,914				13,914	0	13,914
Investment income	11,555				11,555	511	12,066
Other	6,276				6,276	0	6,276
Transfers - internal activity	0				0	0	0
Total general revenues and transfers	383,480				383,480	511	384,001
Change in net assets					26,663	135,968	162,621
Net assets - beginning					661,610	806,302	1,367,912
Net assets - ending					\$588,273	\$942,260	\$1,530,533

These financial statements should be read only in connection with the accompanying notes to financial statements

## VILLAGE OF HOMER

BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
April 30, 2006

<u>Assets</u>	<u>General Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$46,639	\$337,545	\$384,184
Total Assets	<u>\$46,639</u>	<u>\$337,545</u>	<u>\$384,184</u>
<u>Liabilities</u>			
Loan Homer Bank	0	22,000	22,000
Payroll taxes withholding	4,654	0	4,654
Total Liabilities	<u>4,654</u>	<u>22,000</u>	<u>26,654</u>
<u>Fund Balances</u>			
Unreserved	41,985		41,985
Reserved			
Unreserved, reported in nonmajor special revenue funds		315,545	315,545
Total Fund Balances	<u>41,985</u>	<u>315,545</u>	<u>357,530</u>
Total Liabilities and Fund Balances	<u>\$46,639</u>	<u>\$337,545</u>	

**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 are not financial resources and, therefore, are not reported in the funds	230,743
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Net Assets of governmental activities	<u>\$588,273</u>
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These financial statements should be read only in connection  
with the accompanying notes to financial statements

VILLAGE OF HOMER  
Statement of Revenues, Expenditures, Changes in Fund Balances  
Modified Cash Basis  
GOVERNMENTAL FUND  
Year Ended April 30, 2006

<u>Revenues:</u>	General Fund	Other Governmental Funds	Totals Governmental Funds
Property taxes	\$69,410	\$85,236	\$154,646
State income tax	87,501	0	87,501
State replacement tax	3,260	0	3,260
Sales tax	62,627	0	62,627
State motor fuel tax	0	34,697	34,697
Other state sources	0	0	0
Licenses and permits	695	0	695
Franchise tax	8,319	0	8,319
Fines	0	13,914	13,914
Programs/library activity/donations	0	923	923
Grant	0	115,907	115,907
Interest	2,691	8,864	11,555
Other	5,316	960	6,276
<b>Total Revenues</b>	<b>239,819</b>	<b>260,501</b>	<b>500,320</b>
<u>Expenditures</u>			
General government	56,260	0	56,260
Public works & transportation	140,291	37,961	178,252
Public safety	0	77,169	77,169
Culture and recreation	13,060	22,059	35,119
Social services	0	0	0
Capital expenditures	0	0	0
<b>Total Expenditures Disbursed</b>	<b>209,611</b>	<b>137,189</b>	<b>346,800</b>
Excess (deficiency) of revenues over expenditures paid	30,208	123,312	153,520
Other financing sources (uses)			
Transfers in	0	37,000	37,000
Transfers (out)	(37,000)	(114,429)	(151,429)
Total other financing sources (uses)	(37,000)	(77,429)	(114,429)
<b>Net change in fund balances</b>	<b>(6,792)</b>	<b>45,883</b>	<b>39,091</b>
Fund balances - beginning	48,777	269,662	318,439
Fund balances - ending	\$41,985	\$315,545	\$357,530

**Reconciliation to the Statement of Activities:**

Net change in fund balances - total governmental funds \$39,091

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expenses to allocate those expenditures over the life of the assets.

Capital asset purchases capitalized	0
Depreciation expense	(12,428)

Change in Net Assets of Governmental Activities \$26,663

These financial statements should be read only in connection  
with the accompanying notes to financial statements

VILLAGE OF HOMER  
Statement of Net Assets - Modified Cash Basis  
PROPRIETARY - WATER FUND  
April 30, 2006

<u>Assets</u>	
Current assets	
Cash	\$120,090
Total current assets	120,090
Noncurrent assets	
<i>capital assets, net of accumulated depreciation</i>	1,406,415
Total noncurrent assets	1,406,415
Total assets	1,526,505
<u>Liabilities</u>	
Current liabilities	
Payable	0
Notes payable - short term	25,000
Total current liabilities	25,000
Noncurrent liabilities	
Notes payable - long term	559,245
Total noncurrent liabilities	559,245
Total liabilities	584,245
<u>Net assets</u>	
Invested in in capital assets, net of related debt	822,170
Restricted for debt service	0
Unrestricted	120,090
Total net assets	\$942,260

These financial statements should be read only in connection  
with the accompanying notes to financial statements.

VILLAGE OF HOMER  
Statement of Revenues, Expenses,  
and Changes in Fund Net Assets - Modified Cash Basis  
Proprietary - WATER FUND  
Year Ended April 30, 2006

OPERATING REVENUES

Water sales	\$116,698
Other income	100
	<hr/>
Total operating revenue received	116,798

OPERATING EXPENSES DISBURSED

Personnel services	19,143
Contractual services	16,613
Supplies and materials	29,374
Depreciation	30,650
	<hr/>
Total operating expenses	95,780

Operating income (loss)	21,018
Nonoperating revenue - interest income	511
	<hr/>
<u>Net income (loss) before transfers, contributions</u>	21,529

Transfers in	114,429
	<hr/>
Change in net assets	135,958

Total net assets - beginning	806,302
	<hr/>
Total net assets - ending	<u>\$942,260</u>

These financial statements should be read only in connection  
with the accompanying notes to financial statements

VILLAGE OF HOMER  
Statement of Cash Flows - Modified Cash Basis  
Proprietary - WATER FUND  
Year Ended April 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$116,798
Payments to suppliers	(45,987)
Payments to employees	(19,143)
Net Cash Provided by Operating Activities	<u>51,668</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers to other funds	0
Transfers from other funds	114,429
Net cash Provided by Noncapital Financing Activities	<u>114,429</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Loan, net	316,357
Purchases of capital assets	(425,007)
Principal paid on capital debt	0
Interest paid on capital debt	0
Change in accruals	(2,850)
General fund repaid loan	0
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(111,500)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest	511
Net cash Provided by Investing Activities	<u>511</u>

Net Increase in Cash and Cash Equivalents 55,108

Cash:	
Beginning	64,982
Ending	<u>\$120,090</u>

Reconciliation of operating income(loss) to net cash provided by operating activities:

Operating income(loss)	\$21,018
Adjustments to reconcile operating income to net cash provided used by operating activities:	
Depreciation expense	30,650
Change in assets and liabilities:	
Due from other governments	
Refundable deposits	
Miscellaneous non-operating receipts	
Net cash provided by operating activities	<u>\$51,668</u>

These financial statements should be read only in connection  
with the accompanying notes to financial statements

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies**

As discussed further in Note 1.C these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the governmental 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, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**1.A. Financial Reporting Entity**

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

The Village of Homer operates as a non-home rule unit and provides the following services: water and general administrative services.

The Village, for financial purposes, includes all of the funds and account groups relevant to the operations of the Village. The financial statements presented do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Village.

No separately administered organizations are included in the financial statements of the Village. Control or dependence is determined on the basis of budget-adoption, taxing authority, funding and appointment of the respective governing board.

There are no blended component units.

**1.B. Basis of Presentation**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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 except for fiduciary funds. The Statements distinguish between governmental and business-type activities. 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. The General Fund meets that criteria.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies – continued**

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund: The General Fund is the general operating fund of the Village and 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 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 Village reports all the special revenue funds as Nonmajor funds.

Capital Project Funds: Capital project funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The Village does not have any capital project funds.

**Proprietary Funds**

Enterprise Fund: Enterprise funds comprise those operations which are financed and operated in a manner similar to private business enterprises; where the intent is that the costs of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges. The Enterprise fund includes all funds established for the operation, maintenance, replacement, and improvement, financing and repayment of debt of the Village water operation. The Water Fund is shown as a major fund.

**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.

**MEASUREMENT FOCUS**

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item b below.

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

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies – continued**

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**BASIS OF ACCOUNTING**

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental, business-like, and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, proprietary fund statements, and the similar discretely presented component unit statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses ( such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

**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.

**INVESTMENTS**

Investments classified in the financial statements consist entirely of a small investment account in a brokerage account. Investments are carried at cost, which approximates fair value.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies – continued**

CAPITAL ASSETS

The Village’s modified cash basis of accounting reports capital assets resulting from cash transactions 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 and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government – wide financial statements, capital assets arising from cash transactions 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. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions 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 \$5000 is used to report equipment and \$25,000 for buildings and infrastructure. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements other than building	10-25 years
Machinery, furniture, and equipment	3-20 years
Utility property and improvements	10-50 years
Infrastructure	25-50 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

LONG-TERM DEBT

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

Long-term debt arising from cash basis transactions 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.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies – continued**

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 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.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

PROGRAM REVENUES

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Village’s taxpayers are reported as program revenues.

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

Property taxes are levied by the County in December and attach as an enforceable lien on property as of the proceeding January 1. The date the levy was adopted by the Village for the taxes received this year was December 20, 2004. The County collects the Village’s property taxes in two installments. The bills were sent in May 2005. The County collected the taxes and mailed to the Village their money in nine distribution checks, with the final payment in December 2005.

No fund balance is reserved due to a special restricted tax levy.

OPERATING REVENUE AND EXPENSES

Operating revenues and expenses for proprietary funds and the similar discretely presented component unit 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.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 1. Summary of Significant Accounting Policies – continued**

UNPAID VACATION AND SICK PAY

There was no accumulated unpaid vacation or sick pay.

**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 as 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.
3. Primary government and component unit activity and balances-Non to report.

**1.G. USE OF ESTIMATES**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Village 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.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the Village and its component units are subject to various federal, state, and local laws and contractual regulations.

**2.A. UNINSURED AND UNCOLLATERALIZED DEPOSITS**

In accordance with State law, all uninsured deposits of municipal funds, in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit.

**2.B. BUDGETARY COMPLIANCE**

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and Expenditures are reported when they result from cash transactions.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, debt service. Expenditures may not exceed appropriations at this level. The Village follows these procedures in establishing data reflected in the financial statements: 1.) The Treasurer prepares a preliminary budget based on input from village officers and from historical data. 2.) The preliminary budget is then presented to the full Village Board for approval. 3.) After the preliminary budget has been made available to the public for the required amount of time, the Village Board formally adopts the final budget accordance with Chapter 24, para. 8-2-9 of the Illinois Revised Statutes. All budgeted funds are budgeted on the cash basis of accounting. The budget was approved at the July 2005 board meeting. The appropriation budget lapses at the end of each fiscal year.

The Village does not use encumbrances.

For the year ended April 30, 2006, there was no budgetary noncompliance to report.

**NOTE 3. DETAIL NOTES – TRANSACTIONS 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.

**3.A. CASH AND INVESTMENTS**

**CUSTODIAL CREDIT RISK-DEPOSITS**

The table presented below is designed to disclose the level of custodial credit risk assumed by the Village based upon how its deposits were insured or secured with collateral at April 30, 2006.

As of April 30, 2006, the carrying amounts of the deposits and certificates of deposits totaled \$504,274. and the bank balances were \$517,893.

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

3.A. CASH AND INVESTMENTS – continued

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1 - Deposits covered by depository insurance or collateral held by the Village in the Village's name	\$392,305	\$392,305
Category 2 - Deposits covered by the collateral held by the financial institution's agent in the Village's name	100,000	100,000
Category 3 - Uninsured, uncollateralized deposits	<u>11,969</u>	<u>25,588</u>
Total deposits	<u>\$504,274</u>	<u>\$517,893</u>
 <u>Reconciliation to Government-Wide Statement of Net Assets:</u>		
Cash and cash equivalents	\$ 504,274	
Investments	-	
Total	<u>\$ 504,274</u>	

3.B. RESTRICTED ASSETS

No restricted assets are reported

VILLAGE OF HOMER  
**NOTES TO FINANCIAL STATEMENTS**  
 April 30, 2006

### 3. C. CAPITAL ASSETS

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended April 30, 2006, was as follows:

	Balance at 1-May-05	Additions	Deductions	Balance at 30-Apr-06
<b>Government activities:</b>				
Capital assets not being depreciated:				
Land	74,000	0	0	
Construction-in-progress	<u>0</u>			<u>0</u>
Total capital assets not being depreciated:	<u>74,000</u>	<u>0</u>	<u>0</u>	<u>74,000</u>
Other capital assets:				
Buildings	144,500			
Other improvements	0			0
Machinery and equipment	161,027			
Infrastructure				<u>0</u>
Total other capital assets at historical cost	<u>305,527</u>	<u>0</u>	<u>0</u>	<u>305,527</u>
Less accumulated depreciation for:				
Buildings	74,376	3,188		77,564
Other improvements				
Machinery and equipment	61,980	9,240		71,220
Infrastructure				<u>0</u>
Total accumulated depreciation	<u>136,356</u>	<u>12,428</u>	<u>0</u>	<u>148,784</u>
Other capital assets, net	<u>169,171</u>	<u>-12,428</u>	<u>0</u>	<u>156,743</u>
Governmental activities capital assets, net	<u>243,171</u>	<u>-12,428</u>	<u>0</u>	<u>230,743</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	21,000	0	0	21,000
Construction-in-progress				
Total capital assets not being depreciated:	<u>21,000</u>	<u>0</u>	<u>0</u>	<u>21,000</u>
Other capital assets:				
Buildings	23,000			23,000
Utility property and improvements	1,623,545	425,007		2,048,552
Total other capital assets at historical cost	<u>1,646,545</u>	<u>425,007</u>	<u>0</u>	<u>2,071,552</u>
Less accumulated depreciation for:				
Buildings	9,150	575		9,725
Utility property and improvements	646,337	30,075		676,412
Total accumulated depreciation	<u>655,487</u>	<u>30,650</u>	<u>0</u>	<u>686,137</u>
Other capital assets, net	<u>991,058</u>	<u>394,357</u>	<u>0</u>	<u>1,385,415</u>
Business-type activities capital assets, net	<u>1,012,058</u>	<u>394,357</u>	<u>0</u>	<u>1,406,415</u>

Primary government depreciation of \$12,428 was allocated to the street department.

VILLAGE OF HOMER  
**NOTES TO FINANCIAL STATEMENTS**  
 April 30, 2006

**3.D. LONG-TERM DEBT**

At April 30, 2005, the water fund has \$ 584,245 in long term debt borrowed from the Illinois Environmental Protection Agency. The total loan approved was in the amount of \$647,622. The water construction project was still in progress at the end of the year. Once the project is complete, and the total draws are final, the loan will start to be amortized. The term of the loan is for 20 years at an annual fixed rate of 2.5% payable semi-annually. The following is what is needed to amortize the full amount of the loan over the next 20 years.

Pmt #	Payment	Interest	Principle	Balance
				647,622.00
1	20,673.01	8,095.28	12,577.74	635,044.27
2	20,673.01	7,938.05	12,734.96	622,309.31
3	20,673.01	7,778.87	12,894.14	609,415.16
4	20,673.01	7,617.69	13,055.32	596,359.84
5	20,673.01	7,454.50	13,218.51	583,141.33
6	20,673.01	7,289.27	13,383.74	569,757.59
7	20,673.01	7,121.97	13,551.04	556,206.55
8	20,673.01	6,952.58	13,720.43	542,486.12
9	20,673.01	6,781.08	13,891.93	528,594.19
10	20,673.01	6,607.43	14,065.58	514,528.60
11	20,673.01	6,431.61	14,241.40	500,287.20
12	20,673.01	6,253.59	14,419.42	485,867.78
13	20,673.01	6,073.35	14,599.66	471,268.12
14	20,673.01	5,890.85	14,782.16	456,485.96
15	20,673.01	5,706.07	14,966.94	441,519.03
16	20,673.01	5,518.99	15,154.02	426,365.00
17	20,673.01	5,329.56	15,343.45	411,021.56
18	20,673.01	5,137.77	15,535.24	395,486.32
19	20,673.01	4,943.58	15,729.43	379,756.88
20	20,673.01	4,746.96	15,926.05	363,830.84
21	20,673.01	4,547.89	16,125.12	347,705.71
22	20,673.01	4,346.32	16,326.69	331,379.02
23	20,673.01	4,142.24	16,530.77	314,848.25
24	20,673.01	3,935.60	16,737.41	298,110.84
25	20,673.01	3,726.39	16,946.62	281,164.22
26	20,673.01	3,514.55	17,158.46	264,005.76
27	20,673.01	3,300.07	17,372.94	246,632.82
28	20,673.01	3,082.91	17,590.10	229,042.72
29	20,673.01	2,863.03	17,809.98	211,232.75
30	20,673.01	2,640.41	18,032.60	193,200.15
31	20,673.01	2,415.00	18,258.01	174,942.14
32	20,673.01	2,186.78	18,486.23	156,455.91
33	20,673.01	1,955.70	18,717.31	137,738.59
34	20,673.01	1,721.73	18,951.28	118,787.32
35	20,673.01	1,484.84	19,188.17	99,599.15
36	20,673.01	1,244.99	19,428.02	80,171.13
37	20,673.01	1,002.14	19,670.87	60,500.26
38	20,673.01	756.25	19,916.76	40,583.50
39	20,673.01	507.29	20,165.72	20,417.78
40	20,673.01	255.22	20,417.79	0.00

VILLAGE OF HOMER  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2006

**3.E. INTERFUND TRANSFERS AND BALANCES**

INTERFUND BALANCES

The police and water fund owe the general fund some amounts for payroll, which were repaid during the following month.

DEFICIT FUND BALANCES

The TIF fund has a deficit balance. Money was borrowed from the bank to cover expenditures and will be repaid with future real estate tax TIF collections.

**NOTE 4. OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

There are no employee pension or benefit plans

**4.B. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village is a member of the Illinois Municipal League Risk Management Association with approximately 580 members throughout the State. The Village pays an annual contribution to the Association to purchase workmen's compensation, liability insurance and general insurance to handle these risks of loss. The Village's contributions are calculated in accordance with the loss experience of the Village, and the needs of the Association including total losses and expenditures of the Self-Insured Retention Fund of the Association. The Association can assess additional contributions from the Village based on the Association's losses. During the current fiscal year there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**4.C. COMMITMENTS AND CONTINGENCIES**

COMMITMENTS

The Village is not reporting any commitments.

CONTINGENCIES

The Village is not aware of any litigation or other contingencies, which might have a material adverse effect on the Village's financial position.

VILLAGE OF HOMER  
 Budgetary Comparison - Modified Cash Basis  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 GENERAL FUND  
 Year Ended April 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<u>Revenues</u>			
Property taxes			\$62,069
Road & bridge tax levy			7,341
State sales tax			62,627
State income tax			87,501
Personal property replacement tax			3,260
Zoning & building permits			695
Franchise fees			8,319
Miscellaneous			5,316
Interest income			2,691
<b>Total Revenues</b>			<u>239,819</u>
<u>Expenditures</u>			
<b>General Government:</b>			
Village hall wages, taxes, benefits	49,500	49,500	26,782
Office commodities/services	7,800	7,800	4,342
Legal costs/Audit Services	9,200	9,200	8,330
Insurance	17,000	17,000	16,806
<b>Total General Government</b>	<u>83,500</u>	<u>83,500</u>	<u>56,260</u>
<b>Public works/transportation</b>			
Street salaries, taxes	64,900	64,900	67,716
Unemployment/health insurance	19,000	19,000	15,309
Supplies	1,500	1,500	1,733
Maintenance of village meeting hall	4,000	4,000	4,515
Maintenance of sidewalks	1,000	1,000	334
Maintenance of village streets & storm drains	5,000	5,000	4,056
Maintenance village park	2,000	2,000	1,203
Vehicle repair	3,000	3,000	4,646
Fuel	3,500	3,500	5,011
Utilities & street lights	28,800	28,800	28,119
Equipment	2,500	2,500	888
Animal control, landscaping	1,000	1,000	0
ESDA	4,100	4,100	3,979
Recycling program	3,000	3,000	2,475
Uniforms, other	1,500	1,500	307
<b>Total public works/transportation</b>	<u>144,800</u>	<u>144,800</u>	<u>140,291</u>
<b>Public relations/donations</b>	<u>14,200</u>	<u>14,200</u>	<u>13,060</u>
<b>Total Expenditures Disbursed</b>	<u>242,500</u>	<u>242,500</u>	<u>209,611</u>
Excess (deficiency) revenues over expenditures			30,208
Disbursed before other financing sources(uses)			
Other sources(uses)			
Transfers in			0
Transfers (out)			(37,000)
<b>Net change in fund balance</b>			<u>(6,792)</u>
<b>Beginning Fund Balance</b>			<u>48,777</u>
<b>Ending Fund Balance</b>			<u>\$41,985</u>

## Notes to Budgetary Comparison Schedule

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenue and expenditures are reported when they result from cash transactions. See notes to basic financial statements for greater detail of budget process.

VILLAGE OF HOMER  
 Combining Balance Sheet - Modified Cash Basis  
 NONMAJOR GOVERNMENTAL FUNDS  
 Arising From Cash Transactions  
 April 30, 2006

ASSETS	SPECIAL REVENUE FUNDS							Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Police Protection Fund	Library Fund	Community Develop. Board	CDAP Grant	Recreation Fund	TIF Fund	
Cash	\$132,786	\$8,540	\$187,713	\$0	\$0	\$3,545	\$4,961	\$337,545
Investments								
Due from other funds								
<b>Total Assets</b>	<u>132,786</u>	<u>8,540</u>	<u>187,713</u>	<u>0</u>	<u>0</u>	<u>3,545</u>	<u>4,961</u>	<u>337,545</u>
Loan Homer Bank								
Due to general fund							22,000	22,000
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,000</u>	<u>22,000</u>
Fund Balance								
Unreserved	<u>132,786</u>	<u>8,540</u>	<u>187,713</u>	<u>0</u>	<u>0</u>	<u>3,545</u>	<u>(17,039)</u>	<u>315,545</u>
<b>Total Fund Balance</b>	<u>132,786</u>	<u>8,540</u>	<u>187,713</u>	<u>0</u>	<u>0</u>	<u>3,545</u>	<u>(17,039)</u>	<u>315,545</u>
Total Liabilities and Fund Balance	<u>\$132,786</u>	<u>\$8,540</u>	<u>\$187,713</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,545</u>	<u>\$4,961</u>	<u>\$337,545</u>

These financial statements should be read only in connection  
 with the accompanying notes to financial statements

VILLAGE OF HOMER  
 Budgetary Comparison Schedule - Modified Cash Basis  
 BUDGETED NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended April 30, 2006

Revenues	SPECIAL REVENUE FUNDS													
	Motor Fuel Tax Fund		Police Protection Fund		Library Fund		Community Development Fund		Police Protection Fund		Library Fund		Community Development Fund	
	Budgeted Amounts	Actual	Budgeted Amounts	Actual	Budgeted Amounts	Actual	Budgeted Amounts	Actual	Budgeted Amounts	Actual	Budgeted Amounts	Actual	Budgeted Amounts	Actual
Property taxes Intergovernmental	\$0	\$0	\$35,956	\$35,956	\$13,484	\$13,484	\$0	\$0	\$35,956	\$35,956	\$13,484	\$13,484	\$0	\$0
Motor fuel tax	30,000	34,697	0	0	0	0	0	0	0	0	0	0	0	0
Utility tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Intergovernmental	30,000	34,697	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	0	0	0	0	0	0	0	0

VILLAGE OF HOMER  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended April 30, 2006

Revenues	SPECIAL REVENUE FUNDS										Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Police Protection Fund	Library Fund	Community Develop. Board	CDAP Grant	Recreation Fund	TIF Fund	Police Protection Fund	Library Fund	Community Develop. Board	
Property tax	\$0	\$35,966	\$13,480	\$0	0	\$6,000	\$29,790	\$0	\$0	0	\$85,236
Motor Fuel Tax Allotment	34,697	0	0	0	0	0	0	0	0	0	34,697
Fines	0	13,914	0	0	0	0	0	0	0	0	13,914
Interest/dividends/cap gains	4,680	0	4,175	0	0	1	8	0	0	0	8,864
Programs Activity/Donations	0	0	903	0	0	20	0	0	0	0	923
Grant	0	0	1,478	0	114,429	0	0	0	0	0	115,907
Bank loan	0	0	0	0	0	0	0	0	0	0	0
Other	0	960	0	0	0	0	0	0	0	0	960
Total revenues	39,377	50,840	20,036	0	114,429	6,021	29,798	0	0	0	260,501
Expenditures											
General government	0	0	0	0	0	0	0	0	0	0	0
Public works and transportation	21,209	0	0	0	0	0	16,752	0	0	0	37,961
Public safety	0	77,169	0	0	0	0	0	0	0	0	77,169
Culture and recreation	0	0	18,284	489	0	3,286	0	0	0	0	22,059
Social services	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0
Total expenditures disbursed	21,209	77,169	18,284	489	0	3,286	16,752	0	0	0	137,189
Excess (deficiency) of revenue over expenditures	18,168	(26,329)	1,752	(489)	114,429	2,735	13,046	0	0	0	123,312
Other financing sources (uses)											
Transfer In (Out)	0	37,000	0	0	(114,429)	0	0	0	0	0	(77,429)
Net change in fund balance	18,168	10,671	1,752	(489)	0	2,735	13,046	0	0	0	45,883
Fund balance - beginning	114,618	(2,131)	185,961	489	0	810	(30,085)	0	0	0	269,662
Fund balance - ending	\$132,786	\$8,540	\$187,713	\$0	\$0	\$3,545	(\$17,039)	\$0	\$0	\$0	\$315,545

These financial statements should be read only in connection with the accompanying notes to financial statements

