

VILLAGE OF NORTH HENDERSON, ILLINOIS

ANNUAL FINANCIAL REPORT

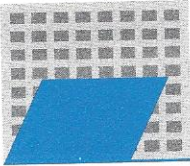
YEAR ENDED MAY 31, 2013

VILLAGE OF NORTH HENDERSON, ILLINOIS

TABLE OF CONTENTS

May 31, 2013

	<u>Page</u>
Independent Auditors' Report	1.0-1.1
 Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	2
Statement of Activities	3
Fund Financial Statements:	
Balance Sheet – Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	6
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities In the Statement of Activities	7
Statement of Net Position – Proprietary Fund	8
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	9
Statement of Cash Flows – Proprietary Fund	10
Notes to the Basic Financial Statements	11-21
 Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) Major Fund – General Fund	22-23
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Cash Basis) Major Fund - Motor Fuel Tax Fund	24
 Other Supplemental Information	
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual (Cash Basis) Major Fund - Proprietary Fund - Water Fund	25-26



Blucker, Kneer & Assoc., Ltd.
Certified Public Accountants

Norman J. Underwood, C.P.A.
Ben L. Burgland, C.P.A.
Teresa A. Welch, C.P.A.
Virginia A. Love, C.P.A.

I-74 & 34 Bypass, 587 Knox Road 1860 N., Zip 61401 - P.O. Box 1464, Galesburg, Illinois 61402-1464
Phone (309) 343-4156 - Fax (309) 343-0174

Independent Auditors' Report

Village President and
Board of Trustees
Village of North Henderson, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Henderson, Illinois, as of and for the year then ended May 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the over all presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Henderson, Illinois, as of May 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 22 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of North Henderson, Illinois, basic financial statements. The proprietary fund budgetary comparison schedules – cash basis on pages 25 through 26 are presented for purposes of additional analysis and are not a required part of the financial statements.

The proprietary fund budgetary comparison schedules - cash basis are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Certified Public Accountants

Galesburg, Illinois
January 30, 2014

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF NET POSITION

May 31, 2013

	Governmental Activities	Business- type Activities	Total
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 85,649	\$ 9,572	\$ 95,221
Receivables:			
Property tax	3,072	-	3,072
State of Illinois	6,218	-	6,218
Interest	7	2	9
Other	470	3,533	4,003
Prepaid expenses	2,669	1,023	3,692
Interfund balances	9,413	(9,413)	-
Total current assets	<u>\$ 107,498</u>	<u>\$ 4,717</u>	<u>\$ 112,215</u>
<u>Noncurrent assets</u>			
Restricted cash	\$ -	\$ 6,872	\$ 6,872
Land and land improvements	6,385	200	6,585
Construction in progress	-	77,679	77,679
Water system - net of accumulated depreciation	-	51,038	51,038
Buildings and equipment - net of depreciation	49,925	-	49,925
Total noncurrent assets	<u>\$ 56,310</u>	<u>\$ 135,789</u>	<u>\$ 192,099</u>
Total assets	<u>\$ 163,808</u>	<u>\$ 140,506</u>	<u>\$ 304,314</u>
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable	\$ 1,988	\$ 655	\$ 2,643
Note payable - due within one year	-	5,454	5,454
Total current liabilities	<u>\$ 1,988</u>	<u>\$ 6,109</u>	<u>\$ 8,097</u>
<u>Noncurrent liabilities</u>			
Note payable - due in more than one year	\$ -	\$ 38,946	\$ 38,946
Total liabilities	<u>\$ 1,988</u>	<u>\$ 45,055</u>	<u>\$ 47,043</u>
DEFERRED INFLOW RESOURCES			
Deferred tax revenue	<u>\$ 3,072</u>	<u>\$ -</u>	<u>\$ 3,072</u>
NET POSITION			
Net investment in capital assets	\$ 56,310	\$ 84,517	\$ 140,827
Restricted	46,184	14,834	61,018
Unrestricted	56,254	(3,900)	52,354
Total net position	<u>\$ 158,748</u>	<u>\$ 95,451</u>	<u>\$ 254,199</u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:						
Governmental Activities:						
General government	\$ 18,628	\$ -	\$ -	\$ (18,628)	\$ -	\$ (18,628)
Streets	10,079	780	-	(9,299)	-	(9,299)
Culture and recreation	5,198	-	-	(5,198)	-	(5,198)
Total governmental activities	<u>\$ 33,905</u>	<u>\$ 780</u>	<u>\$ -</u>	<u>\$ (33,125)</u>	<u>\$ -</u>	<u>\$ (33,125)</u>
Business-type activities:						
Water system	<u>\$ 28,000</u>	<u>\$ 41,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,027</u>	<u>\$ 13,027</u>
Total primary government	<u><u>\$ 61,905</u></u>	<u><u>\$ 41,807</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (33,125)</u></u>	<u><u>\$ 13,027</u></u>	<u><u>\$ (20,098)</u></u>
General Revenues						
Taxes:						
Property tax				\$ 4,097	\$ -	\$ 4,097
Sales tax				4,430	-	4,430
State income tax				20,043	-	20,043
Utility tax				7,604	-	7,604
Replacement tax				159	-	159
Motor fuel tax				5,322	-	5,322
Interest				211	25	236
Other				1,011	1,789	2,800
Total general revenue				<u>\$ 42,877</u>	<u>\$ 1,814</u>	<u>\$ 44,691</u>
Transfers				<u>\$ (3,549)</u>	<u>\$ 3,549</u>	<u>\$ -</u>
Change in net position				\$ 6,203	\$ 18,390	24,593
Net position, beginning of year				152,545	77,061	229,606
Net position, end of year				<u><u>\$ 158,748</u></u>	<u><u>\$ 95,451</u></u>	<u><u>\$ 254,199</u></u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

May 31, 2013

	General Fund	Motor Fuel Tax Fund	Total Governmental Fund
ASSETS			
Cash and cash equivalents	\$ 40,269	\$ 45,380	\$ 85,649
Receivables:			
Property taxes	3,072	-	3,072
Sales taxes	498	-	498
Income tax	4,918	-	4,918
Motor fuel tax	-	802	802
Utility tax	470	-	470
Interest	5	2	7
Prepaid expenses	2,669	-	2,669
Due from other funds	9,413	-	9,413
Total assets	<u>\$ 61,314</u>	<u>\$ 46,184</u>	<u>\$ 107,498</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	<u>\$ 1,988</u>	<u>\$ -</u>	<u>\$ 1,988</u>
Deferred Inflows of Resources			
Deferred property taxes	<u>\$ 3,072</u>	<u>\$ -</u>	<u>\$ 3,072</u>
Fund Balance			
Restricted for:			
Street maintenance	\$ -	\$ 46,184	\$ 46,184
Unassigned	<u>56,254</u>	<u>-</u>	<u>56,254</u>
Total fund balance	<u>\$ 56,254</u>	<u>\$ 46,184</u>	<u>\$ 102,438</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 61,314</u>	<u>\$ 46,184</u>	<u>\$ 107,498</u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

May 31, 2013

Total Fund Balance - Governmental Funds	\$	102,438
---	----	---------

Amounts reported for governmental activities in the
statement of net position are different because:

Capital assets used in governmental activities are not
current financial resources and, therefore, are not reported
in the governmental funds

56,310

Total Net Position - Governmental Activities

\$	158,748
----	---------

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year ended May 31, 2013

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues:			
Property tax	\$ 4,097	\$ -	\$ 4,097
Sales taxes	4,430	-	4,430
State income tax	20,043	-	20,043
Utility tax	7,604	-	7,604
Replacement tax	159	-	159
Motor fuel tax	-	5,322	5,322
Interest	133	78	211
Other	1,791	-	1,791
Total revenues	<u>\$ 38,257</u>	<u>\$ 5,400</u>	<u>\$ 43,657</u>
Expenditures:			
Current			
General government	\$ 17,434	\$ -	\$ 17,434
Streets	10,079	-	10,079
Culture and recreation	5,198	-	5,198
Capital outlay	11,779	-	11,779
Total expenditures	<u>\$ 44,490</u>	<u>\$ -</u>	<u>\$ 44,490</u>
Other Financing Sources (Uses)			
Transfers (out)	<u>\$ (3,549)</u>	<u>\$ -</u>	<u>\$ (3,549)</u>
Net change in fund balance	\$ (9,782)	\$ 5,400	\$ (4,382)
Fund balance, June 1, 2012	<u>66,036</u>	<u>40,784</u>	<u>106,820</u>
Fund balance, May 31, 2013	<u>\$ 56,254</u>	<u>\$ 46,184</u>	<u>\$ 102,438</u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2013

	<u>Governmental Activities</u>
Net change in fund balance-total governmental funds	\$ (4,382)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government-wide statement of activities , but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(1,194)
Capital outlays reported on the Statement of Revenues, Expenditures and Changes in Fund Balances which are capitalized as assets on the Proprietary statements, and as such as shown as interfund transfers on the Statement of Activity	11,779
Change in Net Position of Governmental Activities	<u>\$ 6,203</u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND

May 31, 2013

	Business-Type Activities- Enterprise Fund Water System
ASSETS	
Current assets	
Cash and cash equivalents	\$ 9,572
Interest receivable	2
Billings receivable	3,533
Prepaid expenses	1,023
Total current assets	<u>\$ 14,130</u>
Noncurrent assets	
Restricted cash	\$ 6,872
Land	200
Construction in progress	77,679
Water system - net of accumulated depreciation	51,038
Total noncurrent assets	<u>\$ 135,789</u>
Total assets	<u>\$ 149,919</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 655
Due to other funds	9,413
Note payable - due within one year	5,454
Total current liabilities	<u>\$ 15,522</u>
Noncurrent liabilities	
Note payable - due in more than one year	<u>\$ 38,946</u>
Total liabilities	<u>\$ 54,468</u>
NET POSITION	
Net investment in capital assets	\$ 84,517
Restricted net position	14,834
Unrestricted	<u>(3,900)</u>
Total net position	<u><u>\$ 95,451</u></u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND

Year ended May 31, 2013

	Business-Type Activities- Enterprise Fund Water System
Operating Revenues:	
Water sales	\$ 41,027
Operating Expenses:	
Salaries	\$ 2,050
Payroll taxes	157
Maintenance services	5,033
Legal services	903
Accounting services	2,400
Office expense	1,760
Telephone	322
Printing and publishing	143
Dues	480
Utilities	4,922
Insurance	1,639
Chemicals	451
Operating supplies	462
Fuel	693
Travel	31
Other expense	132
Depreciation	5,341
Total operating expenses	\$ 26,919
Net operating gain	\$ 14,108
Nonoperating Revenues (Expenses):	
Interest income	\$ 25
Other revenue	1,789
Interest expense	(1,081)
Total nonoperating revenues (expenses)	\$ 733
Other Financing Sources (Uses):	
Transfers in	\$ 3,549
Change in net position	\$ 18,390
Net Position, June 1, 2012	77,061
Net Position, May 31, 2013	\$ 95,451

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

Year ended May 31, 2013

	Business-Type Activities- Enterprise Fund Water System
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 40,777
Cash payments to suppliers	(22,079)
Cash payments to employees	(2,050)
Net cash provided (used) by operating activities	<u>\$ 16,648</u>
Cash Flows from Noncapital Financing Activities:	
Decrease in due to other funds	\$ (2,640)
Transfers from other funds	3,549
Other revenue	1,789
Net cash provided (used) by noncapital financing activities	<u>\$ 2,698</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	\$ (52,309)
Loan proceeds	39,150
Principal paid on loans	(11,038)
Interest paid on loans	(1,081)
Net cash provided (used) by capital and related financing activities	<u>\$ (25,278)</u>
Cash Flows from Investing Activities:	
Interest on cash and cash equivalents	\$ 29
Net cash provided (used) by investing activities	<u>\$ 29</u>
Net increase (decrease) in cash and cash equivalents	\$ (5,903)
Cash and cash equivalents, beginning	<u>22,347</u>
Cash and cash equivalents, ending	<u><u>\$ 16,444</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Net operating income	\$ 14,108
Adjustments to reconcile net income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation expenses	5,341
Changes in assets and liabilities:	
Decrease (increase) in receivables	(250)
Decrease (increase) in prepaid expenses	(82)
Increase (decrease) in payable	(2,469)
Net cash provided (used) by operating activities	<u><u>\$ 16,648</u></u>

The accompanying notes are part of the financial statements.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

Note 1 – Significant Accounting Policies

A. Financial Reporting Entity

The Village of North Henderson operates under a Board of Trustees form of government and provides the following services to residents of the Village including general government, streets, public improvements, and water.

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Statement No. 14 have been considered and there are no agencies or entities which should be included as component units in the financial reporting entity.

The financial statements of Village of North Henderson have been prepared in conformity with generally accepted accounting principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Village's accounting policies are described below:

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about all of the non-fiduciary activities of the primary government (the Village) and its component units. Governmental activities are reported separately from business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business type activities are financed by fees and charges for services and are usually intended to be financially self-sustaining. Eliminations have been made to minimize the double counting of internal activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Village at year end. The statement of activities presents a comparison between direct expenses and the program revenues for each program or function of the Village's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Village.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Village's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

Governmental Funds

The Village of North Henderson reports the following major governmental funds:

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

Motor Fuel Tax Fund--Motor Fuel Tax Fund accounts for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects), that are legally restricted to expenditures for specified purposes.

Proprietary Funds

The Village of North Henderson reports the following major proprietary funds:

Water Fund--Water Fund accounts for operations that are financed by outside sources and operates in a manner similar to a private business.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

C. Measurement Focus/Basis of Accounting

Accounting records and reports of the Village are on the cash basis. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. For purposes of these financial statements, the accounting for all the funds has been converted to either modified accrual basis or the accrual basis, as required by generally accepted accounting principles.

The government-wide funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds type funds are accounted for using the modified accrual basis of accounting. Their revenue is recognized when it becomes measurable and available as net current position. Taxpayer-assessed income, gross receipts, and sales taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Budget and Appropriations

The Village adopts an annual budget and appropriation ordinance in accordance with Chapter 50, 330/3 of the Illinois Revised Statutes. The budget covers the fiscal year ending May 31. These appropriations are adopted on a cash basis method of accounting.

Prior to the adoption of the annual budget and appropriation ordinance, the Village Board, at least 30 days prior to such adoption, shall make this proposed appropriation ordinance conveniently available to public inspection and shall hold at least one public hearing thereon. Notice of this hearing shall be given publication in one or more newspapers published locally at least 30 days prior to the time of the public hearing. Subsequent to the public hearing and before final action is taken on the annual budget and appropriation ordinance, the Board may revise, alter, increase, or decrease the items contained therein.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

D. Budget and Appropriations (Continued)

The schedule of revenues, expenditures, and changes in fund balances-budget and actual- for the governmental fund types present legally adopted budgets with actual data on a budgetary basis.

E. Statement of Cash Flows

The Village has adopted a policy defining "cash equivalents" for purposes of the Statement of Cash Flows. Cash equivalents include savings accounts, demand deposit accounts, and certificates of deposit.

F. Interfund Receivables / Payables

On fund financial statements, interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

G. Receivables

All receivables are reported at their gross value. Billed revenues from the Water Fund recognized at the end of the fiscal year are based on the actual amount billed during the month following the closing of the fiscal year.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond May 31, 2013, are reported as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year.

Assets are capitalized and updated for additions and reductions during the year based on the capitalization policy passed by the Village, which sets the minimum capitalization amounts as follows:

Infrastructure assets (roads, bridges, culverts, curbs, sidewalks, lighting systems, gutters, and drainage systems)	\$ 2,500
Buildings and improvements	\$ 2,500
Individual equipment	\$ 2,500

All capital assets are depreciated, except for land and improvements and construction in process. Depreciation is computed using the straight-line method over the following useful lives:

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

Water plant and additions	50-5 years
Buildings	40 years
Building Improvements	20 years
Roads	10 years
Sidewalks	10 years
Vehicles	5 years
Machinery & Equipment	7 years
Computer Equipment	5 years

J. Net Position and Fund Equity

- a. Government-wide Statements: Net position is reported as restricted when constraints placed on net position use are externally imposed either by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village first applies its restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Net position is presented in three components:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes or other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions enabling legislation.

Unrestricted net position consists of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, can be removed or modified.

- b. Fund Financial Statements: The Village has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the funds may be spent.

Application of the Statement requires the Village to classify and report amounts in the appropriate fund balance classifications.

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted – This classification is for funds when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

J. Net Position and Fund Equity (Continued)

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village Board – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Village Board has authority to assign amounts to be used for specific purposes.

Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

GASB 54 requires governmental entities to establish a policy for the application of expenditures to the above classifications. As of the end of the fiscal year, the Village had no such policy and is currently applying the default method of allocation.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and the finally unassigned funds, as needed, unless the Village Board has provided otherwise in its commitment or assignment actions.

K. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

L. Vacation, Sick Leave, and Other Compensated Absences

The Village does not pay employees for vacation, sick leave, or other compensated absences. Therefore, no liability exists as of May 31, 2013.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 1 – Significant Accounting Policies (Continued)

M. New Accounting Pronouncements

GASB Statement No. 62, Codification of Accounting and Financial Guidance Contained in Pre-November 30, 1989, FASB and AICPA pronouncements, effective for periods beginning after December 15, 2011, incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure, which do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources and Net Position, effective for periods beginning after December 15, 2011, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

The Village has implemented the new requirements for the fiscal year ended May 31, 2013.

Note 2 – Cash and Investments

State statutes authorize the Village to make deposits in commercial banks and savings and loan institutions, and to make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veterans' loans, and life insurance company contracts. The Village does not have a policy to limit allowable deposits or investments.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be available. The Village does not have a deposit policy for custodial credit risk. As of May 31, 2013, none of the Village's bank balance of \$109,194 was exposed to custodial credit risk.

As of May 31, 2013 the Village had the following Water Fund cash restricted:

Restricted for water system improvement	\$ 749
Restricted for water system repairs	4,154
Restricted for loan repayment	1,969
	<u>\$ 6,872</u>

Note 3 – Property Taxes

Property taxes become a lien on property on January 1 of the year of the levy and are collected in two installments by the County Treasurer on June 1 and September 1 of the following year with the Village receiving its significant distributions approximately 30 days later. Property tax revenue is recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date, the second Tuesday in September of each year, and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures. For those funds on the modified accrual basis, the current year tax levy is recorded as property taxes receivable and deferred tax revenue.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2013

Note 3 – Property Taxes (Continued)

Assessed Valuations, Rates, and Taxes Extended

The assessed valuations, rates, and taxes extended for the current and two prior years are as follows:

	<u>2012 Levy</u>	<u>2011 Levy</u>	<u>2010 Levy</u>
Assessed valuation	\$ 961,247	\$ 986,762	\$ 1,016,409
Rate per \$100 assessed valuation			
Corporate	0.2675	0.2675	0.2675
Street Lighting	0.0521	0.0000	0.0000
Total	<u>0.3196</u>	<u>0.2675</u>	<u>0.2675</u>
Taxes extended			
Corporate	\$ 2,571	\$ 2,640	\$ 2,719
Street Lighting	501	-	-
Total	<u>\$ 3,072</u>	<u>\$ 2,640</u>	<u>\$ 2,719</u>
Taxes collected		<u>2,508</u>	<u>2,705</u>

Note 4 – Interfund Balances and Transfers

Interfund balances at May 31, 2013 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 9,413	\$ -
Water	-	9,413
Total	<u>\$ 9,413</u>	<u>\$ 9,413</u>

As of May 31, 2013, the Village had an interfund transfer of \$3,549 from the General Fund to the Water Fund. Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them. It also is used to move expenses from the fund that actually pays them to the fund that statute or budget requires them to be classified. For the fiscal year ended May 31, 2013 the transfers were to reclassify expenses paid by the Water Fund into the General Fund.

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 5 – Capital Assets

The following schedule summarizes the changes in the Village's capital fixed assets for the year ended May 31, 2013:

	Balance June 1, 2012	Net Additions	Net Deductions	Balance May 31, 2013
General Fund				
<u>Assets</u>				
Buildings	\$ 43,711	\$ 3,317	\$ -	\$ 47,028
Equipment	13,530	8,462	-	21,992
Total buildings and equipment	<u>\$ 57,241</u>	<u>\$ 11,779</u>	<u>\$ -</u>	<u>\$ 69,020</u>
<u>Accumulated Depreciation</u>				
Buildings	\$ (4,371)	\$ (1,093)	\$ -	\$ (5,464)
Equipment	(13,530)	(101)	-	(13,631)
Total accumulated depreciation	<u>\$ (17,901)</u>	<u>\$ (1,194)</u>	<u>\$ -</u>	<u>\$ (19,095)</u>
Land and land improvements	\$ 6,385	\$ -	\$ -	\$ 6,385
Total capital assets, net depreciated	<u><u>\$ 45,725</u></u>	<u><u>\$ 10,585</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 56,310</u></u>

Depreciation is applied to the Village's activities as follows:

General Governmental	<u><u>\$ 1,194</u></u>
----------------------	------------------------

	Balance June 1, 2012	Net Additions	Net Deductions	Balance May 31, 2013
Water Fund				
Water plant and additions	\$ 182,715	\$ 15,000	\$ -	\$ 197,715
Depreciation	(141,336)	(5,341)	-	(146,677)
Water plant and additions, net of depreciation	<u>\$ 41,379</u>	<u>\$ 9,659</u>	<u>\$ -</u>	<u>\$ 51,038</u>
Land	\$ 200	\$ -	\$ -	\$ 200
Construction in process	40,370	37,309	-	77,679
Water fund nondepreciable assets	<u>\$ 40,570</u>	<u>\$ 37,309</u>	<u>\$ -</u>	<u>\$ 77,879</u>
Total capital assets, net depreciation	<u><u>\$ 81,949</u></u>	<u><u>\$ 46,968</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 128,917</u></u>

Note 6 – Long-Term Debt

On March 26, 2012, the Village obtained a \$150,000 loan from the Farmers State Bank for water improvements. During the fiscal year ending May 31, 2013, the Village had drawn only \$57,150 from the loan. The loan is payable in monthly installments of \$897 with a stated interest rate of 3.85%. The debt service requirements to maturity are as follows:

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

May 31, 2013

Note 6 – Long-Term Debt (Continued)

<u>Fiscal Year Ending 5/31</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2014	\$ 5,454	\$ 5,315	\$ 10,769
2015	5,266	5,503	10,769
2016	5,043	5,726	10,769
2017	4,805	5,964	10,769
2018	4,572	6,198	10,770
2019-2021	10,332	15,694	26,026
Total	<u>\$ 35,472</u>	<u>\$ 44,400</u>	<u>\$ 79,872</u>

Changes in the long-term debt of the Village during the year ended May 31, 2013, were as follows:

	<u>Balance Beginning</u>	<u>Debt Incurred</u>	<u>Payment of Debt</u>	<u>Balance Ending</u>
Water Improvement Loan	<u>\$ 16,288</u>	<u>\$ 39,150</u>	<u>\$ (11,038)</u>	<u>\$ 44,400</u>

Note 7 – Legal Debt Margin

The legal debt limitation available to the Village is based on 8.625 percent of the current assessed valuation of the Village. The legal debt limitation for the Village based on a current assessed valuation is as follows:

Assessed valuation	<u>\$ 961,247</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 82,908
Total debt subject to limitation	<u>-</u>
Legal debt margin	<u>\$ 82,908</u>

Note 8 – Risk Management

Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts, if any, have not exceeded insurance coverage for the current year or the three prior years.

Note 9 – Proprietary Restricted Net Position

The Village has established water rates for specific purposes through an ordinance passed by the Village Board. As of May 31, 2013, the Water Fund has restricted net position based on this ordinance as follows:

VILLAGE OF NORTH HENDERSON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
May 31, 2013

Note 9 – Proprietary Restricted Net Position (Continued)

Restricted for water shed roof repairs	\$ 5,491
Restricted for loan repayment	<u>9,343</u>
	<u>\$14,834</u>

During the fiscal year ending May 31, 2013 the Village Board established separate savings accounts to maintain the revenues and expenses from these restrictions. As of the end of the fiscal year, the balance in these accounts does not match the amounts of restricted net position based on the ordinance.

	Savings Balance	Net Position Balance	Balance Over/ (Under) Funded
Roof Repair	\$ 749	\$ 5,491	\$ (4,742)
Depreciation	4,154	-	4,154
Loan Repayment	1,969	9,343	(7,374)
	<u>\$ 6,872</u>	<u>\$ 14,834</u>	<u>\$ (7,962)</u>

Note 10 – Subsequent Events

Subsequent events were evaluated through January 30, 2014, which is the date the financial statements were available to be issued.

Note 11 – Related Parties

During the fiscal year ended May 31, 2013 the Village had several related parties. An appointed Board member is related to a Village employee. Two of the Village board members were related. One of the Board members has a business with whom the Village did business with during the year and was paid \$118 for services provided. Another Board member has a relative who was awarded a Village contract and was paid \$570 for services provided.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF NORTH HENDERSON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
BUDGET AND ACTUAL -- (CASH BASIS)
MAJOR FUND -- GENERAL FUND

For the year ended May 31, 2013

Page 1 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax			\$ 4,097	
Sales taxes			4,443	
State income tax			17,785	
Utility tax			7,553	
Replacement tax			159	
Interest revenue			129	
Other			1,791	
Total revenues			<u>\$ 35,957</u>	
Expenditures:				
<u>Administration</u>				
Personnel				
Salaries	\$ 3,300	\$ 3,300	\$ 3,562	\$ (262)
Social security	500	500	221	279
Medicare	483	483	52	431
Total administration personnel	<u>\$ 4,283</u>	<u>\$ 4,283</u>	<u>\$ 3,835</u>	<u>\$ 448</u>
Contractual services				
Maintenance services	\$ 3,200	\$ 3,200	\$ 2,098	\$ 1,102
Audit	7,500	7,500	800	6,700
Legal services	2,000	2,000	1,974	26
Insurance	8,100	8,100	4,362	3,738
Animal control	1,000	1,000	658	342
Postage	100	100	58	42
Telephone	100	100	160	(60)
Publishing and printing	1,000	1,000	321	679
Dues	600	600	200	400
Training	500	500	340	160
Utilities	2,100	2,100	864	1,236
Recycling	2,900	2,900	900	2,000
Rental	300	300	56	244
Julie, Inc	100	100	13	87
Grant writing	3,000	3,000	-	3,000
Other contractual services	100	100	-	100
Total administration contractual services	<u>\$ 32,600</u>	<u>\$ 32,600</u>	<u>\$ 12,804</u>	<u>\$ 19,796</u>
Commodities				
Office supplies	\$ 100	\$ 100	\$ 1,331	\$ (1,231)
Other				
Donations	\$ 500	\$ 500	\$ 100	\$ 400
Miscellaneous	-	-	503	(503)
Total administration other	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 603</u>	<u>\$ (103)</u>
Total Administration	<u>\$ 37,483</u>	<u>\$ 37,483</u>	<u>\$ 18,573</u>	<u>\$ 18,910</u>

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

VILLAGE OF NORTH HENDERSON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
BUDGET AND ACTUAL -- (CASH BASIS)
MAJOR FUND -- GENERAL FUND (CONTINUED)

For the year ended May 31, 2013

Page 2 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Streets				
Contractual services				
Maintenance services	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
Vehicle repairs	3,000	3,000	533	2,467
Engineering	500	500	-	500
Street lighting	12,000	12,000	3,807	8,193
Total street contractual services	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 4,340</u>	<u>\$ 12,660</u>
Commodities				
Gasoline and oil	\$ 1,000	\$ 1,000	\$ 656	\$ 344
Maintenance supplies	100	100	4,813	(4,713)
Total street commodities	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 5,469</u>	<u>\$ (4,369)</u>
Total Streets	<u>\$ 18,100</u>	<u>\$ 18,100</u>	<u>\$ 9,809</u>	<u>\$ 8,291</u>
Parks				
Contractual services	\$ 6,900	\$ 6,900	\$ 3,217	\$ 3,683
Maintenance services	1,900	1,900	1,536	364
Utilities	<u>8,800</u>	<u>8,800</u>	<u>4,753</u>	<u>4,047</u>
Total street contractual services	<u>\$ 8,800</u>	<u>\$ 8,800</u>	<u>\$ 4,753</u>	<u>\$ 4,047</u>
Total Parks	<u>\$ 8,800</u>	<u>\$ 8,800</u>	<u>\$ 4,753</u>	<u>\$ 4,047</u>
Capital Outlay	<u>\$ 27,900</u>	<u>\$ 27,900</u>	<u>\$ 11,779</u>	<u>\$ 16,121</u>
Total Expenditures	<u>\$ 92,283</u>	<u>\$ 92,283</u>	<u>\$ 44,914</u>	<u>\$ 47,369</u>
Excess of revenue over (under) expenditures	<u>\$ (92,283)</u>	<u>\$ (92,283)</u>	<u>\$ (8,957)</u>	<u>\$ 47,369</u>
Other Financing Sources (Uses):				
Transfers out	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>\$ (3,549)</u>	<u>\$ 16,451</u>
Excess of receipts over (under) expenditures	<u>\$ (112,283)</u>	<u>\$ (112,283)</u>	<u>\$ (12,506)</u>	<u>\$ 63,820</u>
Net change resulting from conversion to accrual basis			2,672	
Fund balance, June 1, 2012			66,036	
Fund balance, May 31, 2013			<u>\$ 56,202</u>	

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

VILLAGE OF NORTH HENDERSON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
BUDGET AND ACTUAL -- (CASH BASIS)
MAJOR FUND -- MOTOR FUEL TAX FUND

For the year ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Motor fuel tax			\$ 5,265	
Interest revenue			83	
Total revenues			<u>\$ 5,348</u>	
Expenditures:				
Maintenance services	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
Engineering services	5,000	5,000	-	5,000
Legal services	1,500	1,500	-	1,500
Communications	1,300	1,300	-	1,300
Other expenditures	150	150	-	150
Total expenditures	<u>\$ 67,950</u>	<u>\$ 67,950</u>	<u>\$ -</u>	<u>\$ 67,950</u>
Excess of revenue over (under) expenditures			\$ 5,348	
Net change resulting from conversion to accrual basis			52	
Fund balance, June 1, 2012			<u>40,784</u>	
Fund balance, May 31, 2013			<u>\$ 46,184</u>	

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

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF NORTH HENDERSON, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION --
BUDGET AND ACTUAL -- (CASH BASIS)
MAJOR FUND -- PROPRIETARY FUND -- WATER FUND

For the year ended May 31, 2013

Page 1 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenue:				
Charges for services			\$ 40,777	
Operating Expenses:				
Personnel				
Salaries	\$ 5,200	\$ 5,200	\$ 2,050	\$ 3,150
Payroll taxes	200	200	157	43
Contractual services				
Maintenance services	21,000	21,000	5,415	15,585
Engineering fees	25,000	25,000	-	25,000
Accounting services	2,000	2,000	2,400	(400)
Legal services	2,000	2,000	903	1,097
Data processing	3,000	3,000	-	3,000
Postage	600	600	936	(336)
Printing and publishing	2,500	2,500	143	2,357
Telephone	800	800	322	478
Dues	600	600	481	119
Travel	300	300	31	269
Training	300	300	-	300
Utilities	9,000	9,000	6,871	2,129
Insurance	2,500	2,500	1,720	780
Grant expenses	3,000	3,000	-	3,000
Commodities				
Office supplies	2,000	2,000	693	1,307
Operating supplies	500	500	1,198	(698)
Chemicals	600	600	695	(95)
Miscellaneous	900	900	132	768
Capital outlay	180,000	180,000	52,309	127,691
Total operating expenses	\$ 262,000	\$ 262,000	\$ 76,456	\$ 185,544
Nonoperating Revenues (Expenses):				
Interest income	\$ -	\$ -	\$ 29	29
Other revenue	-	-	1,789	1,789
Interest expense	(1,000)	(1,000)	(1,081)	(81)
Transfers in	-	-	3,549	3,549
Total nonoperating revenues (expenses)	\$ (1,000)	\$ (1,000)	\$ 4,286	\$ 5,286
Excess of revenue over (under) expenditures	\$ (263,000)	\$ (263,000)	\$ (31,393)	\$ 190,830

VILLAGE OF NORTH HENDERSON, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION --
BUDGET AND ACTUAL -- (CASH BASIS)
MAJOR FUND -- PROPRIETARY FUND -- WATER FUND

For the year ended May 31, 2013

Page 2 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of revenue over (under) expenditures	<u>\$ (263,000)</u>	<u>\$ (263,000)</u>	\$ (31,393)	<u>\$ 190,830</u>
Net change resulting from conversion to accrual basis			49,783	
Fund balance, June 1, 2012			<u>77,061</u>	
Fund balance, May 31, 2013			<u>\$ 95,451</u>	