

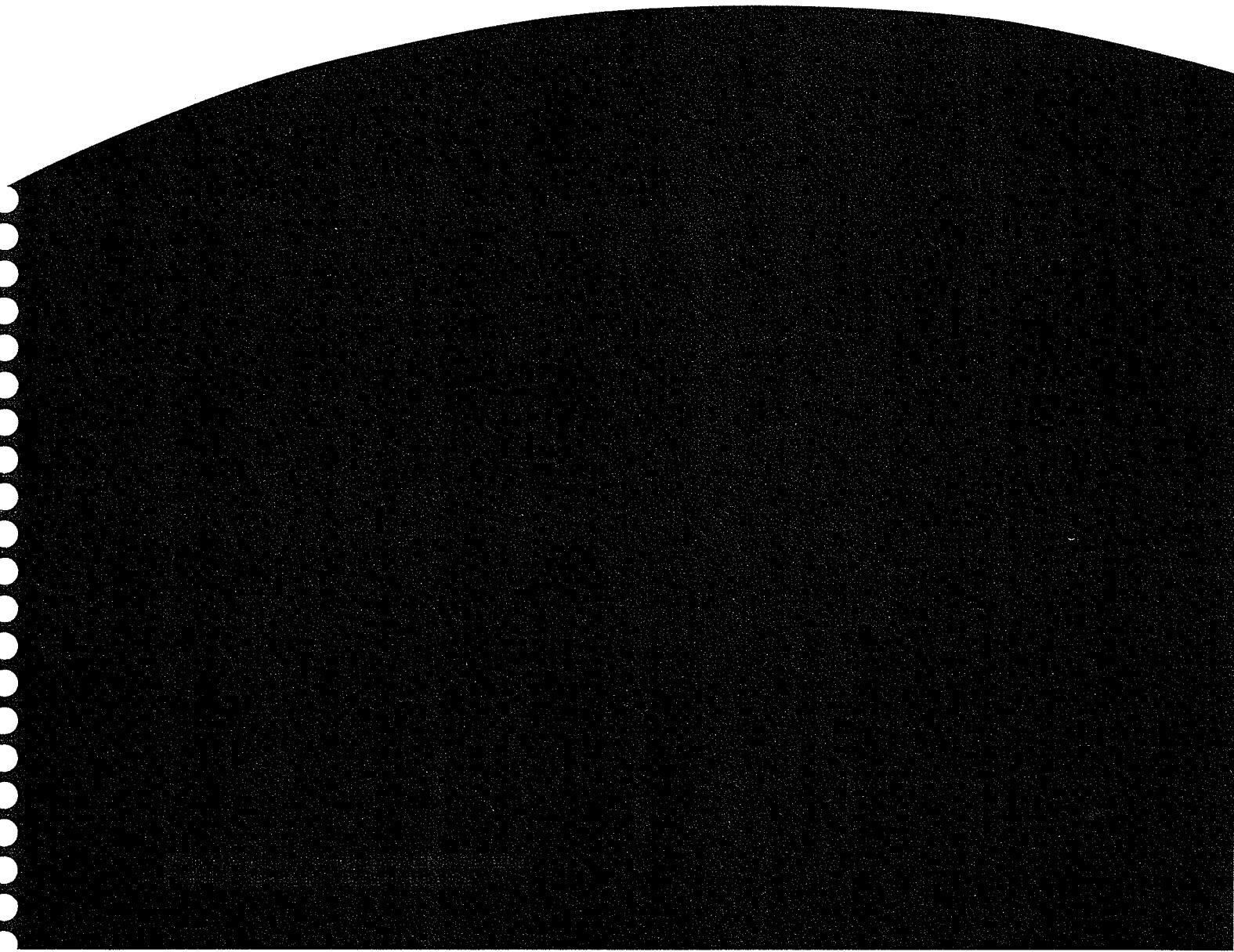
**McGladrey & Pullen**

Certified Public Accountants

**VILLAGE OF WORTH, ILLINOIS**

FINANCIAL REPORT

YEAR ENDED APRIL 30, 2007



# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable Members of the Village Council  
Village of Worth, 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 Worth, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Worth, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts, and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management; as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Worth, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information which includes management's discussion and analysis (pages 2-10), pension related schedules (pages 43-45) and budgetary schedule (page 46-55) is not a required part of the basic financial statements but is supplemental 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 required supplemental 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 basic financial statements of the Village of Worth, Illinois. The combining fund financial statements and other schedules listed in the table of contents as supplemental data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information, except for the information required by bond revenue ordinance on pages 64 and 65 which are marked unaudited and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
January 22, 2008

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**REQUIRED SUPPLEMENTAL INFORMATION**

**REQUIRED SUPPLEMENTAL INFORMATION**

**VILLAGE OF WORTH, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**APRIL 30, 2007**

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The Village of Worth's (the "Village") Management Discussion and Analysis (MD&A) is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the Village's financial activity; (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges); (4) identify any material deviations from the financial plan (the approved budget); and (5) identify individual fund issues or concerns.

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, please read it in conjunction with the Village's financial statements (beginning on page 11).

**Using the Financial Section of this Comprehensive Annual Report**

The management of the Village of Worth offers 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. This correspondence is intended to serve as an introduction to the Village's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 11-12) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 12) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, parks, and administration. Shared state sales, local utility, and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Waterworks and Sewerage and the Commuter Parking Lot), where the fee for service typically covers all or most of the cost of operation, including depreciation.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model's) fund types.

The Governmental Funds (see pages 13-16) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 20-21). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

**Management's Discussion and Analysis (Continued)**

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While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 17-19) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 14 and 16). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide financial statements).

**Infrastructure Assets**

The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) be valued and reported within the Governmental column of the Government-wide Financial Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

**Government-Wide Financial Statements**

**Statement of Net Assets**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$6.2 million as of April 30, 2007.

A significant portion of the Village's net assets (72.1%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Table 1  
Statement of Net Assets  
As of April 30, 2007  
(in thousands)

	Governmental Activities	Business- Type Activities	Total Primary Government
Current Assets	5,078.5	280.8	5,359.4
Non Current Assets	10,069.6	3,789.8	13,859.4
Total Assets	<u>15,148.1</u>	<u>4,070.6</u>	<u>19,218.8</u>
Current Liabilities	3,383.4	358.8	3,742.1
Non Current Liabilities	8,635.6	671.8	9,307.4
Total Liabilities	<u>12,018.9</u>	<u>1,030.6</u>	<u>13,049.5</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	1,709.7	3,051.6	4,761.3
Unrestricted	1,419.5	(11.6)	1,408.0
Total Net Assets	<u><u>3,129.2</u></u>	<u><u>3,040.0</u></u>	<u><u>6,169.2</u></u>

Statement of Net Assets  
As of April 30, 2006  
(in thousands)

	Governmental Activities	Business- Type Activities	Total Primary Government
Current Assets	4,190.2	721.3	4,911.5
Non Current Assets	9,830.5	4,003.2	13,833.8
Total Assets	<u>14,020.7</u>	<u>4,724.6</u>	<u>18,745.3</u>
Current Liabilities	3,476.3	320.4	3,796.7
Non Current Liabilities	8,957.7	923.2	9,880.9
Total Liabilities	<u>12,434.0</u>	<u>1,243.6</u>	<u>13,677.6</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	1,191.6	3,198.6	4,390.2
Unrestricted	395.1	282.3	677.5
Total Net Assets	<u><u>1,586.7</u></u>	<u><u>3,481.0</u></u>	<u><u>5,067.7</u></u>

For more detailed information see the Statement of Net Assets (page 11).



## VILLAGE OF WORTH, ILLINOIS

### Management's Discussion and Analysis (Continued)

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The Village's combined net assets (which is the Village's equity) increased to \$6.2 million from \$5.1 million as a result of the increase in net assets primarily in the Governmental Activities. Net assets of the Village's governmental activities were \$3.1 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were \$1.4 million. The net assets of business-type activities decreased to \$3.0 million from \$3.5 million. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system.

#### **Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

**Net Results of Activities** – which will impact (increase/decrease) current assets and unrestricted net assets.

**Borrowing for Capital** – which will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

**Spending of Non-borrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Reduction of Capital Assets through Depreciation** – which will reduce capital assets and invested in capital assets, net of debt.

#### **CURRENT YEAR IMPACTS**

The Village's total net assets increased \$1.1 million and can be attributed to several factors. The Village's expenses decreased by \$1.0 million.

#### **Changes in Net Assets**

The following chart compares the revenue and expenses for the current fiscal year.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Table 2  
Change in Net Assets  
For the Fiscal Year Ended April 30, 2007  
(in thousands)

	Governmental Activities	Business- Type Activities	Total Primary Government
<b>REVENUES</b>			
Program Revenues			
Charges for Services	3,395.2	1,773.6	5,168.8
Operating Grants & Contributions	480.5	-	480.5
General Revenues			
Property Taxes	2,556.5	-	2,556.5
Other Taxes	2,381.2	-	2,381.2
Other	313.6	163.5	477.1
Total Revenues	<u>9,127.0</u>	<u>1,937.1</u>	<u>11,064.1</u>
<b>EXPENSES</b>			
General Government	1,131.6	-	1,131.6
Building Department	104.1	-	104.1
Boat Launch	22.6	-	22.6
Health Department	4.4	-	4.4
Fire Department	161.9	-	161.9
Ambulance and Paramedic Department	919.2	-	919.2
Police Department	2,510.1	-	2,510.1
Street and Bridge	367.9	-	367.9
Crossing Guard	-	-	-
Golf Course	1,706.2	-	1,706.2
Worth Days	73.6	-	73.6
Motor Fuel Tax Project	108.7	-	108.7
Senior Citizens	-	-	-
Interest	474.2	-	474.2
Waterworks and Sewerage	-	2,289.3	2,289.3
Commuter Parking Lot	-	88.8	88.8
Total Expenses	<u>7,584.5</u>	<u>2,378.0</u>	<u>9,962.5</u>
Change in Net Assets	<u>1,542.5</u>	<u>(440.9)</u>	<u>1,101.5</u>
Beginning Net Assets	<u>1,586.7</u>	<u>3,481.0</u>	<u>5,067.7</u>
Ending Net Assets	<u><u>3,129.2</u></u>	<u><u>3,040.0</u></u>	<u><u>6,169.2</u></u>

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Change in Net Assets  
For the Fiscal Year Ended April 30, 2006  
(in thousands)

	Governmental Activities	Business- Type Activities	Total Primary Government
<b>REVENUES</b>			
Program Revenues			
Charges for Services	4,099.6	1,737.8	5,837.4
Operating Grants & Contributions	296.4	-	296.4
General Revenues			
Property Taxes	2,164.2	-	2,164.2
Other Taxes	2,462.7	-	2,462.7
Other	391.1	47.6	438.6
Total Revenues	<u>9,414.0</u>	<u>1,785.4</u>	<u>11,199.4</u>
<b>EXPENSES</b>			
General Government	1,742.6	-	1,742.6
Building Department	122.4	-	122.4
Boat Launch	15.7	-	15.7
Health Department	7.3	-	7.3
Fire Department	562.0	-	562.0
Ambulance and Paramedic Department	926.8	-	926.8
Police Department	2,637.0	-	2,637.0
Street and Bridge	491.8	-	491.8
Crossing Guard	-	-	-
Golf Course	1,598.5	-	1,598.5
Worth Days	65.2	-	65.2
Motor Fuel Tax Project	422.1	-	422.1
Senior Citizens	-	-	-
Interest	389.2	-	389.2
Waterworks and Sewerage	-	1,884.4	1,884.4
Commuter Parking Lot	-	81.0	81.0
Total Expenses	<u>8,980.7</u>	<u>1,965.4</u>	<u>10,946.1</u>
Change in Net Assets	<u>433.3</u>	<u>(180.0)</u>	<u>253.3</u>
Beginning Net Assets	<u>1,153.4</u>	<u>3,661.0</u>	<u>4,814.4</u>
Ending Net Assets	<u><u>1,586.7</u></u>	<u><u>3,481.0</u></u>	<u><u>5,067.7</u></u>

## VILLAGE OF WORTH, ILLINOIS

### Management's Discussion and Analysis (Continued)

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There are eight basic impacts on revenues and expenses as reflected below:

#### **NORMAL IMPACTS**

##### *Revenues:*

**Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Village Board approved rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

##### *Expenses:*

**Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80% of the Village's operating costs.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

#### **CURRENT YEAR IMPACTS**

##### *Revenues:*

For the fiscal year ended April 30, 2007, revenues from all activities totaled \$11.1 million, \$.1 million under 2006. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services we provide.

##### *Expenses:*

The Village's total expenses for all activities for the year ended April 30, 2007 and 2006 were \$10.0 million and \$10.9 million, respectively. The Village provides Lake Michigan water to its residents by purchasing its water supply from the City of Chicago. The waterworks and sewerage accounted for 96% of the total Public Works activities. The remaining public works activities relate to the maintaining of Village streets and storm sewers.

Public safety expenses relate to the operations of the Police Department, Fire Department, and Ambulance Department and they accounted for \$3.6 million of the total expenses in 2007 and \$4.1 million of the total expenses in 2006. Personnel costs including pension benefits accounted for 66% of this total. The Village has an authorized strength of 27 sworn personnel. The patrol officers are members of the Illinois Fraternal Order of Police Labor Chapter 143. The fiscal year was the third year of a three-year contract.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

The cost of providing employee benefits continued to increase. The most significant increases were in Workmen's Compensation claims, which the Village self-insures. The Village also incurred a significant increase in employee pension benefits.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2007, the governmental funds (as presented on the balance sheet on page 13) reported a combined fund balance of \$2.8 million compared to \$1.9 million in 2006. Revenues exceeded expenditures and other financing sources (uses) in 2007 by \$1.0 million compared to \$1.0 million in 2006.

General Fund Budgetary Highlights

At the first Village Board meeting in May, the Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in fiscal year 2007. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Table 3  
General Fund Budgetary Highlights  
(in thousands)

General Fund	Original Budget	Actual
<b>Revenues and Other Financing Sources</b>		
Taxes	2,911.8	3,357.5
Licenses, Permits and Fees	1,142.7	1,326.7
Intergovernmental	1,573.0	1,580.2
Fines and Forfeitures	197.5	182.4
Golf Course	2,168.6	1,695.6
Other	396.7	593.3
Total	8,390.3	8,735.6
<b>Expenditures and Other Financing Uses</b>		
General Government	1,579.7	1,095.9
Building Department	115.5	104.1
Boat Launch	2.0	22.6
Health Department	-	4.4
Fire Department	292.7	158.5
Ambulance and Paramedic Department	942.4	900.0
Police Department	2,629.2	2,457.8
Street and Bridge	523.6	360.2
Golf Course	1,601.6	1,670.6
Worth Days	-	73.6
Debt Service	443.9	1,079.5
Total	8,130.5	7,927.4
Change in Fund Balance	259.8	808.3

# VILLAGE OF WORTH, ILLINOIS

## Management's Discussion and Analysis (Continued)

As shown above the General Fund had a surplus budget of \$.3 million, while actual results were a \$0.8 million surplus. There are several factors that attributed to this Surplus.

### CAPITAL ASSETS

At the end of the fiscal Year 2007, the Village had a combined total of capital assets of \$13.9 million (after accumulated depreciation of \$13.4 million) invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

Table 4  
Total Capital Assets at Year End  
Net of Depreciation  
(in thousands)

	Balance April 30, 2006	Net Additions / Deletions	Balance April 30, 2007
Land	3,501.3	-	3,501.3
Building and Improvements	4,049.1	(195.6)	3,853.5
Waterworks and Sewerage System	3,518.5	(156.2)	3,362.3
Machinery & Equipment	1,816.6	10.3	1,826.9
Commuter Parking Lot	363.8	(24.9)	338.9
Infrastructure	584.6	(28.2)	556.4
Construction in Progress	-	420.2	420.2
<b>Total Capital Assets</b>	<b>13,833.8</b>	<b>25.6</b>	<b>13,859.4</b>

### DEBT OUTSTANDING

The Village entered into various small debt certificates and installment contracts during 2007 amounting to \$0.3 million and retired debt amounting to \$0.96 million.

### Economic Factors

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Worth during 2007 and is expected to continue in 2008. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

The Illinois General Assembly has imposed property tax legislation on municipalities to give property taxpayers some relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or five percent and mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" continues to limit the Village's tax collection ability.

### 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 and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Barbara Maziarek, Treasurer, Village of Worth, 7112 West 111<sup>th</sup> Street, Worth, Illinois 60482.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT – WIDE FINANCIAL STATEMENTS (GWFS)**



VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets  
April 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 2,521,593	\$ 362,075	\$ 2,883,668
Receivables:			
Property taxes	1,431,171	-	1,431,171
Other	89,722	246,107	335,829
Due from other governmental agencies	355,396	-	355,396
Prepaid expenses	196,929	72,006	268,935
Inventories	84,376	-	84,376
Internal balances	399,355	(399,355)	-
Total current assets	<u>5,078,542</u>	<u>280,833</u>	<u>5,359,375</u>
Noncurrent			
Capital assets not being depreciated	3,873,713	47,824	3,921,537
Capital assets being depreciated, net	6,195,889	3,741,982	9,937,871
Total noncurrent assets	<u>10,069,602</u>	<u>3,789,806</u>	<u>13,859,408</u>
Total assets	<u>\$ 15,148,144</u>	<u>\$ 4,070,639</u>	<u>\$ 19,218,783</u>
<b>Liabilities and Net Assets</b>			
Current			
Accounts payable	\$ 291,020	\$ 95,341	\$ 386,361
Accrued payroll	72,887	12,052	84,939
Accrued vacation	189,789	-	189,789
Due to fiduciary funds	143,493	-	143,493
Deferred revenue	1,487,188	-	1,487,188
Deposits	47,214	-	47,214
Installment contracts	125,503	-	125,503
General obligation bonds	55,000	-	55,000
General obligation debt certificates	536,257	53,393	589,650
Alternate revenue bonds	435,000	-	435,000
Revenue bonds	-	185,000	185,000
Capital lease	-	13,000	13,000
Total current liabilities	<u>3,383,351</u>	<u>358,786</u>	<u>3,742,137</u>
Noncurrent			
Installment contracts	327,067	-	327,067
General obligation bonds	685,000	-	685,000
General obligation debt certificates	541,098	587,321	1,128,419
Alternate revenue bonds	6,395,000	-	6,395,000
Capital lease	-	84,500	84,500
Compensated absences	60,210	-	60,210
Pension obligations	627,214	-	627,214
Total noncurrent liabilities	<u>8,635,589</u>	<u>671,821</u>	<u>9,307,410</u>
Total liabilities	<u>12,018,940</u>	<u>1,030,607</u>	<u>13,049,547</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	1,709,677	3,051,592	4,761,269
Unrestricted	1,419,527	(11,560)	1,407,967
Total liabilities and net assets	<u>\$ 15,148,144</u>	<u>\$ 4,070,639</u>	<u>\$ 19,218,783</u>

See Notes to Basic Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Activities  
Year Ended April 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 1,131,642	\$ 1,005,897	\$ 45,606	\$ (80,139)	\$ -	\$ (80,139)
Building department	104,139	196,470	-	92,331	-	92,331
Boat launch	22,581	-	-	(22,581)	-	(22,581)
Health department	4,440	8,625	-	4,185	-	4,185
Fire department	161,896	-	-	(161,896)	-	(161,896)
Ambulance and paramedic department	919,167	210,410	-	(708,757)	-	(708,757)
Police department	2,510,105	182,385	-	(2,327,720)	-	(2,327,720)
Street and bridge	367,857	-	-	(367,857)	-	(367,857)
Golf course	1,706,174	1,695,559	74,673	64,058	-	64,058
Worth days	73,577	95,856	-	22,279	-	22,279
Motor fuel tax project	108,737	-	360,204	251,467	-	251,467
Interest	474,186	-	-	(474,186)	-	(474,186)
Total governmental activities	7,584,502	3,395,202	480,483	(3,708,817)	-	(3,708,817)
<b>Business-type activities:</b>						
Waterworks and sewerage	2,289,259	1,716,137	-	-	(573,122)	(573,122)
Commuter parking lot	88,773	57,487	-	-	(31,286)	(31,286)
Total business-type activities	2,378,032	1,773,624	-	-	(604,408)	(604,408)
<b>Total</b>	<b>\$ 9,962,534</b>	<b>\$ 5,168,826</b>	<b>\$ 480,483</b>	<b>(3,708,817)</b>	<b>(604,408)</b>	<b>(4,313,225)</b>
<b>General revenues</b>						
<b>Taxes:</b>						
Property				2,556,498	-	2,556,498
Other				2,381,200	-	2,381,200
Interest				85,888	741	86,629
Miscellaneous				227,723	162,718	390,441
Total general revenues, contributions, and transfers				5,251,309	163,459	5,414,768
Change in net assets				1,542,492	(440,949)	1,101,543
<b>Net assets:</b>						
May 1, 2006				1,586,712	3,480,981	5,067,693
April 30, 2007				\$ 3,129,204	\$ 3,040,032	\$ 6,169,236

See Notes to Basic Financial Statements.

**FUND FINANCIAL STATEMENTS (FFS)**

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds  
April 30, 2007

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 1,807,050	\$ 714,543	\$ 2,521,593
Receivables:			
Property taxes	1,431,171	-	1,431,171
Other	63,473	26,249	89,722
Due from other funds	436,373	-	436,373
Due from other governmental agencies	355,396	-	355,396
Prepays	196,929	-	196,929
Inventories	84,376	-	84,376
Total assets	<u>\$ 4,374,768</u>	<u>\$ 740,792</u>	<u>\$ 5,115,560</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 284,487	\$ 6,533	\$ 291,020
Accrued payroll	72,493	394	72,887
Accrued vacation	189,789	-	189,789
Deferred revenue	1,487,188	-	1,487,188
Deposits	47,214	-	47,214
Due to other funds	143,493	37,018	180,511
Total liabilities	<u>2,224,664</u>	<u>43,945</u>	<u>2,268,609</u>
<b>Fund Balances</b>			
Reserved for:			
Prepays	196,929	-	196,929
Inventory	84,376	-	84,376
Unreserved (deficits):			
General fund	1,868,799	-	1,868,799
Special revenue funds	-	696,847	696,847
	<u>2,150,104</u>	<u>696,847</u>	<u>2,846,951</u>
Total liabilities and fund balances	<u>\$ 4,374,768</u>	<u>\$ 740,792</u>	<u>\$ 5,115,560</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2007

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Total fund balances - governmental funds	\$ 2,846,951
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	10,069,602
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Some liabilities reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as liabilities in governmental funds:

These activities consist of:

Installment contracts	(452,570)
General obligation bonds	(740,000)
General obligation debt certificates	(1,077,355)
Alternate revenue bonds	(6,830,000)
Compensated absences	(60,210)
Pension obligations	(627,214)
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Net assets of governmental activities	<u>\$ 3,129,204</u>
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See Notes to Financial Statements.