

VILLAGE OF OSWEGO, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2007

Prepared by:

Village of Oswego Finance Department
Mark A. Pries, Finance Director

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Village of Oswego, Illinois
Principal Officials
For the Fiscal Year Ended April 30, 2007

Legislature

Craig Weber, Village President

Board of Trustees

Brian LeClercq

Roger Long

Charles Pajor

Braden G. Rock

Ronald Weilert

Lori West

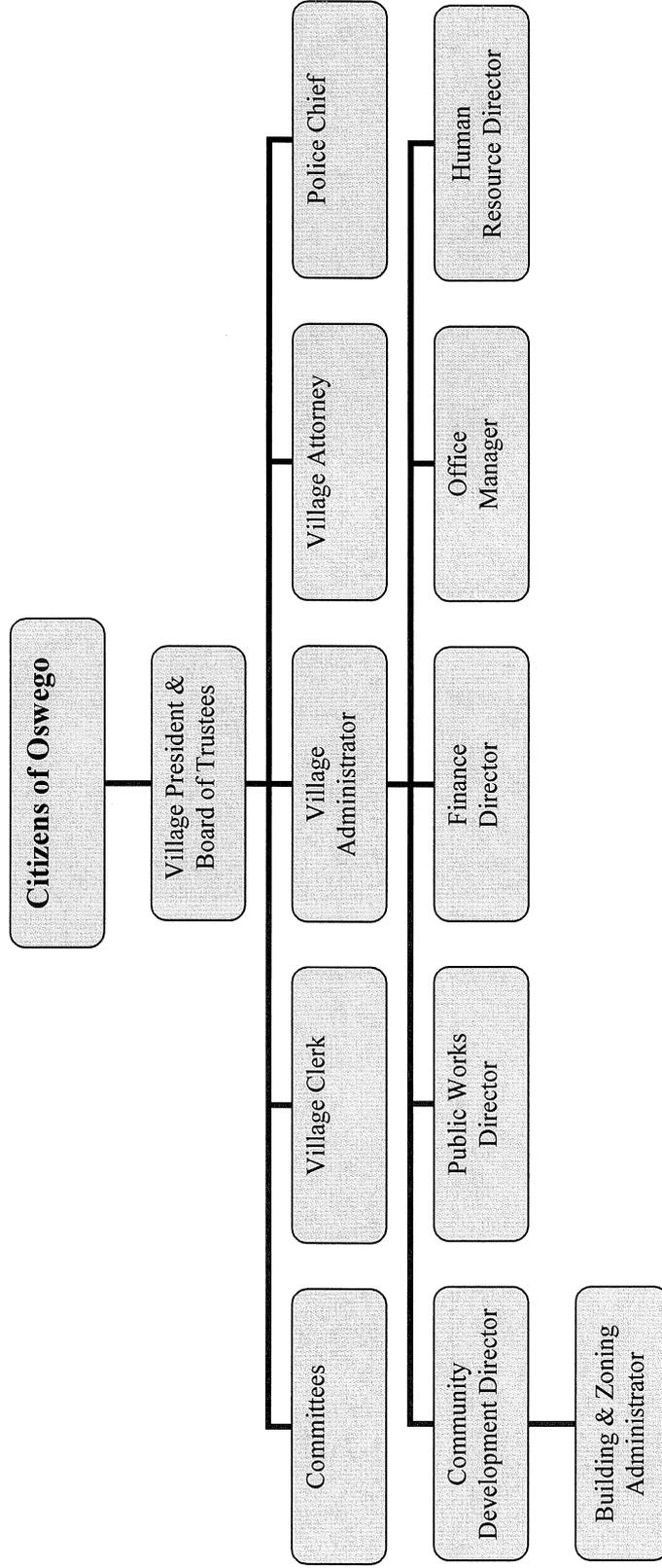
Jeanne Hoch, Village Clerk

Administrative

Gary D. Adams, Village Administrator

Mark A. Pries, Finance Director/Treasurer

Village of Oswego Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Oswego
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 10, 2007

The Citizens of the Village of Oswego
and
Brian LeClercq, Village President and the Board of Trustees
Village of Oswego
Oswego, IL 60543

President LeClercq and the Board of Trustees,

In accordance with State Statutes, the Comprehensive Annual Financial Report of the Village of Oswego, Illinois, for the year ended April 30, 2007 (Fiscal Year 2006/2007) is, hereby, transmitted. Responsibility for both the accuracy of presented data and completeness of presentation, including all disclosures, is that of the Village management.

Management believes that the data, as presented, is accurate in all material aspects. The data is presented in a manner designed to fairly detail the financial position, results of operations and cash flows of the Village, as measured by the financial activity of its various fund types. All disclosures that enable the reader to gain maximum understanding of the Village's financial affairs have been included. In developing and evaluating the Village's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are discussed herein and within the framework provided. Management believes the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Village of Oswego has retained the services of an independent accounting firm, Sikich, LLP, Aurora, Illinois, to conduct the April 30, 2007 audit. The auditors' opinion is included in this report.

In order to comply with the guidelines recommended by the Government Finance Officers Association (GFOA) for Comprehensive Annual Financial Reports, the accompanying report consists of three parts:

1. Introductory Section, including the Letter of Transmittal, Principal List of Officials and Organizational Chart.

2. Financial Section, including the Management Discussion and Analysis (MD&A), which contains substantially more explanation and detail of the activities and financial results of the Village, the financial statements and supplemental data which are accompanied by the independent auditor's opinion.
3. Statistical Section, including un-audited tables and data depicting the financial history of the Village for the past ten years, information on overlapping governments, demographics and other miscellaneous information.

REPORTING ENTITY

The Village of Oswego is located in the northeastern section of the State of Illinois within the far reaches of the Chicago metropolitan area (approximately 50 miles southwest of Chicago) in the northeast corner of Kendall County. Oswego was first settled in 1833 and formally incorporated in 1852. The Village operates under the President/Trustee form of government, as defined in Illinois state statutes. Six trustees are elected at large to terms that are 4 years in length. There is a full-time Village Administrator that acts as the Chief Operating Officer of the Village, managing the day-to-day activities of the Village, except for the police department.

A presentation of the general governmental functions of the Village of Oswego refers to those operations directly supervised or controlled by the Village of Oswego as a municipal corporation. These operations include police protection, water supply, sanitary sewer line administration, storm water collection, public works operations, road maintenance, community development, building and inspection services and general administrative services.

Kendall County is one of the fastest growing counties in the State of Illinois. Along with that fact, the Village of Oswego has the largest population of any municipality in Kendall County. As such, the growth not only in population but in economic opportunity has been astounding. The Village's population has grown from 5,517 in 1994 to 19,956 in 2004, based upon a special census. A fact that attests to the growth Oswego has seen is the increase in equalized assessed valuations (EAV's) of property from \$89,899,299 in 1993 to \$715,294,792 in 2006, an increase of 695.7%. Although home sales slowed starting in calendar year 2006 and will continue until the year 2009 as predicted by many experts, the growth in the Village is anticipated to continue at high rates for the next ten to fifteen years before slowing and eventually coming to a gradual halt in twenty to twenty-five years. The Village will continue to have special censuses done in order to maximize state per capita revenues, including income tax, local use tax and motor fuel tax allotments.

Generally accepted accounting principles (GAAP) require that the financial reporting entity includes the primary government, organizations for which the primary government is financially responsible and other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause

the financial reporting entity's financial statements to be misleading and incomplete. The Village Board has the responsibility to oversee and control all activities related to the Village, which is the primary level of government exercising oversight responsibility. The criteria used to evaluate the responsibility for oversight at the Village's level includes financial independence, election of a governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, the Village has one blended component unit, the Police Pension Fund, whose financial data is combined with and included in the basic financial statements of the Village. The Village is not considered to be a component unit of any other governmental unit.

Budgetary control is maintained at the departmental level within the General Fund and at the total fund level for all other budgeted funds. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual budget ordinance (in lieu of an appropriation ordinance) approved by the Village Board. A separate departmental line item budget is prepared and approved and used as a management tool to monitor and evaluate departmental fiscal responsibility throughout the fiscal year.

An annual budget is prepared for the General Fund, the Capital Projects Fund, the Debt Service Fund, the Motor Fuel Tax Fund, the Police Pension Fund, the Water and Sewer Fund, the Garbage Fund, and the Special Census Fund. The budget process begins in the fall with the Board establishing short-term and long-term goals for the coming fiscal year. Department heads then prepare a five year capital purchasing plan and a five year staffing needs plan. The department heads then prepare a line item budget for the respective departments and submit them to the Finance Director. The Finance Director also serves as the Budget Officer. The first draft of the budget is reviewed by the Board in February where cuts are made, if needed, and affordable amounts from both the capital plan and staffing plan are placed into the budget. The budget is then legally adopted by April 30th.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The Oswego Economic Development Corporation (OEDC) works to bring commercial entities to the Village. It is a quasi-public/private partnership, partially funded by the Village. Together, the Village and the OEDC work hand-in-hand to ensure that the goals for the Village of Oswego are mutually understood and attained.

The main commercial artery for the Village of Oswego is Route 34 and it generates the majority of sales tax dollars. In late 2001, prior to Home Depot opening, the Village was receiving, on average, \$143,145 per month in sales tax revenue. For the same time period in 2002, the Village was receiving \$198,106 per month. And by the end of fiscal year 2006/2007, the Village was earning \$291,844 per month during this time frame. This increase in sales tax dollars, which is a 38.4% and a 47.32% incremental increase, respectively, came for the most part from the Oswego Commons development and is a

prime example of the increasing trend in sales tax receipts for the Village over the last seven fiscal years. This increasing trend in sales taxes is needed to offset the Village's ever decreasing property tax rate. This rate has steadily declined over the last eleven years, due to property tax cap laws and property values growing at a very fast rate.

In late 2002, a new major retail development was approved by the Village Board. Meijer's, a large grocery/convenience/retail store was announced as planning to be the major anchor of a new retail complex on the corner of Douglas Road and Route 34, across Douglas Road from the Oswego Commons complex. This development has allowed the Village to attract other retail businesses, such as Kohl's (clothing/housewares), Lowe's (home improvement), Dick's Sporting Goods, Best Buy (home electronics and appliances) and other retail stores that the residents of the Village have expressed an interest in seeing located in the Village of Oswego.

The development of the Meijer's retail area is a major lift to the Village's economic outlook for the near future. The Village of Oswego has a balanced approach to attracting and developing residential, commercial and industrial sections of town and views this balance as essential to the future economic stability of Oswego. Kohl's opened in October, 2006 and Meijer's opened its doors in May, 2007.

In early 2004, another major retailer announced its intentions to open in Oswego. Walmart opened a Walmart Supercenter on Route 34 just east of Douglas Road in August, 2007. Again, Route 34 is the major commercial corridor of the Village of Oswego and this new development fits in with the commercial development goals of the Village's Comprehensive Plan. A Walmart Supercenter carries a very wide array of products, from groceries to automotive supplies and clothing to electronics. This addition is just another example of the commercial growth that makes Oswego a regional shopping destination in the Fox Valley area.

Another major commercial corridor, Orchard Road, is beginning to come alive with activity. Several banks and gas stations have already opened their doors on Orchard Road. A Walgreen's convenience store and pharmacy and a McDonald's restaurant have also opened. The largest tenant that is coming to that area is a Jewel/Osco food store and pharmacy. It is anticipated that this store will open in early-to-mid 2008.

The Village is continually striving to expand its industrial tax base and has a large area zoned to accommodate this endeavor in the Stonehill Industrial Park. Stonehill is joined by Kendall Point as the two industrial park areas in Oswego. There are two major industrial entities in the vicinity of Oswego: Caterpillar, which produces heavy construction equipment and Hinckley and Schmidt, which produces various bottled water products. These two businesses have had a long standing presence in the area and are considered strong assets in attracting potential industrial businesses.

Long-Term Financial Planning

The Village employs two devices, a five year capital plan and a five year staffing plan, that aid in the creation of each year's budget as well as educates the Village Board as to the types of resources that will be needed in future years. Each plan details what each Village department requires, in terms of capital purchases and new staff, in order to maintain current service levels, at the very least, or increase service levels.

The Village knows that it will be adding staff every year and installing new water wells every two-to-three years during this period of rapid growth. Managing the available funds to provide for these items is a major concern and has led the Village to consider alternate ways of providing funding for future needs.

It is the policy of the Village of Oswego to keep borrowing to a minimum. This includes small and large-scale projects. The Village negotiated to have the most current well and tower installed by a developer and gave that developer credit against paying its water tap-on fees over all the years it will take to build out their site rather than require the Village to borrow the funds to complete such a capital-intense project. This type of forward thinking alleviates the Village from having ten, fifteen or twenty year bond commitments that would impact cash flows for the same amount of time.

The Village Staff has started talks with its engineering firm to develop a mechanism that places the burden of expanding the Village's road network, both arterial and collector, much more so on the development community rather than the Village. The Village has a major road project it must start in 2008 that will require the Village to fund almost \$11.5 million. This road expansion is caused by the development that has occurred in the Village but it is the Village that will pay for the majority of this project. If this methodology continues, the Village cannot afford to make the necessary expansion to its infrastructure that will be necessary as it continues to grow. Development must accept much more of this burden.

Financial Policies

One of the more important policies the Village has established is maintaining a minimum of a three month unreserved fund balance in the General Fund, with a six month reserve being optimal. The Village has maintained between a 4.5 and a 5.9 month reserve over the last three fiscal years and by doing so, the bond ratings issued by Standard and Poor's and Moody's were both improved over the last year. The Moody's rating went from an A2 to an A1 and the Standard and Poor's rating went from an A- to an A. Financial policies are continually analyzed to determine their effectiveness and relevance to the Village's activities.

Major Initiatives

There were several major projects that were either started or continued in Fiscal Year 2006/2007, including the Town Center Renovation project, the construction of well

number 9 and well number 10 with a 1.5 million gallon water tower, the construction of the new Village Hall and the purchase of right-of-way for the Douglas Road project. These projects had either concluded in Fiscal Year 2006/2007 or will continue into the following one or two fiscal years.

The Town Center Renovation project totaled \$9 million and was paid out of the Capital Projects Fund (\$4.9 million) and the Water and Sewer Fund (\$4.1 million) and finished in Fiscal Year 2006/2007. Bonds were issued for this project and will cost the Village between \$418,000 and \$903,000 each year over the next nineteen years.

The installation of well 9 cost about \$2.2 million and was paid from cash on hand in the Water and Sewer Fund. Even with this tremendous outlay of cash from the fund, it has an unrestricted cash balance of over \$3 million at the end of Fiscal Year 2006/2007.

The installation of well 10 and its water tower was paid for by the developer of the surrounding property where these two items have been installed. The developer recouped some of its costs by recapturing them from benefiting developments that reimbursed this developer their pro-rata share of the cost of the well and tower. This project cost the developer \$2.5 million and only cost the Village the future water tap-on fees that would have been collected over the years from this development.

The new Village Hall will cost just over \$12 million and will be completed by the spring of calendar year 2008. Fees incurred for the design and engineering of the building were incurred in Fiscal Year 2005/2006. Major construction started in early 2007 and will continue for almost 14 months until approximately March, 2008. The Village has financed this project from a bond issuance paid for by sales tax revenues and will issue additional bonds in December, 2007 that will be backed by water and sewer system revenues.

The Douglas Road project will widen what is, for the most part, a two lane rural roadway into a five lane major arterial that will have curb and gutter with new storm sewer lines as well as sanitary and water lines. This project has an estimated total cost of \$14.9 million and started in earnest in Fiscal Year 2006/2007 with the purchase of right-of-way for the road widening. Construction will most likely begin in early spring, 2008 and carry through until the fall of 2009. Bonds will be issued that will be backed by sales tax dollars and motor fuel tax dollars.

Awards and Acknowledgements

The Village of Oswego received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the first time with its annual report for the fiscal year ending April 30, 2003. This award recognizes those units of government that publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such annual financial reports must satisfy both generally

accepted accounting principles and applicable legal requirements. The Village has also received the award for all of its submissions since the April 30, 2003 report.

The Village first received the GFOA Distinguished Budget Award for the Fiscal Year 2004/2005 budget document. In order to be awarded this recognition, a governmental unit must present a document that is a 1) policy document; 2) financial plan; 3) operations guide and 4) communications device. Among other measurements, the document must include a coherent statement of organization-wide financial and programmatic policies and goals that address long-term concerns and issues. At the time of this report, the Village of Oswego had received the results on its Fiscal Year 2007/2008 budget document from the GFOA and it was successful, again, in achieving the award.

Preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire Finance Department Staff. Special recognition is given to Billie Robinson, Assistant Finance Director, for managing the entire audit process for the first time and Nancy Woods, Staff Accountant, for her work on the statistical section of the report. Their efforts with the audit process go beyond what has been mentioned here.

Our deepest appreciation is extended to the Village President and Trustees for their interest and support in planning and conducting Village governance in a progressive and responsible manner. Our thanks go to all Village departments that cooperated with the audit process which allowed it to be completed in a very timely and efficient manner.

This report evidences the continued significant progress the Village of Oswego has made toward developing responsible financial reporting.

Respectfully submitted,



Gary D. Adams
Village Administrator



Mark A. Pries
Finance Director/Village Treasurer



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

INDEPENDENT AUDITOR'S REPORT

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

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 Oswego, Illinois (the Village) as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's 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 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 Oswego, Illinois, as of April 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information listed in the 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 principally 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Oswego, Illinois' basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents were not audited by us and, accordingly, we express no opinion thereon.

A handwritten signature in black ink that reads "Sech LLP". The signature is written in a cursive, slightly stylized font.

Aurora, Illinois
October 1, 2007

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007

As management of the Village of Oswego ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2007. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

Financial Highlights

- The assets of the Village of Oswego exceeded its liabilities at the close of the most recent fiscal year by \$326,806,353 (net assets). This is a major increase from FY 05/06's net asset amount of \$259,167,150 due to the recognition of infrastructure assets being reported as well as the receipt of bond proceeds being reflected in the cash and investments portion of the asset section.
- The Village of Oswego's total net assets increased by \$68,646,264.
- As of the close of the current fiscal year, the Village of Oswego's General Fund reported a fund balance of \$5,003,264, an increase of \$270,175, or 5.7 percent from the prior year.
- The Village of Oswego's total debt increased by \$10,723,476 during the current fiscal year, or 71.6 percent from the prior year. This change is made up of borrowing for the new Village Hall as well as for the completion of the Town Center project. The new debt issued in FY 06/07 for the Village Hall totaled \$8.5 million and the total borrowing for the Town Center project totaled just over \$3 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government - Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents 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.

The statement of activities presents information showing how the Village'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.

The Governmental Activities reflect the Village's basic services, including administration, building and zoning, community development, public works and public safety. Sales taxes, shared state taxes and permit fees finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007

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 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.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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. 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 Village'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 this comparison between governmental funds and governmental activities.

The Village maintains many 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 Fund and the Capital Improvement Fund, both of which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund; this is called 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 uses enterprise funds to account for its water and sanitary sewer operations and its contractually hired garbage collections. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund, both of which are considered to be major funds of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The following chart reflects the condensed Statement of Net Assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
Assets:						
Current & other assets	\$ 10,776,349	\$ 18,225,637	\$ 5,142,896	\$ 6,348,342	\$ 15,919,245	\$ 24,573,969
Capital assets	<u>215,822,119</u>	<u>281,990,767</u>	<u>47,684,041</u>	<u>50,444,476</u>	<u>263,506,160</u>	<u>332,435,243</u>
Total assets	226,598,468	300,216,404	52,826,937	56,792,808	279,425,405	357,009,212
Liabilities:						
Current liabilities	3,129,393	2,950,353	2,249,696	1,549,864	5,279,089	4,500,217
<u>Long-term liabilities</u>	<u>4,117,241</u>	<u>13,945,687</u>	<u>10,861,925</u>	<u>11,756,955</u>	<u>14,979,166</u>	<u>25,702,642</u>
Total liabilities	7,246,634	16,896,040	13,011,621	13,306,819	20,258,255	30,202,859
Net Assets:						
Invested in capital assets, net	212,015,432	275,810,548	37,823,930	38,320,494	249,839,362	314,131,042
Restricted	1,469,306	2,833,472	899,500	899,500	2,368,806	3,732,972
Unrestricted	<u>5,867,096</u>	<u>4,676,344</u>	<u>1,091,886</u>	<u>4,265,995</u>	<u>6,958,982</u>	<u>8,942,339</u>
Total Net Assets	\$ 219,351,834	\$ 283,320,364	\$ 39,815,316	\$ 43,485,989	\$ 259,167,150	\$ 326,806,353

The majority of the Village of Oswego's net assets reflect its investment in capital assets (e.g., land, buildings, machinery & equipment and infrastructure), less any related outstanding debt used to acquire or construct those assets. The Village of Oswego uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Village is reporting \$ 8,942,339 in unrestricted net assets in the current year. The Village of Oswego is reporting a positive balance of \$326,806,353 in net assets in the current year.

In the current year, the Village of Oswego increased its capital assets with the installation of new water and sewer infrastructure in the newly built residential areas of the Village, \$2,760,435; the completion of two projects, the Town Center Project and the Well 10 and tower, increased capital assets by over \$10 million. The Village also acquired capital assets, which included vehicles for police and public works, and equipment. Current assets increased due to bond issuances that increase cash balances in the Capital Projects and Water and Sewer Funds. Over \$10 million worth of bonds were issued in the fiscal year and not all of the proceeds were spent. Thus, cash balances have increased significantly due to bond monies that were yet to be spent.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

Statement of Activities

The following chart reflects the condensed Statement of Activities:

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,391,818	\$ 2,822,347	\$ 5,193,465	\$ 8,542,840	\$ 7,585,283	\$ 11,365,187
Capital Grants/Contrib	54,754,974	67,207,177	3,414,625	2,575,410	58,169,599	69,782,587
Operating Grants/Contrib.	1,516,159	1,635,808	0	0	1,516,159	1,635,808
General Revenues:						
Property Taxes	957,682	1,008,600	0	0	957,682	1,008,600
Other Taxes	6,077,474	6,608,140	0	0	6,077,474	6,608,140
Transfers	313,646	337,048	(313,646)	(337,048)	0	0
Other	<u>1,064,833</u>	<u>1,285,884</u>	<u>2,846,272</u>	<u>212,107</u>	<u>3,911,105</u>	<u>1,497,991</u>
Total Revenues	<u>67,076,586</u>	<u>80,905,004</u>	<u>11,140,716</u>	<u>10,993,309</u>	<u>78,217,302</u>	<u>91,898,313</u>
EXPENSES						
General Government	1,275,745	1,556,726	0	0	1,275,745	1,556,726
Building and Zoning	720,110	834,696	0	0	720,110	834,696
Community Dev.	324,322	371,006	0	0	324,322	371,006
Public Safety	5,648,230	6,165,019	0	0	5,648,230	6,165,019
Public Works	5,215,219	6,750,620	0	0	5,215,219	6,750,620
Interest on Debt	87,901	551,346	0	0	87,901	551,346
Water and Sewer	0	0	4,750,871	5,672,233	4,750,871	5,672,233
Garbage	<u>0</u>	<u>0</u>	<u>1,197,131</u>	<u>1,350,403</u>	<u>1,197,131</u>	<u>1,350,403</u>
Total Expenses	<u>13,271,527</u>	<u>16,229,413</u>	<u>5,948,002</u>	<u>7,022,636</u>	<u>19,219,529</u>	<u>23,252,049</u>
Change in Net Assets	<u>\$ 53,805,059</u>	<u>\$ 64,675,591</u>	<u>\$ 5,192,714</u>	<u>\$ 3,970,673</u>	<u>\$ 58,997,773</u>	<u>\$ 68,646,264</u>

Key factors in the change in Net Assets in the Governmental Activities were:

Once again, the major reason why Net Assets increased quite substantially in FY 06/07, as they did in FY 05/06, in the Governmental Activities section was the continued reporting of the infrastructure assets of the Village on the annual report. The vast majority of the \$67,207,177 amount in "Capital Grants and Contributions" under the revenue section of Governmental Activities above is from additional infrastructure assets that were contributed by developers during the fiscal year. This one particular source increased almost \$12.5 million from the prior year, making up the entire increase in Net Assets for the Village. However, other revenue items, such as sales and income taxes, did see a very noticeable increase in the fiscal year but the need to use additional resources to maintain or increase service levels for the Village was the main reason why these revenue increases did not cause Net Assets to increase more than what they actually did.

Key factors in the change in Net Assets in Business-Type Activities:

The total change in net assets for the Business Type Activities is \$3,970,673. The major increase in Charges for Service revenue of \$3,349,375 came from the fees charged for water service, sewer maintenance and garbage service in the Village as well as from the ever increasing population. However, Water and Sewer Fund and Garbage Fund operating expenses were up by more than \$1 million in FY 06/07. Also, under 'Other Revenue' in FY 05/06, the Village received special additional contributions towards a well and tower that it did not receive in FY 06/07. These two items are the main reasons why the Change in Net Assets is lower in FY 06/07 than it was in FY 05/06.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The General Fund is the chief operating fund of the Village of Oswego. At the end of the 06/07 fiscal year, unreserved fund balance of the General Fund was \$4,905,726, while the total fund balance increased to \$5,003,264. This was an increase of \$270,175 from FY 05/06 but the General Fund took advantage of a very good year by amending its original budget to transfer an additional \$400,000 to the Debt Service Fund to continue building funds to pay for the debt issued for the new Village Hall, bringing that transfer to a total of \$800,000 for the fiscal year 06/07.

The Capital Improvement Fund spent over \$4.5 million in FY 06/07 on two projects: the final phase of the Town Center Renovation project and for the start of the construction on the new Village Hall. The Town Center Renovation project replaced the water mains, storm and sanitary sewer lines and streets and added curb and gutter in the "original" part of Oswego, near the downtown area. The Capital Improvement Fund's fund balance increased to \$6,849,781 at the end of FY 06/07 due to the issuance of bonds in FY 06/07 for the two aforementioned projects. The total amount of bonds issued in the year totaled \$9.97 million.

The non-major governmental funds saw a relatively flat year in FY 06/07 as compared to FY 05/06. The Motor Fuel Tax (MFT) Fund spent funds only for its annual road program due to years of using its reserves on various projects around the Village. The fund balance of the MFT Fund was \$149,597 at the end of FY 06/07, up almost \$25,000 from FY 05/06. The Debt Service Fund's fund balance was \$1,303,846 at the end of FY 06/07, up from \$621,446 the year prior due to the \$800,000 transfer received from the General Fund during the fiscal year. The Special Census Fund was set to expend funds in FY 06/07 for a partial special census but the Board and staff decided that the Village's population was very close to 25,000, which meant it was close to achieving Home-Rule status as defined by Illinois State Statutes, so, therefore, the special census was put on hold to determine the best course of action – either a full or partial special census – while being prudent with the Village's funds.

Proprietary Funds

The Water and Sewer Fund had \$4,021,888 in unrestricted net assets and \$43,241,882 in total net assets at the end of the 06/07 fiscal year. The Water and Sewer Fund operating revenues were up by \$326,516 and operating expenses were up by \$924,738 as compared to the prior fiscal year, and the change in net assets for the current year was \$3,921,499. The deficit in the operations of the fund was addressed in the FY 07/08 budget process and water rates were increased and will be increased annually by CPI (Consumer Price Index) to create an operating surplus in the Water and Sewer Fund. The Garbage Fund had an increase in net assets in the current year of \$49,174 and the fund had an unrestricted net asset balance of \$244,107. The Garbage Fund operates with a contractual waste hauler, thereby keeping costs to a minimum.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule:

General Fund:	Adopted Budget	Actual
Revenues:		
Taxes	\$ 6,722,510	\$ 6,352,979
Licenses and Permits	2,966,359	2,626,747
Intergovernmental	28,500	128,591
Charges for Services	1,563,291	1,439,999
Fines and Forfeits	156,000	237,999
Investment Income	223,047	222,154
Other	<u>176,689</u>	<u>212,143</u>
Total	11,836,396	11,220,612
Expenditures:		
Current Expenditures	<u>11,323,256</u>	<u>10,516,391</u>
Total	<u>\$ 11,323,256</u>	<u>\$ 10,516,391</u>
Change in Fund Balance	\$ 513,140	\$ 704,221

The General Fund Revenues were \$615,784 under budget in the current year. FY 06/07 was the first year of the housing market slow-down which was an unforeseen downturn in the economy. However, now that this impact is fully known, the Village has taken into account its impact when it prepares its future budgets. Also, the Village of Oswego will continually adjust its budget to be more consistent with the current year tax revenue receipts. However, the speed at which Oswego is growing makes estimating revenues somewhat difficult, especially the Utility Tax and Telecommunication Tax.

The General Fund Expenditures were \$806,865 under budget in the current year. This variance includes savings realized from staffing positions remaining vacant for extended periods of time due to employee turnover or lack of space to house the personnel. Another savings realized that is directly related to salaries is that merit increases are budgeted at the maximum but not all employees receive the maximum. Therefore, there are several thousands of dollars saved based upon this fact. Quantifying the savings from these two areas are difficult due to the nature and timing of these occurrences. However, every department in the General Fund holds the line when it comes to spending money. Funds are spent only when needed, not because there is a budget in place authorizing the expenditure. This is the conservative nature Oswego takes in spending its funds.

During the fiscal year, the Village amended the FY 06/07 budget for several reasons. Certain General Fund revenues were coming in better than anticipated and were increases, budget-wise, to reflect their better performance. This included raising investment income's budget by \$100,000. The Village settled a legal claim for \$40,000 that was not covered under its insurance policy. The Building and Zoning department moved into a rented office space area which caused their Contractual Services budget to be increased by \$33,000. Finally, the Village had to adjust the budget for maintenance to its street lights by \$110,000 to bring it to a more realistic level due to the ever growing number of street lights in the Village.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

CAPITAL ASSET AND DEBT ADMINISTRATION

**Governmental Activities
Change in Capital Assets**

	<u>Restated Balance May 1, 2006</u>	<u>Net Additions/ Deletions</u>	<u>Balance April 30, 2007</u>
Non-Depreciable Assets:			
Land	\$ 306,683	\$ 1,005,470	\$ 1,312,153
Right of Way	75,166,766	19,829,672	94,996,438
CIP	555,817	1,438,119	1,993,936
Other Capital Assets:			
Buildings	2,191,823	0	2,191,823
Equipment	1,017,686	0	1,017,686
Vehicles	1,242,199	27,245	1,269,444
Infrastructure	161,046,937	48,787,140	209,834,077
Accum. Depreciation on Capital Assets	<u>(26,412,853)</u>	<u>(4,211,937)</u>	<u>(30,624,790)</u>
Totals	<u>\$ 215,115,058</u>	<u>\$ 66,875,709</u>	<u>\$ 281,990,767</u>

The Village of Oswego's investment in capital assets for its governmental activities as of April 30, 2007, was \$281,990,767 (net of accumulated depreciation). This investment in capital assets includes property and improvements, equipment, facilities, vehicles and infrastructure.

The start of the new Village Hall project saw the construction in progress (CIP) amount of general infrastructure reported in the Village of Oswego's financial statements increase to \$1,993,936. The addition of new subdivisions in the Village and the purchase of right-of-way (ROW) for the Douglas Road project are the causes of the increase of both the right of way and infrastructure assets, to \$94,996,438 and \$209,834,077, respectively. The normal course of replacing or adding new vehicles saw this asset item rise to \$1,269,444 while equipment and buildings remained flat for the fiscal year. Land increased to \$1,312,153 due to the purchase of the land for the new Village Hall site. The Village's capitalization threshold is \$10,000 for a single piece of equipment, machinery or vehicle, \$50,000 for land improvements, \$100,000 for buildings, \$200,000 for general infrastructure and \$50,000 for computer software.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

**Business-Type Activities
Change in Capital Assets**

	<u>Balance</u> <u>May 1, 2006</u>	<u>Net</u> <u>Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2007</u>
Non-Depreciable Assets:			
Land	\$ 763,866	\$ (3,086)	\$ 760,780
Construction in Progress	14,013,131	(12,438,661)	1,574,470
Other Capital Assets:			
Buildings	3,013,942	0	3,013,942
Equipment	111,678	0	111,678
Vehicles	442,929	172,808	615,737
Infrastructure	37,564,043	16,494,593	54,058,636
Accum. Depreciation on Capital Assets	<u>(8,225,548)</u>	<u>(1,465,219)</u>	<u>(9,690,767)</u>
Totals	<u>\$ 47,684,041</u>	<u>\$ 2,760,435</u>	<u>\$ 50,444,476</u>

The Village of Oswego's investment in capital assets for its business-type activities as of April 30, 2007, was \$50,444,476 (net of accumulated depreciation). This investment in capital assets includes property and improvements, equipment, vehicles and infrastructure (e.g. water supply lines and sanitary sewer lines). The major capital asset events during the current fiscal year included:

- In the Business-Type Funds, construction was on-going for one large project: the installation of the new Town Center water tower. The water tower was near completion by the end of FY 06/07 and was placed online shortly after the end of the fiscal year. There were two smaller projects, the Hunt Club lift station and the Douglas Road water main, that were also in Construction in Progress at the end of the fiscal year.
- Contributed infrastructure assets of water supply lines and sanitary sewer lines totaled \$1,660,425 for the fiscal year. All developers in the Village's corporate limits are required to install these infrastructure items during construction of their projects. Once completed, these items are then deeded to the Village, who will then maintain and replace this infrastructure as needed.
- During the normal course of adding new vehicles, whether as replacements or as new vehicles, to the Public Works fleet, purchases totaling \$172,808 were added in the fiscal year.

Future construction commitments for the Village of Oswego are as follows:

- Construction of a new Village Hall – this project started with architect fees incurred in FY 05/06 totaling almost \$250,000. It is estimated that this project will be complete by early 2008 and will have a total cost just over \$12 million. Bonds were issued in early spring 2006 to finance this project and additional bonds will be issued in late 2007 to pay the remaining costs.
- Douglas Road – Douglas Road between Routes 30 and 34 will be will be widened with curb and gutter and storm sewer added. This project will start in early 2008 and the current estimated cost is approximately \$14.9 million.

Additional information on the Village of Oswego's capital assets can be found in Note 7.

**VILLAGE OF OSWEGO, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2007**

Debt Administration

In the current fiscal year, Moody's Investors Service assigned the Village of Oswego's bond rating to A1, up from A2. Of special note, the Village's bond rating increased in 2004 from an A3 rating to an A2. Moody's changed the Village's ratings for the following reasons: stable reserves in Village funds; increased reserves in the General Fund; and, no non-payment of any debt due in the past.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Village of Oswego is 8.625% of total assessed value. The current debt limitation for the Village of Oswego is \$48,664,176, which is significantly in excess of the Village of Oswego's outstanding general obligation debt.

Additional information on the Village of Oswego's long-term liabilities can be found in Note 8.

ECONOMIC FACTORS

The Village of Oswego is located approximately 50 miles southwest of downtown Chicago. Based upon the 2005 EAV, 100% is located in Kendall County.

The unemployment rate for the Village of Oswego is 3.8%, which compares quite favorably to the Illinois State unemployment rate of 4.7% as well as to the National rate of 4.5%.

According to the 2000 Census, the Village of Oswego had a median family income of \$79,929. This compares favorably to \$69,383 for Kendall County and \$55,545 for the State of Illinois. Obviously, these figures are quite old but are the best resource the Village has until the next complete census is done in 2008.

While the 2000 Census data concerning home values has been published, more recent data has been published in the Chicago Tribune that reflects the Village's strong housing values. In the most recent published data for the third quarter of 2006, approximately 375 homes in the Village were sold through the Multiple Listing Service (MLS). The average median purchase price was \$285,000.

As part of the budget process each year, the Village of Oswego analyzes the fees it charges to its residents, developers and contractors doing business in the Village. This is accomplished by surveying surrounding towns as well as other municipalities that are experiencing similar growth patterns compared to Oswego. However, no fees increased in FY 06/07, except for water rates. Many other fees had increased in FY 05/06 and the Village will usually increase certain fees no more often than every two years.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Oswego, 113 Main Street, Oswego, Illinois, 60543.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 14,609,215	\$ 3,139,788	\$ 17,749,003
Restricted cash and investments	-	1,307,513	1,307,513
Receivables (net where applicable of allowance for uncollectibles)			
Property taxes	1,004,274	-	1,004,274
Accounts	482,170	1,789,067	2,271,237
Intergovernmental	1,402,963	-	1,402,963
Utility taxes	81,201	-	81,201
Accrued interest	12,328	3,886	16,214
Notes	264,999	-	264,999
Prepaid expenses	219,615	18,911	238,526
Due from (to) other funds	(4,550)	4,550	-
Due from (to) fiduciary funds	7,701	-	7,701
Capital assets not being depreciated	98,302,527	2,335,250	100,637,777
Capital assets being depreciated (net of accumulated depreciation)	183,688,240	48,109,226	231,797,466
Deferred charges	145,721	84,617	230,338
Total assets	300,216,404	56,792,808	357,009,212
LIABILITIES			
Accounts payable	1,201,448	1,216,894	2,418,342
Accrued payroll	305,688	46,132	351,820
Retainage payable	109,947	112,342	222,289
Escrow deposits	111,355	-	111,355
Unearned revenue	1,013,779	-	1,013,779
Interest payable	208,136	174,496	382,632
Long-term liabilities			
Due within one year	577,461	855,113	1,432,574
Due in more than one year	13,368,226	10,901,842	24,270,068
Total liabilities	16,896,040	13,306,819	30,202,859
NET ASSETS			
Invested in capital assets, net of related debt	275,810,548	38,320,494	314,131,042
Restricted for			
Highways and streets	149,597	-	149,597
Special projects	743,727	-	743,727
Economic development	360,391	-	360,391
Debt service	1,303,846	-	1,303,846
Road fees	275,911	-	275,911
Radium removal	-	899,500	899,500
Unrestricted	4,676,344	4,265,995	8,942,339
TOTAL NET ASSETS	\$ 283,320,364	\$ 43,485,989	\$ 326,806,353

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,556,726	\$ 40,357	\$ -	\$ -
Building and zoning	834,696	2,111,691	885,588	-
Community development	371,006	179,377	-	-
Public safety	6,165,019	490,922	128,591	-
Public works	6,750,620	-	621,629	67,207,177
Interest	551,346	-	-	-
Total governmental activities	16,229,413	2,822,347	1,635,808	67,207,177
Business-Type Activities				
Water and sewer	5,672,233	7,143,385	-	2,575,410
Garbage	1,350,403	1,399,455	-	-
Total business-type activities	7,022,636	8,542,840	-	2,575,410
TOTAL PRIMARY GOVERNMENT	\$ 23,252,049	\$ 11,365,187	\$ 1,635,808	\$ 69,782,587

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,516,369)	\$ -	\$ (1,516,369)
	2,162,583	-	2,162,583
	(191,629)	-	(191,629)
	(5,545,506)	-	(5,545,506)
	61,078,186	-	61,078,186
	(551,346)	-	(551,346)
	<u>55,435,919</u>	<u>-</u>	<u>55,435,919</u>
	-	4,046,562	4,046,562
	-	49,052	49,052
	<u>-</u>	<u>4,095,614</u>	<u>4,095,614</u>
	<u>55,435,919</u>	<u>4,095,614</u>	<u>59,531,533</u>
General Revenues			
Taxes			
Property	1,008,600	-	1,008,600
Sales	2,925,295	-	2,925,295
Telecommunication	899,885	-	899,885
Personal property replacement	9,926	-	9,926
Utility	824,833	-	824,833
Other	1,948,201	-	1,948,201
Investment income	736,926	212,107	949,033
Miscellaneous	548,958	-	548,958
Transfers in (out)	337,048	(337,048)	-
Total	<u>9,239,672</u>	<u>(124,941)</u>	<u>9,114,731</u>
CHANGE IN NET ASSETS	<u>64,675,591</u>	<u>3,970,673</u>	<u>68,646,264</u>
NET ASSETS, MAY 1	219,351,834	39,815,316	259,167,150
Prior period adjustment	<u>(707,061)</u>	<u>(300,000)</u>	<u>(1,007,061)</u>
NET ASSETS, MAY 1, RESTATED	<u>218,644,773</u>	<u>39,515,316</u>	<u>258,160,089</u>
NET ASSETS, APRIL 30	<u>\$ 283,320,364</u>	<u>\$ 43,485,989</u>	<u>\$ 326,806,353</u>

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2007

	General	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,274,274	\$ 7,614,713	\$ 2,720,228	\$ 14,609,215
Receivables				
Property taxes	1,004,274	-	-	1,004,274
Accounts	458,343	-	23,827	482,170
Intergovernmental	1,351,943	-	51,020	1,402,963
Utility tax	81,201	-	-	81,201
Accrued interest	6,163	2,530	3,635	12,328
Notes	-	-	264,999	264,999
Prepaid items	97,538	-	122,077	219,615
Due from other funds	6,721	-	-	6,721
Due from fiduciary funds	8,730	-	-	8,730
TOTAL ASSETS	\$ 7,289,187	\$ 7,617,243	\$ 3,185,786	\$ 18,092,216
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 561,433	\$ 628,214	\$ 11,801	\$ 1,201,448
Accrued payroll	305,688	-	-	305,688
Retainage payable	-	109,947	-	109,947
Escrow deposits	-	19,086	92,269	111,355
Deferred revenue	1,417,773	-	-	1,417,773
Due to other funds	-	10,215	1,056	11,271
Due to fiduciary funds	1,029	-	-	1,029
Total liabilities	2,285,923	767,462	105,126	3,158,511
FUND BALANCES				
Reserved for prepaid items	97,538	-	122,077	219,615
Reserved for highways and streets	-	-	149,597	149,597
Reserved for special projects	-	-	743,727	743,727
Reserved for economic development	-	-	360,391	360,391
Reserved for debt service	-	-	1,303,846	1,303,846
Reserved for road fees	-	275,911	-	275,911
Unreserved - undesignated				
General Fund	4,905,726	-	-	4,905,726
Special Revenue Funds	-	-	401,022	401,022
Capital Projects Fund	-	6,573,870	-	6,573,870
Total fund balances	5,003,264	6,849,781	3,080,660	14,933,705
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,289,187	\$ 7,617,243	\$ 3,185,786	\$ 18,092,216

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2007

FUND BALANCES OF GOVERNMENTAL FUNDS		\$ 14,933,705
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 governmental funds		281,990,767
Certain state tax revenues that are deferred in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements		403,994
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.		
Bonds payable	\$ (13,030,000)	
Unamortized discount on bonds payable	24,343	
Compensated absences payable	(227,046)	
Retirement benefit payable	(87,882)	
Net pension obligation	(625,102)	
Deferred charges	145,721	
Interest payable	(208,136)	(14,008,102)
		<hr/>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 283,320,364</u>

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

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

For the Year Ended April 30, 2007

	General	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 6,352,979	\$ -	\$ 353,296	\$ 6,706,275
Licenses and permits	2,626,747	-	-	2,626,747
Intergovernmental	128,591	-	622,045	750,636
Charges for services	1,439,999	-	-	1,439,999
Fines and forfeits	237,999	4,500	26,526	269,025
Investment income	222,154	425,488	89,284	736,926
Miscellaneous	212,143	6,189	487,752	706,084
Total revenues	11,220,612	436,177	1,578,903	13,235,692
EXPENDITURES				
Current				
General government	1,454,073	-	119,755	1,573,828
Building and zoning	800,393	-	-	800,393
Community development	357,065	-	-	357,065
Public safety	5,897,274	-	23,283	5,920,557
Public works	1,374,483	-	608,334	1,982,817
Retirement	633,103	-	-	633,103
Capital outlay	-	4,530,533	-	4,530,533
Debt service				
Principal retirement	-	-	125,000	125,000
Interest and fiscal charges	-	-	379,375	379,375
Total expenditures	10,516,391	4,530,533	1,255,747	16,302,671
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	704,221	(4,094,356)	323,156	(3,066,979)
OTHER FINANCING SOURCES (USES)				
Developer contributions	-	372,236	-	372,236
Transfers in	337,048	-	800,000	1,137,048
Transfers (out)	(800,000)	-	-	(800,000)
Issuance of bonds at par	-	9,970,000	-	9,970,000
Proceeds from the sale of capital assets	28,906	-	-	28,906
Total other financing sources (uses)	(434,046)	10,342,236	800,000	10,708,190
NET CHANGE IN FUND BALANCES	270,175	6,247,880	1,123,156	7,641,211
FUND BALANCES, MAY 1	4,733,089	601,901	1,957,504	7,292,494
FUND BALANCES, APRIL 30	\$ 5,003,264	\$ 6,849,781	\$ 3,080,660	\$ 14,933,705

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, 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 April 30, 2007

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 7,641,211
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities	
Capital expenditures capitalized	6,653,217
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(4,465,600)
The loss on disposal of capital assets is reported as an expense on the statement of activities	
	(2,246,606)
Capital contributions by developers are reported as revenue in the statement of activities	
	66,934,698
Bonds issued are reported as an other financing source in governmental funds but not on the statement of activities	
Bond proceeds	(9,970,000)
Issuance costs	131,480
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Compensated absences payable	(12,879)
Retiree benefit payable	8,505
Net pension obligation	(22,750)
Bonds payable	125,000
Notes payable	45,956
Change in interest	(171,971)
Certain state tax revenues not collected as of the year end are not considered "available" revenues in the governmental funds, but are recognized as revenue in the statement of activities	
	<u>25,330</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 64,675,591</u>

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

April 30, 2007

	Business-Type Activities		
	Water and Sewer	Garbage	Total
CURRENT ASSETS			
Cash and investments	\$ 3,051,962	\$ 87,826	\$ 3,139,788
Accounts receivable	1,516,398	272,669	1,789,067
Restricted cash and investments			
Cash with paying agent	408,013	-	408,013
IEPA restriction	899,500	-	899,500
Accrued interest receivable	3,886	-	3,886
Prepaid expenses	18,911	-	18,911
Due from other funds	4,550	90	4,640
Total current assets	5,903,220	360,585	6,263,805
NONCURRENT ASSETS			
CAPITAL ASSETS			
Capital assets, net of depreciation			
Non depreciable assets	2,335,250	-	2,335,250
Depreciable buildings, property, infrastructure	57,799,995	-	57,799,995
Accumulated depreciation	(9,690,769)	-	(9,690,769)
Total capital assets	50,444,476	-	50,444,476
Deferred charges	84,617	-	84,617
Total noncurrent assets	50,529,093	-	50,529,093
Total assets	56,432,313	360,585	56,792,898

(This statement is continued on the following page.)

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF NET ASSETS (Continued)
 PROPRIETARY FUNDS

April 30, 2007

	Business-Type Activities		
	Water and Sewer	Garbage	Total
CURRENT LIABILITIES			
Accounts payable	\$ 1,100,416	\$ 116,478	\$ 1,216,894
Accrued payroll	46,132	-	46,132
Retainage payable	112,342	-	112,342
Compensated absences	13,116	-	13,116
Interest payable	174,496	-	174,496
Due to other funds	90	-	90
IEPA loans payable	46,997	-	46,997
Bonds payable	795,000	-	795,000
Total current liabilities	2,288,589	116,478	2,405,067
LONG-TERM LIABILITIES			
IEPA loans payable	1,726,985	-	1,726,985
Bonds payable	9,174,857	-	9,174,857
Total long-term liabilities	10,901,842	-	10,901,842
Total liabilities	13,190,431	116,478	13,306,909
NET ASSETS			
Invested in capital assets, net of related debt	38,320,494	-	38,320,494
Restricted for radium removal	899,500	-	899,500
Unrestricted	4,021,888	244,107	4,265,995
TOTAL NET ASSETS	\$ 43,241,882	\$ 244,107	\$ 43,485,989

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the Year Ended April 30, 2007

	Business-Type Activities		
	Water and Sewer Fund	Garbage Fund	Total
OPERATING REVENUES			
Charges for services	\$ 4,282,511	\$ 1,399,455	\$ 5,681,966
OPERATING EXPENSES			
Administration	346,031	-	346,031
Production	3,379,508	1,350,403	4,729,911
Depreciation and amortization	1,509,723	-	1,509,723
Total operating expenses	5,235,262	1,350,403	6,585,665
OPERATING INCOME (LOSS)	(952,751)	49,052	(903,699)
NONOPERATING REVENUES (EXPENSES)			
Connection fees	2,860,874	-	2,860,874
Investment income	211,985	122	212,107
Interest expense	(475,931)	-	(475,931)
Gain on sale of capital assets	38,960	-	38,960
Total nonoperating revenues (expenses)	2,635,888	122	2,636,010
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,683,137	49,174	1,732,311
Transfers in (out)	(337,048)	-	(337,048)
Contributions	2,575,410	-	2,575,410
CHANGE IN NET ASSETS	3,921,499	49,174	3,970,673
NET ASSETS, MAY 1	39,620,383	194,933	39,815,316
Prior period adjustment	(300,000)	-	(300,000)
NET ASSETS, MAY 1, RESTATED	39,320,383	194,933	39,515,316
NET ASSETS, APRIL 30	\$ 43,241,882	\$ 244,107	\$ 43,485,989

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2007

	Business-Type Activities		
	Water and Sewer Fund	Garbage Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,534,790	\$ 1,375,544	\$ 4,910,334
Payments to suppliers	(2,946,786)	(1,338,110)	(4,284,896)
Payments to employees	(902,525)	-	(902,525)
Interfund charges	(346,031)	-	(346,031)
Net cash from operating activities	(660,552)	37,434	(623,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan	(15,854)	(90)	(15,944)
Transfer (out)	(337,048)	-	(337,048)
Net cash from noncapital financing activities	(352,902)	(90)	(352,992)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(2,626,898)	-	(2,626,898)
Proceeds from sale of capital assets	38,960	-	38,960
Developer cash contributions	914,985	-	914,985
Connection fees	2,860,874	-	2,860,874
Bond principal payments	(630,000)	-	(630,000)
Bond proceeds	1,585,000	-	1,585,000
Escrow deposit	(31,700)	-	(31,700)
Note principal payments	(78,522)	-	(78,522)
Interest paid	(463,079)	-	(463,079)
Net cash from capital and related financing activities	1,569,620	-	1,569,620
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	212,535	122	212,657
Net cash from investing activities	212,535	122	212,657
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	768,701	37,466	806,167
CASH AND CASH EQUIVALENTS, MAY 1	3,590,774	50,360	3,641,134
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 4,359,475	\$ 87,826	\$ 4,447,301

(This statement is continued on the following page.)

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2007

	Business-Type Activities		
	Water and Sewer Fund	Garbage Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (952,751)	\$ 49,052	\$ (903,699)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	1,509,723	-	1,509,723
Changes in assets and liabilities			
Accounts receivable	(747,721)	(23,911)	(771,632)
Prepaid expenses	99,953	-	99,953
Accounts payable	(558,697)	12,293	(546,404)
Accrued payroll	5,941	-	5,941
Compensated absences	(17,000)	-	(17,000)
NET CASH FROM OPERATING ACTIVITIES	\$ (660,552)	\$ 37,434	\$ (623,118)
CASH AND CASH EQUIVALENTS			
Unrestricted cash and cash equivalents	\$ 3,051,962	\$ 87,826	\$ 3,139,788
Restricted cash and cash equivalents			
Cash with paying agent	408,013	-	408,013
IEPA restriction	899,500	-	899,500
TOTAL CASH AND CASH EQUIVALENTS	\$ 4,359,475	\$ 87,826	\$ 4,447,301
NONCASH TRANSACTIONS			
Contributions of capital assets	\$ 1,660,425	\$ -	\$ 1,660,425

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2007

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 72,918	\$ 763,775
Investments, at fair value		
U.S. Government securities	2,646,875	-
Insurance contracts	2,191,012	-
Equity mutual funds	1,844,325	-
Money market mutual funds	31,444	-
Accounts receivable	-	130,002
Accrued interest receivable	1,002	-
Due from other funds	-	1,029
	<hr/>	
Total assets	6,787,576	894,806
LIABILITIES		
Accounts payable	1,584	170,187
Due to others	-	717,476
Due to other funds	1,587	7,143
	<hr/>	
Total liabilities	3,171	\$ 894,806
	<hr/>	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 6,784,405</u></u>	

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND

For the Year Ended April 30, 2007

ADDITIONS	
Contributions	
Employer	\$ 630,600
Employee	<u>306,598</u>
Total contributions	<u>937,198</u>
Investment income	
Net appreciation in fair value of investments	385,281
Interest	<u>193,400</u>
Total investment income	578,681
Less investment expense	<u>-</u>
Net investment income	<u>578,681</u>
Total additions	<u>1,515,879</u>
DEDUCTIONS	
Benefits and refunds	184,237
Administration	<u>7,187</u>
Total deductions	<u>191,424</u>
NET INCREASE	1,324,455
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>5,459,950</u>
April 30	<u>\$ 6,784,405</u>

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Oswego, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

a. Reporting Entity

The Village was established in 1833. It is located in the Chicago metropolitan area, approximately 45 miles southwest of downtown Chicago. The Village operates under a Village-Board Trustee form of government providing services which include public safety, highways and roads, water and waste removal services and general administrative services. The Village of Oswego Board (the Board) is the designated governing body of the Village. The Village's structure and legal activities are controlled by state statute. The primary function of the Board is to establish the various budgets for Village funds and to levy taxes for Village purposes. In addition, the Board adopts ordinances and rules pertaining to the management and operations of Village departments.

The Village has defined its reporting entity in accordance with GASB Statement No. 14. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Police Pension Fund is a legally separate organization from the Village and has its own governing board. However, although legally separate, this fund is reported as if it is part of the Village, because it is fiscally dependent on the Village and administered exclusively for the benefit of the Village's police personnel.

b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity and agency funds to account for assets that the Village holds in an agent capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

The Capital Improvement Fund is used to account for the Village's purchase or construction of major capital facilities not being financed by proprietary funds.

In addition, the Village reports the following major enterprise funds:

The Water and Sewer Fund is used to account for the revenues and expenses related to the sale of water and sewer collection services to the Village's residents and other customers.

The Garbage Fund accounts for the revenues and expenses related to waste removal service provided to the Village's residents and other customers.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. Agency funds are used to account for the subdivision escrow and agency funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes owed to the state at year end, franchise taxes, licenses, court fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Other fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

The Village reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and in interest-bearing and non-interest-bearing checking accounts and cash with paying agent.

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions, various marketable securities, pooled investments and insurance company annuity contracts. Investments are stated at fair value, except for non-negotiable certificates and other non-pension fund investments with a maturity of less than one year at date of purchase which are stated at cost or amortized cost.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements as are short-term interfund loans. Long-term interfund loans, if any, are classified as advances to/from other funds.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village has reported its retroactive infrastructure assets in these financial statements for governmental activities. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Vehicles	3-7 years
Equipment	5-10 years
Infrastructure	25-75 years

j. Compensated Absences

Vested or accumulated vacation leave related to employees that have retired or terminated at year end but are not yet paid out is reported as an expenditure and a fund liability of the governmental fund (general fund) that will pay it. Vested and accumulated vacation leave of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, is not recorded as liability, except for a few employees with specific employment contracts that specify their unused sick leave can be used to pay health insurance premiums after retirement from the Village. These amounts are recorded as liabilities of the governmental activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and any gain or loss on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. In the Capital Improvement Fund, the reservation of fund balance for road fees is a result of enabling legislation adopted by the Village. This is also shown as restricted net assets on the statement of net assets. Invested in capital assets, net of related debt, is the book value of the capital assets net of any debt outstanding that was issued to construct or acquire the capital assets.

m. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

VILLAGE OF OSWEGO, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS

The Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U. S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

The Police Pension Fund can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts and equity mutual funds.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank. At April 30, 2007, all of the Village's deposits were insured or collateralized.

Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2007 (amounts in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-2	3-5	Greater than 5
U.S. Treasury obligations	\$ 486,449	\$ -	\$ 122,392	\$ 364,057	\$ -
U.S. Agency obligations	240,114	-	79,323	160,791	-
Illinois Funds	14,768,282	14,768,282	-	-	-
TOTAL	\$ 15,494,845	\$ 14,768,282	\$ 201,715	\$ 524,848	\$ -

2. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one year period. The investment policy limits the maximum maturity length of investments to one year from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is two years, unless specifically approved by the Board of Trustees.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Illinois Funds is rated AAA by Standard and Poor's. The U.S. Agency obligations are rated AAA by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased in the Village's name. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk - The Village's investment policy does not limit the amount of the portfolio that can be invested in any one investment vehicle but does require reasonable diversification of the portfolio.

Police Pension Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's investment policies require that bank balances may not be in excess of federal depository insurance.

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2007:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury strips	\$ 500,419	\$ -	\$ -	\$ 76,064	\$ 424,355
U.S. Obligations	2,146,456	-	-	-	2,146,456
Money market mutual funds	31,444	31,444	-	-	-
TOTAL	\$ 2,678,319	\$ 31,444	\$ -	\$ 76,064	\$ 2,570,811

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds while maximizing yields for funds. The investment policy specifies that the average maturity for the portfolio should range from two to seven years, with a maximum maturity for any single investment of ten years. The Police Pension Fund has several investments with maturities greater than ten years, which is in violation of the investment policy.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The investment policy requires that investments in Illinois municipal bonds (if any) are rated a minimum of A. The U.S. Agency securities are rated AAA by Moody's or Standard and Poor's or are small issues that are unrated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund is exposed to custodial credit risk since the broker also serves as the custodian of the investments. The Police Pension Fund's investment policy does not address custodial credit risk. The money market mutual funds are not subject to custodial credit risk.

2. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

Concentration of credit risk - The Police Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 10% of the portfolio, exclusive of direct obligations of the U.S. Treasury and the money market account. At April 30, 2007, the Village had three separate annuity contracts that were each valued at greater than 5.00% of the total plan net assets for the Police Pension Plan, and one of these was approximately 13.33% of the portfolio, which is in violation of the investment policy.

The Police Pension Fund's investment policy prohibits investment in derivatives, short selling, purchase of securities on margin, transactions involving futures or options contracts, reverse repurchase agreements and securities lending and borrowing transactions.

3. RECEIVABLE - TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a tax levy ordinance). Tax bills are prepared by the County and issued on or about May 1, 2007, and are payable in two installments, on or about June 1, 2007 and September 1, 2007. The County collects such taxes and remits them periodically. Because the 2006 levy is intended to finance the fiscal year ended April 30, 2008, it has been offset by deferred revenue at April 30, 2007. The 2007 tax levy, which attached as an enforceable lien on property as of January 1, 2007, has not been recorded as a receivable as of April 30, 2007, as the tax has not yet been levied by the Village and will not be levied until December 2007, and, therefore, the levy is not measurable at April 30, 2007.

4. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT

The Village established the Economic Development Fund to account for funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund. The following represents the outstanding balances as of April 30, 2007:

During the fiscal year 2006, the Village entered into an installment note with Emmett's Ale House in the amount of \$300,000. The note is payable in monthly installments of \$2,897 through December 2015, which includes 3.0% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2007 was \$264,999.

VILLAGE OF OSWEGO, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT (Continued)

Principal and interest maturities of these notes receivable for future periods are as follows:

Year Ending April 30,	Amount
2008	\$ 34,762
2009	34,762
2010	34,762
2011	34,762
2012	34,762
2013	34,762
2014	34,762
2015	34,762
2016	23,174
	<hr/>
Total principal and interest	301,270
Interest	(36,271)
	<hr/>
TOTAL PRINCIPAL	\$ 264,999
	<hr/> <hr/>

5. DUE FROM OTHER GOVERNMENTS

The following receivables are included in Intergovernmental Receivable on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES	
Sales tax	\$ 948,771
Income tax	168,167
Telecommunications tax	230,738
Motor fuel tax	51,020
Grants	4,267
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,402,963
	<hr/> <hr/>

VILLAGE OF OSWEGO, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES

Interfund receivable/payables at April 30, 2007 are as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ 5,665
General	Fiduciary	8,730
General	Nonmajor Governmental	1,056
Fiduciary	General	1,029
Water and Sewer	Capital Improvement	4,550
Garbage	Water and Sewer	90
TOTAL		<u>\$ 21,120</u>

All amounts will be repaid within one year.

Transfers between funds at April 30, 2007 consist of the following:

	Transfers In	Transfers Out
General	\$ 337,048	\$ 800,000
Nonmajor Governmental	800,000	-
Water and Sewer	-	337,048
TOTAL	<u>\$ 1,137,048</u>	<u>\$ 1,137,048</u>

- \$337,048 transferred from the Water and Sewer Fund to the General Fund is a payment in lieu of property taxes.
- \$800,000 transferred from the General Fund to the General Debt Service Fund is for the repayment of principal and interest of the Series 2006A bonds.

None of the transfers will be repaid.

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. CAPITAL ASSETS

a. The following is a summary of capital asset activity during the fiscal year:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 306,683	\$ 1,007,671	\$ 2,201	\$ 1,312,153
Right of way	75,166,766	20,434,810	605,138	94,996,438
Construction in progress	555,817	1,777,698	339,579	1,993,936
Total capital assets not being depreciated	76,029,266	23,220,179	946,918	98,302,527
Capital assets being depreciated				
Buildings	2,191,823	-	-	2,191,823
Equipment	1,017,686	-	-	1,017,686
Vehicles	1,242,199	93,820	66,575	1,269,444
Infrastructure	161,046,937	50,273,916	1,486,776	209,834,077
Total capital assets being depreciated	165,498,645	50,367,736	1,553,351	214,313,030
Less accumulated depreciation for				
Buildings	723,766	54,749	-	778,515
Equipment	560,334	115,952	-	676,286
Vehicles	1,015,035	118,493	66,575	1,066,953
Infrastructure	24,113,718	4,176,406	187,088	28,103,036
Total accumulated depreciation	26,412,853	4,465,600	253,663	30,624,790
Total capital assets being depreciated, net	139,085,792	45,902,136	1,299,688	183,688,240
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 215,115,058	\$ 69,122,315	\$ 2,246,606	\$ 281,990,767
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 763,866	\$ -	\$ 3,086	\$ 760,780
Construction in progress	14,013,131	247,269	12,685,930	1,574,470
Total capital assets not being depreciated	14,776,997	247,269	12,689,016	2,335,250
Capital Assets Being Depreciated				
Buildings	3,013,942	-	-	3,013,942
Equipment	111,678	-	-	111,678
Vehicles	442,929	172,808	-	615,737
Infrastructure	37,564,043	16,494,593	-	54,058,636
Total capital assets being depreciated	41,132,592	16,667,401	-	57,799,993
Less accumulated depreciation for				
Buildings	267,961	79,119	-	347,080
Equipment	8,834	11,168	-	20,002
Vehicles	129,337	73,646	-	202,983
Infrastructure	7,819,416	1,301,286	-	9,120,702
Total accumulated depreciation	8,225,548	1,465,219	-	9,690,767
Total capital assets being depreciated, net	32,907,044	15,202,182	-	48,109,226
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 47,684,041	\$ 15,449,451	\$ 12,689,016	\$ 50,444,476

VILLAGE OF OSWEGO, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. CAPITAL ASSETS (Continued)

a. (Continued)

Depreciation expense was charged to the governmental activities functions/programs as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 25,328
Public safety	39,898
Public works	<u>4,400,374</u>
 TOTAL DEPRECIATION EXPENSE – GOVERNMENTAL ACTIVITIES	 <u><u>\$ 4,465,600</u></u>

b. Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorizations	Expended to Date	Remaining Commitment
Town Center Water Tower	\$ 1,154,424	\$ 980,931	\$ 173,493
New Village Hall	<u>10,636,428</u>	<u>1,617,653</u>	<u>9,018,775</u>
 TOTAL	 <u><u>\$ 11,790,852</u></u>	 <u><u>\$ 2,598,584</u></u>	 <u><u>\$ 9,192,268</u></u>

8. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$3,300,000 General Obligation Alternate Revenue Source Bonds, Series 2004A, dated September 1, 2004, due in annual installments of \$115,000 to \$435,000 through December 15, 2024, interest at 3.30% to 4.50% payable each June 15 and December 15 from sales tax revenues	Debt Service	Town Center Renovation Project	\$ 3,185,000	\$ -	\$ 125,000	\$ 3,060,000	\$ 125,000
\$9,970,000 General Obligation Alternate Revenue Source Bonds, Series 2006A, dated December 15, 2006, due in annual installments of \$375,000 to \$700,000 through December 15, 2025, interest at 4.125% to 4.50% payable each June 15 and December 15 from sales tax revenues	Debt Service	New Village Hall Facility and Town Center Renovation Project	-	9,970,000	-	9,970,000	375,000
TOTAL							
GOVERNMENTAL ACTIVITIES			\$ 3,185,000	\$ 9,970,000	\$ 125,000	\$ 13,030,000	\$ 500,000

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Business-Type Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$4,400,000 General Obligation Alternate Revenue Source Bonds, Series 1997B, dated July 1, 1997, due in annual installments of \$100,000 to \$450,000 through May 1, 2012, interest at 4.875% to 5.000% payable each May 1 and November 1 from water and sewer fund revenues	Water and Sewer	Improve Water and Sewerage System	\$ 2,650,000	\$ -	\$ 300,000	\$ 2,350,000	\$ 350,000
\$5,000,000 General Obligation Alternate Revenue Source Bonds, Series 1999, dated December 30, 1999, due in annual installments of \$150,000 to \$390,000 through December 30, 2019, interest at 5.200% to 5.300% payable each June 30 and December 30 from water and sewer fund revenues	Water and Sewer	Improve Water and Sewerage System and Public Works Facility	410,000	-	200,000	210,000	210,000
\$4,045,000 General Obligation Refunding Alternate Revenue Source Bonds, Series 2004, dated May 4, 2004, due in annual installments of \$40,000 to \$390,000 through December 30, 2019, interest at 2.500% to 4.000% payable each June 30 and December 30 from water and sewer fund revenues	Water and Sewer	Refund portion of 1999 bonds	3,920,000	-	40,000	3,880,000	45,000

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Business-Type Activities (Continued)

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
<p>\$2,500,000 General Obligation Alternate Revenue Source Bonds, Series 2004B, dated September 1, 2004, due in annual installments of \$85,000 to \$390,000 through December 15, 2024, interest at 3.000% to 4.550% payable each June 15 and December 15 from water and sewer fund revenues</p>	<p>Water and Sewer</p>	<p>Town Center Renovation Project</p>	<p>\$ 2,415,000</p>	<p>\$ -</p>	<p>\$ 90,000</p>	<p>\$ 2,325,000</p>	<p>\$ 90,000</p>
<p>\$1,585,000 General Obligation Alternate Revenue Source Bonds, Series 2006B, dated May 15, 2006, due in annual installments of \$100,000 to \$145,000 through December 15, 2020, interest at 4.250% to 4.375% payable each June 15 and December 15 from water and sewer fund revenues</p>	<p>Water and Sewer</p>	<p>Town Center Renovation Project</p>	<p>-</p>	<p>1,585,000</p>	<p>-</p>	<p>1,585,000</p>	<p>100,000</p>
<p>TOTAL BUSINESS- TYPE ACTIVITIES</p>			<p>\$ 9,395,000</p>	<p>\$ 1,585,000</p>	<p>\$ 630,000</p>	<p>\$10,350,000</p>	<p>\$ 795,000</p>

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

b. IEPA Loans

The Village, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of sewerage collection and treatment facilities payable from water and sewer revenues. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$907,735 loan agreement with the IEPA, IEPA-SRF Loan No. 17-0783 dated November 1, 1999, due semi-annually on April 27 and October 27 through April 27, 2017, with interest at 2.89%	Water and Sewer	Convert sewage treatment facility to a pump station	\$ 582,219	\$ -	\$ 45,667	\$ 536,552	\$ 46,997
\$1,346,766 loan agreement with the IEPA, IEPA-SRF Loan No. 17-145 issued April 1, 2004, due semi-annually on February 1 and August 1 through February 1, 2025, with interest at 2.89%	Water and Sewer	Installation of radium removal equipment at five existing well sites	1,270,285	-	32,855	1,237,430	-
TOTAL IEPA LOANS			\$ 1,852,504	\$ -	\$ 78,522	\$ 1,773,982	\$ 46,997

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

c. Installment Contracts

During the fiscal year ended April 30, 2005, the Village purchased a street sweeper via an installment purchase agreement.

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$137,951 Installment Contract dated October 5, 2004 with annual installments of \$47,960 each October 1 through October 1, 2006 with interest at 4.36%	General	\$ 45,956	\$ -	\$ 45,956	\$ -	\$ -
TOTAL INSTALLMENT CONTRACTS		\$ 45,956	\$ -	\$ 45,956	\$ -	\$ -

d. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Business-Type Activities IEPA Loans*		Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 46,997	\$ 15,169	\$ 500,000	\$ 555,028	\$ 795,000	\$ 417,608
2009	48,364	13,801	510,000	535,433	815,000	381,133
2010	49,771	12,393	525,000	514,883	845,000	347,920
2011	51,221	10,945	545,000	493,633	880,000	313,183
2012	52,712	9,454	565,000	471,416	915,000	276,509
2013	54,246	7,919	600,000	448,171	960,000	236,634
2014	55,825	6,340	600,000	423,497	525,000	206,674
2015	57,450	4,716	625,000	398,821	560,000	187,435
2016	59,122	3,043	660,000	373,072	580,000	166,527
2017	60,844	1,322	675,000	345,412	595,000	144,192
2018	-	-	700,000	317,174	610,000	120,956
2019	-	-	725,000	287,511	640,000	96,181
2020	-	-	765,000	256,360	665,000	70,137
2021	-	-	800,000	223,081	295,000	42,724
2022	-	-	835,000	188,280	150,000	30,005
2023	-	-	875,000	151,595	170,000	23,405
2024	-	-	900,000	112,826	175,000	15,925
2025	-	-	925,000	72,775	175,000	7,963
2026	-	-	700,000	31,500	-	-
TOTAL	\$ 536,552	\$ 85,102	\$ 13,030,000	\$ 6,200,468	\$ 10,350,000	\$ 3,085,111

* Debt service to maturity for the 2004 IEPA loan will not be determined until the final draw down on the loan and has, therefore, been excluded from this table.

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 3,185,000	\$ 9,970,000	\$ 125,000	\$ 13,030,000	\$ 500,000
Unamortized (discount) premium on bonds payable	(26,621)	-	(2,278)	(24,343)	-
Installment contracts payable	45,956	-	45,956	-	-
Compensated absences payable	214,167	99,211	86,332	227,046	74,307
Retiree termination benefit payable	96,387	-	8,505	87,882	3,154
Net pension obligation	602,352	22,750	-	625,102	-
TOTAL	\$ 4,117,241	\$ 10,091,961	\$ 263,515	\$ 13,945,687	\$ 577,461

The retiree termination benefit and compensated absences payables are normally liquidated by the General Fund.

During the fiscal year the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 9,395,000	\$ 1,585,000	\$ 630,000	\$ 10,350,000	\$ 795,000
Unamortized discount on bonds payable	(64,267)	-	(8,519)	(55,748)	-
Unamortized loss on refunding	(351,428)	-	(27,033)	(324,395)	-
IEPA loans payable	1,852,504	-	78,522	1,773,982	46,997
Compensated absences payable	30,116	13,116	30,116	13,116	13,116
TOTAL	\$ 10,861,925	\$ 1,598,116	\$ 703,086	\$ 11,756,955	\$ 855,113

8. LONG-TERM DEBT (Continued)

f. Advance Refunding

On May 4, 2004, the Village issued \$4,045,000 General Obligation Refunding Alternate Revenue Source Bonds, Series 2004 to advance refund, through an in-substance defeasance, \$3,565,000 of the General Obligation Alternate Revenue Source Bonds Series 1999 General Obligation Bonds. \$3,565,000 of the defeased bonds were outstanding to be paid from escrow as of April 30, 2007.

g. Legal Debt Margin

2006 assessed valuation	<u>\$ 715,294,792</u>
Legal debt limit - 8.625% of assessed valuation	\$ 61,694,176
Amount of debt applicable to debt limit	<u>13,030,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 48,664,176</u></u>

9. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; employee health; and injuries to the Village's employees. In order to protect against these risks, the Village is a member of the Illinois Municipal League Risk Management Agency (IMLRMA). IMLRMA is a joint risk management pool of approximately 482 cities and villages throughout the State of Illinois through which property, general liability, automobile liability, crime, boiler and machinery, and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The Village policy is to record payments as prepaid insurance and recognize expenditures over the term of policy coverage. There is potentially \$48,532, \$51,856 and \$59,968 of additional premiums due for 2005, 2006 and 2007, respectively, based on the claims runout. In addition, the Village provides health insurance to its employees through a third-party indemnity policy. The Village pays an annual premium to the insurance company for its coverage. Settled claims have not exceeded the coverages in the current or preceding two fiscal years.

10. COMMITMENTS AND CONTINGENCIES

a. Economic Incentive

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2007, two agreements have been executed for stores that have opened. The agreements require the Village to rebate to the companies different levels additional sales tax generated by the facilities. The total expenditures incurred to date in rebates as of April 30, 2007 is \$3,424,810. For one agreement, there is no maximum remaining amount of rebates specified in the agreement, although the term of the agreement is through fiscal year 2012. For the other agreement, a maximum of \$1,000,000 is to be paid or until ten years elapses, whichever occurs first.

b. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

c. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

11. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF.

The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2006 was 9.83% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by ILCS (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a Pension Trust Fund. At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3
Current employees	
Vested	22
Nonvested	23
	<hr/>
TOTAL	48
	<hr/> <hr/>

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2007, the Village's contribution was 21.23% of covered payroll.

b. Significant Investments

Significant investments are defined as investments in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan (other than U.S. Government guaranteed obligations). At April 30, 2007, the Village had three separate annuity contracts that were each valued at greater than 5.00% of the total plan net assets for the Police Pension Plan. Information for the IMRF is not available.

VILLAGE OF OSWEGO, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2004	May 1, 2006
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	26 Years, Closed	27 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected Salary increases - Seniority/merit	.40 to 11.60%	3.00%
d) Post retirement benefit increases	3.00%	Not Available

Employer annual pension cost (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

VILLAGE OF OSWEGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual pension cost (APC)	2004	\$ 167,774	2005	\$ 498,668
	2005	226,834	2006	589,902
	2006	287,014	2007	653,350
Actual contribution	2004	\$ 167,774	2005	\$ 309,299
	2005	226,834	2006	428,031
	2006	287,014	2007	630,600
Percentage of APC contributed	2004	100.00%	2005	62.0%
	2005	100.00%	2006	72.0%
	2006	100.00%	2007	96.5%
NPO (asset)	2004	\$ -	2005	\$ 440,481
	2005	-	2006	602,352
	2006	-	2007	625,102

The net pension obligation (asset) has been calculated as follows as of April 30, 2007:

	Police Pension
Annual required contributions	\$ 638,206
Interest on net pension obligation	42,165
Adjustment to annual required contribution	(27,021)
Annual pension cost	<u>653,350</u>
Contributions made	<u>630,600</u>
Increase (decrease) in net pension obligation	22,750
Net pension obligation (asset), May 1	<u>602,352</u>
NET PENSION OBLIGATION (ASSET), APRIL 30	<u>\$ 625,102</u>

12. PRIOR PERIOD ADJUSTMENT

Net assets of the Water and Sewer Fund were decreased by \$300,000 as of May 1, 2006 to record grant revenue in the proper period. Net assets of governmental activities was decreased by \$707,061 as of May 1, 2006 to correct capital assets.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 6,487,510	\$ 6,722,510	\$ 6,352,979	\$ 5,530,635
Licenses and permits	2,601,359	2,966,359	2,626,747	2,553,194
Intergovernmental	28,500	28,500	128,591	59,665
Charges for services	1,532,791	1,563,291	1,439,999	1,406,122
Fines and forfeits	156,000	156,000	237,999	191,542
Investment income	123,047	223,047	222,154	167,305
Miscellaneous	176,689	176,689	212,143	522,738
Total revenues	11,105,896	11,836,396	11,220,612	10,431,201
EXPENDITURES				
Current				
General government	1,411,512	1,511,512	1,454,073	1,315,380
Building and zoning	830,900	863,900	800,393	693,129
Community development	503,759	503,759	357,065	313,529
Public works	1,060,997	1,261,997	1,374,483	1,301,598
Public safety	6,479,235	6,479,235	5,897,274	5,256,773
Retirement	702,853	702,853	633,103	539,628
Total expenditures	10,989,256	11,323,256	10,516,391	9,420,037
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	116,640	513,140	704,221	1,011,164
OTHER FINANCING SOURCES (USES)				
Transfers in	337,048	337,048	337,048	313,646
Transfers (out)	(400,000)	(800,000)	(800,000)	(1,286,630)
Proceeds from the sale of capital assets	2,500	2,500	28,906	70,366
Total other financing sources (uses)	(60,452)	(460,452)	(434,046)	(902,618)
NET CHANGE IN FUND BALANCE	\$ 56,188	\$ 52,688	270,175	108,546
FUND BALANCE, MAY 1			4,733,089	4,983,941
Prior period adjustment			-	(359,398)
FUND BALANCE, MAY 1, RESTATED			4,733,089	4,624,543
FUND BALANCE, APRIL 30			\$ 5,003,264	\$ 4,733,089

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2007

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL)/ (OAAL) (2) - (1)	(5) Covered Payroll	UAAL/ (OAAL) As a Percentage of Covered Payroll (4) / (5)
2001	\$ 1,929,822	\$ 1,398,717	137.97%	\$ (531,105)	\$ 1,224,478	(43.37%)
2002	1,929,544	1,780,279	108.38%	(149,265)	1,531,019	(9.75%)
2003	2,103,271	2,250,838	93.44%	147,567	1,750,962	8.43%
2004	2,232,279	2,716,202	82.18%	483,923	2,123,728	22.79%
2005	2,717,890	3,115,749	87.23%	397,859	2,500,932	15.91%
2006	3,310,062	3,808,522	86.91%	498,460	2,919,774	17.07%

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2007

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2002	\$ 2,782,274	\$ 5,499,152	50.59%	\$ 2,716,878	\$ 1,586,505	171.25%
2003	3,150,862	6,789,065	46.41%	3,638,203	2,102,383	173.05%
2004	3,939,984	8,289,689	47.53%	4,349,705	2,334,842	186.30%
2005	4,678,475	9,235,944	50.66%	4,557,469	2,536,400	179.68%
2006	5,459,950	10,613,219	51.44%	5,153,269	2,848,031	180.94%
2007	6,784,405	11,992,118	56.57%	5,207,713	2,969,860	175.35%

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2007

<u>Calendar Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution Made</u>	<u>Percentage Contributed</u>
2001	\$ 19,836	\$ 19,836	100.00%
2002	27,711	27,711	100.00%
2003	77,217	77,217	100.00%
2004	167,774	167,774	100.00%
2005	226,834	226,834	100.00%
2006	287,014	287,014	100.00%

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2007

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution Made</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2002	N/A	\$ 207,654	N/A	\$ 53,124
2003	\$ 260,778	203,123	77.89%	112,367
2004	369,012	233,506	63.28%	251,112
2005	491,717	309,299	62.90%	440,481
2006	578,248	428,031	74.02%	602,352
2007	638,206	630,600	98.81%	625,102

N/A - Information not available

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2007

1. BUDGETS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds (except for the Public Works Escrow, Economic Development and Public Service Funds). All annual appropriations lapse at fiscal year end.

Prior to November 1, the Village Clerk submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to April 30, the budget is enacted through passage of an ordinance. Formal budget integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except for the Public Works Escrow, Economic Development and Public Service Funds), Debt Service Funds, Capital Project Funds and Enterprise Funds.

The Village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

The appropriated budget is prepared by fund, function and department. The Village Treasurer is authorized to transfer budget amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund. During the year, several budget amendments were necessary and are reflected in the financial statements.

2. EXCESSES OF EXPENDITURES/EXPENSES OVER APPROPRIATIONS

The following individual fund expenditures/expenses exceeded appropriations in the following amounts:

	<u>Expenditures/ Expenses</u>	<u>Appropriations</u>
Water and Sewer Fund	\$ 5,711,193	\$ 5,307,670

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - the general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

CAPITAL PROJECTS FUND

Capital Improvement Fund - to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
TAXES				
Property	\$ 1,001,921	\$ 1,001,921	\$ 1,008,600	\$ 880,766
Sales	3,357,925	3,357,925	3,148,832	2,764,458
Less sales tax rebate	(635,116)	(635,116)	(588,950)	(740,075)
Income	1,722,761	1,832,761	1,681,961	1,525,240
Replacement	9,180	9,180	9,926	9,135
Other	1,030,839	1,155,839	1,092,610	1,091,111
Total taxes	6,487,510	6,722,510	6,352,979	5,530,635
LICENSES AND PERMITS				
Licenses and permits	1,720,957	2,085,957	2,113,811	1,802,770
Transition fees	880,402	880,402	512,936	750,424
Total licenses and permits	2,601,359	2,966,359	2,626,747	2,553,194
INTERGOVERNMENTAL				
Grants	28,500	28,500	128,591	59,665
Total intergovernmental	28,500	28,500	128,591	59,665
CHARGES FOR SERVICES				
Telecommunication surcharge	1,054,384	1,054,384	885,136	952,523
Other charges for services	478,407	508,907	554,863	453,599
Total charges for services	1,532,791	1,563,291	1,439,999	1,406,122
FINES AND FORFEITS				
Fines and fees	156,000	156,000	237,999	191,542
Total fines and forfeits	156,000	156,000	237,999	191,542
INVESTMENT INCOME				
	123,047	223,047	222,154	167,305
MISCELLANEOUS				
Contributions	-	-	9,803	73,979
Miscellaneous	176,689	176,689	202,340	448,759
Total miscellaneous	176,689	176,689	212,143	522,738
TOTAL REVENUES	\$ 11,105,896	\$ 11,836,396	\$ 11,220,612	\$ 10,431,201

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
CURRENT				
General government				
Salaries/personnel services	\$ 868,643	\$ 868,643	\$ 856,964	\$ 694,939
Insurance and benefits	207,088	207,088	184,573	155,188
Professional services	350,930	410,930	437,639	461,609
Contractual services	105,409	145,409	134,249	102,768
Communication	37,250	37,250	42,571	38,491
Professional development	24,500	24,500	29,381	21,518
Operating supplies	62,328	62,328	55,347	41,594
Capital outlay	101,395	101,395	59,380	120,088
Total general government	1,757,543	1,857,543	1,800,104	1,636,195
Less reimbursements from other funds	(346,031)	(346,031)	(346,031)	(320,815)
Net general government	1,411,512	1,511,512	1,454,073	1,315,380
Building and zoning				
Salaries/personnel services	538,010	538,010	473,303	422,559
Insurance and benefits	115,088	115,088	121,581	86,587
Professional services	26,500	26,500	52,148	80,283
Contractual services	49,577	82,577	70,341	24,419
Communication	27,760	27,760	23,649	23,692
Professional development	11,974	11,974	6,250	6,415
Operating supplies	44,991	44,991	39,167	30,447
Capital outlay	17,000	17,000	13,954	18,727
Total building and zoning	830,900	863,900	800,393	693,129
Community development				
Salaries and personnel services	332,042	332,042	262,796	213,731
Insurance and benefits	90,417	90,417	31,222	47,853
Professional services	27,000	27,000	15,105	18,932
Contractual services	11,150	11,150	7,070	13,385
Communication	13,700	13,700	10,137	10,921
Professional development	9,000	9,000	5,161	1,865
Operating supplies	7,450	7,450	4,890	6,842
Capital outlay	13,000	13,000	20,684	-
Total community development	503,759	503,759	357,065	313,529

(This schedule is continued on the following page.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
CURRENT (Continued)				
Public works				
Salaries/personnel services	\$ 312,508	\$ 312,508	\$ 307,554	\$ 274,175
Insurance and benefits	87,044	87,044	78,529	66,525
Professional services	59,000	59,000	83,249	32,682
Contractual services	451,985	592,985	688,906	594,633
Communication	15,000	15,000	13,034	14,030
Professional development	6,500	6,500	9,169	7,466
Operating supplies	40,500	40,500	40,526	39,679
Capital outlay	88,460	148,460	153,516	272,408
Total public works	1,060,997	1,261,997	1,374,483	1,301,598
Public safety - police				
Salaries/personnel services	3,904,647	3,904,647	3,733,462	3,295,274
Insurance and benefits	841,607	841,607	651,346	594,358
Professional services	96,735	96,735	55,780	46,687
Contractual services	361,390	361,390	273,756	307,638
Communication	59,420	59,420	52,365	49,332
Professional development	106,230	106,230	54,695	54,509
Operating supplies	184,610	184,610	172,158	147,394
Capital outlay	286,390	286,390	273,112	333,550
Contribution to Police Pension Fund	638,206	638,206	630,600	428,031
Total public safety - police	6,479,235	6,479,235	5,897,274	5,256,773
Retirement				
Insurance and benefits	702,853	702,853	633,103	539,628
Total retirement	702,853	702,853	633,103	539,628
TOTAL EXPENDITURES	\$ 10,989,256	\$ 11,323,256	\$ 10,516,391	\$ 9,420,037

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007		2006	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and forfeits	\$ -	\$ -	\$ 4,500	\$ -
Investment income	225,000	225,000	425,488	73,688
Miscellaneous	-	-	6,189	-
Total revenues	225,000	225,000	436,177	73,688
EXPENDITURES				
Capital outlay	7,264,388	7,264,388	4,530,533	2,440,790
Total expenditures	7,264,388	7,264,388	4,530,533	2,440,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,039,388)	(7,039,388)	(4,094,356)	(2,367,102)
OTHER FINANCING SOURCES (USES)				
Developer contributions	-	-	372,236	-
Issuance of bonds at par	-	-	9,970,000	-
Total other financing sources (uses)	-	-	10,342,236	-
NET CHANGE IN FUND BALANCE	\$ (7,039,388)	\$ (7,039,388)	6,247,880	(2,367,102)
FUND BALANCE, MAY 1			601,901	2,969,003
FUND BALANCE, APRIL 30			\$ 6,849,781	\$ 601,901

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for State Gasoline Tax Allocations restricted for local roadway program expenditures.

Public Works Escrow Fund - to account for monies collected from developers and others for specific road and other capital improvements.

Economic Development Fund - to account for income generated from low interest economic development loans offered to local businesses.

Public Service Fund - to account for donations and contributions collected for various public projects and special events.

Special Census Fund - to account for the costs associated with a special census of the Village's population.

DEBT SERVICE FUNDS

General Debt Service Fund - the debt service fund is used to account for the repayment of the Series 1997A, 2001 and 2004A general obligation bonds that are being repaid with property and sales taxes.

VILLAGE OF OSWEGO, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2007

	Special Revenue		
	Motor Fuel Tax	Public Works Escrow	Economic Development
ASSETS			
Cash and investments	\$ 98,793	\$ 394,854	\$ 95,392
Receivables			
Accounts	-	-	-
Intergovernmental	51,020	-	-
Accrued interest	-	3,635	-
Notes	-	-	264,999
Prepaid items	-	-	-
TOTAL ASSETS	\$ 149,813	\$ 398,489	\$ 360,391
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 216	\$ -	\$ -
Escrow deposits	-	92,269	-
Due to other funds	-	-	-
Total liabilities	216	92,269	-
FUND BALANCES			
Reserved			
Prepaid items	-	-	-
Highways and streets	149,597	-	-
Special projects	-	306,220	-
Economic development	-	-	360,391
Debt service	-	-	-
Unreserved			
Special Revenue Funds	-	-	-
Total fund balances	149,597	306,220	360,391
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,813	\$ 398,489	\$ 360,391

Special Revenue		Debt Service	General Debt Service	Total
Public Service	Special Census			
\$ 426,321	\$ 401,022	\$ 1,303,846	\$ 2,720,228	
23,827	-	-	23,827	
-	-	-	51,020	
-	-	-	3,635	
-	-	-	264,999	
-	122,077	-	122,077	
\$ 450,148	\$ 523,099	\$ 1,303,846	\$ 3,185,786	
\$ 11,585	\$ -	\$ -	\$ 11,801	
-	-	-	92,269	
1,056	-	-	1,056	
12,641	-	-	105,126	
-	122,077	-	122,077	
-	-	-	149,597	
437,507	-	-	743,727	
-	-	-	360,391	
-	-	1,303,846	1,303,846	
-	401,022	-	401,022	
437,507	523,099	1,303,846	3,080,660	
\$ 450,148	\$ 523,099	\$ 1,303,846	\$ 3,185,786	

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

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

For the Year Ended April 30, 2007

	Special Revenue		
	Motor Fuel Tax	Public Works Escrow	Economic Development
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	622,045	-	-
Fines and forfeits	-	-	-
Investment income	6,870	8,768	12,169
Donations and contributions	-	272,479	-
Total revenues	628,915	281,247	12,169
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	604,289	4,045	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	604,289	4,045	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,626	277,202	12,169
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	24,626	277,202	12,169
FUND BALANCES, MAY 1	124,971	29,018	348,222
FUND BALANCES, APRIL 30	\$ 149,597	\$ 306,220	\$ 360,391

Special Revenue		Debt Service	
Public Service	Special Census	General Debt Service	Total
\$ -	\$ -	\$ 353,296	\$ 353,296
-	-	-	622,045
26,526	-	-	26,526
6,877	21,121	33,479	89,284
215,273	-	-	487,752
248,676	21,121	386,775	1,578,903
119,755	-	-	119,755
23,283	-	-	23,283
-	-	-	608,334
-	-	125,000	125,000
-	-	379,375	379,375
143,038	-	504,375	1,255,747
105,638	21,121	(117,600)	323,156
-	-	800,000	800,000
105,638	21,121	682,400	1,123,156
331,869	501,978	621,446	1,957,504
\$ 437,507	\$ 523,099	\$ 1,303,846	\$ 3,080,660

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Motor fuel tax	\$ (568,746)	\$ (568,746)	\$ 621,629	\$ 612,750
Reimbursements	-	-	416	61,696
Investment income	(23,000)	(23,000)	6,870	17,047
Total revenues	<u>(591,746)</u>	<u>(591,746)</u>	<u>628,915</u>	<u>691,493</u>
EXPENDITURES				
Current				
Public works/transportation	300,000	615,000	604,289	1,182,599
Total expenditures	<u>300,000</u>	<u>615,000</u>	<u>604,289</u>	<u>1,182,599</u>
NET CHANGE IN FUND BALANCE	<u>\$ (891,746)</u>	<u>\$ (1,206,746)</u>	<u>24,626</u>	<u>(491,106)</u>
FUND BALANCE, MAY 1			124,971	664,057
Prior period adjustment			-	(47,980)
FUND BALANCE, MAY 1, RESTATED			<u>124,971</u>	<u>616,077</u>
FUND BALANCE, APRIL 30			<u>\$ 149,597</u>	<u>\$ 124,971</u>

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL CENSUS FUND

For the Year Ended April 30, 2007
 (with comparative actual)

	2007		Actual	2006
	Original Budget	Final Budget		Actual
REVENUES				
Investment income	\$ 15,000	\$ 15,000	\$ 21,121	\$ 1,978
Total revenues	15,000	15,000	21,121	1,978
EXPENDITURES				
Current				
Contractual services	175,000	175,000	-	-
Total expenditures	175,000	175,000	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(160,000)	(160,000)	21,121	1,978
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	500,000
Total other financing sources (uses)	-	-	-	500,000
NET CHANGE IN FUND BALANCE	\$ (160,000)	\$ (160,000)	21,121	501,978
FUND BALANCE, MAY 1			501,978	-
FUND BALANCE, APRIL 30			\$ 523,099	\$ 501,978

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes				
Property	\$ -	\$ -	\$ -	\$ 76,916
Sales	353,296	353,296	353,296	465,291
Investment income	250	250	33,479	4,789
Total revenues	353,546	353,546	386,775	546,996
EXPENDITURES				
Debt service				
Principal retirement	394,699	394,699	125,000	405,000
Interest and fiscal charges	519,381	519,381	379,375	139,641
Total expenditures	914,080	914,080	504,375	544,641
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(560,534)	(560,534)	(117,600)	2,355
OTHER FINANCING SOURCES (USES)				
Transfers in	400,000	800,000	800,000	600,000
Total other financing sources (uses)	400,000	800,000	800,000	600,000
NET CHANGE IN FUND BALANCE	\$ (160,534)	\$ 239,466	682,400	602,355
FUND BALANCE, MAY 1			621,446	19,091
FUND BALANCE, APRIL 30			\$ 1,303,846	\$ 621,446

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

Water and Sewer Fund - to account for revenues and expenses relative to the operation of the water and sewer utility.

Garbage Fund - to account for the operations of the Village's garbage collection service.

VILLAGE OF OSWEGO, ILLINOIS
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 WATER AND SEWER FUND

For the Year Ended April 30, 2007
 (with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 4,605,392	\$ 4,605,392	\$ 4,282,511	\$ 3,955,995
Total operating revenues	<u>4,605,392</u>	<u>4,605,392</u>	<u>4,282,511</u>	<u>3,955,995</u>
OPERATING EXPENSES				
Salaries/personnel services	980,509	980,509	891,466	808,816
Insurance and benefits	432,497	432,497	393,783	358,028
Professional services	285,285	285,285	277,652	206,890
Contractual services	1,092,850	1,092,850	1,109,826	894,187
Communication	59,000	59,000	64,061	53,722
Professional development	9,000	9,000	9,754	9,252
Operating supplies	503,000	503,000	602,612	49,514
Capital maintenance	-	-	30,354	522,885
Administrative service	346,031	346,031	346,031	320,815
Depreciation	1,106,363	1,106,363	1,465,219	1,043,207
Amortization of bond costs	-	-	44,504	-
Total operating expenses	<u>4,814,535</u>	<u>4,814,535</u>	<u>5,235,262</u>	<u>4,267,316</u>
OPERATING INCOME (LOSS)	<u>(209,143)</u>	<u>(209,143)</u>	<u>(952,751)</u>	<u>(311,321)</u>
NONOPERATING REVENUES (EXPENSES)				
Connection fees	2,973,408	2,973,408	2,860,874	2,724,191
Investment income	123,583	123,583	211,985	121,961
Interest expense	(493,135)	(493,135)	(475,931)	(483,555)
Gain on sale of capital assets	-	-	38,960	-
Total nonoperating revenues (expenses)	<u>2,603,856</u>	<u>2,603,856</u>	<u>2,635,888</u>	<u>2,362,597</u>
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	<u>2,394,713</u>	<u>2,394,713</u>	<u>1,683,137</u>	<u>2,051,276</u>
TRANSFERS (OUT)				
General Fund	<u>(337,048)</u>	<u>(337,048)</u>	<u>(337,048)</u>	<u>(313,646)</u>
CONTRIBUTIONS				
Developer contributions	-	-	914,985	2,404,987
Capital contributions	-	-	1,660,425	1,009,638
Total contributions	<u>-</u>	<u>-</u>	<u>2,575,410</u>	<u>3,414,625</u>
CHANGE IN NET ASSETS	<u>\$ 2,057,665</u>	<u>\$ 2,057,665</u>	<u>3,921,499</u>	<u>5,152,255</u>
NET ASSETS, MAY 1			39,620,383	34,410,115
Prior period adjustment			<u>(300,000)</u>	<u>58,013</u>
NET ASSETS, MAY 1, RESTATED			<u>39,320,383</u>	<u>34,468,128</u>
NET ASSETS, APRIL 30			<u>\$ 43,241,882</u>	<u>\$ 39,620,383</u>

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
GARBAGE FUND

For the Year Ended April 30, 2007
(with comparative actual)

	2007			2006
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,358,412	\$ 1,386,912	\$ 1,399,455	\$ 1,237,470
Total operating revenues	1,358,412	1,386,912	1,399,455	1,237,470
OPERATING EXPENSES				
Disposal services	1,338,487	1,364,487	1,350,403	1,197,131
Total operating expenses	1,338,487	1,364,487	1,350,403	1,197,131
OPERATING INCOME	19,925	22,425	49,052	40,339
NONOPERATING REVENUES (EXPENSES)				
Investment income	-	-	122	120
Total nonoperating revenues (expenses)	-	-	122	120
CHANGE IN NET ASSETS	<u>\$ 19,925</u>	<u>\$ 22,425</u>	49,174	40,459
NET ASSETS, MAY 1			194,933	154,474
NET ASSETS, APRIL 30			<u>\$ 244,107</u>	<u>\$ 194,933</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

AGENCY FUNDS

Agency Fund - to account for land/cash and transition fees collected from developers for other governmental entities.

Subdivision Escrow Fund - to account for developer deposits.

VILLAGE OF OSWEGO, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2007

	Balances		Balances	
	May 1	Additions	Deductions	April 30
ALL FUNDS				
ASSETS				
Cash and investments	\$ 1,590,947	\$ 100,744	\$ 927,916	\$ 763,775
Accounts receivable	146,567	-	16,565	130,002
Accrued interest receivable	3,836	-	3,836	-
Due from other funds	13,286	6	12,263	1,029
TOTAL ASSETS	\$ 1,754,636	\$ 100,750	\$ 960,580	\$ 894,806
LIABILITIES				
Accounts payable	\$ 85,208	\$ 84,979	\$ -	\$ 170,187
Due to others	1,481,304	99,323	863,151	717,476
Due to other funds	188,124	-	180,981	7,143
TOTAL LIABILITIES	\$ 1,754,636	\$ 184,302	\$ 1,044,132	\$ 894,806
AGENCY FUND				
ASSETS				
Cash and investments	\$ 372,664	\$ 99,317	\$ 260,903	\$ 211,078
Due from other funds	-	6	-	6
TOTAL ASSETS	\$ 372,664	\$ 99,323	\$ 260,903	\$ 211,084
LIABILITIES				
Due to others	\$ 372,664	\$ 99,323	\$ 260,903	\$ 211,084
TOTAL LIABILITIES	\$ 372,664	\$ 99,323	\$ 260,903	\$ 211,084

(This statement is continued on the following page.)

VILLAGE OF OSWEGO, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended April 30, 2007

	Balances		Balances	
	May 1	Additions	Deductions	April 30
SUBDIVISION ESCROW FUND				
ASSETS				
Cash and investments	\$ 1,218,283	\$ 1,427	\$ 667,013	\$ 552,697
Accounts receivable	146,567	-	16,565	130,002
Accrued interest receivable	3,836	-	3,836	-
Due from other funds	13,286	-	12,263	1,023
TOTAL ASSETS	\$ 1,381,972	\$ 1,427	\$ 699,677	\$ 683,722
LIABILITIES				
Accounts payable	\$ 85,208	\$ 84,979	\$ -	\$ 170,187
Due to others	1,108,640	-	602,248	506,392
Due to other funds	188,124	-	180,981	7,143
TOTAL LIABILITIES	\$ 1,381,972	\$ 84,979	\$ 783,229	\$ 683,722

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

NET ASSETS BY COMPONENT

Last Three Fiscal Years

	2005	2006*	2007
GOVERNMENTAL ACTIVITIES			
Invested in capital assets net of related debt	\$ 2,246,206	\$ 212,015,432	\$ 275,810,548
Restricted	2,988,094	1,469,306	2,833,472
Unrestricted	2,742,804	5,867,096	4,676,344
TOTAL GOVERNMENTAL ACTIVITIES	\$ 7,977,104	\$ 219,351,834	\$ 283,320,364
BUSINESS-TYPE ACTIVITIES			
Invested in capital assets net of related debt	\$ 24,853,527	\$ 37,823,930	\$ 38,320,494
Restricted	3,151,950	899,500	899,500
Unrestricted	6,559,112	1,091,886	4,265,995
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 34,564,589	\$ 39,815,316	\$ 43,485,989
PRIMARY GOVERNMENT			
Invested in capital assets net of related debt	\$ 27,099,733	\$ 249,839,362	\$ 314,131,042
Restricted	6,140,044	2,368,806	3,732,972
Unrestricted	9,301,916	6,958,982	8,942,339
TOTAL PRIMARY GOVERNMENT	\$ 42,541,693	\$ 259,167,150	\$ 326,806,353

Data Source

Audited Financial Statements

The implementation of GASB Statement No. 34 was completed for fiscal year ended April 30, 2005. Therefore, information prior to fiscal year 2005 is unavailable.

* In fiscal year 2006 the Village began reporting infrastructure.

VILLAGE OF OSWEGO, ILLINOIS

CHANGE IN NET ASSETS

Last Three Fiscal Years

	2005	2006	2007
EXPENSES			
Governmental activities			
General government	\$ 1,654,530	\$ 1,275,745	\$ 1,556,726
Building and zoning	716,031	720,110	834,696
Community development	335,868	324,322	371,006
Public safety	4,367,226	5,648,230	6,165,019
Public works	1,329,419	5,215,219	6,750,620
Retirement	460,219	-	-
Interest	153,467	87,901	551,346
Total governmental activities Expenses	<u>9,016,760</u>	<u>13,271,527</u>	<u>16,229,413</u>
Business-type activities			
Water and sewer	3,790,286	4,750,871	5,672,233
Garbage	1,025,226	1,197,131	1,350,403
Total business-type activities Expenses	<u>4,815,512</u>	<u>5,948,002</u>	<u>7,022,636</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 13,832,272</u>	<u>\$ 19,219,529</u>	<u>\$ 23,252,049</u>
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 42,921	\$ 22,572	\$ 40,357
Building and zoning	81,812	1,806,043	2,111,691
Community development	1,164,757	164,422	179,377
Public safety	317,633	398,781	490,922
Public works	-	-	-
Operating grants and contributions	743,489	1,516,159	1,635,808
Capital grants and contributions	-	54,754,974	67,207,177
Total governmental activities program revenues	<u>2,350,612</u>	<u>58,662,951</u>	<u>71,665,332</u>
Business-type activities			
Charges for services			
Water and sewer	3,501,031	3,955,995	7,143,385
Garbage	1,069,999	1,237,470	1,399,455
Operating grants and contributions	-	-	-
Capital grants and contributions	950,200	3,414,625	2,575,410
Total business-type activities program revenues	<u>5,521,230</u>	<u>8,608,090</u>	<u>11,118,250</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 7,871,842</u>	<u>\$ 67,271,041</u>	<u>\$ 82,783,582</u>
NET REVENUE (EXPENSE)			
Governmental activities	\$ (6,666,148)	\$ 45,391,424	\$ 55,435,919
Business-type activities	705,718	2,660,088	4,095,614
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	<u>\$ (5,960,430)</u>	<u>\$ 48,051,512</u>	<u>\$ 59,531,533</u>

VILLAGE OF OSWEGO, ILLINOIS
CHANGE IN NET ASSETS (Continued)

Last Three Fiscal Years

	2005	2006	2007
GENERAL REVENUES AND OTHER			
CHANGES IN NET ASSETS			
Governmental Activities			
Taxes			
Property	\$ 875,573	\$ 957,682	\$ 1,008,600
Sales	2,179,804	2,514,830	2,925,295
Telecommunication	867,423	937,474	899,885
Personal property replacement	8,077	9,135	9,926
Developer contributions	1,286,994	-	-
Utility	-	837,414	824,833
Other	2,301,650	1,778,621	1,948,201
Investment income	110,685	282,254	736,926
Miscellaneous	529,556	782,579	548,958
Transfers in (out)	-	313,646	337,048
Total governmental activities	8,159,762	8,413,635	9,239,672
Business-type activities			
Developer contributions	4,883,135	-	-
Connection fees	2,934,498	2,724,191	-
Investment income	46,939	122,081	212,107
Transfers in (out)	-	(313,646)	(337,048)
Total business-type activities	7,864,572	2,532,626	(124,941)
TOTAL PRIMARY GOVERNMENT	\$ 16,024,334	\$ 10,946,261	\$ 9,114,731
CHANGE IN NET ASSETS			
Governmental activities	\$ 1,493,614	\$ 53,805,059	\$ 64,675,591
Business-type activities	8,570,290	5,192,714	3,970,673
TOTAL PRIMARY GOVERNMENT			
CHANGE IN NET ASSETS	\$ 10,063,904	\$ 58,997,773	\$ 68,646,264

Data Source

Audited Financial Statements

The implementation of GASB Statement No. 34 was completed for fiscal year ended April 30, 2005. Therefore, information prior to fiscal year 2005 is unavailable.

VILLAGE OF OSWEGO, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,953	\$ 83,574	\$ 257,274	\$ 96,976	\$ 97,538
Unreserved - designated	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated	565,461	373,211	777,864	450,585	1,145,344	1,936,870	3,279,070	4,726,667	4,636,113	4,905,726
TOTAL GENERAL FUND	\$ 565,461	\$ 373,211	\$ 777,864	\$ 450,585	\$ 1,145,344	\$ 2,003,823	\$ 3,362,644	\$ 4,983,941	\$ 4,733,089	\$ 5,003,264
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ -	\$ -	\$ -	\$ 38,758	\$ 55,959	\$ 19,080	\$ 18,397	\$ -	\$ 1,455,526	\$ 2,955,549
Unreserved, reported in										
Special Revenue Funds	486,241	557,948	833,251	1,141,975	1,347,914	1,006,151	295,731	1,044,710	501,978	401,022
Debt Service Funds	40,654	41,296	42,646	-	-	-	-	19,091	-	-
Capital Project Funds	121,919	411,476	117,982	101,096	216,869	-	-	2,969,003	601,901	6,573,870
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 648,814	\$ 1,010,720	\$ 993,879	\$ 1,281,829	\$ 1,620,742	\$ 1,025,231	\$ 314,128	\$ 4,032,804	\$ 2,559,405	\$ 9,930,441

Data Source

Audited Financial Statements

VILLAGE OF OSWEGO, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Taxes	\$ 2,184,199	\$ 2,577,551	\$ 2,740,852	\$ 2,824,521	\$ 3,578,046	\$ 3,414,524	\$ 3,696,295	\$ 5,344,666	\$ 6,072,842	\$ 6,706,275
Telecommunication surcharge				331,357	593,261	538,374	778,023	853,278	-	-
Licenses and permits	383,102	415,206	516,809	639,813	815,914	833,646	1,130,675	1,273,831	2,553,194	2,626,747
Intergovernmental	323,996	662,133	587,463	389,750	944,145	1,226,574	1,231,392	743,489	734,111	750,636
Charges for services	1,451	2,303	31,847	102,683	499	411,639	303,544	344,262	1,406,122	1,439,999
Fines and forfeits	54,613	73,949	74,326	76,618	198,944	106,341	115,091	127,642	209,438	269,025
Transition fees	-	-	373,750	521,250	603,696	-	-	1,076,448	-	-
Franchise fees	-	-	-	-	-	767,792	1,237,877	-	-	-
Reimbursements	-	-	-	-	-	316,913	87,590	-	-	-
Contributions	-	-	-	2,663	15,204	64,852	22,465	210,546	-	-
Rents	-	-	-	34,161	22,800	-	-	-	-	-
Recycling	-	-	-	40,000	-	-	-	-	-	-
Public works improvements	217,194	607,113	-	-	-	-	-	-	-	-
Investment income	46,886	68,865	61,383	96,202	85,007	50,662	43,962	110,685	282,255	736,926
Miscellaneous	115,213	133,087	237,016	215,109	84,703	125,890	6,097	390,944	689,341	706,084
Total revenues	3,326,654	4,540,207	4,623,446	5,274,127	6,942,219	7,857,207	8,653,011	10,475,791	11,947,303	13,235,692
EXPENDITURES										
General government	854,620	1,084,324	1,103,194	1,415,097	1,777,191	2,182,490	2,359,252	1,510,602	1,361,693	1,573,828
Building and zoning	-	-	-	-	-	-	-	712,483	693,129	800,393
Community development	-	-	-	-	-	-	-	335,868	313,529	357,065
Public safety	1,494,740	1,692,968	2,054,632	2,069,612	2,490,163	2,989,907	3,422,036	3,945,254	5,272,127	5,920,557
Public works	896,099	1,248,247	701,576	1,438,719	1,022,754	1,999,593	1,930,223	1,253,272	2,484,197	1,982,817
Retirement	-	-	-	-	-	-	-	460,219	539,628	633,103
Capital outlay	-	-	-	-	504,519	77,298	494,661	924,712	2,440,790	4,530,533
Debt service										
Principal	185,000	210,000	235,000	255,000	1,070,000	280,000	270,000	280,000	405,000	125,000
Interest	143,964	135,012	120,483	135,028	48,462	35,823	23,370	55,506	138,441	378,275
Other charges	-	-	-	-	-	2,935	2,400	1,385	1,200	1,100
Total expenditures	3,574,423	4,370,551	4,214,885	5,313,456	6,913,089	7,568,046	8,501,942	9,479,301	13,649,734	16,302,671
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(247,769)	169,656	408,561	(39,329)	29,130	289,161	151,069	996,490	(1,702,431)	(3,066,979)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
OTHER FINANCING SOURCES (USES)										
Developer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,236
Transfers in	287,762	100,000	482,080	-	682,197	570,450	426,168	515,631	1,600,276	1,137,048
Transfers (out)	(770,844)	(100,000)	(502,830)	-	(507,654)	(188,046)	-	(14,624)	(1,286,630)	(800,000)
Bonds issued	-	-	-	-	830,000	-	-	3,389,991	-	9,970,000
Discount on bonds issued	-	-	-	-	-	-	-	(29,657)	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	70,366	28,906
Total other financing sources (uses)	(483,082)	-	(20,750)	-	1,004,543	382,404	426,168	3,861,341	384,012	10,708,190
NET CHANGE IN FUND BALANCES	\$ (730,851)	\$ 169,656	\$ 387,811	\$ (39,329)	\$ 1,033,673	\$ 671,565	\$ 577,237	\$ 4,857,831	\$ (1,318,419)	\$ 7,641,211
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.20%	7.89%	8.43%	7.34%	17.45%	4.22%	3.66%	3.92%	4.85%	4.28%

Data Source

Audited Financial Statements

VILLAGE OF OSWEGO, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Fiscal Year	Farm	Residential Property	Commercial Property	Industrial Property	Railroad Local	Railroad State	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1997	1998	\$ 390,537	\$ 147,283,797	\$ 18,053,371	\$ 2,699,182	\$ 9,200	\$ 47,909	\$ 168,483,996	\$ 0.2670	\$ 505,957,946	33.300%
1998	1999	366,259	166,424,466	20,285,321	3,040,813	9,200	-	190,126,059	0.2577	570,949,126	33.300%
1999	2000	362,227	191,793,507	22,438,916	3,707,904	9,200	13,338	218,325,092	0.2484	655,630,907	33.300%
2000	2001	339,009	223,559,668	26,368,675	3,935,861	9,200	20,769	254,233,182	0.2214	763,463,009	33.300%
2001	2002	827,061	271,405,488	30,071,015	4,532,910	9,200	17,624	306,863,298	0.2118	921,511,405	33.300%
2002	2003	641,947	312,215,415	39,351,206	5,492,438	9,200	20,325	357,730,531	0.1967	1,074,265,859	33.300%
2003	2004	881,890	364,599,756	48,109,113	6,157,610	9,051	28,901	419,786,321	0.1832	1,260,619,583	33.300%
2004	2005	845,537	428,720,119	63,514,300	7,074,855	9,200	27,693	500,191,704	0.1682	1,502,077,189	33.300%
2005	2006	853,932	527,855,050	78,769,511	7,509,528	9,200	27,849	615,025,070	0.1439	1,846,922,132	33.300%
2006	2007	696,570	623,511,609	83,409,340	7,640,570	9,010	27,693	715,294,792	0.1404	2,148,032,408	33.300%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Kendall County Clerk

VILLAGE OF OSWEGO, ILLINOIS
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Levy Years

Levy Year	Fiscal Year	Village Direct Rates						Overlapping Rates											
		Corporate	Bonds and Interest	IMRF	Police Pension	Audit	Total Direct Tax Rate	Kendall County	Kendall County Mental Health	Kendall County Health	Oswego Township	Kendall County Forest Preserve	Oswego School CU-308	Waubonsie JC #516	Oswego Fire Protection District	Oswego Library District	Oswego Park District	Oswego Road District	Total Overlapping Rates
1997	1998	0.0075	0.0442	0.0980	0.1128	0.0045	0.2670	0.7789	0.0487	0.0446	0.3242	0.0293	5.0325	0.4511	0.3367	0.2103	0.6776	-	7.9339
1998	1999	0.0051	0.0371	0.1105	0.1000	0.0050	0.2577	0.7462	0.0487	0.0468	0.3247	0.0267	5.1789	0.4473	0.3377	0.2114	0.6003	-	7.9687
1999	2000	0.0252	0.0353	0.0907	0.0917	0.0055	0.2484	0.7726	0.0500	0.0466	0.3137	0.0255	5.0179	0.4386	0.3256	0.1910	0.6019	-	7.7834
2000	2001	0.0228	0.0291	0.0827	0.0818	0.0050	0.2214	0.7539	0.0499	0.0480	0.3039	0.0245	4.8943	0.4287	0.3176	0.1865	0.5715	-	7.5788
2001	2002	0.0454	0.0265	0.0695	0.0663	0.0041	0.2118	0.6493	0.0464	0.0476	0.2944	0.0243	4.8709	0.4239	0.3101	0.1825	0.5255	-	7.3749
2002	2003	0.0406	0.0218	0.0653	0.0653	0.0037	0.1967	0.6069	0.0427	0.0424	0.2899	0.0219	4.9562	0.4043	0.5261	0.1852	0.4974	-	7.5730
2003	2004	0.0346	0.0190	0.0556	0.0737	0.0003	0.1832	0.5796	0.0341	0.0344	0.2717	0.0403	4.8013	0.4105	0.5505	0.1755	0.4586	-	7.3565
2004	2005	0.0300	0.0154	0.0366	0.0857	0.0005	0.1682	0.5578	0.0311	0.0305	0.2621	0.0369	4.9969	0.4104	0.5944	0.1702	0.4586	-	7.5489
2005	2006	0.0171	-	0.0230	0.1038	-	0.1439	0.5559	0.0317	0.0280	0.2534	0.0335	5.0605	0.3968	0.6247	0.1659	0.4353	-	7.5857
2006	2007	0.0156	-	0.0232	0.1016	-	0.1404	0.5925	-	-	0.0766	0.0299	5.0600	0.4005	0.6029	0.2118	0.4122	0.1757	7.5621

Note: The Village basic property tax rate may be increased only by a majority vote of the Village's residents. Rates for debt service are set based on each year's requirements. (Governments are required to disclose any external limitations on their ability to change).

Data Source

Kendall County Clerk

VILLAGE OF OSWEGO, ILLINOIS

PROPERTY TAX RATES - PER \$100 OF ASSESSED VALUATION - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

	Levy 1997	Levy 1998	Levy 1999	Levy 2000	Levy 2001	Levy 2002	Levy 2003	Levy 2004	Levy 2005	Levy 2006
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Village of Oswego	0.2670	0.2577	0.2484	0.2214	0.2118	0.1967	0.1832	0.1682	0.1439	0.1404
Kendall County	0.7789	0.7462	0.7726	0.7539	0.6493	0.6069	0.5796	0.5578	0.5559	0.5925
Kendall County Mental Health	0.0487	0.0487	0.0500	0.0499	0.0464	0.0427	0.0341	0.0311	0.0317	-
Kendall County Health	0.0446	0.0468	0.0466	0.0480	0.0476	0.0424	0.0344	0.0305	0.0280	-
Oswego Township	0.3242	0.3247	0.3137	0.3039	0.2944	0.2899	0.2717	0.2621	0.2534	0.0766
Kendall County Forest Preserve	0.0293	0.0267	0.0255	0.0245	0.0243	0.0219	0.0403	0.0369	0.0335	0.0299
Oswego School CU-308	5.0325	5.1789	5.0179	4.8943	4.8709	4.9562	4.8013	4.9969	5.0605	5.0600
Waubonsie JC #516	0.4511	0.4473	0.4386	0.4287	0.4239	0.4043	0.4105	0.4104	0.3968	0.4005
Oswego Fire Protection District	0.3367	0.3377	0.3256	0.3176	0.3101	0.5261	0.5505	0.5944	0.6247	0.6029
Oswego Library District	0.2103	0.2114	0.1910	0.1865	0.1825	0.1852	0.1755	0.1702	0.1659	0.2118
Oswego Park District	0.6776	0.6003	0.6019	0.5715	0.5255	0.4974	0.4586	0.4586	0.4353	0.4122
Oswego Road District	-	-	-	-	-	-	-	-	-	0.1757
TOTAL	8.2009	8.2264	8.0318	7.8002	7.5867	7.7697	7.5397	7.7171	7.7296	7.7025

Property tax rates are per \$100 of assessed valuation.

Data Source

Kendall County Clerk

VILLAGE OF OSWEGO, ILLINOIS
PRINCIPAL PROPERTY TAXPAYERS

Current Year and Four Years Ago

Taxpayer	2006 Levy			2002 Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Inland Western Oswego Douglas	\$ 6,317,830	1	0.88%	\$ -	n/a	0.00%
Farmington Lakes, LLC	5,768,130	2	0.81%	-	n/a	0.00%
Target Corporation	2,921,210	3	0.41%	2,389,883	2	0.67%
Home Depot USA	2,915,340	4	0.41%	2,919,288	1	0.82%
Inland Real Estate Townes Cross	2,892,940	5	0.40%	2,417,211	3	0.68%
Dreyer Clinic, Inc.	1,554,250	6	0.22%	-	n/a	0.00%
Mason Square LLC	1,376,060	7	0.19%	-	n/a	0.00%
Goodrich Quality Theaters, Inc.	1,366,410	8	0.19%	1,140,339	6	0.32%
Amoco Oil Co.	1,346,770	9	0.19%	-	n/a	0.00%
MicDanick Investments, LLC	1,319,500	10	0.18%	-	n/a	0.00%
Old Second National Bank, Tr. 5711	-	n/a	0.00%	1,211,073	4	0.34%
Dominicks	-	n/a	0.00%	1,202,285	5	0.34%
Kendall Point Assoc. Ltd. Partnership	-	n/a	0.00%	891,669	7	0.25%
Griffith Labs Worldwide	-	n/a	0.00%	847,261	8	0.24%
Mason Square LLC	-	n/a	0.00%	789,533	9	0.22%
Old Second National Bank, Tr. 4080	-	n/a	0.00%	697,596	10	0.20%
	<u>\$ 27,778,440</u>		<u>3.88%</u>	<u>\$ 14,506,138</u>		<u>4.08%</u>

Data Source

Office of the County Clerk

Note: Information is not available prior to 2002.

VILLAGE OF OSWEGO, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Total Collections to Date**	
		Amount*	Percentage of Levy	Amount*	Percentage of Levy
1997	\$ 449,852	\$ 557,065	123.83%	\$ 557,065	123.83%
1998	489,954	585,485	119.50%	585,485	119.50%
1999	542,322	621,827	114.66%	621,827	114.66%
2000	562,870	689,169	122.44%	689,169	122.44%
2001	649,936	742,815	114.29%	742,815	114.29%
2002	703,656	805,993	114.54%	805,993	114.54%
2003	769,051	875,573	113.85%	875,573	113.85%
2004	841,319	957,286	113.78%	957,286	113.78%
2005	885,020	1,008,124	113.91%	1,008,124	113.91%
2006	1,004,275	-	0.00%	-	0.00%

Data Source

Office of the County Clerk

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

* This amount includes road and bridge taxes.

** Total collections to date are the same as the amount collected during the fiscal year that the levy is financing.

VILLAGE OF OSWEGO, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	County Rate	County Public Safety Rate	State Rate	Total
1998	1.00%	0.25%	-	5.00%	6.25%
1999	1.00%	0.25%	-	5.00%	6.25%
2000	1.00%	0.25%	-	5.00%	6.25%
2001	1.00%	0.25%	-	5.00%	6.25%
2002	1.00%	0.25%	0.50%	5.00%	6.75%
2003	1.00%	0.25%	0.50%	5.00%	6.75%
2004	1.00%	0.25%	0.50%	5.00%	6.75%
2005	1.00%	0.25%	0.50%	5.00%	6.75%
2006	1.00%	0.25%	0.50%	5.00%	6.75%
2007	1.00%	0.25%	0.50%	5.00%	6.75%

Data Source

Department of Revenue

VILLAGE OF OSWEGO, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General merchandise ¹	\$ 11,284	\$ -	\$ -	\$ -	\$ -	\$ 229,993	\$ 334,458	\$ 386,487	\$ 427,467	\$ 543,782
Food	262,104	287,511	311,903	339,274	343,593	478,411	590,685	655,955	687,128	687,390
Drinking and eating places	56,636	80,309	91,136	117,428	112,404	143,073	201,563	242,078	281,626	366,868
Apparel	15,547	13,929	14,858	17,196	17,436	16,397	34,111	33,842	42,128	53,429
Furniture & H.H. & Radio ¹	2,654	3,143	-	-	13,557	13,501	23,854	35,603	36,501	49,469
Lumber, building hardware	209,066	219,128	266,180	270,671	250,100	490,310	486,284	550,776	555,657	407,660
Automobile and filling stations	426,677	360,502	427,695	467,021	501,538	488,387	496,944	520,992	569,694	591,150
Drugs and miscellaneous retail	270,604	151,496	163,169	173,922	218,192	198,390	232,518	319,011	356,124	403,803
Agriculture and all others	31,140	235,692	193,565	145,914	156,273	167,467	150,116	200,887	246,646	264,769
Manufacturers ¹	17,034	20,060	20,440	14,286	-	13,094	14,556	13,025	12,687	15,849
TOTAL¹	\$ 1,302,746	\$ 1,371,770	\$ 1,494,590	\$ 1,558,345	\$ 1,627,365	\$ 2,239,024	\$ 2,565,089	\$ 2,958,656	\$ 3,215,658	\$ 3,384,169
VILLAGE DIRECT SALES TAX RATE	1.00%									

Data Source

Illinois Department of Revenue

Data available for calendar year only

¹ Data by category is not available from the State of Illinois for categories with less than 4 taxpayers. However, they are included in the totals.

Per the State of Illinois, there must not have been 4 taxpayers during the years 1998, 1999, 2000 and 2001.

VILLAGE OF OSWEGO, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Alternate Revenue Bonds	Installment Contract	IEPA Loans Payable	General Obligation Alternate Revenue Bonds	Other Governmental Loans Payable			
1998	\$ 2,060,000	\$ -	\$ -	\$ 884,804	\$ 4,300,000	\$ 277,267	\$ 7,522,071	4.40%	\$ 826.51
1999	1,850,000	-	-	861,205	4,100,000	195,000	7,006,205	4.10%	769.83
2000	1,615,000	-	-	830,337	8,900,000	130,000	11,475,337	4.58%	861.12
2001	1,360,000	-	-	791,893	8,525,000	130,000	10,806,893	2.98%	810.96
2002	1,120,000	-	-	752,329	8,140,000	-	10,012,329	2.76%	751.34
2003	840,000	-	-	711,614	7,725,000	-	9,276,614	2.56%	696.13
2004	570,000	-	-	669,714	7,300,000	-	8,539,714	2.36%	640.83
2005	290,000	3,300,000	89,991	1,971,377	10,010,000	-	15,661,368	2.88%	784.79
2006	-	3,185,000	45,956	1,852,504	9,395,000	-	14,478,460	2.67%	725.52
2007	-	13,030,000	-	1,773,982	10,350,000	-	25,153,982	4.63%	1,260.47

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

Data Source: Village Finance Department

* See the Schedule of Demographic and Economic Information on page xx for personal income and population.

VILLAGE OF OSWEGO, ILLINOIS
 DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2007

Governmental unit	Gross Bonded Debt	Percentage Debt Applicable to the Village of Oswego	Village of Oswego Share of Debt
Village of Oswego	\$ 23,380,000	100.00%	\$ 23,380,000
Oswego Community Unit School District #308	297,885,936	41.76%	124,397,167
Kendall County (includes Forest Preserve)	18,112,000	27.92%	5,056,870
Waubonsee Community College #516	69,859,892	8.03%	5,609,749
Oswegoland Park District	5,470,000	58.19%	3,182,993
Oswego Public Library District	8,900,000	48.67%	4,331,630
Total overlapping debt	400,227,828		142,578,409
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 423,607,828		\$ 165,958,409
Per capita overlapping debt			\$ 8,316

Data Source

Kendall County Clerk

VILLAGE OF OSWEGO, ILLINOIS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 14,531,745	\$ 16,398,373	\$ 18,830,539	\$ 21,927,612	\$ 26,466,959	\$ 30,854,258	\$ 36,206,570	\$ 43,141,534	\$ 53,045,912	\$ 61,694,176
Total net debt applicable to limit	2,060,000	1,850,000	1,615,000	1,360,000	1,120,000	840,000	570,000	3,590,000	3,185,000	13,030,000
Legal debt margin	12,471,745	14,548,373	17,215,539	20,567,612	25,346,959	30,014,258	35,636,570	39,551,534	49,860,912	48,664,176
Total net debt applicable to the limit as a percentage of debt limit	14.2%	11.3%	8.6%	6.2%	4.2%	2.7%	1.6%	8.3%	6.0%	21.1%

Legal Debt Margin Calculation for Fiscal 2007

EAV	\$ 715,294,792
Legal debt margin	<u>8.625%</u>
Debt limit	\$ 61,694,176
Debt applicable to limit General obligation bonds	<u>13,030,000</u>
Legal debt margin	<u>\$ 48,664,176</u>

VILLAGE OF OSWEGO, ILLINOIS

PLEDGED-REVENUE COVERAGE
GOVERNMENTAL ACTIVITIES

Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Net Available Revenue	General Obligation Bonds Debt Service		Coverage
			Principal	Interest	
1998	\$ 1,323,781	\$ 1,323,781	\$ 155,000	\$ 120,089	4.81
1999	1,564,139	1,564,139	160,000	108,702	5.82
2000	1,652,843	1,652,843	185,000	98,073	5.84
2001	1,581,298	1,581,298	195,000	116,518	5.08
2002	1,920,617	1,920,617	1,010,000	33,162	1.84
2003	1,804,887	1,804,887	210,000	26,158	7.64
2004	2,096,941	2,096,941	200,000	16,320	9.69
2005	2,159,366	2,159,366	205,000	50,591	8.45
2006	2,489,674	2,489,674	330,000	136,491	5.34
2007	2,913,178	2,913,178	125,000	379,375	5.78

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

VILLAGE OF OSWEGO, ILLINOIS

PLEDGED-REVENUE COVERAGE
BUSINESS-TYPE ACTIVITIES

Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue	Less: Operating Expenses	Net Available Revenue	General Obligation Bonds Debt Service		IEPA Loans Debt Service		Coverage
				Principal	Interest	Principal	Interest	
1998	\$ 1,999,037	\$ 999,396	\$ 999,641	\$ 100,000	\$ 178,245	\$ 22,931	\$ 21,874	3.09
1999	2,564,065	1,112,967	1,451,098	200,000	213,624	23,599	16,815	3.20
2000	3,386,231	1,896,624	1,489,607	200,000	274,040	30,868	39,342	2.74
2001	3,970,655	2,109,154	1,861,501	375,000	460,019	38,444	23,721	2.07
2002	4,497,053	2,847,107	1,649,946	385,000	456,551	39,563	22,602	1.83
2003	4,512,389	2,827,524	1,684,865	415,000	414,723	40,715	21,450	1.89
2004	5,446,990	3,160,931	2,286,059	425,000	393,631	41,900	20,265	2.60
2005	6,482,458	2,354,959	4,127,499	385,000	383,988	43,120	19,045	4.97
2006	6,802,147	3,224,109	3,578,038	615,000	405,161	62,828	35,186	3.20
2007	7,355,370	5,235,262	2,120,108	630,000	432,663	78,522	43,268	1.79

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest or depreciation.

VILLAGE OF OSWEGO, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1998	9,101	\$ 170,953,184	\$ 18,784	4.0%
1999	9,101	170,953,184	18,784	3.6%
2000	13,326	362,520,504	27,204	3.5%
2001	13,326	362,520,504	27,204	3.5%
2002	13,326	362,520,504	27,204	5.0%
2003	13,326	362,520,504	27,204	7.0%
2004	13,326	362,520,504	27,204	7.6%
2005 *	19,956	542,883,024	27,204	4.8%
2006	19,956	542,883,024	27,204	4.6%
2007	19,956	542,883,024	27,204	3.8%

* Population change in 2005 due to Special Census data received from Census Bureau

Data Source

Illinois Department of Employment Security, U.S. Census Bureau

VILLAGE OF OSWEGO, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2007				1998			
Employer	Rank	Number	% of Total Village Population	Employer	Rank	Number	% of Total Village Population
Oswego Comm. Unit School Dist. No. 308	1	1400	7.0%	Oswego Comm. Unit School Dist. No. 308	1	468	5.1%
Wal-Mart Stores, Inc.	2	450	2.3%	Jewel/Osco	2	245	2.7%
Meijer Corporation	3	425	2.1%	Radiac Abrasives	3	200	2.2%
Dominick's Fresh Foods, Inc.	4	275	1.4%	Avtec Industries, Inc.	4	155	1.7%
Jewel/Osco	5	275	1.4%	The Tillers	5	125	1.4%
Lowe's Home Improvement, Inc.	6	250	1.3%	Custom Food Products	6	80	0.9%
Target Corporation	7	250	1.3%	Alley Drywall	7	70	0.8%
Home Depot USA	8	250	1.3%	Great Western Flooring	8	70	0.8%
Kohl's	9	225	1.1%	Blocker Grading Construction	9	65	0.7%
Anfinsen Assembly, Inc.	10	150	0.8%	Precision Packaging Inc.	10	60	0.7%

Data Source

Oswego Economic Development Corporation

VILLAGE OF OSWEGO, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004*	2005*	2006*	2007*
GENERAL GOVERNMENT										
Administration	n/a	n/a	n/a	n/a	5.00	4.00	5.00	7.50	8.00	8.50
Finance	n/a	n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00	3.50
Village Clerk	n/a	n/a	n/a	n/a	1.00	1.00	2.00	2.00	2.00	2.50
Building and Zoning	n/a	n/a	n/a	n/a	8.00	8.00	9.00	9.50	11.00	12.00
Community Development	n/a	n/a	n/a	n/a	3.00	3.00	5.00	5.00	6.00	6.00
PUBLIC SAFETY										
Police										
Officers	n/a	n/a	n/a	n/a	37.00	37.00	40.00	42.00	45.00	50.00
Civilians	n/a	n/a	n/a	n/a	3.00	3.00	3.00	7.00	9.00	13.50
PUBLIC WORKS										
Road and Bridge/Water and Sewer	n/a	n/a	n/a	n/a	19.00	18.50	22.50	27.00	28.00	29.00
TOTAL	-	-	-	-	79.00	77.50	89.50	103.00	112.00	125.00

* Totals include seasonal positions. Each seasonal position counts as 0.5 positions.

Data Source

Village budget office

n/a = not available

VILLAGE OF OSWEGO, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Building and Zoning										
Permits issued	n/a	n/a	n/a	n/a	n/a	420	759	1,080	1,754	2,098
Community Development										
Total year-end requested projects	n/a	57	64	84						
Total year-end projects approved	9	7	20	65	27	67	57	83	88	109
Public Safety										
Police										
Physical arrests	n/a	n/a	n/a	n/a	n/a	n/a	677	798	1,302	1,326
Parking violations	n/a	n/a	n/a	n/a	n/a	n/a	291	387	882	1,600
Traffic violations	n/a	n/a	n/a	n/a	n/a	n/a	8,088	10,639	18,663	20,136
Criminal Reports	n/a	n/a	n/a	n/a	n/a	n/a	3,630	3,998	4,948	5,096
Calls for Service	n/a	n/a	n/a	n/a	n/a	n/a	20,629	30,847	44,385	50,837
Road and Bridge										
Pothole repairs (tons)	n/a	n/a	n/a	n/a	44	19	29	45	47	33
Parkway tree replacement	n/a	102	50	24	67	104	117	60	17	1
Water										
Number of accounts	3,806	4,218	4,698	5,305	5,790	6,185	7,229	7,810	8,965	9,624
Total annual consumption	384,144,250	400,072,120	457,011,025	478,746,045	568,632,040	651,291,035	640,361,110	762,958,040	886,948,175	878,522,150
Average daily consumption	1,052,450	1,096,088	1,252,085	1,311,633	1,557,896	1,784,359	1,754,414	2,090,296	2,429,995	2,406,910
Peak daily consumption	1,551,000	2,277,000	2,940,000	3,137,000	3,720,000	4,043,000	3,650,000	3,631,000	5,071,000	5,289,000
Water main breaks	5	8	3	14	13	10	5	12	8	4
Water service repairs	1	0	1	5	7	7	2	3	3	3
Main line valve repairs	n/a	n/a	n/a	n/a	n/a	3	0	0	5	0
Fire hydrant replacements	n/a	n/a	n/a	n/a	n/a	1	1	0	0	2

n/a = not available

Data Source

Various Village Departments

VILLAGE OF OSWEGO, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	n/a	n/a	n/a	n/a	n/a	27	28	32	30	34
PUBLIC WORKS										
Miles of streets	n/a	n/a	n/a	n/a	n/a	80	80	97	115	125
Streetlights	n/a	n/a	n/a	n/a	n/a	1,408	1,408	1,770	2,000	2,094
Traffic signals	9	9	13	13	15	15	15	16	16	20
WATER										
Water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	87	110	119	159
Fire hydrants	n/a	n/a	n/a	n/a	n/a	1,408	1,408	2,099	2,400	2,400
Storage capacity (gallons)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	3,500,000	3,500,000	3,500,000

n/a = not available

Data Source

Various village departments