



FILED

NOV 14 2007

Mark Sheldon
CHAMPAIGN COUNTY CLERK

Toll-Free Local Government Assistance Hotline (877) 304-3899
St Joseph Village (010/105/32)
Fiscal Year 2007

Confirmation of 2007 AFR Submission

St. Joseph Village (010/105/32) has successfully submitted their 2007 Annual Financial Report to the Office of the State Comptroller on 10/31/2007 .

Instructions of Printing a Hard Copy of Your Report

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

FY 2007 Annual Financial Report

Multi-Purpose Long Form

CC Copy - 10/30/2007 4:12:14PM

FILED

NOV 14 2007

Mark Sheldon
CHAMPAIGN COUNTY CLERK

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.

Unit Name: St Joseph Village

County: CHAMPAIGN

Unit Code: 010/105/32

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

B. J. Hackler 11/12/07
Written signature of government official Date

Billy Jo Hackler, Mayor
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):	
Billy Jo	Hackler	Billy Jo	Hackler	Debbie	Routh
Mayor		Mayor		Treasurer	
207 E Lincoln St, PO Box 7019		207 E Lincoln St, PO Box 7019		207 E Lincoln St, PO Box 7019	
St. Joseph		St. Joseph		St. Joseph	
IL		IL		IL	
61873		61873		61873	
Phone: 2174697371		Phone: 2174697371		Phone: 2174697371	
Fax: 2174697019		Fax 2174697019		Fax: 2174697019	
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

Unit Name: St. Joseph Village

Unit Code Number 010/105/32

▶ **STEP 2: VERIFY FISCAL YEAR END**

FY END DATE. 04/30/2007

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

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

A. Has your government implemented GASB 34 in FY 2007 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 St. Joseph Village use:

Cash - with no assets (Cash Basis) X Modified Accrual/Accrual

Cash - with assets (Modified Cash Basis) Combination (explain)

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

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

X G.O. Bonds Revenue Bonds

Alternate Revenue Bonds Contractual Commitments

Other

E. Does St. Joseph Village own a public utility company? X Yes No

F. Is St. Joseph Village a home rule unit? Yes X No

G. Does St. Joseph Village have a Tax Increment Finance (TIF) district? Yes X No

Unit Name: St Joseph Village

Unit Code Number: 010/105/32

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

^What is the total population of St. Joseph Village?	3,825
What is the total EAV of St. Joseph Village?	\$ 54,834,300
*How many full time employees are paid?	6
*How many part time employees are paid?	3
What is the total salary paid to all employees?	\$ 298,362

^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
<u>FUNDS SHOULD NOT BE LISTED HERE</u>				
St. Joseph Village	\$2,925,600		04/30	
Total Appropriations	\$2,925,600			

Unit Name: St. Joseph Village

Unit Code Number: 010/105/32

► **STEP 7: AUDITS**

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

Firm Name:	Bray, Drake, Liles & Richardson LLP
CPA's first name:	Karl
CPA's last name:	Drake
CPA's Title:	Partner
Address:	1606 N Willow View Road, Suite 1E
City:	Urbana
State:	IL
ZIP:	61802-7446
Phone:	2173370004
Fax:	2173375822
Email:	KARL@BDLRCPA.COM
State Registration Number:	0660002934

► **STEP 8: OTHER GOVERNMENTS**

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

Intergovernmental agreements - indicate how much was paid	0
Federal government payroll taxes	22,825
All other intergovernmental payments	0

Unit Name: St. Joseph Village

Unit Code Number: 010/105/32

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

A. List all funds and how much was spent in FY 2007 for each fund. Also, indicate the Fund Type (Fund Types are at the top of each column beginning on page F1). If any fund names appear below, the data is based on forms submitted last year. Please make all necessary corrections. If you have more fund names than the rows provided below, please indicate them on an attachment.

Fund Name	Expenditure	Fund Type	FY End
Community Park Fund Fund	758,755	Special Revenue Fund	04/30
General Fund Fund	684,195	General Fund	04/30
Motor Fuel Tax Fund	220,057	Special Revenue Fund	04/30
Sewer Fund Fund	245,515	Enterprise Fund	04/30
Total Expenditures	1,908,522		

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

Yes No

Unit Name: St. Joseph Village

Unit Code Number: 010/105/32

► **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 - _____

Assets

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Assets		Report In Whole Numbers			
101t	Cash and Cash Equivalent	1,294,067	22,264	0	0
102t	Investments	520,000	715,000	0	0
115t	Receivables	438,099	45,870	0	0
109t	Inventories	0	0	0	0
112t	Other Assets (Explain)	11,532	4,000	0	0
Non-Current Assets		Report In Whole Numbers			
116t	Capital Assets/Net of Accumulated Depreciation	387,225	131,225	0	0
117t	Other Capital Assets	1,136,759	305,395	0	0
120t	TOTAL ASSETS	3,787,682	1,223,754	0	0

Liabilities

Code	Enter all Amounts in Whole Numbers	Governmental Activity	Business-Like Activity	Fiduciary	Discretely Presented Component Units
Current Liabilities		Report In Whole Numbers			
122t	All Payables	79,251	23,341	0	0
132t	Deferred Revenues	131,020	0	0	0
128t	Other Liabilities (Explain)	0	5,190	0	0
Non-Current/Long-Term Liabilities		Report In Whole Numbers			
129t	Due Within One Year	65,000	0	0	0
130t	Due Beyond One Year	1,776,676	0	0	0
131t	Other Non-Current/Long Term Liabilities	0	0	0	0
135t	TOTAL LIABILITIES	2,051,947	28,531	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	-311,016	436,620	0	0
148t	Net Assets - Restricted	0	0	0	0
149t	Net Assets - Unrestricted	2,046,751	758,603	0	0
146t	TOTAL NET ASSETS	1,735,735	1,195,223	0	0
147t	TOTAL LIABILITIES & NET ASSETS	3,787,682	1,223,754	0	0

F1b

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
Local Taxes		Report In Whole Numbers							
201t	Property Tax	253,986	0	0	0	0	0	0	0
202t	Local Sales Tax	0	0	0	0	0	0	0	0
203t	Utilities Tax	5,724	127,634	0	0	0	0	0	0
203a	Electric Utilities	0	0	0	0	0	0	0	0
203b	Water Utilities	0	0	0	0	0	0	0	0
203c	Communications Utilities	5,724	127,634	0	0	0	0	0	0
203d	Other Utilities Tax (Explain)	0	0	0	0	0	0	0	0
204t	Other Taxes (Explain)	0	0	0	0	0	0	0	0

Intergovernmental Receipts & State or Federal Grants

211t	State Income Tax	329,646	0	0	0	0	0	0	0
212t	State Sales Tax	212,431	0	0	0	0	0	0	0
213t	State Motor Fuel Tax	0	110,826	0	0	0	0	0	0
214t	State Replacement Tax	9,371	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
215a	General Support	0	0	0	0	0	0	0	0
215b	Public Welfare	0	0	0	0	0	0	0	0
215c	Health and/or Hospitals	0	0	0	0	0	0	0	0
215d	Streets and Highways	0	0	0	0	0	0	0	0
215e	Culture and Recreation	0	0	0	0	0	0	0	0
215f	Housing and Community Dev	0	0	0	0	0	0	0	0
215g	Water Supply System	0	0	0	0	0	0	0	0
215h	Electric/Gas Power System	0	0	0	0	0	0	0	0
215i	Mass Transp	0	0	0	0	0	0	0	0
215j	Other (Explain)	0	0	0	0	0	0	0	0
225t	Federal Sources	0	0	0	0	0	0	0	0
225a	General Support	0	0	0	0	0	0	0	0
225b	Public Welfare	0	0	0	0	0	0	0	0
225c	Health and/or Hospitals	0	0	0	0	0	0	0	0
225d	Streets and Highways	0	0	0	0	0	0	0	0
225e	Culture and Recreation	0	0	0	0	0	0	0	0
225f	Housing and Community Dev	0	0	0	0	0	0	0	0
225g	Water Supply System	0	0	0	0	0	0	0	0

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
------	------------------------------------	---------	-----------------	------------------	--------------	------------	------------------	-----------	--------------------------------------

Intergovernmental Receipts & State or Federal Grants

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

Other Sources

231t	Licenses and Permits	40,945	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	323,661	0	0	0
234a	Water Utilities	0	0	0	0	0	0	0	0
234b	Gas Utilities	0	0	0	0	0	0	0	0
234c	Electric Utilities	0	0	0	0	0	0	0	0
234d	Transit Utilities	0	0	0	0	0	0	0	0
234e	Sewer Utilities	0	0	0	0	323,661	0	0	0
234f	Refuse and Disposal Charges	0	0	0	0	0	0	0	0
234g	Parking	0	0	0	0	0	0	0	0
234h	Housing	0	0	0	0	0	0	0	0
234i	Highway or Bridge Tolls	0	0	0	0	0	0	0	0
234j	Culture and Recreation	0	0	0	0	0	0	0	0
234k	Other (Explain)	0	0	0	0	0	0	0	0
235t	Interest	16,697	30,510	0	0	28,742	0	0	0
236t	Miscellaneous (Explain)	52,927	409	0	0	13,267	0	0	0
240t	Total Receipts and Revenue	921,727	269,379	0	0	365,670	0	0	0

Disbursements, Expenditures and Expenses

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
251t	General Government	350,780	0	0	0	0	0	0	0
251a	Financial Administration	350,780	0	0	0	0	0	0	0
251b	General Administrative Buildings	0	0	0	0	0	0	0	0
251c	Central Administration	0	0	0	0	0	0	0	0
251d	Other (Explain)	0	0	0	0	0	0	0	0
252t	Public Safety	111,615	0	0	0	0	0	0	0
252a	Police	111,615	0	0	0	0	0	0	0
252b	Fire	0	0	0	0	0	0	0	0
252c	Regulation - Building Inspection	0	0	0	0	0	0	0	0
252d	Other (Explain)	0	0	0	0	0	0	0	0
253t	Corrections	0	0	0	0	0	0	0	0
254t	Judiciary and Legal	0	0	0	0	0	0	0	0
255t	Transportation and Public Works	151,115	79,936	0	0	0	0	0	0
255a	Streets and Highways	151,115	79,936	0	0	0	0	0	0
255b	Airports	0	0	0	0	0	0	0	0
255c	Parking Meters	0	0	0	0	0	0	0	0
255d	Parking Facilities	0	0	0	0	0	0	0	0
255e	Other (Explain)	0	0	0	0	0	0	0	0
256t	Social Services	0	0	0	0	0	0	0	0
256a	Welfare	0	0	0	0	0	0	0	0
256b	Health (Other than hospitals)	0	0	0	0	0	0	0	0
256c	Hospital Operations	0	0	0	0	0	0	0	0
256d	Cemeteries	0	0	0	0	0	0	0	0
256e	Other (Explain)	0	0	0	0	0	0	0	0
257t	Culture and Recreation	2,634	0	0	0	0	0	0	0
257a	Library	0	0	0	0	0	0	0	0
257b	Parks	2,634	0	0	0	0	0	0	0
257c	Other (Explain)	0	0	0	0	0	0	0	0
258t	Housing	0	0	0	0	0	0	0	0
275t	Environment	0	0	0	0	0	0	0	0
275a	Sewage	0	0	0	0	0	0	0	0

Disbursements, Expenditures and Expenses

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report In Whole Numbers									
275b	Solid Waste Management	0	0	0	0	0	0	0	0
275c	Other (Explain)	0	0	0	0	0	0	0	0
259t	Debt	0	97,746	0	0	0	0	0	0
259a	Interest	0	82,746	0	0	0	0	0	0
259b	Principal	0	15,000	0	0	0	0	0	0
271t	Public Utility Company	0	0	0	0	227,564	0	0	0
271a	Water	0	0	0	0	0	0	0	0
271b	Electric	0	0	0	0	0	0	0	0
271c	Transit	0	0	0	0	0	0	0	0
271d	Other (Explain)	0	0	0	0	227,564	0	0	0
272t	Depreciation	0	0	0	0	17,951	0	0	0
280t	Capital Outlay	68,051	801,130	0	0	0	0	0	0
260t	Other Expenditures (Explain)	0	0	0	0	0	0	0	0
270t	Total Expenditures/Expense	684,195	978,812	0	0	245,515	0	0	0

FUND BALANCES and Other Financing Sources (Uses)

Code	Enter all Amounts in Whole Numbers	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary	Discretely Presented Component Units
Report in Whole Numbers									
301t	Excess of receipts/revenues over (under) expenditures/expenses (240t-270t)	237,532	-709,433	0	0	120,155	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)	237,532	-709,433	0	0	120,155	0	0	0
307t	Previous year fund balance	569,450	1,958,996	0	0	1,075,068	0	0	0
308t	Other (Explain)	0	0	0	0	0	0	0	0
310t	Current Year Ending Fund Balance (306t + 307t + 308t)	806,982	1,249,563	0	0	1,195,223	0	0	0

Statement of Indebtedness

Debt Instruments for All Funds	Code	Outstanding Beginning of Year	Code	Issued Current Fiscal Year	Code	Retired Current Fiscal Year	Code	Outstanding End of Year
Report in Whole Numbers								
General Obligation Bonds	400	1,850,000	406	0	412	15,000	418	1,835,000
Water	400a	0	406a	0	412a	0	418a	0
Electric	400b	0	406b	0	412b	0	418b	0
Transportation	400c	0	406c	0	412c	0	418c	0
Housing	400d	0	406d	0	412d	0	418d	0
Other (Explain)	400e	1,850,000	406e	0	412e	15,000	418e	1,835,000
Revenue Bonds	401	0	407	0	413	0	419	0
Water	401a	0	407a	0	413a	0	419a	0
Electric	401b	0	407b	0	413b	0	419b	0
Transportation	401c	0	407c	0	413c	0	419c	0
Housing	401d	0	407d	0	413d	0	419d	0
Other (Explain)	401e	0	407e	0	413e	0	419e	0
Alternate Revenue Bonds	402	0	408	0	414	0	420	0
Contractual Commitments	403	0	409	0	415	0	421	0
Other (Explain)	404	5,995	410	6,356	416	5,675	422	6,676
Total Debt	405	1,855,995	411	6,356	417	20,675	423	1,841,676

Explanation or Comments:

236t General - \$18,082 - Miscellaneous Income;\$34,845 - Proceeds from the sale of fixed assets
 404t ACCRUED COMPENSATED ABSENCES - \$6,676

F7

* St. Joseph Village 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	68,754	14,410
606t	Sanitation and Wastewater	0	0
607t	Parks and Recreation	661,009	0
608t	Housing and Community Development	0	0
609t	Highways, Roads and Bridges	162,621	35,562
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

NOV 14 2007

Mark Sheldon
CHAMPAIGN COUNTY CLERK

VILLAGE OF ST. JOSEPH
St. Joseph, Illinois

AUDIT REPORT

For the Fiscal Year Ended
April 30, 2007

VILLAGE OF ST. JOSEPH, ILLINOIS

AUDIT REPORT
For the Fiscal Year Ended April 30, 2007

TABLE OF CONTENTS

Page No.

FINANCIAL SECTION

Independent Auditor's Report 1

BASIC FINANCIAL STATEMENTS:

Government – Wide Financial Statements:

Exhibit I Statement of Net Assets, April 30, 2007 2

Exhibit II Statement of Activities for the Year Ended April 30, 2007 3

Fund Financial Statements:

Exhibit III Governmental Funds - Balance Sheet, April 30, 2007 4

Exhibit III-a Reconciliation of the Balance Sheet for Governmental Funds
to the Statement of Net Assets for Governmental Activities 5

Exhibit IV Governmental Funds Statement of Revenues - Expenditures and
Changes in Fund Balances for the Fiscal
Year Ended April 30, 2007 6

Exhibit IV-a Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances for Governmental Funds to the
Statement of Activities for Governmental Activities 7

Exhibit V General and Major Special Revenue Funds - Statement of
Revenues, Expenditures and Changes in Fund
Balances – Budget and Actual,
For the Fiscal Year Ended April 30, 2007 8

Exhibit VI Proprietary Funds - Statement of Net Assets,
For the Fiscal Year Ended April 30, 2007 9

Exhibit VII Proprietary Funds - Statement of Revenues, Expenses, and Changes
In Net Assets, For the Fiscal Year Ended April 30, 2007 10

Exhibit VIII Proprietary Funds - Statement of Cash Flows,
For the Fiscal Year Ended April 30, 2007 11

Notes to Financial Statements, April 30, 2007 12 - 23

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) Schedule of Funding Progress 24

BRAY, DRAKE, LILES & RICHARDSON LLP

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
R. NEIL RICHARDSON, CPA

Certified Public Accountants
1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
Fax 217/337-5822

JAMES P. BRAY, CPA (RETIRED)

October 31, 2007

Honorable President and
Board of Trustees
Village of St. Joseph, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of St. Joseph, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents under "Basic Financial Statements". These financial statements are the responsibility of Village of St. Joseph, Illinois's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of St. Joseph, Illinois as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Management's discussion and analysis is not presented.

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

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit I

STATEMENT OF NET ASSETS

APRIL 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and equivalents	\$ 1,294,067	\$ 22,264	\$ 1,316,331
Investments	520,000	715,000	1,235,000
Receivables, Net of Uncollectible Amounts:			
Intergovernmental	170,305	-	170,305
Property Taxes	267,317	-	267,317
Other	477	45,870	46,347
Prepaid Expenses	11,532	4,000	15,532
Capital Assets not being Depreciated	1,136,759	305,395	1,442,154
Capital Assets, Net of Accumulated Depreciation	<u>387,225</u>	<u>131,225</u>	<u>518,450</u>
 Total Assets	 <u>\$ 3,787,682</u>	 <u>\$ 1,223,754</u>	 <u>\$ 5,011,436</u>
<u>LIABILITIES:</u>			
Accounts Payable	\$ 33,294	\$ 16,766	\$ 50,060
Accrued Salaries	16,291	6,575	22,866
Customer Deposits	-	5,190	5,190
Deferred Revenues	131,020	-	131,020
Accrued Interest	29,666	-	29,666
Current Portion Bonds Payable	65,000	-	65,000
Non-Current Liabilities:			
Accrued Compensated Absences	6,676	-	6,676
Bonds Payable	<u>1,770,000</u>	<u>-</u>	<u>1,770,000</u>
 Total Liabilities	 <u>\$ 2,051,947</u>	 <u>\$ 28,531</u>	 <u>\$ 2,080,478</u>
<u>NET ASSETS:</u>			
Invested in Capital Assets, net of related debt	(311,016)	436,620	125,604
Unrestricted	<u>2,046,751</u>	<u>758,603</u>	<u>2,805,354</u>
 Total Net Assets	 <u>\$ 1,735,735</u>	 <u>\$ 1,195,223</u>	 <u>\$ 2,930,958</u>

The Notes to Financial Statements are an integral Part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit II

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2007

FUNCTIONS / PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General Government	\$ (353,949)	\$ 40,945	\$ -	\$ -	(313,004)	\$ -	(313,004)
Justice & Public Safety	(116,689)	-	-	-	(116,689)	-	(116,689)
Culture & Recreation	(126,128)	-	-	-	(126,128)	-	(126,128)
Streets	(251,299)	-	-	-	(251,299)	-	(251,299)
Total Governmental Activities	<u>(848,065)</u>	<u>40,945</u>	<u>-</u>	<u>-</u>	<u>(807,120)</u>	<u>-</u>	<u>(807,120)</u>
BUSINESS-TYPE ACTIVITIES:							
Enterprise Fund-Sewer	(245,515)	323,661	-	-	-	78,146	78,146
Total Business-Type Activities	<u>(245,515)</u>	<u>323,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,146</u>	<u>78,146</u>
Total Government	<u>(1,093,580)</u>	<u>364,606</u>	<u>-</u>	<u>-</u>	<u>(807,120)</u>	<u>78,146</u>	<u>(728,974)</u>
General Revenues:							
Property Taxes					253,986	-	253,986
Investment Earnings					47,207	28,742	75,949
Intergovernmental revenue					770,702	-	770,702
Utility Franchise Fees					26,662	-	26,662
Proceeds from sale of fixed assets					34,845	-	34,845
Other Income					18,491	13,267	31,758
Total General Revenues					<u>1,151,893</u>	<u>42,009</u>	<u>1,193,902</u>
Change in Net Assets					344,773	120,155	464,928
Net Assets - Beginning					<u>1,390,962</u>	<u>1,075,068</u>	<u>2,466,030</u>
Net Assets - Ending					<u>\$ 1,735,735</u>	<u>\$ 1,195,223</u>	<u>\$ 2,930,958</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit III

GOVERNMENTAL FUNDS
BALANCE SHEET

APRIL 30, 2007

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Community Park Bond Fund</u>	<u>Motor Fuel Tax Fund</u>	
<u>ASSETS</u>				
Cash and Equivalents	\$ 71,414	\$ 1,181,745	\$ 40,908	\$ 1,294,067
Investments	490,000	-	30,000	520,000
Receivables, Net of Uncollectible Amounts:				
Intergovernmental	117,402	17,266	9,089	143,757
Property Taxes	267,317	-	-	267,317
Other	477	-	-	477
Prepaid Items	11,532	-	-	11,532
Due from other funds	21,693	-	-	21,693
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 979,835</u>	<u>\$ 1,199,011</u>	<u>\$ 79,997</u>	<u>\$ 2,258,843</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ 26,712	\$ 6,126	\$ 456	\$ 33,294
Accrued Salaries	15,121	-	1,170	16,291
Due to Other Funds	-	21,693	-	21,693
Deferred Revenues	131,020	-	-	131,020
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 172,853</u>	<u>\$ 27,819</u>	<u>\$ 1,626</u>	<u>\$ 202,298</u>
<u>FUND BALANCES:</u>				
Reserved for Prepaid Items	\$ 11,532	\$ -	\$ -	\$ 11,532
Unreserved, Reported in:				
General Fund	795,450	-	-	795,450
Special Revenue Funds	-	1,171,192	78,371	1,249,563
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>\$ 806,982</u>	<u>\$ 1,171,192</u>	<u>\$ 78,371</u>	<u>\$ 2,056,545</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 979,835</u>	<u>\$ 1,199,011</u>	<u>\$ 79,997</u>	<u>\$ 2,258,843</u>

The Notes to Financial Statements are an integral Part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit III-a

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS FOR GOVERNMENTAL ACTIVITIES
APRIL 30, 2007

Fund Balance - Total Governmental Funds - See Exhibit III	\$ 2,056,545
Receivables for revenues earned but not received in the current period	26,548
Capital Assets, net of depreciation, used in governmental activities	1,523,984
Accrued Interest	(29,666)
Bonds payable	(1,835,000)
Accrued compensated absences related to governmental activities	<u>(6,676)</u>
Net Assets of Governmental Activities - Exhibit I	<u>\$ 1,735,735</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit IV

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2007

	Major Funds			Total Governmental Funds
	General Fund	Community Park Fund	Motor Fuel Tax Fund	
REVENUES				
Property Taxes	\$ 253,986	\$ -	\$ -	\$ 253,986
Intergovernmental Revenues	530,510	127,634	110,826	768,970
Utility Franchise Fees	26,662	-	-	26,662
Fines, Permits and Fees	40,945	-	-	40,945
Other Income	18,082	168	241	18,491
Investment Earnings	16,697	25,291	5,219	47,207
Total Revenues	<u>\$ 886,882</u>	<u>\$ 153,093</u>	<u>\$ 116,286</u>	<u>\$ 1,156,261</u>
EXPENDITURES				
Current:				
General and Administrative	\$ 350,780	\$ -	\$ -	\$ 350,780
Justice and Public Safety	111,615	-	-	111,615
Culture and Recreation	2,634	-	-	2,634
Streets	151,115	-	79,936	231,051
Total Current	<u>616,144</u>	<u>-</u>	<u>79,936</u>	<u>696,080</u>
Capital Outlay	68,051	661,009	140,121	869,181
Debt Service:				
Principal	-	15,000	-	15,000
Interest and fees	-	82,746	-	82,746
Total Expenditures	<u>\$ 684,195</u>	<u>\$ 758,755</u>	<u>\$ 220,057</u>	<u>\$ 1,663,007</u>
Net Excess (Deficit) of Revenues Over Expenditures	<u>\$ 202,687</u>	<u>\$ (605,662)</u>	<u>\$ (103,771)</u>	<u>\$ (506,746)</u>
Other Financing Sources (Uses)				
Sale of Assets	<u>\$ 34,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,845</u>
Net Other Financing Sources (Uses)	<u>\$ 34,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,845</u>
Net Change in Fund Balances	\$ 237,532	\$ (605,662)	\$ (103,771)	\$ (471,901)
Fund Balance, Beginning of Year	<u>\$ 569,450</u>	<u>\$ 1,776,854</u>	<u>\$ 182,142</u>	<u>\$ 2,528,446</u>
Fund Balance, End of Year	<u>\$ 806,982</u>	<u>\$ 1,171,192</u>	<u>\$ 78,371</u>	<u>\$ 2,056,545</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit IV-a

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES FOR GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2007

Net Change in Fund Balances - Total Governmental Funds - See Exhibit IV	\$ (471,901)
Include revenues earned but not received in the current period	1,732
Remove expenditures for bond payment	15,000
Remove expenditures for capital assets	859,192
Include accrued interest expense	(29,666)
Include depreciation expense	(28,903)
Accrued compensated absences change from beginning of year	<u>(681)</u>
Change in Net Assets of Governmental Activities - See Exhibit II	<u>\$ 344,773</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit V

GENERAL AND MAJOR SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended April 30, 2007

	General Fund			Community Park Fund			Motor Fuel Tax Fund		
	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)	Actual (Budgetary Basis)	Budget (Final)	Budget (Original)
REVENUES									
Property Taxes	\$ 244,919			\$ -			\$ -		
Intergovernmental Revenues	531,106			110,368			108,410		
Utility Franchise Fees	26,662			-			-		
Fines, Permits and Fees	40,945			-			-		
Other Income	18,082			168			241		
Investment Earnings	16,697			25,291			5,219		
Total Revenues	\$ 878,411	\$ 887,100	\$ 887,100	\$ 135,827	\$ 1,802,500	\$ 1,802,500	\$ 113,870	\$ 236,000	\$ 236,000
EXPENDITURES									
Current:									
General and Administrative	\$ 351,060	\$ 409,600	\$ 409,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Justice and Public Safety	111,615	127,000	127,000	-	-	-	-	-	-
Culture and Recreation	2,634	10,000	10,000	-	-	-	-	-	-
Streets	151,115	194,000	194,000	-	-	-	81,016	81,000	81,000
Total Current	616,424	740,600	740,600	-	-	-	81,016	81,000	81,000
Capital Outlay	68,051	146,500	146,500	756,203	1,705,500	1,705,500	140,121	155,000	155,000
Debt Service									
Principal	-	-	-	15,000	15,000	15,000	-	-	-
Interest and fees	-	-	-	82,746	82,000	82,000	-	-	-
Total Expenditures	\$ 684,475	\$ 887,100	\$ 887,100	\$ 853,949	\$ 1,802,500	\$ 1,802,500	\$ 221,137	\$ 236,000	\$ 236,000
Net Excess (Deficit) of Revenues Over Expenditures	\$ 193,936	\$ -	\$ -	\$ (718,122)	\$ -	\$ -	\$ (107,267)	\$ -	\$ -
Other Financing Sources (Uses)									
Sale of Assets	\$ 34,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Other Financing Sources (Uses)	\$ 34,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 228,781	\$ -	\$ -	\$ (718,122)	\$ -	\$ -	\$ (107,267)	\$ -	\$ -
Fund Balance, Beginning of Year	\$ 569,450	\$ 569,450	\$ 569,450	\$ 1,776,854	\$ 1,776,854	\$ 1,776,854	\$ 182,142	\$ 182,142	\$ 182,142
Fund Balance, End of Year - Budgetary Basis	\$ 798,231	\$ 569,450	\$ 569,450	\$ 1,058,732	\$ 1,776,854	\$ 1,776,854	\$ 74,875	\$ 182,142	\$ 182,142
Revenue conversion to GAAP Basis:									
Property taxes	9,067			-			-		
Intergovernmental revenues	(596)			17,266			2,416		
Utility Franchise Fees	-			-			-		
Expenditure conversion to GAAP Basis:									
Accounts payable	(830)			95,194			1,167		
Accrued Salaries	351			-			(87)		
Prepaid Items	759			-			-		
Fund Balance, GAAP Basis	\$ 806,982			\$ 1,171,192			\$ 78,371		

The Notes to Financial Statement are an integral part of this statement.

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS**

FOR THE FISCAL YEAR ENDED APRIL 30, 2007

	Business-Type Activities Enterprise Fund <u>Sewer</u> <u>Fund</u>
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and Equivalents	\$ 22,264
Investments	715,000
Accounts Receivable - Customers	45,870
Prepaid Expenses	<u>4,000</u>
Total Current Assets	<u>787,134</u>
Capital Assets:	
Non-depreciating assets	305,395
Buildings and Building Improvements	42,500
Land Improvements	155,905
Equipment and Vehicles	116,475
Less Accumulated Depreciation	<u>(183,655)</u>
Total Capital Assets, Net	<u>436,620</u>
Total Assets	<u>\$ 1,223,754</u>
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts Payable	\$ 16,766
Accrued Salaries	6,575
Customer Deposits	<u>5,190</u>
Total Liabilities	<u>\$ 28,531</u>
<u>NET ASSETS</u>	
Total Net Assets	<u>\$ 1,195,223</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Exhibit VII

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund

FOR THE FISCAL YEAR ENDED APRIL 30, 2007

	Sewer Fund
<u>Operating Revenues:</u>	
Charges for Services	\$ 323,661
Other Revenue	<u>13,267</u>
Total Revenues	<u>\$ 336,928</u>
<u>Operating Expenses:</u>	
Current:	
Utility services:	
Salaries and Wages	\$ 71,111
Fringe benefits	17,621
Commodities	69,631
Depreciation	17,951
Contractual services	<u>69,201</u>
Total Operating Expenses	<u>\$ 245,515</u>
Operating Income (Loss)	<u>\$ 91,413</u>
<u>Nonoperating Revenues (Expenses):</u>	
Interest Income	<u>28,742</u>
Net Nonoperating Revenues (Expenses)	<u>28,742</u>
Change in Net Assets	\$ 120,155
Net Assets - Beginning of Year	\$ 1,075,068
Net Assets - End of Year	<u>\$ 1,195,223</u>

The Notes to Financial Statements are an integral part of this Statement

VILLAGE OF ST. JOSEPH, ILLINOIS

Statement of Cash Flows
 Proprietary Fund
 For the Fiscal Year Ended April 30, 2007

Exhibit VIII

	<u>Business-Type Activity Sewer Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 341,533
Cash payments to employees for services	(87,623)
Cash payments for goods and services	<u>(133,293)</u>
Net cash provided from operating activities	<u>120,617</u>
Cash flows from noncapital financing activities:	
Repayment of loans to other funds	<u>(97,354)</u>
Net cash used by noncapital financing activities	<u>(97,354)</u>
Cash flows from investing activities:	
Purchase of fixed assets	(83,164)
Purchase of investments	(65,000)
Repayment of loans from other funds	95,000
Receipts of interest	<u>28,742</u>
Net cash flows from investing activities	<u>(24,422)</u>
Net increase in cash and cash equivalents	(1,159)
Cash and equivalents Beginning of Year	<u>\$ 23,423</u>
Cash and equivalents End of Year	<u>\$ 22,264</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating Income (Loss)	\$ 91,413
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	17,951
Decrease (Increase) in receivables	3,615
Decrease (Increase) in prepaid expenses	(667)
Increase (Decrease) in payables and accrued items	<u>8,305</u>
Total Adjustments	<u>29,204</u>
Net cash used by operating activities	<u>\$ 120,617</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements

April 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Village of St. Joseph, Illinois conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. THE ENTITY

The Village of St. Joseph, Illinois operates as a separate non home-rule unit of local of government, a municipal corporation which operates under the statutes of the State of Illinois. It is governed by a Board of Trustees elected to four-year terms in public elections.

The definition of what constitutes the entity of the Village of St. Joseph, Illinois is based on the guidelines set forth in Governmental Accounting Standards Board (GASB) Statement Number 14. The primary government consists of the funds presented herein as two governmental funds and one business-type activity.

According to GASB Statement No. 14, a legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the organization. Financial accountability is determined as follows:

(1) The primary government appoints a voting majority of the organization's governing body, AND

(a) it is able to impose its will on the organization,

OR

(b) the organization provides financial benefits or imposes financial burdens on the primary government.

OR

(2) The organization is fiscally dependent on the primary government.

There were no agencies excluded from the entity that met the criteria for inclusion as a component unit. The Village of St. Joseph, Illinois has no component units.

Related organizations for which the Village appoints a voting majority of the governing body, but for which the Village is not financially accountable, are not included in the reporting entity.

Jointly governed organizations for which the Village does not have an on-going financial interest or responsibility. Jointly governed organizations are not included in the reporting entity.

B. FUND ACCOUNTING

The accounts of the Village are organized on the basis of various individual funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. Funds are classified into several categories and types. Governmental funds include the general fund and motor fuel tax fund. Proprietary funds include the sewer fund.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(1) Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) display the financial position and results of operations for the entity of the Village of St. Joseph, Illinois government. Both statements separately report governmental activities and business-type activities. Governmental activities are generally financed with taxes and intergovernmental revenues and are accounted for in governmental activity. Business-type activities are financed, in the case of the Village of St. Joseph, Illinois, by income from the sewer fund and are reported in the enterprise fund. Interfund activity is eliminated from the governmental-wide statements to eliminate the doubling effect it creates.

The Statement of Activities reports direct expenses related to specific functions, and then offsets those expenses with the program revenues directly attributable to each function. Program revenues include charges for services, sales and fees, and grants and contributions. Taxes, investment income and other revenue not attributable to specific programs are reported as general revenues.

(2) Fund Financial Statements

Fund financial statements are presented for governmental funds, and proprietary funds. The fund statements focus on major individual funds, with non-major funds reported in aggregate.

Major governmental funds reported include the General Fund, which is the principal operating fund for the Village; and the Motor Fuel Tax Fund, which uses motor fuel taxes to fund street repairs and maintenance

The sewer fund is the major (and only) enterprise fund reported, and is used to account for the financial transactions of relating to the sewer fund activities.

The Village has no debt service funds, capital project funds, fiduciary funds or agency fund types.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

(1) Government-wide Financial Statements

The measurement focus for the government-wide financial statements is the flow of economic resources, using the accrual basis method of accounting. On this basis, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33. Property taxes are recognized as revenue in the year for which the taxes are levied and funds are available. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

In the government-wide statements, the Village has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before April 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after April 30, 1989 have not been applied.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

(2) Governmental Funds

The measurement focus is the flow of current financial resources. All governmental funds are accounted for using the modified accrual basis method of accounting.

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

Material amounts of expenditures are recognized when the liability is incurred. Exceptions include accumulated unpaid vacation, sick leave and personal leave, which are only accrued when they become currently payable.

(3) Proprietary Fund

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

Proprietary fund operating revenues consist of income from charges for sewer services. Operating expenses are expenses incurred in providing the services, such as wages, related costs, insurance premiums, maintenance and repair, supplies, and other expenses including depreciation.

The Village also had a one-time receipt from the collapsing of the Sanitary District into the Village.

In proprietary fund accounting and financial reporting, the Village has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before April 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after April 30, 1989 have not been applied.

E. INVESTMENTS AND CASH EQUIVALENTS

Under Illinois law (30 ILCS 235/2), Village money may be invested in interest bearing deposits at federally insured banks and savings and loans, commercial paper, short term discount obligations of the Federal National Mortgage Association, securities issued by the U.S. Treasury or other federal agencies, money market mutual funds limited to U.S. government securities, repurchase agreements involving governmental securities, and the State Treasurer's Investment Pool.

Deposits in banks or savings associations, including certificates of deposits, are valued at cost, which is equivalent to fair value. For purposes of the statement cash flows, the proprietary fund considers short-term highly liquid investments, including time deposits at financial institutions and the State investment funds to be cash equivalents.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. RECEIVABLES AND PAYABLES

Receivables and payables are reported net of an allowance for uncollectible amounts, if applicable.

Short-term receivables and payables between funds are reported as due from/to other funds. Non-current amounts are reported as advances to/from other funds. In governmental funds, advances to other funds, as well as other long-term receivables, are offset by reserved fund balance, because they do not represent expendable, available financial resources. In the government-wide statements, interfund receivables and payables remaining between governmental activities and business-type activities after the elimination of interfund activity are reported as internal balances. These balances zero out in the total column.

G. INVENTORIES

The Village of St. Joseph, Illinois has no significant inventories.

H. PREPAID ITEMS

Prepaid items are expensed over the term of the services provided.

I. CAPITAL ASSETS

(1) Governmental Activities

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental funds at the time of purchase. Governmental capital assets are reported in the government-wide financial statements, offset by accumulated depreciation. Capital assets are valued at actual or estimated historical cost, while donated capital assets are valued at their fair market value on the date donated. Equipment valued at or above \$10,000, buildings and improvements valued at or above \$20,000, land improvements and infrastructure valued at or above \$20,000 and land of any value are capitalized. Assets that appreciate in value are capitalized if valued at more than \$10,000. Depreciation is calculated on all assets, other than land and assets that appreciate in value, using the straight-line method, half-year convention with the following estimated useful lives:

Building Improvements	15 years	Furniture	7 years
New construction	40 years	Other equipment	5 years
Land Improvements	15 years	Major appliances	7 years
Computers, office equipment	5 years	Park and Recreation features	12 years
Infrastructure:		Playground equipment	12 years
Roads, paved surfaces	15 years	Vehicles	5 years
Bridges	50 years		

(2) Business-type Activities

The business-type activities follow the same policies as described above.

J. COMPENSATED ABSENCES

Accumulated unpaid vacation (compensated absences) are accrued in governmental funds only when they become currently payable. A long-term liability for unpaid compensated absences is reported in the government-wide statements and proprietary fund statements, where applicable, in the period in which it is incurred.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – RECONCILIATION OF FUND STATEMENTS TO GOVERNMENT-WIDE STATEMENTS

A. Governmental Funds to Governmental Activities

A reconciliation is provided with the governmental funds balance sheet (Exhibit III-a) to explain the difference between fund balances in the governmental funds and net assets for governmental activities on the government-wide statement of net assets. The major differences are due to (1) capital assets are not reported in governmental funds, (2) long term liabilities are not reported in governmental funds.

A reconciliation is provided with the governmental funds statement of revenues, expenditures and changes in fund balances (Exhibit IV-a) to explain the difference between the change in fund balances in the governmental funds and the change in net assets for governmental activities on the government-wide statement of activities. The major differences are due to (1) capital outlay expenditures are not reported in the government-wide statement, while depreciation expense and gains/losses on disposal of capital assets are not reported in governmental funds; (2) the change in compensated absences is not a governmental fund expense, while it is an expense of the government-wide statement of activities; and (3) bond payments are not expenditures on the government-wide statement.

B. Enterprise Funds to Business-Type Activities

Enterprise funds and the government-wide statements follow the same measurement focus and basis of accounting, so the enterprise fund financial information flows essentially unchanged from the fund financial statements to the business-type activities on the government-wide financial statements.

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Process

A proposed budget and appropriation ordinance is developed and made available for public hearing at least thirty days prior to final approval. This generally is done in April and approved in May after a public hearing. Upon approval, the Board of Trustees of the Village legally enacts an annual operating budget through passage of an ordinance. This budget provides object line item control over expenditures in each fund.

B. Level of Budgetary Control

At the fund level, actual expenditures cannot exceed budgeted appropriations. The appropriation ordinance provides for line-item control for each fund. All budget appropriations, including project budgets, lapse at the end of each fiscal year.

C. Amendments to the Budget

Amendments to the budget must be approved by a two-thirds vote of the Trustees.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING: (continued)

D. Budgetary Basis of Accounting

Formal budgetary accounting is employed as a management control for all funds of the Village, and legal budgets are adopted for the general fund, special revenue fund, and proprietary fund. Budgets are adopted on a modified cash basis, which is not consistent with accounting principles generally accepted in the United States of America (GAAP). The actual and budget comparisons, as presented in this report, are presented on this budgetary basis. The budget versus GAAP basis differences are the recognition of property taxes on the cash basis for budgetary purposes and not recognizing accounts payable for budgetary purposes.

E. Encumbrances

Encumbrance accounting is not used by the Village.

NOTE 4 – RECONCILIATION OF BUDGETARY TO GAAP BASIS

The budgetary comparison statements are prepared on a modified cash basis, which is not in conformity with U.S. generally accepted accounting principles. Each budgetary statement has a reconciliation at the bottom of the statement showing the items needed to convert from budgetary to GAAP basis. These are property tax conversions and accounts payable.

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

As of April 30, 2007, no funds had expenditures in excess of appropriations.

NOTE 6 – DEPOSITS AND INVESTMENTS

The Village has demand deposits, money market accounts, and certificates of deposit in federally insured banks, or savings associations. Deposits are reported at cost, which is equivalent to fair value.

A summary of cash and investments at April 30, 2007 is shown below.

<u>Asset Account</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Petty Cash	\$ 470	\$ 0
Cash and savings	1,315,861	1,327,540
Certificates of Deposit	<u>1,235,000</u>	<u>1,235,000</u>
Total	<u>\$2,551,331</u>	<u>\$2,562,540</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's deposits in the form of demand deposits and certificates of deposit are covered by federal depository insurance in the amount of \$100,000 for cash deposits and \$100,000 for time deposits per bank. The securities pledged as collateral for amounts above these limits are categorized as insured, registered, or held by the Village or its agent in the Village's name in order to reduce custodial risk to a minimum. At April 30, 2007, \$2,262,540 of the Village's deposits were uninsured, but collateralized by deposits held by the pledging financial institution.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 7 – PROPERTY TAX CYCLE

A. Assessments

Property is assessed by elected township assessors at one-third the market value as of January 1 each year. This is the date, called the lien date, on which property taxes "attach" to the property. The township assessors' books are turned in to the County Supervisor of Assessments by April 15. The Board of Review, a three-member panel appointed by the County Board, takes action on assessment complaints and applies individual township multipliers to those townships which are not assessed at one-third. This process equalizes the average ratio of assessments to market value among townships. The Illinois Department of Revenue analyzes the work of the Board of Review and may assign a countywide multiplier to bring the entire County's ratio into line with other counties throughout the state.

B. Taxpayer Appeals

Taxpayers may file a complaint with the Board of Review if they feel their assessments are too high, and may make further appeal to the state Property Tax Appeals Board. However, tax levies are determined by local governments, not by assessors.

C. Property Tax Levies

The property tax levy for fiscal year 2007 was adopted by the Village Board on November 28, 2006, within the statutory deadline (the third Tuesday in December) for all taxing Villages. Property tax levies are reported as receivables, net of an allowance for uncollectible amounts in the year in which they are adopted. Property tax distributions received within 60 days of the end of the fiscal year are considered available and are recognized in that fiscal year as revenue. The balance is deferred revenue to the next fiscal year.

D. Tax Bills

Illinois statutes require payment of property taxes in two installments, due June 1 and September 1, and require that tax bills be mailed 30 days prior to the first installment. Property tax bills mailed in 2007 were based on equalized assessed value as of January 1, 2006, and on tax levies set in November 2006.

E. Tax Judgment Date and Sale Date

The judgment date is the date at which taxing authorities have a right to take and hold or sell property for nonpayment of taxes. Under Illinois law, the judgment date fluctuates, but is generally the third week in October. The date is set by a judge of the circuit court, after all of the requirements are met for advertising and publishing the delinquent tax list. Statutes require the tax sale to be the Monday following the judgment date.

F. Tax Distributions

The County Treasurer is also the County Collector and is in charge of collecting and distributing property taxes. The Collector generally distributes taxes to the taxing bodies shortly after taxes are paid. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. In 2006, all property taxes were distributed by November 17th. Interest earned on taxes before distribution goes to the local governments, not the County, according to a 1984 Illinois Supreme Court decision.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 8 – PROPERTY TAXES RECEIVABLE

Taxes receivable consist of property taxes levied in 2006, for which a legal claim exists in 2007. The revenue associated with the 2006 levy is recognized as revenue if received in the 60-day period following the fiscal yearend. The balance is deferred until the fiscal year ending April 30, 2008. No allowance has been made for uncollectible taxes since the amount is immaterial. A summary of taxes levied, receivable, and deferred by fund type at April 30, 2007 is shown below.

<u>Fund Type</u>	<u>Property Taxes Levied</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General	<u>\$267,317</u>	<u>\$267,317</u>	<u>\$131,020</u>

NOTE 9 – CAPITAL ASSETS

A. A summary of capital assets related to governmental activities is presented below:

<u>Governmental Activities</u>	<u>April 30, 2006 Balance</u>	<u>FY 2007 Additions</u>	<u>FY 2007 Deductions</u>	<u>April 30, 2007 Balance</u>
Depreciated:				
Infrastructure	\$ 0	\$272,299	\$ 0	\$272,299
Buildings & Improvements	175,688	0	0	175,688
Equipment and Vehicles	88,555	35,562	0	124,117
Non-depreciated:				
Construction in Process	\$331,273	\$661,009	\$109,678	\$882,604
Land	<u>254,155</u>	<u>0</u>	<u>0</u>	<u>254,155</u>
Total	<u>\$849,671</u>	<u>\$968,870</u>	<u>\$109,678</u>	<u>\$1,708,863</u>
Accumulated Depreciation:				
Infrastructure	\$ 0	\$ 9,077	\$ 0	\$ 9,077
Buildings & Improvements	118,613	4,392	0	123,005
Equipment and Vehicles	<u>37,363</u>	<u>15,434</u>	<u>0</u>	<u>52,797</u>
Total	<u>\$ 155,976</u>	<u>\$ 28,903</u>	<u>\$ 0</u>	<u>\$184,879</u>

As allowed a phase three government, infrastructure is being accounted for prospectively from May 1, 2004. No Infrastructure expenditures occurred which met the capitalization criteria.

(NOTES CONTINUE NEXT PAGE)

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 9 – CAPITAL ASSETS: (continued)

B. The Business Type Activities:

<u>Business Type Activities</u>	<u>April 30, 2006 Balance</u>	<u>FY 2007 Additions</u>	<u>FY 2007 Deductions</u>	<u>April 30, 2007 Balance</u>
Depreciated:				
Infrastructure	\$ 0	\$ 0	\$ 0	\$ 0
Land Improvements	155,905	0	0	155,905
Buildings & Improvements	42,500	0	0	42,500
Equipment and Vehicles	102,065	14,410	0	116,475
Non-depreciated:				
Construction in Process	\$229,141	\$ 68,754	\$ 0	\$297,895
Land	7,500	0	0	7,500
Total	<u>\$537,111</u>	<u>\$83,164</u>	<u>\$ 0</u>	<u>\$620,275</u>
Accumulated Depreciation:				
Infrastructure	\$ 0	\$ 0	\$ 0	\$ 0
Land Improvements	50,777	5,009	0	50,777
Buildings & Improvements	32,937	1,062	0	32,937
Equipment and Vehicles	81,990	11,880	0	81,990
Total	<u>\$165,704</u>	<u>\$ 17,951</u>	<u>\$ 0</u>	<u>\$183,655</u>

C. Current year depreciation expense was charged to the following functions:

<u>Function</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General Government	\$ 2,488	\$ 0
Culture and Recreation	5,074	0
Justice and Public Safety	6,668	0
Streets	14,673	0
Utilities – Sewer	0	17,951
Total	<u>\$28,903</u>	<u>\$17,951</u>

NOTE 10 – INTERFUND RECEIVABLE/PAYABLES AND TRANSFERS

Interfund receivables and payables at April 30, 2007, and interfund transfers, are summarized below:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$21,693	\$ 0
Community Bond	0	21,693
Total	<u>\$21,693</u>	<u>\$21,693</u>

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 11 – COMPENSATED ABSENCES PAYABLE

It is the Village's policy to permit employees to accumulate a limited amount of earned but unused vacation time, which is attributable to services already rendered and is not contingent upon events outside the control of the employer or employee, such as illness. Long-term liabilities are reported for these compensated absences payable and are based on pay rates in effect at April 30. Enterprise funds recognize expense and accrue fund liabilities for vacation and personal time benefits in the period in which they are earned. For governmental funds, the cost of these benefits is recognized in the fund only when payments are made to employees.

Changes in compensated absences payable for the fiscal year ended April 30, 2007 are as follows:

	April 30, 2006 <u>Balance</u>	FY 2007 <u>Additions</u>	FY 2007 <u>Deductions</u>	April 30, 2007 <u>Balance</u>
Governmental Activities	\$ <u>5,995</u>	\$ <u>6,356</u>	\$ <u>5,675</u>	\$ <u>6,676</u>

NOTE 12 – RESERVED, DESIGNATED AND DEFICIT FUND EQUITY

A. RESERVED

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. The Village had no reserved fund balances at year-end.

B. DEFICIT

As of April 30, 2007, no funds had deficit fund balances.

NOTE 13 – LONG-TERM DEBT

At April 30, 2007 the Village's general long-term debt consisted of general obligation bonds. Changes in long-term debt for the year ended April 30, 2007 are as follows:

	<u>Balance</u> <u>4/30/06</u>	<u>Additional</u> <u>Obligations</u>	<u>Retirements</u>	<u>Balance</u> <u>4/30/07</u>
Compensated Absences	\$ 5,995	\$6,356	\$ 5,675	\$ 6,676
General obligation bonds	<u>1,850,000</u>	<u>0</u>	<u>15,000</u>	<u>1,835,000</u>
Total	<u>\$1,855,995</u>	<u>\$6,356</u>	<u>\$20,675</u>	<u>\$1,855,955</u>

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 13 – LONG-TERM DEBT: (continued)

General obligation bonds (alternate revenue source) outstanding as of April 30, 2007, consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding</u>
2005 Bond dated September 27, 2005	8.375%	12/01/25	\$ <u>1,835,000</u>
Total			\$ <u>1,835,000</u>

Interest expense in the amount of \$112,412 for the 2005 general obligation bonds (alternate revenue source) is reported in the culture and recreation function on the statement of activities because the bond issue was essential to the creation of the community park.

The annual debt service requirements for the bonds outstanding at April 30, 2007 are as follows for the year ending April 30:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 65,000	\$ 71,198
2009	70,000	68,676
2010	70,000	65,960
2011	75,000	63,244
2012	75,000	60,334
2013-2017	435,000	254,722
2018-2022	535,000	162,572
2023-2025	<u>510,000</u>	<u>50,440</u>
Total	\$ <u>1,835,000</u>	\$ <u>797,146</u>

NOTE 14 – DEFINED BENEFIT PENSION PLAN

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 9.90% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The remaining amortization period at December 31, 2006 was 30 years.

VILLAGE OF ST. JOSEPH, ILLINOIS

Notes to the Financial Statements - continued

April 30, 2007

NOTE 14 – DEFINED BENEFIT PENSION PLAN-continued

For December 31, 2006, the Village's **annual pension cost** of \$19,765 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for 2006 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$19,765	100%	\$-
12/31/05	16,692	100%	-
12/31/04	14,945	100%	-
12/31/03	13,016	100%	-
12/31/02	11,565	100%	-
12/31/01	9,979	100%	-
12/31/00	10,356	100%	-
12/31/99	4,251	100%	-
12/31/98	-	100%	-
12/31/97	-	100%	-

NOTE 15 – SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Municipal Retirement System are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement System are covered under Social Security. The Village paid \$22,825, the total required contribution for the year ended April 30, 2007.

NOTE 16 – CONTINGENT LIABILITIES

In the normal course of events, the Village makes various commitments and incurs certain contingent liabilities that are not reflected in the accompanying financial statements. Various legal proceedings are pending against the Village. Management believes that the aggregate liability, if any, resulting from these will not be material after insurance coverage.

Required Supplementary Information

VILLAGE OF ST. JOSEPH, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 April 30, 2007

(Unaudited)

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2006	\$ 162,585	\$ 234,292	\$ 71,707	69.39%	\$ 199,647	35.92%
12/31/2005	125,024	194,240	69,216	64.37%	179,287	38.61%
12/31/2004	96,634	128,944	32,310	74.94%	161,741	19.98%
12/31/2003	74,730	91,031	16,301	82.09%	140,111	11.63%
12/31/2002	56,728	71,035	14,307	79.86%	127,084	11.26%
12/31/2001	37,161	51,582	14,421	72.04%	117,677	12.25%
12/31/2000	20,814	30,014	9,200	69.35%	113,550	8.10%
12/31/1999	5,656	8,079	2,423	70.01%	46,617	5.20%
12/31/1998	-	-	-	0.00%	-	N/A
12/31/1997	-	-	-	0.00%	-	N/A

On a market value basis, the actuarial value of the assets as of December 31, 2006 is \$171,227.

On a market basis, the funded ratio would be 73.08%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented
- For Regular members, fewer normal and early retirements are expected to occur.

SLEP Member Contribution rate changed from 6.5% to 7.5% effective June 1, 2006.