

VILLAGE OF  
ANTIOCH, ILLINOIS

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT



YEAR ENDED  
APRIL 30, 2007

**VILLAGE OF ANTIOCH, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED APRIL 30, 2007**

Prepared By  
Joy McCarthy  
Finance Director

**VILLAGE OF ANTIOCH, ILLINOIS**

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Antioch:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter

**VILLAGE OF ANTIOCH, ILLINOIS**

**List of Principal Officials**

**April 30, 2007**

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**Dorothy A. Larson, Mayor**

**BOARD OF TRUSTEES**

Robert J. Caulfield, Jr., Trustee

Scott A. Pierce, Trustee

Lawrence Hanson, Trustee

Barbara Porch, Trustee

Robert E. McCarty, Trustee

Mary J. Turner, Trustee

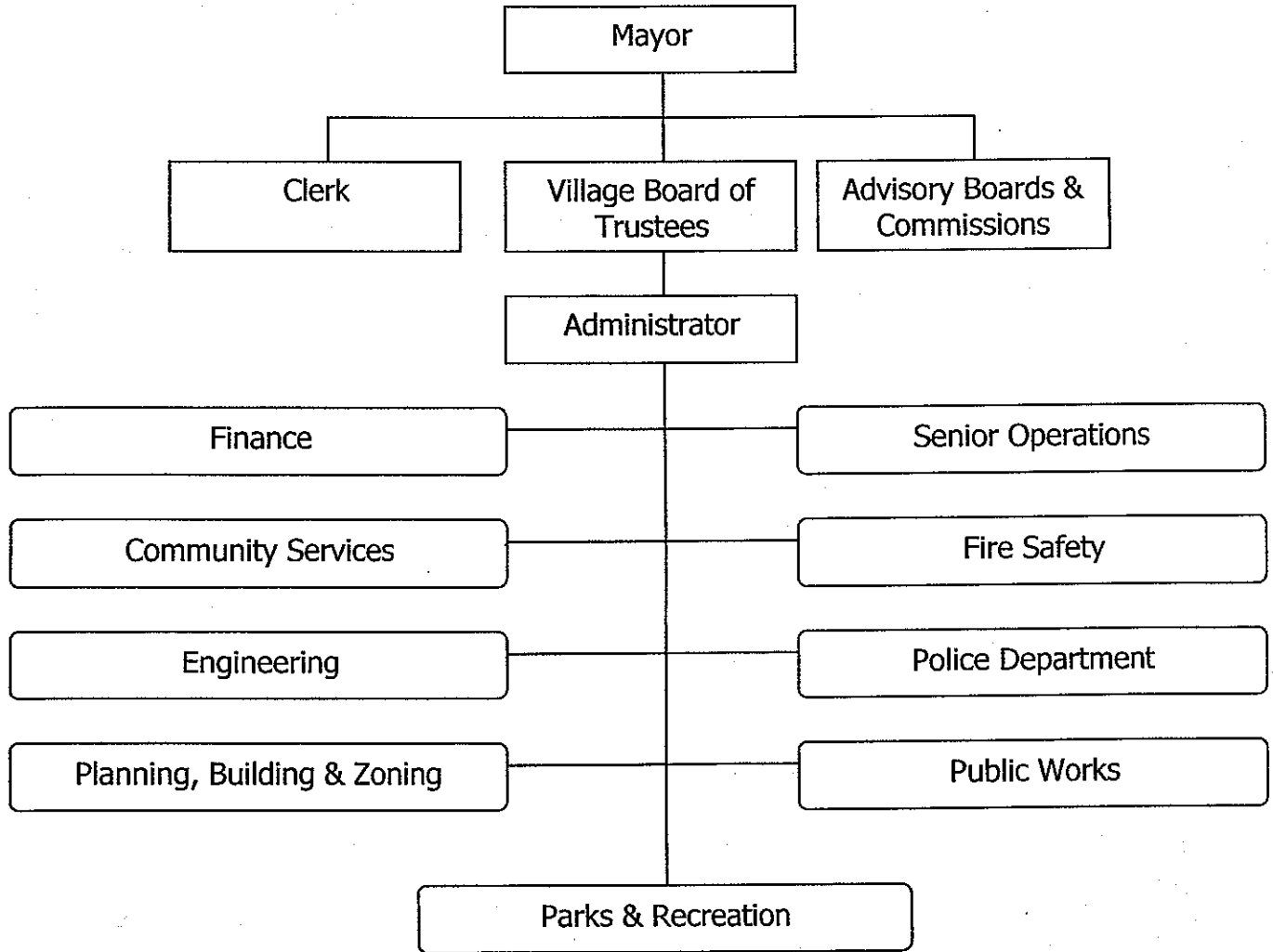
**ADMINISTRATION**

Michael J. Haley, Village Administrator

Candi L. Rowe, Village Clerk

Village of Antioch, Illinois

ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Village of Antioch Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

October 15, 2007

**To the Honorable Mayor, Village Board of Trustees,  
and Citizens of the Village of Antioch, Illinois.**

Illinois State Law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of the fiscal year. These financial statements must conform to generally accepted accounting principles (GAAP), and audited in accordance with generally accepted accounting standards by certified public accountants licensed by the State of Illinois. It is with pleasure that the Comprehensive Financial Annual Report (CAFR) for the Village of Antioch, Illinois is presented for the year ended April 30, 2007.

In previous years, the Village presented to the Mayor, Board of Trustees and Citizens an annual financial report. This is the second year that the Village of Antioch has submitted a CAFR. The 2007 CAFR complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) and is intended to provide additional information not previously available in the Village's financial statements.

Prior year financial reports were issued after the required deadline due to unusual accounting difficulties. We are pleased to have successfully addressed those accounting issues and, for the second year, meet the required deadline for the issuance of this fiscal year's report. Key factors that allowed for these accomplishments included revising processes, implementing internal controls, establishing new financial policies, and adding personnel with experience in municipal finance.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has continued to focus on the internal controls that are designed to protect the Village's assets from loss, theft or misuse and to compile sufficiently reliable information for the preparation of the Village's financial statements in conformity with GAAP. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

***Fiscal Management***

The annual budget serves as the foundation for the Village's internal planning and control. All Village departments are required to submit budget requests to the Administrator. The Village Administrator works with the Village Mayor to prepare a proposed budget for the Mayor and Board of Trustees to review, debate, modify and approve. The budget is prepared by fund, activity (i.e. public safety), department (i.e. police), program (i.e. police dispatch), and the required purposes under the State's appropriation statute, (i.e. supplies). Subdivisions of the purposes, (i.e. office supplies, vehicle maintenance supplies, computer supplies) are budgeted as line items for departmental management. The Village functions under the State of Illinois

Appropriation Ordinance. The Appropriation Ordinance is developed by the Village Administrator, based on the Board approved budget, for Board review and adoption.

The Village of Antioch's financial statements have been audited by Lauterbach and Amen, LLP, a firm licensed by the State of Illinois as certified public accountants with specialization in local government accounting. The goal of the independent audit is to provide reasonable assurance that the financial statements of Antioch are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures shown in these financial statements; assessing the accounting principles and significant estimates used; and evaluating the overall financial statement presentation. In addition, the auditors prepared a list of management comments which outline areas where the Village management can further improve internal controls and accounting procedures. The administration along with the finance department appreciates and welcomes the auditors' recommendations for internal control improvement and looks forward to executing their recommendations.

### ***Fiscal Report***

The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Village of Antioch's financial statements for the fiscal year ended April 30, 2007, are fairly presented in conformity to GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The financial reports are presented in accordance with the new reporting model requirements (commonly referred to as "GASB 34"). GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal will not repeat the financial overview and analysis which is provided in the MD&A, but encourages the reader to review this important section of the financial statements for a comprehensive overview and analysis of how the Village has fared over the last fiscal year.

### ***CAFR Format***

This CAFR is presented in four sections:

- The *Introductory Section*, which is unaudited, includes a list of principal officials, an organizational chart, and this letter of transmittal.
- The *Financial Section* includes the independent auditor's report on the financial statement, the MD&A, the audited basic financial statements, required supplementary information, and combining and individual fund statements and schedules.
- The *Supplemental Section* describes the long-term debt requirements, and
- The *Statistical Section* is prepared by Finance staff. This section is unaudited and includes selected financial and demographic information presented, where applicable, on a multi-year basis.

### ***Village Profile***

The Village of Antioch is located at the northern border of Illinois, in Lake County. It is the gateway to the Chain O' Lakes recreational area, yet provides suburban housing for the Chicagoland area. The Village's residential population is exploding, with a population of 13,724, up from 8,800 in 2000. A priority for the Village is to maintain its early 19<sup>th</sup> century downtown charm, which includes a live playhouse, art museum, the Pickard China Museum and antique dealers.

The Village provides a full range of services. Antioch's public safety activities include police and fire protection, as well as dispatching emergency services to the region at large. Culture and recreational activities include a Senior Center, a band shell, pool, recreational and sport parks, bike trails, a wetland preserve, and many community special events. Public Works provides street and right-of-way maintenance and construction, as well as building maintenance, park maintenance and brush control. Water service, sanitary sewer service and a sanitation treatment plant are functions which are included in the Water and Sewer enterprise fund.

The Village is also accountable for various community projects, which are blended into the Village's departmental program budgets. These include the accumulation of donations for the maintenance of a Wetland area, a DARE program for area school children and a cooperative effort with the Township to develop a sport and open space park. In addition, the Village is accountable for the Antioch Police Pension Fund, managed by a legally separate Board, and two Special Service Areas which are administered by an independent Trustee (Cole Taylor Bank).

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Antioch for the fiscal year ended 2006. This was the first year the Village received such a prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

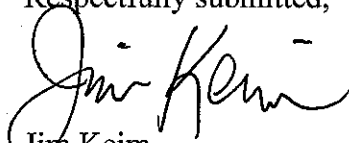
A Certificate of Achievement is valid for a period of one year. This is the second year that the Village of Antioch has prepared a comprehensive annual financial report. We believe that our report meets the requirements of the Certificate of Achievement Program and, once again, are submitting it to the GFOA to determine its eligibility for a certificate. It is our hope that the Village of Antioch's Finance Department staff will continually meet the level of excellence required to be granted this award for many years in the future.

### *Acknowledgements*

The preparation of this report, and the confidence with which it is presented, would not have been possible without the dedicated services of the Finance staff and our independent auditors Lauterbach and Amen, LLP who were essential in addressing the prior accounting issues.

In closing, we would also like to thank Mayor Dorothy Larson, the Board of Trustees, and all department heads for their support in maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Jim Keim  
Acting Village Administrator



Joy McCarthy  
Finance Director

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.

**INDEPENDENT AUDITORS' REPORT**

September 26, 2007

The Honorable Village President  
Members of the Board of Trustees  
Village of Antioch, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Village of Antioch, Illinois as of and for the year ended April 30, 2007, which collectively comprise the Village of Antioch's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of Antioch, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

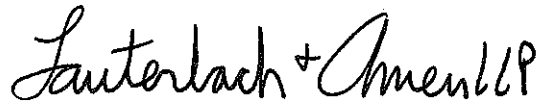
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Antioch, Illinois as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The individual fund schedules, as well as the information listed as supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Antioch, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script that reads "Lauterbach + Amen LLP".

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

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The Management Discussion and Analysis (MD&A) of the Village of Antioch's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2007. We recommend that the MD&A be read in conjunction with the Transmittal Letter (beginning on page iv), the financial statements, and notes to the financial statements that follow.

The MD&A is designed to:

- ✓ assist the reader in focusing on significant financial issues,
- ✓ provide an overview of the Village's financial activity,
- ✓ identify changes in the Village's financial position (its ability to address the subsequent years' challenges),
- ✓ identify any material deviations from the financial plan (the approved budget), and
- ✓ identify individual fund issues or concerns.

### FINANCIAL HIGHLIGHTS

- The Village of Antioch's total governmental and business-type net assets increased by \$6,978,735 from \$86,093,654 to \$93,072,389. Beginning net assets were restated by \$56,085,848 after the completion of an infrastructure appraisal.
- During the year, governmental and business-type revenues totaled \$21,724,980 which exceeded total expenses of \$14,746,245 by \$6,978,735.
- Revenues for governmental activities totaled \$14,643,143. Expenses totaled \$12,353,260, resulting in an increase of net assets from \$57,081,276 to \$59,371,159, an increase of 4.01 percent.
- Revenues for business-type activities totaled \$7,081,837 while expenses totaled \$2,392,985, increasing business-type by \$4,688,852, increasing business-type net assets from \$29,012,378 to \$33,701,230, an increase of 16.16 percent.
- The General Fund reported a decrease of \$409,980 in the current year, decreasing the General Fund balance to \$724,518, a 36.14 percent decrease.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 - 18) provide information about the activities of the Village of Antioch as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Antioch's operation in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

# VILLAGE OF ANTIOCH, ILLINOIS

**Management's Discussion and Analysis**  
**April 30, 2007**

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## **USING THIS ANNUAL REPORT - Continued**

### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the Village of Antioch's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 15 - 18 of this report.

The Statement of Net Assets reports information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village of Antioch.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, community development, public safety, public works, and culture and recreation. The business-type activities of the Village include waterworks and sewerage operations.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Antioch, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# VILLAGE OF ANTIOCH, ILLINOIS

Management's Discussion and Analysis  
April 30, 2007

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## USING THIS ANNUAL REPORT - Continued

### Fund Financial Statements - Continued

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village of Antioch maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Dolly Spiering Memorial, Debt Service, Infrastructure Capital Projects, Special Service Area #1 and Special Service Area #2 Funds, all of which are considered major funds. Data from the other remaining governmental funds are presented in aggregate on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

#### Proprietary Funds

The Village maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its waterworks and sewerage operations.

# VILLAGE OF ANTIOCH, ILLINOIS

**Management's Discussion and Analysis**  
**April 30, 2007**

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## **USING THIS ANNUAL REPORT - Continued**

### **Fund Financial Statements - Continued**

#### **Proprietary Funds – Continued**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which is a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 25 - 27 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Antioch's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 28 - 29 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 60 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police employee pension obligations. Required supplementary information can be found on pages 61 - 66 of this report. Combining and individual fund statements and schedules can be found on pages 67 - 88 of this report.

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Antioch, assets exceeded liabilities by \$93,072,389.

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 9,391,004	11,064,525	4,353,084	3,056,882	13,744,088	14,121,407
Capital Assets	59,195,751	19,043,382	33,229,156	9,941,561	92,424,907	28,984,943
Total Assets	68,586,755	30,107,907	37,582,240	12,998,443	106,168,995	43,106,350
Long-Term Debt Outstanding	4,802,328	4,828,635	3,145,041	2,834,734	7,947,369	7,663,369
Other Liabilities	4,413,268	4,768,033	735,969	667,142	5,149,237	5,435,175
Total Liabilities	9,215,596	9,596,668	3,881,010	3,501,876	13,096,606	13,098,544
Net Assets						
Invested in Capital Assets, Net of Debt	55,212,684	15,208,382	29,684,156	6,866,561	84,896,840	22,074,943
Restricted	3,020,884	3,323,444	523,600	523,600	3,544,484	3,847,044
Unrestricted (Deficit)	1,137,591	1,979,413	3,493,474	2,106,406	4,631,065	4,085,819
Total Net Assets	59,371,159	20,511,239	33,701,230	9,496,567	93,072,389	30,007,806

By far the largest portion of the Village's net assets, \$84,894,840 reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$3,544,484 of the Village's net assets represents resources that are subject to external restrictions on how they may be used. The remaining net assets, or \$4,631,065 represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF ANTIOCH, ILLINOIS

Management's Discussion and Analysis  
April 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Total revenues for both governmental and business-type activities totaled \$21,724,980 while the total cost of all programs and services was \$14,746,245 resulting in an increase to total net assets of \$6,978,735.

	Change in Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 2,590,789	3,029,203	2,645,500	3,276,248	5,236,289	6,305,451
Operating Grants/Contributions	(3,434)	97,146	-	-	(3,434)	97,146
Capital Grants/Contributions	3,554,222	29,300	4,363,645		7,917,867	29,300
General Revenues						
Property Taxes	2,983,104	2,574,269	-	-	2,983,104	2,574,269
Sales Taxes	2,969,865	2,858,933	-	-	2,969,865	2,858,933
Income Taxes	1,062,605	671,510	-	-	1,062,605	671,510
Utility Taxes	2,938	14,597	-	-	2,938	14,597
Other Taxes	318,245	237,987	-	-	318,245	237,987
Intergovernmental	509,100	376,896	-	-	509,100	376,896
Other General Revenues	655,709	706,825	72,692	39,936	728,401	746,761
<b>Total Revenues</b>	<b>14,643,143</b>	<b>10,596,666</b>	<b>7,081,837</b>	<b>3,316,184</b>	<b>21,724,980</b>	<b>13,912,850</b>
<b>Expenses</b>						
General Government	2,098,295	2,181,455	-	-	2,098,295	2,181,455
Community Development	1,259,375	1,094,525	-	-	1,259,375	1,094,525
Public Safety	4,799,115	4,596,947	-	-	4,799,115	4,596,947
Public Works	3,262,123	2,196,107	-	-	3,262,123	2,196,107
Culture and Recreation	611,320	836,208	-	-	611,320	836,208
Interest on Long-Term Debt	323,032	172,269	-	-	323,032	172,269
Waterworks and Sewerage	-	-	2,392,985	3,042,635	2,392,985	3,042,635
<b>Total Expenses</b>	<b>12,353,260</b>	<b>11,077,511</b>	<b>2,392,985</b>	<b>3,042,635</b>	<b>14,746,245</b>	<b>14,120,146</b>
Change in Net Assets before Transfers	2,289,883	(480,845)	4,688,852	273,549	6,978,735	(207,296)
Transfers In (Out)	-	138,115	-	(138,115)	-	-
Change in Net Assets	2,289,883	(342,730)	4,688,852	135,434	6,978,735	(207,296)
Net Assets-Beginning as Restated	57,081,276	20,853,969	29,012,378	9,361,133	86,093,654	30,215,102
Net Assets-Ending	59,371,159	20,511,239	33,701,230	9,496,567	93,072,389	30,007,806

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

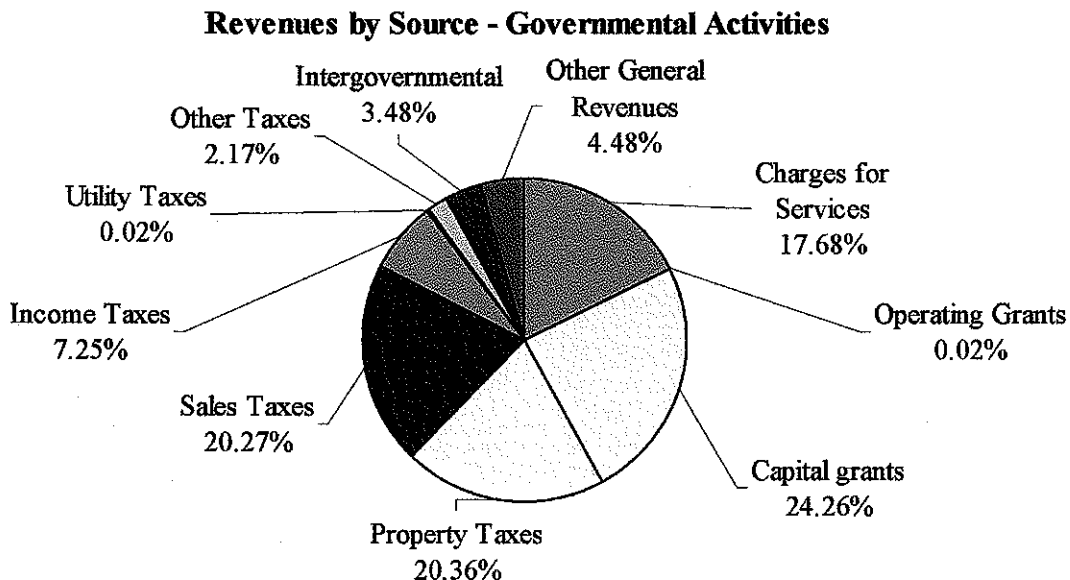
##### Revenues

Revenues for governmental activities totaled \$14,643,143 while expenses totaled \$12,353,260. The difference in revenues compared to expenses resulted in an increase to governmental net assets of \$2,289,883. Capital contributions of \$3,554,222 accounted for this year's increase in revenue. Without these contributions actual revenues of \$11,088,921 were \$1,264,339 less than expenditures. This trend has been developing over the last four years and is correlated to the population growth.

The revenue growth over the last 2 years is directly related to the construction of Wal-Mart, the completion of an interim census that impacted the population driven revenues from the State, and permit fees from new residential development. As development slowed and expenditures increased to cope with the rapid growth, the impact to net assets has been significant. Clearly there is a need for new revenue sources.

As a non home-rule municipality the Village cannot impose local sales taxes; therefore, the Village's sole sales tax revenue is received from the state. Antioch's steady sales tax revenue position is attributed to a good local economy and the new commercial construction along the Route 173 commercial corridor. It is expected that sales tax revenue will increase with additional planned development in fiscal year 2008.

The Village of Antioch's major funding source is taxes. Taxes represent 50 percent of governmental revenues. The following table graphically depicts the major revenue sources of the Village of Antioch. It depicts very clearly the reliance of property taxes, sales taxes, and charges for services, to fund governmental activities.



**VILLAGE OF ANTIOCH, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2007**

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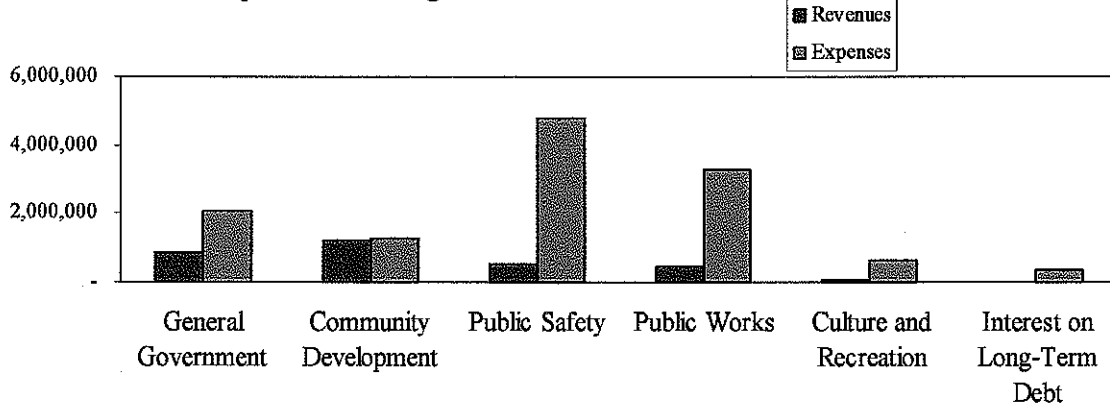
**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

**Expenses**

There was an overall increase in expenses of 11.50 percent over the prior year primarily due to increases in Community Development, Public Safety and Public Works. Salaries and benefits increased 1 percent, and contractual services and capital outlay reflect a decrease in spending. Supplies and materials increased by 4.3 percent. The purchase of Debt Certificates in 2007 created a .4 percent increase in debt service.

**Expenses and Program Revenues - Governmental Activities**



The Village has experienced tremendous growth over the last three years; while expenses have been increasing to meet the demands of the growing population, new revenue sources have not been introduced. As expenses continue to exceed revenues each year, there is a diminishing effect on net assets.

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

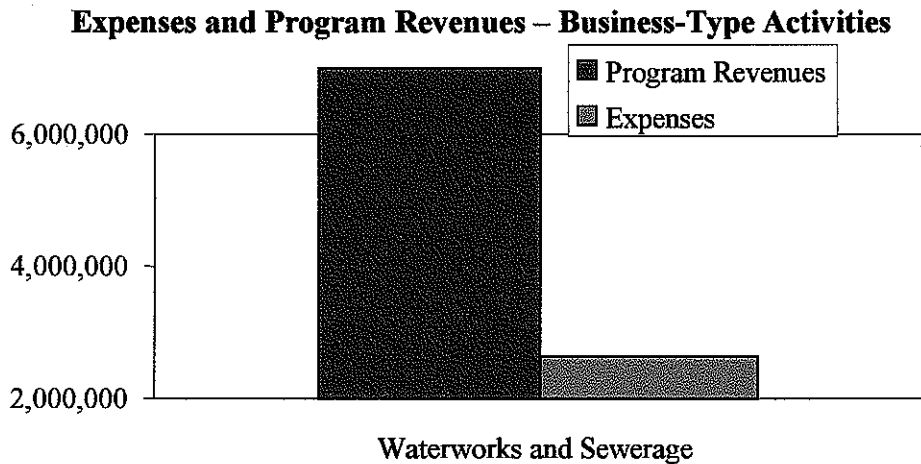
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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Business-Type Activities

An average of 60% of Water and Sewer Revenue is collected mainly from water and sewer usage. Water meter sales, permits, connection and inspection fees account for the remaining 40%. With the population growth and residential and commercial construction in progress, Water and Sewer revenue from Antioch's water and sewer utility customers is expected to continually increase.

Revenues for business-type activities totaled \$7,081,837, while total expenses totaled \$2,392,985, resulting in an increase to business-type net assets prior to transfers of \$4,688,852.



The above graph compares program revenues to expenses for waterworks and sewerage operations. The graph shows that revenues for the waterworks and sewerage operations are able to cover expenses.

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Antioch uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

#### Governmental Funds – Continued

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$5,529,264, which is lower than last year's total of \$6,891,217. The largest deficiency of revenues under expenditures took place in the General Fund which had a reduction to fund balance of \$409,980. This decrease to fund balance resulted from the use of the General Fund to subsidize Infrastructure Capital Projects Fund expenditures. This trend indicates an urgent need to evaluate revenue sources and expenditure patterns. An adequate dedicated revenue stream for capital projects needs to be identified. The Dolly Spiering Memorial Fund reported a surplus of \$27,111, resulting in ending fund balance of \$989,776. The Debt Service Fund, Infrastructure Capital Projects Fund, Special Service Area #1 Fund and Special Service Area #2 Fund all posted decreases to fund balance of \$51,773, \$333,347, \$124,914, and \$140,261, respectively. The Infrastructure Capital Projects Fund and the SSA Funds had planned capital improvements and projects that reduced fund balance in the current year.

#### Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Waterworks and Sewerage Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system.

The Waterworks and Sewerage Fund had a positive change in net assets of \$4,688,852, resulting in ending net assets of \$33,701,230.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

No supplemental amendments were made to the General Fund budget during the year.

The General Fund actual revenues of \$9,562,572 for the current year were \$230,663 higher than budgeted revenues of \$9,331,909, due primarily to property taxes and states taxes being higher than anticipated.

The General Fund actual expenditures were lower than budgeted expenditures for the current year. Actual expenditures totaled \$9,772,552, while budgeted expenditures totaled \$10,105,002. Specifically, expenditures for the general government function were \$326,847 lower than budgeted (\$1,485,504 actual compared to \$1,812,351 budgeted).

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2007 was \$92,424,907 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges.

#### Capital Assets - Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 25,136,843	25,136,843	12,257,491	12,257,491	37,394,334	37,394,334
Buildings and Improvements	4,211,153	4,209,336	-	-	4,211,153	4,209,336
Equipment	669,130	628,965	-	-	669,130	628,965
Infrastructure	29,178,625	25,638,275	20,971,665	17,199,881	50,150,290	42,838,156
Total	59,195,751	55,613,419	33,229,156	29,457,372	92,424,907	85,070,791

This year's major additions included:

Building Improvements	\$ 139,268
Streets Vehicle and Equipment Purchases	160,000
Infrastructure Improvements	4,739,954
Water and Sewer Plant and Equipment	4,413,035
	<u>9,452,257</u>

Additional information on the Village's capital assets can be found in note 3 on pages 46 - 47 of this report.

# VILLAGE OF ANTIOCH, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the Village of Antioch had total outstanding debt of \$7.5 million. There was a \$140,567 increase from the prior year as \$739,433 of debt was retired and \$720,000 of Debt Certificates and \$160,000 of Capital Leases were issued to fund radium removal and disposal from 2 wells and the acquisition of new equipment, respectively.

The following is a comparative statement of outstanding debt:

#### Governmental and Business-Type Long-Term Debt Outstanding

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 2,160,000	2,460,000	-	-	2,160,000	2,460,000
Alternate Revenue Bonds	1,675,000	1,765,000	-	-	1,675,000	1,765,000
Debt Certificates	-	-	720,000	-	720,000	-
Capital Leases	148,067	-	-	-	148,067	-
Legal Settlement	-	87,500	-	-	-	87,500
Revenue Bonds	-	-	2,825,000	3,075,000	2,825,000	3,075,000
Total	3,983,067	4,312,500	3,545,000	3,075,000	7,528,067	7,387,500

Additional information on the Village of Antioch's long-term debt can be found in Note 3 on pages 48 - 54 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2007 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Antioch's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Village Administrator, Village of Antioch, 874 Main Street, Antioch, Illinois 60002.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Net Assets**  
**April 30, 2007**

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**See Following Page**

VILLAGE OF ANTIOCH, ILLINOIS

Statement of Net Assets  
April 30, 2007

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 5,569,795	1,837,413	7,407,208
Receivables - Net of Allowances	4,351,402	1,115,789	5,467,191
Internal Balances	(675,511)	675,511	-
Prepays	145,318	-	145,318
Restricted Cash and Investments	-	688,027	688,027
Total Current Assets	<u>9,391,004</u>	<u>4,316,740</u>	<u>13,707,744</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	25,136,843	12,257,491	37,394,334
Depreciable Capital Assets	57,355,498	30,985,666	88,341,164
Accumulated Depreciation	(23,296,590)	(10,014,001)	(33,310,591)
	<u>59,195,751</u>	<u>33,229,156</u>	<u>92,424,907</u>
Other Assets			
Unamortized Bond Costs	-	36,344	36,344
Total Noncurrent Assets	<u>59,195,751</u>	<u>33,265,500</u>	<u>92,461,251</u>
Total Assets	<u>68,586,755</u>	<u>37,582,240</u>	<u>106,168,995</u>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Net Assets**

**April 30, 2007**

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	284,982	237,158	522,140
Accrued Payroll	255,038	24,711	279,749
Interest Payable	60,596	49,844	110,440
Unearned Revenues	3,321,720	11,746	3,333,466
Current Portion of Long-term Debt	490,932	412,510	903,442
<b>Total Current Liabilities</b>	<b>4,413,268</b>	<b>735,969</b>	<b>5,149,237</b>
<b>Noncurrent Liabilities</b>			
Net Pension Obligation	978,627	-	978,627
Compensated Absences Payable	265,253	10,041	275,294
Capital Lease Payable	118,448	-	118,448
Alternate Revenue Bonds Payable	1,580,000	-	1,580,000
Revenue Bonds Payable	-	2,550,000	2,550,000
Debt Certificates Payable	-	585,000	585,000
General Obligation Bonds Payable	1,860,000	-	1,860,000
<b>Total Noncurrent Liabilities</b>	<b>4,802,328</b>	<b>3,145,041</b>	<b>7,947,369</b>
<b>Total Liabilities</b>	<b>9,215,596</b>	<b>3,881,010</b>	<b>13,096,606</b>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	55,212,684	29,684,156	84,896,840
Restricted - Special Revenues	1,023,934	-	1,023,934
Restricted - Debt Service	330,967	523,600	854,567
Restricted - Capital Projects	1,665,983	-	1,665,983
Unrestricted	1,137,591	3,493,474	4,631,065
<b>Total Net Assets</b>	<b>59,371,159</b>	<b>33,701,230</b>	<b>93,072,389</b>

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

VILLAGE OF ANTIOCH, ILLINOIS

Statement of Activities  
Year Ended April 30, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 2,098,295	850,398	-	-
Community Development	1,259,375	1,031,336	-	-
Public Safety	4,799,115	473,224	4,814	-
Public Works	3,262,123	175,074	(8,248)	3,554,222
Culture and Recreation	611,320	60,757	-	-
Interest on Long-Term Debt	323,032	-	-	-
Total Governmental Activities	12,353,260	2,590,789	(3,434)	3,554,222
Business-Type Activities				
Waterworks and Sewerage	2,392,985	2,645,500	-	4,363,645
	14,746,245	5,236,289	(3,434)	7,917,867

General Revenues

Taxes

Property Taxes

Sales Taxes - Unrestricted

Income Taxes - Unrestricted

Utility Taxes

Replacement Taxes

Hotel/Motel Taxes

Use Taxes

Other Taxes

Intergovernmental - Unrestricted

Motor Fuel Tax Allotments

Road and Bridge Tax

Interest Income

Miscellaneous

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

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

Net Expense/Revenue		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(1,247,897)	-	(1,247,897)
(228,039)	-	(228,039)
(4,321,077)	-	(4,321,077)
458,925	-	458,925
(550,563)	-	(550,563)
(323,032)	-	(323,032)
(6,211,683)	-	(6,211,683)
-	4,616,160	4,616,160
(6,211,683)	4,616,160	(1,595,523)
2,983,104	-	2,983,104
2,969,865	-	2,969,865
1,062,605	-	1,062,605
2,938	-	2,938
54,976	-	54,976
49,825	-	49,825
181,082	-	181,082
32,362	-	32,362
382,668	-	382,668
126,432	-	126,432
311,408	72,692	384,100
344,301	-	344,301
8,501,566	72,692	8,574,258
2,289,883	4,688,852	6,978,735
57,081,276	29,012,378	86,093,654
59,371,159	33,701,230	93,072,389

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Governmental Funds - Balance Sheet  
April 30, 2007**

	General	Dolly Spiering Memorial
<b>ASSETS</b>		
Cash and Investments	\$ 734,802	991,861
Receivables - Net of Allowances		
Property Taxes	2,620,787	-
Other Taxes	843,643	-
Accounts	161,181	-
Due from Other Funds	4,392	-
Prepays	145,318	-
	<u>4,510,123</u>	<u>991,861</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	222,380	2,085
Accrued Payroll	253,208	-
Due to Other Funds	689,230	-
Unearned/Deferred Revenue	2,620,787	-
Total Liabilities	<u>3,785,605</u>	<u>2,085</u>
<b>Fund Balances</b>		
Reserved - Prepays	145,318	-
Reserved - Special Revenues	34,158	989,776
Reserved - Debt Service	-	-
Reserved - Capital Projects	-	-
Unreserved - General	545,042	-
Unreserved - Nonmajor Special Revenue	-	-
Unreserved - Capital Projects	-	-
Total Fund Balances	<u>724,518</u>	<u>989,776</u>
	<u>4,510,123</u>	<u>991,861</u>
<b>Total Liabilities and Fund Balances</b>		

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

Debt Service	Infrastructure Capital Projects	Special Service Area #1	Special Service Area #2	Nonmajor Funds	Totals
392,463	73,578	770,720	895,263	1,711,108	5,569,795
390,249	-	-	-	310,684	3,321,720
-	-	-	-	32,610	876,253
-	-	-	-	-	161,181
-	-	-	-	5,967	10,359
-	-	-	-	-	145,318
<b>782,712</b>	<b>73,578</b>	<b>770,720</b>	<b>895,263</b>	<b>2,060,369</b>	<b>10,084,626</b>
900	1,110	-	-	58,507	284,982
-	-	-	-	1,830	255,038
-	-	-	-	4,392	693,622
390,249	-	-	-	310,684	3,321,720
<b>391,149</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>375,413</b>	<b>4,555,362</b>
-	-	-	-	-	145,318
-	-	-	-	-	1,023,934
391,563	-	-	-	-	391,563
-	-	770,720	895,263	-	1,665,983
-	-	-	-	-	545,042
-	-	-	-	1,684,956	1,684,956
-	72,468	-	-	-	72,468
<b>391,563</b>	<b>72,468</b>	<b>770,720</b>	<b>895,263</b>	<b>1,684,956</b>	<b>5,529,264</b>
<b>782,712</b>	<b>73,578</b>	<b>770,720</b>	<b>895,263</b>	<b>2,060,369</b>	<b>10,084,626</b>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities**

**April 30, 2007**

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<b>Total Governmental Fund Balances</b>	<b>\$ 5,529,264</b>
 Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	59,195,751
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Obligation Payable	(978,627)
Compensated Absences Payable	(331,566)
Capital Lease Payable	(148,067)
Alternate Revenue Bonds Payable	(1,675,000)
General Obligation Bonds Payable	(2,160,000)
Accrued Interest Payable	<u>(60,596)</u>
 <b>Net Assets of Governmental Activities</b>	 <b><u>59,371,159</u></b>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2007**

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**See Following Page**

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2007**

	General	Dolly Spiering Memorial
<b>Revenues</b>		
Taxes	\$ 6,649,942	-
Charges for Services	1,240,230	-
Licenses and Permits	1,020,035	-
Intergovernmental	131,246	-
Fines and Forfeits	155,450	-
Interest	140,900	50,449
Miscellaneous	224,769	20,000
<b>Total Revenues</b>	<b>9,562,572</b>	<b>70,449</b>
<b>Expenditures</b>		
<b>Current</b>		
General Government	1,485,504	-
Community Development	1,259,375	-
Public Safety	4,459,740	-
Public Works	1,967,539	-
Culture and Recreation	512,894	43,338
Capital Outlay	-	-
<b>Debt Service</b>		
Principal Retirement	87,500	-
Interest and Fiscal Charges	-	-
<b>Total Expenditures</b>	<b>9,772,552</b>	<b>43,338</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(209,980)</b>	<b>27,111</b>
<b>Other Financing Sources (Uses)</b>		
Debt Issuance	-	-
Transfers In	-	-
Transfers Out	(200,000)	-
	(200,000)	-
<b>Net Change in Fund Balances</b>	<b>(409,980)</b>	<b>27,111</b>
<b>Fund Balances - Beginning</b>	<b>1,134,498</b>	<b>962,665</b>
<b>Fund Balances - Ending</b>	<b>724,518</b>	<b>989,776</b>

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

Debt Service	Infrastructure Capital Projects	Special Service Area #1	Special Service Area #2	Nonmajor Funds	Total Governmental Funds
403,700	-	-	-	283,115	7,336,757
-	-	-	-	175,074	1,415,304
-	-	-	-	-	1,020,035
-	-	-	-	374,420	505,666
-	-	-	-	-	155,450
-	-	35,236	42,311	42,512	311,408
-	322	-	-	99,210	344,301
403,700	322	35,236	42,311	974,331	11,088,921
-	-	-	-	508,557	1,994,061
-	-	-	-	-	1,259,375
-	-	-	-	-	4,459,740
-	-	-	-	463,633	2,431,172
-	-	-	-	-	556,232
-	533,669	160,150	182,572	215,860	1,092,251
390,000	-	-	-	11,933	489,433
220,798	-	-	-	107,812	328,610
610,798	533,669	160,150	182,572	1,307,795	12,610,874
(207,098)	(533,347)	(124,914)	(140,261)	(333,464)	(1,521,953)
-	-	-	-	160,000	160,000
155,325	200,000	-	-	-	355,325
-	-	-	-	(155,325)	(355,325)
155,325	200,000	-	-	4,675	160,000
(51,773)	(333,347)	(124,914)	(140,261)	(328,789)	(1,361,953)
443,336	405,815	895,634	1,035,524	2,013,745	6,891,217
391,563	72,468	770,720	895,263	1,684,956	5,529,264

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities**

**Year Ended April 30, 2007**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (1,361,953)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	5,039,222
Depreciation Expense	(1,456,890)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to Net Pension Obligation	(189,194)
Additions to Compensated Absences Payable	(76,313)
Issuance of Capital Lease	(160,000)
Retirement of Debt	489,433

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

5,578

**Changes in Net Assets of Governmental Activities**

2,289,883

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Net Assets - Proprietary Funds - Business-Type Activities  
April 30, 2007**

		<u>Waterworks and Sewerage</u>
<b>ASSETS</b>		
Current Assets		
Cash and Investments		\$ 1,837,413
Receivables - Net of Allowances		
Accounts		1,115,789
Due from Other Funds		675,511
Restricted - Cash and Investments		<u>688,027</u>
Total Current Assets		<u>4,316,740</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable Capital Assets		12,257,491
Depreciable Capital Assets		30,985,666
Accumulated Depreciation		<u>(10,014,001)</u>
		33,229,156
Other Assets		
Unamortized Bond Costs		<u>36,344</u>
Total Noncurrent Assets		<u>33,265,500</u>
		<u>37,582,240</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		237,158
Accrued Payroll		24,711
Interest Payable		49,844
Unearned/Deferred Revenue		11,746
Compensated Absences Payable		2,510
Revenue Bonds Payable		275,000
Debt Certificates Payable		<u>135,000</u>
Total Current Liabilities		<u>735,969</u>
Noncurrent Liabilities		
Compensated Absences Payable		10,041
Revenue Bonds Payable		2,550,000
Debt Certificates Payable		<u>585,000</u>
Total Noncurrent Liabilities		<u>3,145,041</u>
		<u>3,881,010</u>
<b>NET ASSETS</b>		
Invested in Capital Assets - Net of Related Debt		29,684,156
Restricted - Debt Service		523,600
Unrestricted		<u>3,493,474</u>
		<u>33,701,230</u>

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

VILLAGE OF ANTIOCH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets -  
Proprietary Funds (Business-Type Activities)  
Year Ended April 30, 2007

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	\$ <u>2,179,042</u>
Operating Expenses	
Administration	195,541
Operations	1,391,470
Depreciation and Amortization	<u>645,289</u>
Total Operating Expenses	<u>2,232,300</u>
Operating Income (Loss)	<u>(53,258)</u>
Nonoperating Revenues (Expenses)	
Connection Fees	466,458
Interest Income	72,692
Interest and Fiscal Charges	<u>(160,685)</u>
	<u>378,465</u>
Income Before Contributions	325,207
Capital Contributions	<u>4,363,645</u>
Change in Net Assets	4,688,852
Net Assets - Beginning as Restated	<u>29,012,378</u>
Net Assets - Ending	<u><u>33,701,230</u></u>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds - Business Type Activities  
Year Ended April 30, 2007**

	<u>Waterworks and Sewerage</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,416,352
Payments to Employees	(599,156)
Payments to Suppliers	<u>(1,078,721)</u>
	<u>738,475</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(49,390)
Interest and Fiscal Charges	(160,685)
Payment of Bond Principal	(250,000)
Issuance of Debt Certificates	720,000
	<u>259,925</u>
Cash Flows from Investing Activities	
Interest Received	<u>72,692</u>
Net Change in Cash and Cash Equivalents	1,071,092
Cash and Cash Equivalents - Beginning of Year	<u>1,454,348</u>
Cash and Cash Equivalents - End of Year	<u><u>2,525,440</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>(53,258)</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:	
Depreciation and Amortization Expense	645,289
Other Income (Expense)	466,458
Increase (Decrease) in Current Assets	(229,148)
Increase (Decrease) in Current Liabilities	<u>(90,866)</u>
Net Cash Provided by Operating Activities	<u><u>738,475</u></u>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds  
April 30, 2007**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,166,526	3,578,238
Investments		
U.S. Government and Agency Obligations	1,608,075	-
Receivables - Net of Allowances		
Other	7,752	-
	<hr/>	<hr/>
Total Assets	3,782,353	3,578,238
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Deposits Payable	-	699,173
Due to Bondholders	-	2,879,065
	<hr/>	<hr/>
Total Liabilities	-	3,578,238
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	3,782,353	-
	<hr/>	<hr/>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended April 30, 2007**

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 331,562
Contributions - Plan Members	<u>155,908</u>
<b>Total Contributions</b>	<u>487,470</u>
<b>Investment Income</b>	
Interest Earned	75,629
Net Change in Fair Value	<u>70,729</u>
	146,358
Less Investment Expenses	<u>-</u>
	<u>146,358</u>
<b>Total Additions</b>	<u>633,828</u>
<b>Deductions</b>	
Administration	918
Benefits and Refunds	<u>289,866</u>
<b>Total Deductions</b>	<u>290,784</u>
<b>Net Increase</b>	343,044
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>3,439,309</u>
Ending	<u><u>3,782,353</u></u>

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

**VILLAGE OF ANTIOCH, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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**VILLAGE OF ANTIOCH, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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# VILLAGE OF ANTIOCH, ILLINOIS

## Notes to the Financial Statements

April 30, 2007

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Antioch, Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Antioch
Blended Component Unit:	Police Pension Employees Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

#### Blended Component Unit

##### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board.