

# FY 2006 Annual Financial Report

## Special Purpose Long Form

# FILED

CC Copy - 12/10/2006 9:38:32AM

DEC 20 2006

*M. K. Bellows*

Unit Name: Seymour Water Service District

CHAMPAIGN COUNTY CLERK CHAMPAIGN

Unit Code: 010/300/19

DO NOT SEND THIS PAPER COPY - THIS IS YOUR COPY.  
 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 Unit Name Seymour Water Service District as of the end of this fiscal year

*Cathy Webb* Written signature of government official Date 12-19-06  
 Cathy Webb, Treasurer  
 Please Sign

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):	
Cathy	Webb	James	Randol	Cathy	Webb
Treasurer		President		Treasurer	
PO Box 77		PO Box 77		PO Box 77	
Seymour		Seymour		Seymour	
IL		IL		IL	
61875-		61875-		61875-	
Phone		Phone		Phone	
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: 04/30/2006

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 to the Chicago office before the fiscal year end date is officially changed.

STEP 3: GASB 34, ACCOUNTING SYSTEM, AND DEBT

A. Has your government implemented GASB34 in FY 2006 reporting or in previous reporting years? X Yes 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 Seymour Water Service District 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.

G.O. Bonds X Revenue Bonds

Alternate Revenue Bonds Contractual Commitments

Other

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

^What is the total population of Seymour Water Service District?	500
What is the total EAV of Seymour Water Service District?	0
*How many full time employees are paid?	0
*How many part time employees are paid?	6
What is the total salary paid to all employees?	3,021

^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>				
Seymour Water Service District	\$83,806		04/30	
<b>Total Appropriations</b>	\$83,806			

**STEP 7: AUDITS**

Provide CPA's information if Seymour Water Service District 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
Address:	806 Parkland Ct
City:	Champaign
State:	IL
ZIP:	61821-2477
Phone:	217-351-3192
Fax:	2173514135
Email:	SLFELLER@AOL.COM
State Registration Number:	0065-009488

**STEP 8: OTHER GOVERNMENTS**

Indicate any payments Seymour Water Service District 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	462
All other intergovernmental payments	0

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

A. List all funds and how much was spent in FY2006 for each fund. Also, indicate the Fund Type (Fund Types are at the top of each column beginning on page H). 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
General Fund Fund	\$77,024	Enterprise Fund	04/30
<b>Total Expenditures</b>	\$77,024		

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

Yes  No

**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.

STATE AGENCIES	
<input type="checkbox"/> - Board of Education	<input type="checkbox"/> - Board of Higher Education
<input type="checkbox"/> - DCCA	<input type="checkbox"/> - Department of Insurance
OTHER STATE OR LOCAL OFFICES	
<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 - _____

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Assets					
101t	Cash and Cash Equivalent	0	82,080	0	0
102t	Investments	0	0	0	0
115t	Receivables	0	2,094	0	0
109t	Inventories	0	0	0	0
112t	Other Assets (Explain)	0	0	0	0
Non-Current Assets					
116t	Capital Assets/Net of Accumulated Depreciation	0	881,492	0	0
117t	Other Capital Assets	0	0	0	0
120t	<b>TOTAL ASSETS</b>	0	965,666	0	0

Liabilities

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Liabilities					
122t	All Payables	0	9,407	0	0
132t	Deferred Revenues	0	0	0	0
128t	Other Liabilities (Explain)	0	2,281	0	0
Non-Current/Long-Term Liabilities					
129t	Due Within One Year	0	5,000	0	0
130t	Due Beyond One Year	0	228,000	0	0
131t	Other Non-Current/Long Term Liabilities	0	0	0	0
135t	<b>TOTAL LIABILITIES</b>	0	244,688	0	0

Net Assets

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
143t	Investments in Capital Assets/Net of Related Debt	0	647,492	0	0
148t	Net Assets - Restricted	0	26,053	0	0
149t	Net Assets - Unrestricted	0	48,233	0	0
146t	<b>TOTAL NET ASSETS</b>	0	721,778	0	0
147t	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	0	966,466	0	0

**Revenues and Receipts**

Code	Enter all Amount in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
<b>Local Taxes</b>									
201t	Property Tax	0	0	0	0	0	0	0	0
203t	Utilities Tax	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**

Code	Enter all Amount in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
212t	State Sales Tax	0	0	0	0	0	0	0	0
213t	State Motor Fuel Tax	0	0	0	0	0	0	0	0
214t	State Replacement Tax	0	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	0	0	0	0
225t	Federal Sources	0	0	0	0	0	0	0	0
226t	Other Intergovernmental (Explain)	0	0	0	0	0	0	0	0

**Other Local Sources**

Code	Enter all Amount in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
231t	Licenses and Permits	0	0	0	0	0	0	0	0
233t	Fines and Forfeitures	0	0	0	0	0	0	0	0
234t	Charges for Services	0	0	0	0	67,744	0	0	0
235t	Interest	0	0	0	0	143	0	0	0
236t	Miscellaneous (Explain)	0	0	0	0	0	0	0	0
240t	<b>Total Receipts and Revenue</b>	0	0	0	0	<b>67,887</b>	0	0	0

Office of the Comptroller, Daniel W. Hynes  
 FY 2006 AFR  
 Special Purpose Form

**Disbursements, Expenditures and Expenses**

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Report in Whole Numbers					
						Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units		
251t	General Government	0	0	0	0	0	0	0	0	0	
252t	Public Safety	0	0	0	0	0	0	0	0	0	
254t	Judiciary and Legal	0	0	0	0	0	0	0	0	0	
255t	Transportation and Public Works	0	0	0	0	60,424	0	0	0	0	
256t	Social Services	0	0	0	0	0	0	0	0	0	
257t	Culture and Recreation	0	0	0	0	0	0	0	0	0	
258t	Housing	0	0	0	0	0	0	0	0	0	
275t	Environment	0	0	0	0	0	0	0	0	0	
259t	Debt	0	0	0	0	0	0	0	0	0	
271t	Public Utility Company	0	0	0	0	0	0	0	0	0	
272t	Depreciation	0	0	0	0	27,085	0	0	0	0	
280t	Capital Outlay	0	0	0	0	0	0	0	0	0	
260t	Other Expenditures (Explain)	0	0	0	0	0	0	0	0	0	
270t	<b>Total Expenditures/Expense</b>	0	0	0	0	87,509	0	0	0	0	

Office of the Comptroller, Daniel W. Hynes  
 FY 2006 AFR  
 Special Purpose Form

Fund Balances and Other Financing Sources(Uses)

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	
301t	Excess of receipts/revenues over (under) expenditures/expenses (240t-270t)	0	0	0	0	-19,622	0	0	0
302t	Operating transfers in	0	0	0	0	0	0	0	0
303t	Operating transfers out	0	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)	0	0	0	0	-19,622	0	0	0
307t	Previous year fund balance	0	0	0	0	741,400	0	0	0
308t	Other (Explain)	0	0	0	0	0	0	0	0
310t	Current Year Ending Fund Balance (306t + 307t + 308t)	0	0	0	0	721,778	0	0	0

Office of the Comptroller Daniel W. Hynes  
 FY 2006 AFR  
 Special Purpose Form

Statement of Indebtedness

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Code	Report in Whole Numbers	Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	Code	Outstanding End of Year
General Obligation Bonds	400	0	406	0	412	0	418	0	418	0
Revenue Bonds	401	233,000	407	0	413	0	419	0	419	233,000
Alternate Revenue Bonds	402	0	408	0	414	0	420	0	420	0
Contractual Commitments	403	0	409	0	415	0	421	0	421	0
Other (Explain)	404	0	410	0	416	0	422	0	422	0
<b>Total Debt</b>	<b>405</b>	<b>233,000</b>	<b>411</b>	<b>0</b>	<b>417</b>	<b>0</b>	<b>423</b>	<b>0</b>	<b>423</b>	<b>233,000</b>

Explanation or Comments: appropriation ordinance did not take all the depreciation  
 Gon

Office of the Comptroller, Daniel W. Hynes  
 FY 2006 AFR  
 Special Purpose Form

\* Seymour Water Service District Capital Outlay

Code	Function	These are not funds	
		Construction	Land, Structures, and Equipment
601t	General Government	0	0
602t	Law Enforcement	0	0
603t	Corrections	0	0
604t	Fire	0	0
605t	Sewerage	0	0
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	0
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.

**FILED**

DEC 20 2006

*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

# SEYMOUR WATER DISTRICT

## Seymour, Illinois

ANNUAL FINANCIAL REPORT

For the Year Ended

April 30, 2006

Stan Feller  
Certified Public Accountant  
806 Parkland Ct  
Champaign, IL 61821  
217-351-3192

TABLE OF CONTENTS

	Page No.
Independent Auditor's Report	1
Statement of Net Assets	2
Statement of Revenues, Expenses, and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 10
SUPPLEMENTAL INFORMATION	
Schedule of Insurance	11
Schedule of Customers, Water Sold and Water Purchased	12

**FILED**

DEC 20 2006

*Mark Sheldon*  
CHAMPAIGN COUNTY CLERK

# **STAN FELLER CPA**

**Accountant - Tax Consultant**

806 Parkland Ct - Champaign, IL 61821-2477  
217-351-3192 (fax 351-4135) (slfeller@aol.com)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Seymour Water District  
Champaign County, Illinois

I have audited the accompanying financial statements of the Seymour Water District, State of Illinois, as of and for the year ended April 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Seymour Water District management. My responsibility is to express an opinion on these 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 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 opinion.

The District 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 financial position of the Seymour Water District, as of April 30, 2006, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District'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  
December 9, 2006



**SEYMOUR WATER DISTRICT**  
Statement of Net Assets  
WATER FUND  
April 30, 2006

**Assets**

Checking - General	\$39,632
Checking - Construction	14,582
Checking - Renters	2,613
Checking - Reserve	14,723
Checking - Bond & Interest	11,330
Money Market Account	0
Certificate of Deposit, 7 day rollover	0
Accounts Receivable - net of reserve	2,094
Total current assets	<u>84,974</u>

Fixed Assets	1,084,666
Accumulated Depreciation	<u>(203,174)</u>
Net fixed assets	<u>881,492</u>

Total Assets	<u><u>\$966,466</u></u>
--------------	-------------------------

**Liabilities**

Accounts payable	\$9,407
Accrued payroll taxes	31
Renters deposits	2,250
Current Series A Bond	4,000
Current Series B Bond	1,000

Total Current Liabilities	<u>16,688</u>
---------------------------	---------------

Long term Series A Bond	192,000
Long term Series B Bond	36,000

Total Long Term Liabilities	<u>228,000</u>
-----------------------------	----------------

Total Liabilities	<u>244,688</u>
-------------------	----------------

**Net Assets**

Invested in capital assets, net of related debt	647,492
Restricted for debt service	26,053
Unrestricted	<u>48,233</u>

Total Net Assets	<u>721,778</u>
------------------	----------------

Total Liabilities and Net Assets	<u><u>\$966,466</u></u>
-------------------------------------	-------------------------

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

**SEYMOUR WATER DISTRICT**  
Statement of Revenues, Expenses and Changes in Net Assets  
WATER FUND  
Year Ended April 30, 2006

## OPERATING REVENUES:

Water sales	\$63,096
Fire hydrant rental	700
Hookup/Reconnection Sale Supplies	2,333
Late Fees	1,395
Administration Fees	220
	<hr/>
Total operating revenue	67,744
	<hr/>

## OPERATING EXPENSES

Personnel services	3,021
Payroll expenses	365
Association dues	465
Office supplies/publishing	263
Operations	5,218
Insurance	4,279
Professional fees	1,800
Phone & water purchased	18,198
SVWD (operator)	16,054
Rent	276
Depreciation	27,085
	<hr/>
Total operating expenses	77,024
	<hr/>
Operating income (loss)	(9,280)
Nonoperating Interest expense	(10,485)
Nonoperating revenue - Interest income	143
Nonoperating revenue - CDAP Public Facilities Grant	0
Nonoperating revenue - FmHA Grant	0
	<hr/>

NET INCOME (LOSS)	(19,622)
Net assets - beginning	741,400
	<hr/>
Net Assets - ending	\$721,778
	<hr/> <hr/>

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

SEYMOUR WATER DISTRICT  
Statement of Cash Flows - Modified Cash Basis  
Proprietary - WATER FUND  
Year Ended April 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$67,940
Payments to suppliers	(45,825)
Payments to employees	(3,021)
Net Cash Provided by Operating Activities	<u>19,094</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

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

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grant received for construction of capital assets	0
Purchases of capital assets	0
Principal paid on capital debt	0
Interest paid on capital debt	(5,243)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(5,243)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest	143
Net cash Provided by Investing Activities	<u>143</u>
Net Increase in Cash and Cash Equivalents	13,994

Cash:

Beginning	68,886
Ending	<u>\$82,880</u>

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

Operating income(loss)	(\$9,280)
Adjustments to reconcile operating income to net cash provided used by operating activities:	
Depreciation expense	27,085
Change in assets and liabilities:	
Due from other governments	
Refundable deposits	
Miscellaneous non-operating receipts/disbursements	1,289
Net cash provided by operating activities	<u>\$19,094</u>

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

## SEYMOUR WATER DISTRICT

Notes to Financial Statements

April 30, 2006

### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### INTRODUCTION

The Seymour Water District was organized in 1995 to own and operate a water distribution system in the Seymour area. The projected cost to build the system was \$830,200. Of that amount, \$350,000 was obtained from a CDAP grant, \$242,400 was obtained from a Farmers Home Administration Grant, \$25,800 was obtained from user connection fees, and the balance of \$212,000 was obtained by the Seymour Water District issuing that amount in revenue bonds, Series A. Construction began during the 1996 fiscal year, and was substantially complete during the 1997 fiscal year end. The Seymour Water District does not have any significant component units other than the Waterworks Fund and the related Funds required as part of the ordinance authorizing and providing for the issue of \$212,000 Waterworks System Revenue Bonds.

During the FY03, a water tower was constructed. The cost was approximately \$335,000. Of that amount, \$220,000 was a CDAP Public Facilities Grant, \$40,000 was additional revenue bonds, Series B issued, \$40,200 was the balance from the original 1997 Farmers Home Administration Grant that was still pending, and the balance of the funds was supplied by the District.

#### FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

#### FUNDS AND ACCOUNT GROUPS

The Seymour Water District is a discretely presented component unit of Scott Township, Bondville, Illinois 61815. Only the Seymour Water District's financial statements are presented.

The accounts of the District are organized into one fund.

#### PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is shown as net assets.

# SEYMOUR WATER DISTRICT

Notes to Financial Statements

April 30, 2006

## BASIS OF ACCOUNTING

### ACCRUAL BASIS OF ACCOUNTING

The accrual basis of accounting is used in the proprietary fund. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

### BUDGETARY DATA

The District prepares a yearly budget. The budget for the current year was approved at its August 16, 2005 meeting.

### ASSETS AND LIABILITIES

#### CASH, CASH EQUIVALENTS AND INVESTMENTS

For purposes of reporting cash flows, cash and cash equivalents include all highly liquid debt instruments acquired with a maturity of one month or less. Currently, all cash is held in accounts at Main Street Bank & Trust, Champaign, Illinois, or the former Peoples State Bank, Mahomet, Illinois, now called the 1<sup>st</sup> Mid-Illinois Bank & Trust. There are no other cash equivalents or investments.

#### FIXED ASSETS, DEPRECIATION, AND AMORTIZATION

During the 1996 fiscal year the District started the construction of a waterworks system at an estimated cost of \$830,200. The system was substantially completed in the fall of 1996 and commenced operations at that time. Proprietary fund fixed assets have been recorded and depreciated using the straight-line method. Interest costs during construction were capitalized. The cost for the water tower during FY03 was \$304,637.22.

Estimated useful lives, in years, for depreciable assets are as follows:

Water mains, distribution system	40 years
----------------------------------	----------

#### Note 2. Collateralization of Deposits

As of April 30, 2006, the carrying amounts of the deposits totaled \$ 82,880 and the bank balances were \$ 84,571. There were no other investments. All cash is held in checking accounts. The District currently does not have a policy on collateralizing deposits at the financial institutions. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

**SEYMOUR WATER DISTRICT**

Notes to Financial Statements

April 30, 2006

Note 2. Collateralization of Deposits - continued

	<u>Carrying Amt</u>	<u>Bank Balance</u>
Category 1 - deposits covered by depository insurance or collateral held by the District in the District's name	\$ 82,880	\$ 84,571
Category 2 - deposits covered by the collateral held by the financial institution's agent in the District's name	-0-	-0-
Category 3 - uninsured, uncollateralized deposits for which collateral has been pledged, but not in the District's name or possession	-0-	-0-

Note 3. Risk Management

The District 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 District purchases commercial insurance to handle these risks of loss. 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.

Note 4. Restricted Net Assets

The District due to its commitments with the Waterworks Revenue Bonds must transfer money to separate checking accounts. The Footnote on the Waterworks Revenue Bonds discusses the transfers in more detail. The District has met its obligations for the Waterworks Revenue Bonds as of April 30, 2006.

Note 5. Commitments and Contingencies

The District is not aware of any litigation, which might have a material adverse affect on the District's financial position. The District does not have any commitments or contingencies to report.

Note 6. WATERWORKS REVENUE BONDS

Ordinance 95-1, authorized the issuance of \$212,000 (series A) and ordinance 2004-01, authorized the issuance of \$40,000 (series B) of Waterworks System Revenue Bonds of the Seymour Water District, in Champaign County, Illinois, for the purpose of paying a part of the cost of acquiring, constructing and installing water system improvements in and serving the

**SEYMOUR WATER DISTRICT**

Notes to Financial Statements

April 30, 2006

Note 6. WATERWORKS REVENUE BONDS - continued

District, providing for the payment, sale and delivery of such bonds, and making certain covenants in providing for the operation of such waterworks system and the collection, segregation and distribution of the revenues to be derived from the operation thereof. Certain requirements of the ordinance are detailed as follows:

**WATERWORKS FUND:** will receive the entire revenues derived from the operation of the District's waterworks system, which shall be used only for the purpose of and is pledged for the purpose of paying the cost of operating and maintaining such system, providing adequate depreciation and reserve funds and paying the principal of and interest on the bonds of the District that are payable by their terms only from the revenues of the District's waterworks system.

**CONSTRUCTION ACCOUNT:** will receive all grants, connection fees and other amounts as and when received and advanced in connection with the sale of the water revenue bonds, to be applied to the acquisition, construction and installation of the waterworks system.

**OPERATION AND MAINTENANCE ACCOUNT:** will receive on the first business day of each month an amount sufficient to pay the reasonable expenses of the operation, maintenance and repair of the District's waterworks system for the current month.

**BOND AND INTEREST ACCOUNT:** This account must have transferred into it on the first business day of each month not less than the fractional amount of the principal and/or interest becoming due on the next succeeding principal maturity date and/or interest due date of all of the bonds issued under the terms of ordinance 95-1. In computing the fractional amount of the interest and principle requirements of the bonds herein authorized and to be set aside each month in this account, the fraction shall be so computed that sufficient funds will be set aside in the Bond and Interest Account and be available for the prompt payment of such principal and/or interest on the due dates of the revenue bond issue.

**RESERVE ACCOUNT:** This account must have transferred to it \$100.00 monthly until such account accumulates a total amount of \$12,000.00. Moneys in this account shall be used to the extent necessary to prevent or remedy a default in the payment of the interest on or principal of any bonds of the District, the amount so transferred shall be added to the amount to be next and thereafter paid into such Reserve Account to again be paid monthly at the foregoing rate until full reimbursement to such Reserve Account has been made.

**DEPRECIATION ACCOUNT:** There shall be paid into the Depreciation Account the amounts from time to time provided by resolution of the Board of Trustees. The moneys in such Depreciation Account shall be used to the extent necessary to make any needful repairs or replacements to the District's waterworks system and, although not reasonably expected, to prevent or remedy a default in the payment of the interest on or principal of any bonds of the District which by their terms are payable from the revenues of such system.

**SEYMOUR WATER DISTRICT**

Notes to Financial Statements

April 30, 2006

Note 6. WATERWORKS REVENUE BONDS - continued

The United States of America, acting through Rural Economic and Community Development Services, Department of Agriculture, agreed to purchase such bonds at par, without premium at an interest rate for all bonds of 4.5% per annum. Interest is due and payable semiannually on May 1 and November 1 of each year until paid. The principal of the Bonds shall mature and come due on May 1 of each year starting in 1998.

The annual cash requirements, including interest to amortize the remaining Waterworks System Revenue Bonds is as follows:

Revenue Bond series A, at 4.5%

May 1,	principle	interest	total
2006	4,000	8,820	12,820
2007	4,000	8,640	12,640
2008	4,000	8,460	12,460
2009	4,000	8,280	12,280
2010	4,000	8,100	12,100
2011	-	-	-
2035	176,000	122,850	298,850
	<u>196,000</u>	<u>165,150</u>	<u>361,150</u>

Revenue Bond series B, at 4.5%

May 1,	principle	interest	total
2006	1,000	1,665	2,665
2007	1,000	1,620	2,620
2008	1,000	1,575	2,575
2009	1,000	1,530	2,530
balance	33,000	23,625	56,625

The District has met its commitments concerning the Bonds through April 30, 2006.

**SEYMOUR WATER DISTRICT**  
Notes to Financial Statements  
April 30, 2006

Note 7. Plant and Equipment

The following is a summary of the Water District fixed assets at April 30, 2006.

	<u>4-30-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>4-30-06</u>
Plant and Equipment	\$1,084,666	0	0	\$1,084,666
Less accumulated depreciation	<u>176,089</u>	<u>27,085</u>	<u>0</u>	<u>203,174</u>
Net Plant and equipment	<u>\$ 908, 577</u>			<u>\$ 881,492</u>

During the year the District had no deletions of capital improvements.

Note 8. Accumulated Unpaid Vacation and Sick Pay

There was no accumulated unpaid vacation or sick pay.

**SEYMOUR WATER DISTRICT**  
 Schedule of Insurance  
 April 30, 2006

**PROPERTY OWNERS POLICY (Fire, Liability, and other)**

IRM/Acordia/Cincinnati Insurance Company  
 (Cincinnati new insurance company starting 4/22/05)

Commercial General Liability policy #CPP 555 54 50 AWR Effective date 04-22-2006

Each occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products- Comp/OP AGG	\$2,000,000
Personal & Adv Injury	\$1,000,000
Non-owned Auto, hired auto	\$1,000,000

Replacement Cost:	Building	\$ 10,000
	Water tank	\$ 61,665
	Building	\$ 96,940
	Underground piping	\$ 10,000

Work. Comp. #WC184533700	accident	\$500,000
	Employee	\$500,000
	policy limit	\$500,000

EFFECTIVE 4/22/06-4/22/07

**POSITION BONDS**

**PEKIN INSURANCE COMPANY:**

Philip Carper	00B110955	Expires 5/22/06	\$5,000
Jim Sample	00B110956	Expires 5/22/06	\$5,000
James W. Randol	00B110957	Expires 5/22/06	\$5,000
Shawn Patterson	00B110958	Expires 5/22/06	\$5,000
David Carper	00B110959	Expires 5/22/06	\$5,000

**WESTERN SURETY**

Farmers Home Admn. Bond		
Catherine Webb	Expires 1/25/07	\$20,000.
#68468375		

**ARC EXCESS & SURPLUS INC #PK10000299**

Public Officials Liability deductible \$2,500  
 Each wrongful act/aggregate \$10,000/\$50,000  
 \$1,000,000 Public officials Liability Limit  
 \$1,000,000 Employee Practices Liability Limit  
 9/4/05-9/4/06 & 9/4/06-9/4/07

**SEYMOUR WATER DISTRICT**  
Schedule of Customers, Water Sold and Water Purchased  
April 30, 2006

FYE	Gallons Sold	Gallons Bought	Efficiency	# Meters April billing
Apr-97	3,545,650	3,329,348	1.0650	150
Apr-98	5,694,150	5,798,496	0.9820	159
Apr-99	6,468,130	6,625,036	0.9763	159
Apr-00	6,336,160	6,414,848	0.9877	153
Apr-01	6,036,690	6,467,250	0.9334	153
Apr-02	6,869,710	7,112,260	0.9659	157
Apr-03	7,076,640	7,344,000	0.9636	155
Apr-04	6,443,350	6,713,250	0.9598	156
Apr-05	6,010,120	6,244,500	0.9625	154
Apr-06	6,422,410	6,830,250	0.9403	155

See accountant's report and footnotes

