

McGladrey & Pullen

Certified Public Accountants

VILLAGE OF WORTH, ILLINOIS

FINANCIAL REPORT

YEAR ENDED APRIL 30, 2006

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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, 2006, 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.

As described in Note 1 to the basic financial statements, in fiscal year 2006, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risks Disclosures – an amendment of GASB Statement No. 3*.

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, 2006, 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 3 - 11), pension related schedules (pages 45 - 47) and budgetary schedule (page 48 - 57) 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 66 and 67 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 23, 2007

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

VILLAGE OF WORTH, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2006

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 12).

Using the Financial Section of this Comprehensive Annual Report

For the past 20 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 12-13) 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 13) 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 14-17) 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 21-22). 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.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 18-20) 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 15 and 17). 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 \$5.1 million as of April 30, 2006.

A significant portion of the Village's net assets (86.6%) 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, 2006
(in millions)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Current Assets	\$4.2	\$0.7	\$4.9
Non Current Assets	<u>9.8</u>	<u>4.0</u>	<u>13.8</u>
Total Assets	14.0	4.7	18.7
Current Liabilities	3.5	0.3	3.8
Non Current Liabilities	<u>8.9</u>	<u>0.9</u>	<u>9.9</u>
Total Liabilities	12.4	1.2	13.7
Net Assets:			
Invested in Capital Assets, Net of Related Debt	1.2	3.2	4.4
Unrestricted	<u>0.4</u>	<u>0.3</u>	<u>0.7</u>
Total Net Assets	<u>\$1.6</u>	<u>\$3.5</u>	<u>\$5.1</u>

Statement of Net Assets
As of April 30, 2005
(in millions)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Current Assets	\$ 3.1	\$1.0	\$4.1
Non Current Assets	<u>10.2</u>	<u>4.2</u>	<u>14.4</u>
Total Assets	13.3	5.2	18.5
Current Liabilities	3.2	0.3	3.5
Non Current Liabilities	<u>9.0</u>	<u>1.2</u>	<u>10.2</u>
Total Liabilities	12.2	1.5	13.7
Net Assets:			
Invested in Capital Assets, Net of Related Debt	1.1	3.4	4.5
Restricted	0.6	-	0.6
Unrestricted	<u>(0.6)</u>	<u>0.3</u>	<u>(0.3)</u>
Total Net Assets	<u>\$1.1</u>	<u>\$3.7</u>	<u>\$4.8</u>

For more detailed information see the Statement of Net Assets (page 12).

The Village's combined net assets (which is the Village's equity) increased to \$5.1 million from \$4.8 million as a result of the increase in net assets primarily in the Governmental Activities. Net assets of the Village's governmental activities were \$1.6 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 \$0.4 million. The net assets of business-type activities decreased to \$3.5 million from \$3.7 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.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

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 \$.3 million and can be attributed to several factors. The Village's charges for services increased by \$0.5 million. Also, tax revenue increased by \$0.4 over 2005.

Changes in Net Assets

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

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2006
(in millions)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
REVENUES			
Program Revenues			
Charges for Services	\$4.1	\$1.8	\$5.9
Operating Grants & Contributions	.3	-	.3
General Revenues			
Property Taxes	2.2	-	2.2
Other Taxes	2.5	-	2.5
Other	.4	-	.4
Total Revenues	<u>9.5</u>	<u>1.8</u>	<u>11.3</u>
EXPENSES			
General Government	1.8	-	1.8
Building Department	0.1	-	0.1
Boat Launch	-	-	-
Health Department	-	-	-
Fire Department	0.6	-	0.6
Ambulance and Paramedic Department	0.9	-	0.9
Police Department	2.6	-	2.6
Street and Bridge	0.5	-	0.5
Crossing Guard	-	-	-
Golf Course	1.6	-	1.6
Worth Days	0.1	-	0.1
Motor Fuel Tax Project	0.4	-	0.4
Senior Citizens	-	-	-
Interest	0.4	-	0.4
Waterworks and Sewerage	-	1.9	1.9

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Commuter Parking Lot	-	<u>.1</u>	<u>.1</u>
Total Expenses	9.0	2.0	11.0
CHANGE IN NET ASSETS	<u>.5</u>	<u>(.2)</u>	<u>.3</u>
ENDING NET ASSETS	<u>\$1.6</u>	<u>\$3.5</u>	<u>\$5.1</u>

**Changes in Net Assets
For the Fiscal Year Ended April 30, 2005
(in millions)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
REVENUES			
Program Revenues			
Charges for Services	\$3.3	\$1.6	\$4.9
Operating Grants & Contributions	0.2	-	0.2
General Revenues			
Property Taxes	2.1	-	2.1
Other Taxes	2.4	-	2.4
Transfers	-	-	-
Other	<u>0.3</u>	<u>-</u>	<u>0.3</u>
Total Revenues	8.3	1.6	9.9
EXPENSES			
General Government	1.6	-	1.6
Building Department	0.1	-	0.1
Boat Launch	-	-	-
Health Department	-	-	-
Fire Department	0.3	-	0.3
Ambulance and Paramedic Department	0.9	-	0.9
Police Department	2.6	-	2.6
Street and Bridge	0.4	-	0.4
Crossing Guard	-	-	-
Golf Course	1.6	-	1.6
Worth Days	0.1	-	0.1
Motor Fuel Tax Project	0.3	-	0.3
Senior Citizens	-	-	-
Interest	0.5	-	0.5
Waterworks and Sewerage	-	1.8	1.8
Commuter Parking Lot	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
Total Expenses	8.4	1.9	10.3
CHANGE IN NET ASSETS	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.4)</u>
ENDING NET ASSETS	<u>\$1.1</u>	<u>\$3.7</u>	<u>\$4.8</u>

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

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, 2006, revenues from all activities totaled \$11.3 million, \$1.4 million over 2005. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services we provide.

Even though the Village increased its property tax in 2006 compared to previous years, we saw an increase in the equalized assessed valuation (EAV) to \$176 million, an increase of 15%.

Operating grant revenues increased in 2006 as well by \$.1 million.

Licenses, permits and fees revenue increased from \$1.0 million in 2005 to \$1.6 million in 2006, a 60% increase.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Expenses:

The Village's total expenses for all activities for the year ended April 30, 2006 and 2005 were \$11.0 million and \$10.3 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 \$4.1 million of the total expenses in 2006 and \$3.8 million of the total expenses in 2005. 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.

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, 2006, the governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$1.9 million compared to \$.9 million in 2005. Revenues exceeded expenditures and other financing sources (uses) in 2006 by \$1.0 million compared to \$.7 million in 2005.

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 2006. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

Table 3
General Fund Budgetary Highlights
(in millions)

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources		
Taxes	\$2.8	\$2.9
Licenses, permits and fees	1.1	1.6
Intergovernmental	2.2	1.6
Fines and forfeitures	0.1	0.2
Golf course	2.0	1.9
Other	0.3	0.4
Other financing sources	<u>0.2</u>	<u>0.3</u>
Total	8.7	8.9
Expenditures and Other Financing Uses		
General Government	1.6	1.6
Building Department	0.1	0.1
Boat Launch	0.0	0.0
Health Department	0.0	0.0
Fire Department	0.4	0.5
Ambulance and Paramedic Department	0.9	0.9
Police Department	2.3	2.4
Street and Bridge	1.9	0.5
Crossing Guard	0.0	0.0
Golf Course	1.2	1.5
Worth Days	0.0	0.1
Capital Projects	-	.2
Debt Service	<u>0.7</u>	<u>1.0</u>
Total	<u>9.1</u>	<u>8.7</u>
Change in Fund Balance	<u>\$(0.4)</u>	<u>\$0.5</u>

As shown above the General Fund had a deficit budget, while actual results were a \$0.5 million surplus. There are several factors that attributed to this Surplus.

CAPITAL ASSETS

At the end of the fiscal Year 2006, the Village had a combined total of capital assets of \$9.8 million (after accumulated depreciation of \$7.3 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).

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis (Continued)

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

	<u>Balance 4/30/05</u>	<u>Net Additions/Deletions</u>	<u>Balance 4/30/06</u>
Land	\$3.8	\$(0.3)	\$3.5
Building and Improvements	6.3	0.0	6.3
Waterworks and Sewerage system	8.0	0.0	8.0
Machinery & Equipment	3.6	0.3	3.9
Commuter Parking Lot	0.8	0.0	0.8
Infrastructure	3.9	0.0	3.9
Construction in Progress	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Capital Assets	<u>\$26.4</u>	<u>\$0.0</u>	<u>\$26.4</u>

DEBT OUTSTANDING

The Village entered into various small debt certificates and a capital lease during 2006 amounting to \$0.7 million and retired debt amounting to \$0.6 million.

Economic Factors

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Worth during 2006 and is expected to continue in 2007. 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 111th Street, Worth, Illinois 60482.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT – WIDE FINANCIAL STATEMENTS (GWFS)

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 1,647,596	\$ 693,120	\$ 2,340,716
Receivables:			
Property taxes	1,577,655	-	1,577,655
Other	54,115	212,647	266,762
Due from other governmental agencies	429,854	-	429,854
Prepaid expenses	177,584	32,705	210,289
Inventories	86,223	-	86,223
Internal balances	217,160	(217,160)	-
Total current assets	<u>4,190,187</u>	<u>721,312</u>	<u>4,911,499</u>
Noncurrent			
Capital assets not being depreciated	3,453,482	47,824	3,501,306
Capital assets being depreciated, net	6,377,037	3,955,422	10,332,459
Total noncurrent assets	<u>9,830,519</u>	<u>4,003,246</u>	<u>13,833,765</u>
Total assets	<u>\$ 14,020,706</u>	<u>\$ 4,724,558</u>	<u>\$ 18,745,264</u>
Liabilities and Net Assets			
Current			
Accounts payable	\$ 139,342	\$ 77,150	\$ 216,492
Accrued payroll	66,945	6,820	73,765
Accrued vacation	193,797	-	193,797
Due to fiduciary funds	243,754	-	243,754
Deferred revenue	1,633,077	-	1,633,077
Deposits	48,102	-	48,102
Installment contracts	142,124	-	142,124
General obligation bonds	55,000	-	55,000
General obligation debt certificates	589,179	53,393	642,572
Alternate revenue bonds	365,000	-	365,000
Revenue bonds	-	170,000	170,000
Capital lease	-	13,000	13,000
Total current liabilities	<u>3,476,320</u>	<u>320,363</u>	<u>3,796,683</u>
Noncurrent			
Installment contracts	288,671	-	288,671
General obligation bonds	740,000	-	740,000
General obligation debt certificates	423,962	640,714	1,064,676
Alternate revenue bonds	6,830,000	-	6,830,000
Revenue bonds	-	185,000	185,000
Capital lease	-	97,500	97,500
Compensated absences	47,827	-	47,827
Pension obligations	627,214	-	627,214
Total noncurrent liabilities	<u>8,957,674</u>	<u>923,214</u>	<u>9,880,888</u>
Total liabilities	<u>12,433,994</u>	<u>1,243,577</u>	<u>13,677,571</u>
Net Assets			
Invested in capital assets, net of related debt	1,191,583	3,198,639	4,390,222
Unrestricted	395,129	282,342	677,471
Total liabilities and net assets	<u>\$ 1,586,712</u>	<u>\$ 3,480,981</u>	<u>\$ 5,067,693</u>
Total liabilities and net assets	<u>\$ 14,020,706</u>	<u>\$ 4,724,558</u>	<u>\$ 18,745,264</u>

See Notes to Basic Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Activities
Year Ended April 30, 2006

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
Governmental activities:						
General government	\$ 1,742,618	\$ 1,541,971	\$ 222,572	\$ 21,925	\$ -	\$ 21,925
Building department	122,425	96,144	-	(26,281)	-	(26,281)
Boat launch	15,714	-	-	(15,714)	-	(15,714)
Health department	7,254	5,530	-	(1,724)	-	(1,724)
Fire department	562,025	-	-	(562,025)	-	(562,025)
Ambulance and paramedic department	926,839	229,287	-	(697,552)	-	(697,552)
Police department	2,637,043	190,247	73,841	(2,372,955)	-	(2,372,955)
Street and bridge	491,764	-	-	(491,764)	-	(491,764)
Golf course	1,598,512	1,948,309	-	349,797	-	349,797
Worth days	65,174	88,136	-	22,962	-	22,962
Motor fuel tax project	422,131	-	-	(422,131)	-	(422,131)
Interest	389,194	-	-	(389,194)	-	(389,194)
Total governmental activities	8,980,694	4,099,624	296,413	(4,584,657)	-	(4,584,657)
Business-type activities:						
Waterworks and sewerage	1,884,355	1,697,645	-	-	(186,710)	(186,710)
Commuter parking lot	81,031	40,153	-	-	(40,878)	(40,878)
Total business-type activities	1,965,386	1,737,798	-	-	(227,588)	(227,588)
Total	\$ 10,946,080	\$ 5,837,422	\$ 296,413	(4,584,657)	(227,588)	(4,812,245)

General revenues		
Taxes:		
Property		2,164,191
Other		2,462,727
Interest		33,773
Miscellaneous		357,281
Total general revenues, contributions, and transfers		5,017,972
Change in net assets		433,315
Net assets:		
May 1, 2005		1,153,397
April 30, 2006		\$ 1,586,712
		\$ 3,660,985
		\$ 5,067,693

See Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS (FFS)

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2006

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 781,901	\$ 865,695	\$ 1,647,596
Receivables:			
Property taxes	1,577,655	-	1,577,655
Other	54,115	-	54,115
Due from other funds	381,096	-	381,096
Due from other governmental agencies	404,540	25,314	429,854
Prepays	177,584	-	177,584
Inventories	86,223	-	86,223
Total assets	<u>\$ 3,463,114</u>	<u>\$ 891,009</u>	<u>\$ 4,354,123</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 136,257	\$ 3,085	\$ 139,342
Accrued payroll	66,754	191	66,945
Accrued vacation	193,797	-	193,797
Deferred revenue	1,633,077	-	1,633,077
Deposits	48,102	-	48,102
Due to other funds	353,027	54,663	407,690
Total liabilities	<u>2,431,014</u>	<u>57,939</u>	<u>2,488,953</u>
Fund Balances			
Reserved for:			
Prepays	177,584	-	177,584
Inventory	86,223	-	86,223
Unreserved (deficits):			
General fund	768,293	-	768,293
Special revenue funds	-	833,070	833,070
	<u>1,032,100</u>	<u>833,070</u>	<u>1,865,170</u>
Total liabilities and fund balances	<u>\$ 3,463,114</u>	<u>\$ 891,009</u>	<u>\$ 4,354,123</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, 2006

Total fund balances - governmental funds	\$ 1,865,170
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	9,830,519
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	(430,795)
General obligation bonds	(795,000)
General obligation debt certificates	(1,013,141)
Alternate revenue bonds	(7,195,000)
Compensated absences	(47,827)
Pension obligations	(627,214)
	<hr/>
Net assets of governmental activities	<u>\$ 1,586,712</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 Year Ended April 30, 2006

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 2,164,191	\$ -	\$ -	\$ 2,164,191
Sales taxes	713,352	-	-	713,352
Intergovernmental	1,587,483	458,305	-	2,045,788
Licenses, permits, and fees	1,635,110	-	-	1,635,110
Fines and forfeits	190,247	-	-	190,247
Charges for service:				
Golf course	1,948,309	-	-	1,948,309
Other	325,958	-	-	325,958
Interest	22,713	11,060	-	33,773
Other	357,281	-	-	357,281
Total revenues	8,944,644	469,365	-	9,414,009
Expenditures:				
Current:				
General government	1,598,099	-	-	1,598,099
Building department	122,425	-	-	122,425
Boat launch	15,714	-	-	15,714
Health department	7,254	-	-	7,254
Fire department	520,614	-	-	520,614
Ambulance and paramedic department	858,548	-	-	858,548
Police department	2,398,334	-	-	2,398,334
Street and bridge	455,530	-	-	455,530
Golf course	1,480,731	-	-	1,480,731
Worth days	65,174	-	-	65,174
Motor fuel tax project	-	391,028	-	391,028
Capital projects	219,710	-	-	219,710
Debt service:				
Golf course principal	424,729	-	-	424,729
Other principal	187,561	-	-	187,561
Golf course interest	360,478	-	-	360,478
Other interest	28,716	-	-	28,716
Total expenditures	8,743,617	391,028	-	9,134,645
Excess (deficiency) of revenues over (under) expenditures	201,027	78,337	-	279,364
Other financing sources (uses):				
Bond issue proceeds	325,000	-	-	325,000
Debt certificate proceeds	140,000	-	-	140,000
Installment note proceeds	207,210	-	-	207,210
Transfers in/(out)	(341,691)	-	341,691	-
Net changes in fund balances	531,546	78,337	341,691	951,574
Fund balances:				
May 1, 2005	500,554	754,733	(341,691)	913,596
April 30, 2006	\$ 1,032,100	\$ 833,070	\$ -	\$ 1,865,170

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2006

Net change in fund balances—total governmental funds	\$	951,574
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital outlay	\$	51,325	
Depreciation expense		<u>(444,323)</u>	(392,998)

In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability.

In the current period, proceeds were received from:

Alternative revenue bonds	(325,000)
Installment note	(207,210)
General obligation debt certificates	(140,000)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Installment contracts	210,431
General obligation bonds and debt certificates	76,859
Alternate revenue bonds	325,000
Compensated absences	(17,402)
Pension obligation	<u>(47,939)</u>

Change in net assets of governmental activities	\$	<u>433,315</u>
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See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets - Enterprise Funds
April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 467,979	\$ 225,141	\$ 693,120
Accounts receivable:			
Customers	49,055	-	49,055
Unbilled services	162,071	-	162,071
Other	1,521	-	1,521
Prepaid insurance	32,705	-	32,705
Due from other funds	-	109,273	109,273
Total current assets	<u>713,331</u>	<u>334,414</u>	<u>1,047,745</u>
Deferred bond issuance costs	-	-	-
Property and equipment	8,357,161	946,967	9,304,128
Less: Accumulated depreciation	4,743,232	557,650	5,300,882
	<u>3,613,929</u>	<u>389,317</u>	<u>4,003,246</u>
Total assets	<u>4,327,260</u>	<u>723,731</u>	<u>5,050,991</u>
Liabilities			
Current Liabilities			
Accounts payable	76,778	372	77,150
Accrued payroll	6,506	314	6,820
Current maturities of revenue bonds	170,000	-	170,000
Current maturities of debt certificates	53,393	-	53,393
Current maturities of capital lease	13,000	-	13,000
Due to other funds	326,433	-	326,433
Total current liabilities	<u>646,110</u>	<u>686</u>	<u>646,796</u>
Long term Liabilities, net of current maturities			
Maturities of revenue bonds	185,000	-	185,000
Maturities of debt certificates	640,714	-	640,714
Maturities of capital lease	97,500	-	97,500
Total liabilities	<u>1,569,324</u>	<u>686</u>	<u>1,570,010</u>
Net assets			
Invested in capital assets, net of related debt	2,809,322	389,317	3,198,639
Unrestricted, (deficit)	(51,386)	333,728	282,342
Total net assets	<u>\$ 2,757,936</u>	<u>\$ 723,045</u>	<u>\$ 3,480,981</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets -
Enterprise Funds
Year Ended April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Operating revenues:			
Water and sewer charges	\$ 1,697,645	\$ -	\$ 1,697,645
Commuter parking fees	-	40,153	40,153
Other fees and charges	46,492	-	46,492
Total operating revenues	<u>1,744,137</u>	<u>40,153</u>	<u>1,784,290</u>
Operating expenses:			
Operations	1,662,625	42,432	1,705,057
Depreciation and amortization	175,842	38,599	214,441
Total operating expenses	<u>1,838,467</u>	<u>81,031</u>	<u>1,919,498</u>
Operating (loss)	<u>(94,330)</u>	<u>(40,878)</u>	<u>(135,208)</u>
Nonoperating revenues (expenses):			
Interest income	-	1,092	1,092
Interest expense	(45,888)	-	(45,888)
Change in net assets	<u>(140,218)</u>	<u>(39,786)</u>	<u>(180,004)</u>
Net assets:			
May 1, 2005	<u>2,898,154</u>	<u>762,831</u>	<u>3,660,985</u>
April 30, 2006	<u>\$ 2,757,936</u>	<u>\$ 723,045</u>	<u>\$ 3,480,981</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Cash Flows from Operating Activities			
Cash received for services	\$ 1,730,787	\$ 40,153	\$ 1,770,940
Payments to employees	(390,776)	(17,053)	(407,829)
Payments to suppliers	(1,295,831)	(25,689)	(1,321,520)
Net cash provided by (used in) operating activities	44,180	(2,589)	41,591
Cash Flows from Noncapital Financing Activities			
(Increases) decreases in due (to) from other funds	373,822	24,058	397,880
Net cash provided by noncapital financing activities	373,822	24,058	397,880
Cash Flows from Capital and Related Financing Activities			
Additions to property and equipment	-	-	-
Bond principal payments	(223,892)	-	(223,892)
Bond interest payments	(45,888)	-	(45,888)
Capital lease additions	-	-	-
Capital lease payments	(13,000)	-	(13,000)
Net cash (used in) capital and related financing activities	(282,780)	-	(282,780)
Cash Flows from Investing Activities			
Interest received	-	1,092	1,092
Net increase (decrease) in cash and cash equivalents	135,222	22,561	157,783
Cash and cash equivalents: May 1, 2005	332,757	202,580	535,337
April 30, 2006	\$ 467,979	\$ 225,141	\$ 693,120
Reconciliation of operating (loss) to net cash provided by (used in) operating activities			
Operating (loss)	\$ (94,330)	\$ (40,878)	\$ (135,208)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation and amortization	175,842	38,599	214,441
Changes in assets and liabilities:			
Accounts receivable	(13,350)	-	(13,350)
Accounts payable	(21,241)	(231)	(21,472)
Accrued payroll	(501)	(79)	(580)
Insurance claims payable	(2,240)	-	(2,240)
Total adjustments	138,510	38,289	176,799
Net cash provided by operating activities	\$ 44,180	\$ (2,589)	\$ 41,591

See Notes to Financial Statements.

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VILLAGE OF WORTH, ILLINOIS

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2006

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 262,611	\$ 352,808	\$ 615,419
Investments	9,261,988	1,313,136	10,575,124
Accrued interest receivable	38,440	6,958	45,398
Due from other funds	89,850	153,904	243,754
Total assets	<u>\$ 9,652,889</u>	<u>\$ 1,826,806</u>	<u>\$ 11,479,695</u>
Liabilities and Net assets			
Liabilities			
Accounts payable	\$ 10,432	\$ -	\$ 10,432
Net assets held in trust for employees' benefits	9,642,457	1,826,806	11,469,263
Total liabilities and net assets	<u>\$ 9,652,889</u>	<u>\$ 1,826,806</u>	<u>\$ 11,479,695</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended April 30, 2006

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 203,019	\$ 165,717	\$ 368,736
Employee	129,204	65,454	194,658
Total contributions	<u>332,223</u>	<u>231,171</u>	<u>563,394</u>
Investment income			
Net appreciation in fair value of investments	338,393	6,146	344,539
Interest	156,609	33,539	190,148
Total investment income	<u>495,002</u>	<u>39,685</u>	<u>534,687</u>
Miscellaneous income			
		-	
Less investment expense			
	-	19,154	19,154
Net investment gain	<u>495,002</u>	<u>20,531</u>	<u>515,533</u>
Total additions	<u>827,225</u>	<u>251,702</u>	<u>1,078,927</u>
Deductions, benefits			
Administrative expenses	764,225	44,758	808,983
	1,554	-	1,554
Total deductions	<u>765,779</u>	<u>44,758</u>	<u>810,537</u>
Changes in net assets	61,446	206,944	268,390
Net assets held in trust for employee's benefits			
May 1, 2005	<u>9,581,011</u>	<u>1,619,862</u>	<u>11,200,873</u>
April 30, 2006	<u>\$ 9,642,457</u>	<u>\$ 1,826,806</u>	<u>\$ 11,469,263</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Village of Worth, Illinois provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration.

The accounting policies of the Village of Worth conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

Accounting principles generally accepted in the United States of America require the reporting entity to include: (1) the primary government; (2) organizations for which the primary government is financially accountable for; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria there are no potential component units which should be included with the Village's general purpose financial statements nor is the Village considered to be a potential component unit of any other government.

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

- 1) **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- 3) **Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund and Motor Fuel Tax Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds - Waterworks and Sewerage Fund, and Commuter Parking Lot Fund.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

Motor Fuel Tax Fund – This Fund is used to account for revenue sources that are legally restricted for road maintenance projects.

The Village administers the following major proprietary funds:

Waterworks and Sewerage Fund – Accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Commuter Parking Lot Fund – Accounts for the provision of the Commuter Parking Lot services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds 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. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity

Cash and cash equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted amounts) with original maturities of three months or less when purchased are considered to be cash and cash equivalents.

Investments

Investments are stated at fair value, except for insurance contracts, which are carried at contract value, which approximates fair value.

Interfund Receivables, Payables, and Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system, furniture and fixtures, vehicles, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	15 - 40 years
Waterworks and Sewerage system	10 - 50 years
Machinery and equipment	5 - 20 years
Infrastructure	40 years

Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Compensated Absences

It is the Village's policy to permit employees to accumulated earned but unused vacation benefits. All vacation is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is recorded in the governmental funds only if they have matured, as a result of employee resignations or retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Items such as premiums, discounts, bond issuance costs and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Long-Term Obligations (continued)

In the fund financial statements, 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 debt service expenditures. For other long-term obligations, only the portion expected to be financed with available financial resources is reported as a fund liability of a government fund.

Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Reserves or Designations

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. Designated fund balances, if any, represent tentative plans for future use of financial resources.

Elimination and Reclassification

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. This Statement amends certain provisions of Statement No. 3.

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement requires the Village to report the effects of capital asset impairment in its financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

NOTE 2. BUDGETS

The Village Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village Treasurer submits to the Village board a proposed operating budget for the fiscal year. With the help of the budget the Village prepares an Appropriation Ordinance.
2. A public hearing is conducted to obtain taxpayer comments on the appropriation ordinance. Within the first quarter of the fiscal year the Appropriation Ordinance is legally enacted by board action.
3. Appropriation Ordinances for the General Fund, certain Special Revenue Funds, and all Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles.
4. Budgets/Appropriation authority lapses at year-end.
5. State law requires that expenditures may not exceed appropriations. Transfers may be made between line items, departments and funds. The level of legal control is considered the Appropriations Ordinance.
6. Budgeted amounts are originally adopted, or as amended. During fiscal 2006, no supplemental budgetary appropriations were necessary.

NOTE 3. PROPERTY TAXES

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Village Board. Property taxes are recognized as a receivable at the time they are levied. In the governmental funds, since the 2005 tax levy is intended to finance the expenditures for the year ending April 30, 2007, the entire 2005 tax levy has been reflected as deferred revenue as of April 30, 2006, except for employee pension taxes which are recognized as revenue in the year in which they are received. The 2004 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2006. A reduction of collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 3. PROPERTY TAXES (continued)

The property tax calendar for the 2005 tax levy is as follows:

Levy Date	December 14, 2005
Lien Date	January 1, 2005
Tax Bills Mailed (At least 30 days prior to collection deadline)	
First Installment Due	March 1, 2006
Second Installment Due	September 1, 2006

Property taxes are billed and collected by the County Treasurer of Cook County, Illinois.

The Village's estimated 2005 tax rates per \$100 of assessed valuation, together with the related maximum tax rates, where applicable, are as follows:

Village:	
General	0.8694
IMRF	0.1133
Police Pension	0.1265
Fire Pension	0.1139
Debt Service	<u>0.2740</u>
Total	<u><u>1.4971</u></u>

NOTE 4. CASH AND INVESTMENTS

For the year ended April 30, 2006, the Village adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3.

Deposits

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2006 the carrying amount of the Village's deposits was \$1,689,808, with bank balances totaling \$1,974,045. All of the Village's deposits were insured or collateralized at April 30, 2006.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 4. CASH AND INVESTMENTS (continued)

Investments

As of April 30, 2006, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 2,682,953	\$ -	\$ 2,487,684	\$ 3,116	\$ 192,153
U.S. agencies - FHLB	2,098,344	845,015	977,326	276,003	-
U.S. agencies - FHLMC	145,672	-	145,672	-	-
U.S. agencies - FNMA	1,535,906	744,843	791,063	-	-
U.S. agencies - GNMA	14,577	187	1,292	-	13,098
Illinois Funds	650,908	650,908	-	-	-
Money Market Mutual Funds	4,713,091	4,713,091	-	-	-
	<u>\$ 11,841,451</u>	<u>\$ 6,954,044</u>	<u>\$ 4,403,037</u>	<u>\$ 279,119</u>	<u>\$ 205,251</u>

The Illinois Funds are shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Interest Rate Risk - The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. As of April 30, 2006, the Village's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds were not rated. The Village's investment policy does not address credit risk.

Concentration of Credit Risk. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. As of April 30, 2006, the Village is in compliance with their investment policy.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 4. CASH AND INVESTMENTS (continued)

Custodial Credit Risk – For an investment, this is the risk, that in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes, U.S. agency securities, and insurance contracts are held by the Village's agent in the Village's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

NOTE 5. CAPITAL ASSETS

A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2006, is as follows:

	Balance at April 30, 2005	Additions	Deletions	Balance at April 30, 2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,781,982	\$ -	\$ 328,500	\$ 3,453,482
Capital assets being depreciated:				
Building and improvements	6,291,401	-	-	6,291,401
Machinery and equipment	3,098,828	379,825	-	3,478,653
Infrastructure	3,916,374	-	-	3,916,374
Total capital assets being depreciated	13,306,603	379,825	-	13,686,428
Less accumulated depreciation for:				
Building and improvements	(2,043,320)	(199,026)	-	(2,242,346)
Machinery and equipment	(1,518,207)	(217,058)	-	(1,735,265)
Infrastructure	(3,303,541)	(28,239)	-	(3,331,780)
Total accumulated depreciation	(6,865,068)	(444,323)	-	(7,309,391)
Total capital assets being depreciated, net	6,441,535	(64,498)	-	6,377,037
Governmental activities Capital assets, net	\$ 10,223,517	\$ (64,498)	\$ 328,500	\$ 9,830,519

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 5. CAPITAL ASSETS (continued)

A summary of changes in the capital assets for business-type activities of the Village for the year ended April 30, 2006, is as follows:

	Balance at April 30, 2005	Additions	Deletions	Balance at April 30, 2006
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 47,824	\$ -	\$ -	\$ 47,824
Capital assets being depreciated:				
Waterworks and sewerage system	8,060,532		-	8,060,532
Machinery and equipment	433,056	-	-	433,056
Commuter parking lot	762,716	-	-	762,716
Total capital assets being depreciated	9,256,304	-	-	9,256,304
Less accumulated depreciation for:				
Waterworks and sewerage system	(4,385,887)	(156,171)	-	(4,542,058)
Machinery and equipment	(340,205)	(19,671)	-	(359,876)
Commuter parking lot	(360,349)	(38,599)	-	(398,948)
Total accumulated depreciation	(5,086,441)	(214,441)	-	(5,300,882)
Total capital assets being depreciated, net	4,169,863	(214,441)	-	3,955,422
Business-type activities				
Capital assets, net	\$ 4,217,687	\$ (214,441)	\$ -	\$ 4,003,246

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 5. CAPITAL ASSETS (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 92,183
Fire department	30,030
Ambulance and paramedic department	49,523
Police department	138,342
Street and bridge	26,276
Golf course	85,413
Motor fuel tax project	22,556
	<u>\$ 444,323</u>
Business-type activities:	
Waterworks and sewerage	\$ 175,842
Commuter parking lot	38,599
	<u>\$ 214,441</u>

NOTE 6. LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
Installment contracts	\$ 434,016	\$ 207,210	\$ 210,431	\$ 430,795	\$ 142,124
General obligation bonds	845,000	-	50,000	795,000	55,000
Alternate revenue bonds	7,195,000	325,000	325,000	7,195,000	365,000
General obligation debt certificates	900,000	140,000	26,859	1,013,141	589,179
Compensated absences	30,425	17,402	-	47,827	-
Pension obligations	579,275	47,939	-	627,214	-
	<u>\$ 9,983,716</u>	<u>\$ 737,551</u>	<u>\$ 612,290</u>	<u>\$ 10,108,977</u>	<u>\$ 1,151,303</u>

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
Revenue bonds	\$ 515,000	\$ -	\$ 160,000	\$ 355,000	\$ 170,000
General obligation debt certificates	750,000	-	55,893	694,107	53,393
Capital lease	118,500	-	8,000	110,500	13,000
	<u>\$ 1,383,500</u>	<u>\$ -</u>	<u>\$ 223,893</u>	<u>\$ 1,159,607</u>	<u>\$ 236,393</u>

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 6. LONG-TERM OBLIGATIONS (continued)

Outstanding debt as of April 30, 2006, consists of the following:

General Obligation Bonds:

General Obligation Working Cash Bonds, Series 1994 dated January 16, 1995 with bonds due in annual principal maturities of \$55,000 in 2007 and 2008, \$60,000 in 2009 and \$65,000 in 2010. Interest at rates between 4.30% and 7.00% due on June 1 and December 1. This bond is serviced by the Village's General Fund.	\$ 235,000
General Obligation Limited Tax Bonds, Series 1999B dated May 1, 1999 with bonds due in annual principal maturities of \$80,000 in 2011, \$85,000 in 2012, \$95,000 in 2013, and \$100,000 in 2014, 2015 and 2016 and interest at a rate of 9% due on January 1 and June 1. This bond is serviced by the Golf Course Fund.	560,000
	<u>\$ 795,000</u>

General Obligation Debt Certificates:

2004 General Obligation Debt Certificates dated January 26, 2004 with bonds due in principal maturities of \$82,143 in 2007 through 2018, and \$82,141 in 2019. Interest between 1.85% and 4.90% is due on January 26 and July 26. \$400,000 general government and \$750,000 enterprise fund. \$400,000 of this debt certificate is to be serviced from the General Fund and \$750,000 is to be serviced from the Water and Sewer Fund.	\$ 1,067,857
2006 General Obligation Debt Certificates dated March 8, 2006 with principal due March 8, 2007 and interest due quarterly. This debt certificate is to be serviced from the General Fund.	500,000
2005 General Obligation Debt Certificates issued during 2005 with principal maturities in 2010. This debt certificate is to be serviced from the Golf Course Fund.	100,000
2006 General Obligation Debt Certificates issued during 2006 with principal maturities of \$7,036 in 2007, \$7,507 in 2008, \$8,010 in 2009, \$8,546 in 2010, and \$8,292 in 2011. This debt certificate is to be serviced from the Street and Bridge Fund.	39,391
	<u>\$ 1,707,248</u>

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 6. LONG-TERM OBLIGATIONS (continued)

Installment Notes:

Installment note dated February 5, 2003 for the purchase of a dump truck is due in semiannual payments of \$7,566 including principal and interest at a rate of approximately 3% on October 1 and April 1 of each year through 2007. This note is serviced by the Street and Bridge Fund.	\$ 14,580
Installment note dated March 27, 2003 for the purchase of golf carts is due in monthly payments (May through October) of \$7,150 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	80,386
Installment note dated March 25, 2004 for the purchase of a workhorse cart is due in monthly payments (May through October) of \$298 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	3,351
Installment note dated April 1, 2003 for the purchase of a workhorse cart is due in monthly payments (May through October) of \$186 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	2,094
Installment note dated April 1, 2003 for the purchase of two groundskeeping golf carts is due in monthly payments (May through October) of \$321 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	3,610
Installment note dated March 1, 2004 for the purchase of the GPS system for golf carts is due in monthly payments (May through October) of \$10,100 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	113,673
Installment note dated June 1, 2003 for the purchase of a groundskeeping mower is due in monthly payments (June through November) of \$1,068 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	12,019
Installment note dated December 2, 2005 for the purchase of an ambulance is due in monthly payments of \$1,678 including principal and interest at a rate of approximately 4.65% each year through 2011. This note is serviced by the General Fund.	84,650
Installment note dated May 9, 2005 for the purchase of a firetruck is due in annual payments of \$6,128 each year through 2025. This note is serviced by the General Fund.	116,432
	<hr/>
	\$ 430,795

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 6. LONG-TERM OBLIGATIONS (continued)

Alternate Revenue Bonds:

General Obligation Bond (Golf Course Alternate Revenue Source), Series 1996 dated October 1, 1996 with bonds due in annual principal maturities of \$325,000 in 2007 and \$390,000 in 2008. Interest is at rates between 5.4% and 9.0%. The Village has pledged revenues from the Golf Course Fund operations to fund the repayment of the alternate revenue bonds. This bond is serviced by the Golf Course Fund. \$ 715,000

General Obligation Refunding Bonds (Alternate Revenue Source) Series 1999A dated May 1, 1999 with bonds due in annual principal maturities of \$40,000 in 2007, \$45,000 in 2008, \$505,000 in 2009, \$560,000 in 2010, \$620,000 in 2011, \$685,000 in 2012, \$755,000 in 2013, \$820,000 in 2014, \$905,000 in 2015, and \$980,000 in 2016. Interest at rates between 3.6% and 4.8% due on January 1 and June 1. This bond is serviced by the Golf Course Fund. 5,915,000

Golf Course and Recreational Facility Alternate Revenue Refunding Bonds, Series 2004 dated December 27, 2004 with Bonds due in principal maturity of \$240,000 in 2010, with a 3.9% interest rate. The Village has pledged revenues from the Golf Course Fund operations to fund the repayment of the alternate revenue bonds. This bond is serviced by the Golf Course Fund. 240,000

Golf Course and Recreational Facility Alternate Revenue Refunding Bonds, Series 2005 with Bonds due in principal maturity of \$325,000 in 2011, with a 3.9% interest rate. The Village has pledged revenues from the Golf Course Fund operations to fund the repayment of the alternate revenue bonds. This bond is serviced by the Golf Course Fund. 325,000

\$ 7,195,000

Revenue Bonds:

1994 Water and Sewer Refunding Bonds dated November 1, 1994 with bonds due in principal maturities of \$50,000 in 2007 and \$185,000 in 2008. Interest at 6.35% is due on May 1 and September 1. The Village has pledged revenues from the Waterworks and Sewerage Fund operations for the repayment of these revenue bonds. This bond is serviced by the Water and Sewer Fund. \$ 235,000

Water and Sewer Revenue Bonds, Series 1998B dated April 28, 1998 with bonds due in annual principal maturities of \$120,000 in 2007. Interest is at rates between 5.75% and 6.3%. The Village has pledged revenues from the Waterworks and Sewerage Fund operations for the repayment of these revenue bonds. This bond is serviced by the Water and Sewer Fund. 120,000

\$ 355,000

Capital Lease:

Capital lease dated May 1, 2004 for the purchase of truck mounted high pressure cleaner is due in annual installments of \$6,500. Interest is at an average rate of 2%. This lease is serviced by the Water and Sewer Fund. \$ 110,500

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 6. LONG-TERM OBLIGATIONS (continued)

The future annual debt service requirements on the outstanding debt, other than compensated absences of \$47,827 and net pension obligation of \$627,214 and including interest of \$2,851,294, are as follows:

	General Obligation Bonds	General Obligation Debt Certificates	Installment Notes	Capital Lease	Alternate Revenue Bonds	Revenue Bonds	Total
2007 - 2011	\$ 608,800	\$ 1,195,792	\$ 370,091	\$ 76,929	\$ 4,523,793	\$ 377,989	\$ 7,153,394
2012 - 2016	612,750	512,623	30,640	49,170	4,763,549	-	5,968,732
2017 and beyond	-	267,559	55,152	-	-	-	322,711
	<u>\$ 1,221,550</u>	<u>\$ 1,975,974</u>	<u>\$ 455,883</u>	<u>\$ 126,099</u>	<u>\$ 9,287,342</u>	<u>\$ 377,989</u>	<u>\$ 13,444,837</u>

NOTE 7. PRIOR-YEAR DEFEASANCE OF DEBT

The Village has defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2006, \$5,955,000 of bonds outstanding are considered defeased.

NOTE 8. EMPLOYEE RETIREMENT PLANS

Substantially all Village employees are covered under one of the following employee retirement plans:

Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2006 was 7.16 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 8. EMPLOYEE RETIREMENT PLANS (continued)

For April 30, 2006, the Village's annual pension cost of \$73,500 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	
4/30/06	\$ 73,500	100	%
4/30/05	56,423	100	
4/30/04	36,711	100	

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 experience study. The principal changes were:

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

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2006 was 17.43 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 8. EMPLOYEE RETIREMENT PLANS (continued)

The Village's annual pension cost and net pension asset to the Plan for the year ended April 30, 2006, were as follows:

Annual required contribution	\$ 223,436
Interest on net pension obligation	-
Adjustment to annual requirement contribution	-
Annual pension cost	<u>223,436</u>
Contributions made	<u>225,192</u>
Increase in net pension obligation	(1,756)
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u>\$ (1,756)</u>

The annual required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2005, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5.5%, (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2005, was 29 years.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contributions Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/05	\$ 223,436	\$ 225,192	100	\$ (1,756)
4/30/04	159,427	159,427	100	-
4/30/03	*	*	*	*

* Information not available

Membership in the plan consisted of the following as of April 30, 2006:

Retirees and beneficiaries receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	13
Active nonvested plan members	<u>12</u>
Total members	<u><u>43</u></u>

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 8. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan

Fire-sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand-alone report.

Covered employees are required to contribute 9.455 percent of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2006, was 25.327 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2006, were as follows:

Annual required contribution	\$ 170,872
Interest on net pension obligation	43,446
Adjustment to annual requirement contribution	<u>(26,150)</u>
Annual pension cost	188,168
Contributions made	<u>138,473</u>
Increase in net pension obligation	49,695
Net pension obligation, beginning of year	<u>579,275</u>
Net pension obligation, end of year	<u><u>\$ 628,970</u></u>

The required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2005, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included: (a) 7.5% investment rate of return; (b) projected salary increases of 5.5%; and (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2005, was 29 years.

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contributions Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/05	\$ 188,168	\$ 138,473	74	\$ 628,970
4/30/04	214,172	92,243	43	579,275
4/30/03	*	*	*	*

* Information not available

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 8. EMPLOYEE RETIREMENT PLANS (continued)

Membership in the plan consisted of the following as of April 30, 2006:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	5
Active nonvested plan members	8
	<hr/>
Total members	14
	<hr/> <hr/>

NOTE 9. OTHER FINANCIAL DISCLOSURES (FFS LEVEL ONLY)

Individual interfund receivable and payable balances as of April 30, 2006, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental:		
General:		
Motor Fuel Tax	\$ 54,663	\$ -
Waterworks and Sewerage	326,433	-
Commuter Parking Lot	-	109,273
Agency	-	243,754
	<hr/>	<hr/>
	381,096	353,027
Motor Fuel Tax:		
General	-	54,663
	<hr/>	<hr/>
Major Business-type,		
Waterworks and Sewerage,		
General	-	326,433
Commuter Parking Lot,		
General	109,273	-
	<hr/>	<hr/>
	109,273	326,433
Agency,		
Fire Pension,		
General	153,904	-
Police Pension,		
General	89,850	-
	<hr/>	<hr/>
	243,754	-
	<hr/>	<hr/>
Total	\$ 734,123	\$ 734,123
	<hr/> <hr/>	<hr/> <hr/>

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 9. OTHER FINANCIAL DISCLOSURES (FFS LEVEL ONLY) (continued)

Transfers for the year ended April 30, 2006, are as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental, General:		
Senior Citizen	\$ -	\$ 18,104
Boat Ramp	-	158,258
Recreational Facility	-	165,329
	<u>-</u>	<u>341,691</u>
Nonmajor Governmental:		
Senior Citizen		
General	<u>18,104</u>	-
Boat Ramp,		
General	<u>158,258</u>	-
Recreational Facility,		
General	<u>165,329</u>	-
Total	<u>\$ 341,691</u>	<u>\$ 341,691</u>

Interfund transfers are to assist with expenses incurred related to fund operations.

NOTE 10. NURSING HOME REVENUE BONDS

The Village issued nursing home revenue bonds to provide financial assistance in a previous year to a private sector entity for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loan. Upon payment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Village nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of April 30, 2006, there was \$24,450,000 of bonds outstanding.

VILLAGE OF WORTH, ILLINOIS

Notes to Basic Financial Statements

NOTE 11. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2010. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, will be effective for the Village beginning with its year ending April 30, 2007. This statement requires that limitations on the use of net assets imposed by legislation be reported as restricted net assets. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 47, *Accounting for Termination Benefits*, will be effective for the Village in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of the statement should be implemented simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, this Statement will be effective for the Village beginning with its year ending April 30, 2007. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF WORTH, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2005	\$ 2,787,180	\$ 2,666,262	\$ (120,918)	104.54 %	\$ 1,034,884	(11.68) %
12/31/2004	2,497,284	2,346,867	(150,417)	106.41	974,543	(15.43)
12/31/2003	2,399,900	2,081,884	(318,016)	115.28	883,491	(36.00)
12/31/2002	2,236,556	1,905,633	(330,923)	117.37	914,274	(36.20)
12/31/2001	2,109,121	1,685,815	(423,306)	125.11	837,235	(50.56)
12/31/2000	1,927,025	1,565,580	(361,445)	123.09	840,412	(43.01)

VILLAGE OF WORTH, ILLINOIS

Police Pension Fund
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL is a Percentage of Covered Payroll ((b-a)/c)
04/30/2005	\$ 9,581,011	\$ 11,484,288	\$ 1,903,277	83.43	\$ 1,292,145	147.30
04/30/2004	10,917,260	12,496,567	1,579,307	87.36	1,048,628	150.61
04/30/2003	N/A	N/A	N/A	N/A	N/A	N/A

VILLAGE OF WORTH, ILLINOIS

Fire Pension Fund
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2005	\$ 1,619,862	\$ 2,273,739	\$ 653,877	0.71	\$ 546,743	119.59
04/30/2004	1,472,092	2,264,537	792,445	0.65	678,122	116.86
04/30/2003	N/A	N/A	N/A	N/A	N/A	N/A

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2006

	Original and Final Budget	Actual
Property taxes	\$ 2,100,000	\$ 2,164,191
Sales taxes	700,000	713,352
Intergovernmental	2,232,000	1,587,483
Licenses, permits and fees	1,046,200	1,635,110
Fines and forfeits	135,000	190,247
Charges for service:		
Golf course	2,007,000	1,948,309
Other	272,700	325,958
Interest	16,500	22,713
Other	198,750	357,281
Total Revenues	\$ 8,708,150	\$ 8,944,644

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2006

	Original and Final Budget	Actual
General Government:		
Village president salary	\$ 28,000	\$ 28,000
Liquor commissioner salary	4,500	5,449
Clerk/collector salary	22,000	35,537
Trustees salaries	34,200	34,195
Unemployment taxes	3,000	-
Insurance premiums	532,000	552,704
Dental insurance premium	1,600	-
Professional fees	25,000	-
Legal fees	140,000	100,891
Lawsuit settlement	-	159,350
Other legal	5,000	-
Programming costs	12,000	13,689
Publication of legal notices	900	462
Travel expenses for village officials	1,900	1,870
Officials expenses	-	1,818
Employees expenses	-	221
Rodent control	250	-
Bank fees	100	-
Employment expenses	200	-
Training education	1,200	1,311
Professional memberships	4,200	14,102
Officials expense	1,100	-
Payroll software fee	1,200	2,669
Office supplies - administrative offices	-	11,480
Postage	15,000	17,156
Telephone service	15,500	10,649
Utilities	1,600	2,918
Paramedic pension reimbursement	65,000	-
W/C benefit payments	35,000	-
Self insurance payments	25,000	-
Office supplies - other departments	-	1,948
Office cleaning and custodial supplies	-	4,115
Building maintenance	-	3,300
Custodial services	900	1,526
Carpet and upholstery	800	-
Repair and maintenance	1,200	-
Public relations expense	750	-
Repair and maintenance equipment	700	-
Computer software	1,000	-
Village events expense	-	9,715
Economic development commission	-	1,726
Purchase of office equipment	600	3,817
Purchase of furniture	400	-
Computer purchase	1,600	-
Equipment lease	2,700	-
Purchase of other capital items	-	2,928
Maintenance contracts	2,950	5,898
Maintenance expenses	600	760
Medical exams	180	-
Senior citizen commission	2,700	1,789
Recreation services	-	992
Foreign fire insurance premiums	-	6,736

(continued)

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
General Government: (continued)		
Credit card charges	\$ 850	\$ -
Filing fees	150	-
Computer repair and maintenance	2,000	-
Employee expenses	400	-
Office expense	6,500	-
Printing expense	7,400	-
Departmental supplies	500	-
Building maintenance expenses	600	-
Custodial expense	6,000	-
Building expense	2,100	-
EDC/Beautification	700	-
Administrative expenses	250	-
Village events expense	500	-
DNR fishing/hunting	500	-
Miscellaneous expense	250	-
Write off expense	350	-
Social security / Medicare	100,000	79,755
Illinois municipal retirement fund contributions	58,950	66,832
Auditing fees	35,000	23,138
Liability insurance	296,700	300,448
Contingencies/ miscellaneous	127,000	88,205
Total General Government	1,639,230	1,598,099
Building Department:		
Building commissioner salary	\$ 25,000	\$ 24,700
Building inspector salary	28,000	36,827
Plumbing inspector salary	4,000	2,557
Electrical inspector salary	5,000	9,630
HVAC inspector salary	1,000	1,400
Clerical staff salary	27,445	23,500
Ordinance officer salary	7,500	6,062
Professional fees	1,400	2,176
Hearing officer	1,050	1,688
Engineering fees	6,000	3,154
Officials costs	-	285
Printing expenses	550	-
Departmental supplies	100	637
Telephone service	500	518
Building maintenance	300	5,376
Training and education	650	908
Legal notices	1,600	2,362
Miscellaneous	16,250	645
Total Building Department	126,345	122,425

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Boat Launch Department:		
Attendant	\$ -	\$ 1,889
Telephone	-	155
Utilities	-	3,306
Maintenance	-	1,215
Equipment rental	-	268
Walking trail	-	8,881
Total Boat Launch Department	-	15,714
Health Department:		
Health inspector fees	\$ -	\$ 3,354
Department expenses	-	3,900
Total Health Department	-	7,254
Fire Department:		
Fire chief salary	\$ 15,000	\$ 15,000
Contingency	45,000	-
Central dispatch	19,703	22,458
Uniforms and personal equipment	7,000	4,722
Training costs	6,000	800
Travel	500	527
Officials costs	500	43
Employment costs	5,250	5,516
Membership and subscriptions	4,000	2,036
Departmental supplies	1,000	3,867
Office expenses	1,500	-
Postage	-	70
Telephone	3,800	4,790
Utilities	3,000	7,972
Custodial supplies	4,300	2,616
Fire prevention materials	2,000	-
Radio purchase and maintenance	3,000	4,792
Other equipment purchase	300	-
Maintenance - Equipment	2,500	14,807
Equipment rental	500	-
Vehicle maintenance	8,000	-
Fuel	16,000	19,146
Building maintenance	3,000	3,205
Vehicle purchase	151,000	231,327
Hazardous material	5,000	11,133
Custodial expenses	250	70
Employer pension contribution	92,000	165,717
Total Fire Department	400,103	520,614

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Paramedic Department:		
Chief salary	\$ 15,000	\$ 15,000
Overtime salary	109,000	19,413
Holiday	33,280	7,790
EMS coordinator	2,876	488
Paramedics	628,269	741,078
Professional fees	15,000	12,246
Medical fees	4,000	1,870
Central dispatch	19,703	22,458
Computer repair and maintenance	-	3,078
Uniforms and personal equipment	1,500	-
Training costs	3,000	780
Officials costs	1,000	-
Memberships and subscriptions	100	-
Maintenance contract	1,500	-
Office supplies	500	321
Departmental supplies	1,100	800
Telephone	2,400	2,886
Custodial supplies	1,000	70
Medical supplies	4,100	2,711
Furniture purchase	500	-
Other equipment purchase	500	2,283
Education incentives	7,800	-
Para engineer/driver	4,160	-
Para acting lt	4,160	-
Para specialty	2,600	-
Maintenance expense	1,500	5,215
Maintenance costs vehicles	3,000	-
Fuel	18,000	19,146
Office equipment	500	-
Building maintenance	2,000	915
Miscellaneous	500	-
Total Paramedic Department	888,548	858,548

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Police Department:		
Clerical salary	\$ 127,730	\$ 114,956
Chief salary	83,434	73,600
Administrative assistant salary	27,127	27,551
Sergeants salary	322,405	398,400
Officers salary	911,000	988,806
Court time salary	12,000	654
Overtime salary	128,500	11,790
Holiday	61,779	12,036
Emergency police	14,245	10,265
Temporary Director of public safety	-	12,000
Hearing officer	3,150	-
Payroll services	1,200	-
Animal warden	-	101
Crossing guards	45,425	48,577
Payment to southwest central dispatch	207,987	243,731
Management fees	340	-
Clothing allowance	14,500	-
Computer repair and maintenance	1,300	-
Other legal fees	5,000	1,913
Professional fees	4,000	1,110
Central dispatch	-	9,365
Uniforms and personal equipment	11,000	-
Training costs	7,500	20,196
Travel	500	801

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Employee costs	\$ 300	\$ 150
Membership and subscriptions	4,100	3,515
Employment costs	15,000	6,531
Office supplies	5,000	6,379
Departmental supplies	9,500	7,855
Postage	200	-
Telephone	15,300	12,313
Utilities	-	1,636
Custodial supplies	900	1,536
Prisoner costs	800	809
Radio purchase and maintenance	2,000	2,259
Animal warden supplies	3,000	1,527
Computer repair and maintenance	1,100	2,684
Office equipment purchase	700	759
Furniture purchase	700	250
Other equipment purchase	6,500	30,051
Maintenance contracts	200	-
Repair maintenance equipment	2,100	-
Equipment rental	500	-
Maintenance - Vehicles	24,250	39,556
Fuel	14,000	15,861
Ammunition	2,500	-
Purchase of vehicles	28,000	62,754
Crime prevention	500	-
Custodial costs	10,500	6,201
Building maintenance	1,500	1,784
Bullet proof vests	1,800	-
Dental insurance premium	1,700	-
Health insurance stipend	2,600	-
Confiscated cash expenditures	-	14,058
Miscellaneous	-	995
Contribution to police pension fund	160,000	203,019
Total Police Department	2,305,372	2,398,334

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Street and Bridge:		
Clerical salary	\$ 12,000	\$ -
Chipper labor	15,000	22,315
Street and alley labor	75,000	156,918
Drainage	10,000	10,692
Weed cutting	5,000	3,237
Signs	-	2,543
Refuse pickup	-	11,490
Leaf vacuum labor	12,000	14,695
Tree trim	4,000	1,000
Equipment maintenance	15,000	25,389
Professional fees	-	477
Engineering fees	36,000	34,920
Uniforms and personal equipment	3,500	4,573
Employment costs	1,000	353
Membership and subscriptions	500	140
Office supplies	500	85
Departmental supplies	6,000	9,161
Telephone	6,000	4,134
Utilities	20,000	21,809
Custodial supplies	1,000	83
Material purchases	-	17,659
Street signs	2,000	977
Tree planting and removal	-	9,733
Materials for streets and alleys	2,500	-
Maintenance contracts	-	801
Report and maintenance equipment	-	14,312
Equipment rental	10,000	23,432
Maintenance - Vehicles	-	8,494
Fuel	12,000	19,146
Insurance premiums	25,000	1,305
Building maintenance	25,000	1,314
Oak Park Avenue	1,400,000	-
Sidewalk construction	65,000	-
Hot patch	4,500	1,783
Miscellaneous costs	79,900	32,560
Total Street and Bridge	1,848,400	455,530

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Golf Course Operations:		
Payroll expense	\$ 718,160	\$ 688,776
General administration	129,000	247,000
Course and grounds	173,390	185,926
Cart	116,566	118,363
Pro shop	5,750	67,200
Food and beverage	19,575	142,571
Range	13,500	15,398
Improvements	-	15,497
Total Golf Course Operations	1,175,941	1,480,731
Capital Projects:		
Capital Projects Expense	\$ -	\$ 219,710
Worth Days:		
Worth Days Expense	\$ -	\$ 65,174
Debt Service:		
Golf course principal	\$ 726,515	\$ 424,729
Other principal	-	187,561
Golf course interest	-	360,478
Other interest	-	28,716
	726,515	1,001,484
Total Expenditures	\$ 9,110,454	\$ 8,743,617

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Motor Fuel Tax
Year Ended April 30, 2006

	Original and Final Budget	Actual
Revenues:		
Intergovernmental	\$ 316,000	\$ 458,305
Interest		11,060
Total Revenues	<u>316,000</u>	<u>469,365</u>
Expenditures, current, motor fuel tax project	<u>262,248</u>	<u>391,028</u>
Excess revenues or (expenditures)	<u>\$ 53,752</u>	78,337
Fund balance:		
May 1, 2005		<u>754,733</u>
April 20, 2006		<u>\$ 833,070</u>

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SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2006

	Special Revenue Senior Citizen Fund	Capital Projects Boat Ramp Fund	Recreational Facility Fund	Total Nonmajor Governmental Funds
Revenues:				
Other	\$ -	\$ -	\$ -	\$ -
Expenditures, current:				
Senior citizens projects	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	-	-	-	-
Operating transfers in	18,104	158,258	165,329	341,691
Change in fund balance	18,104	158,258	165,329	341,691
Fund Balances (deficit):				
May 1, 2005	(18,104)	(158,258)	(165,329)	(341,691)
April 30, 2006	\$ -	\$ -	\$ -	\$ -

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VILLAGE OF WORTH, ILLINOIS

Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Tax Year						
	2005	2004	2003	2002	2001	2000	1999
Assessed Valuations	\$ 176,436,473	\$ 154,099,262	\$ 151,601,636	\$ 152,886,719	\$ 127,285,512	\$ 122,137,629	\$ 125,822,177
Tax Rates:							
General	0.8694	0.9900	1.0041	1.0358	1.2160	1.2093	1.1281
Garbage	0.0000	0.0000	0.0000	0.0070	0.0081	0.0081	0.0120
IMRF	0.1133	0.1007	0.1000	0.1011	0.1180	0.1176	0.1141
Police Pension	0.1265	0.1434	0.1551	0.0662	0.0773	0.0770	0.0720
Fire Pension	0.1139	0.1087	0.0776	0.0488	0.0570	0.0567	0.0560
Debt Service	0.2740	0.0472	0.0465	0.0480	0.0556	0.0600	0.0000
Total	1.4971	1.3900	1.3833	1.3069	1.5320	1.5287	1.3822
Extended Tax Rate	1.497	1.391	1.384	1.307	1.532	1.529	1.382
Tax Extensions:							
General	\$ 1,533,945	\$ 1,525,642	\$ 1,522,238	\$ 1,583,596	\$ 1,546,150	\$ 1,478,228	\$ 1,452,198
Garbage		-	-	10,702	10,308	10,300	15,450
IMRF	199,902	155,177	151,601	154,568	150,573	149,350	146,775
Police Pension	223,192	220,978	235,134	101,211	98,376	97,850	92,700
Fire Pension	200,837	169,046	117,642	74,608	72,514	72,100	72,100
Debt Service	483,407	72,752	70,455	73,409	70,784	73,304	-
	2,641,283	2,143,595	2,097,070	1,998,094	1,948,705	1,881,132	1,779,223
Road and Bridge	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Totals	\$ 2,663,283	\$ 2,165,595	\$ 2,119,070	\$ 2,020,094	\$ 1,970,705	\$ 1,903,132	\$ 1,801,223
Tax collections	\$ 995,002	\$ 2,118,688	\$ 2,090,067	\$ 1,976,417	\$ 1,929,237	\$ 1,889,760	\$ 1,746,211
Percent collections	37.36%	97.83%	98.63%	97.84%	97.90%	99.30%	96.95%

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
General Obligation				
Working Cash Bonds, Series 1994:				
Dated January 16, 1995	2007	\$ 55,000	\$ 16,038	\$ 71,038
Interest payable on June	2008	55,000	12,462	67,462
and December 1 at rates	2009	60,000	8,750	68,750
between 4.30% and 7.00%	2010	65,000	4,550	69,550
Paying Agent: Founders Bank				
		<u>\$ 235,000</u>	<u>\$ 41,800</u>	<u>\$ 276,800</u>
General Obligation				
Limited Tax Bonds, Series 1999B:				
Dated May 1, 1999	2007	\$ -	\$ 50,400	\$ 50,400
Interest payable on January 1	2008	-	50,400	50,400
and June 1 at a rate of 9.00%	2009	-	50,400	50,400
Paying Agent: The Depository	2010	-	50,400	50,400
Trust Company	2011	80,000	50,400	130,400
	2012	85,000	43,200	128,200
	2013	95,000	35,550	130,550
	2014	100,000	27,000	127,000
	2015	100,000	18,000	118,000
	2016	100,000	9,000	109,000
		<u>\$ 560,000</u>	<u>\$ 384,750</u>	<u>\$ 944,750</u>

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements (Continued)
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
General Obligation Refunding Bonds (Alternate Revenue Source)				
Series 1996	2007	\$ 325,000	\$ 36,270	\$ 361,270
	2008	390,000	53,235	443,235
		<u>\$ 715,000</u>	<u>\$ 89,505</u>	<u>\$ 804,505</u>
General Obligation Refunding Bonds (Alternate Revenue Source)				
Series 1999A:	2007	\$ 40,000	\$ 271,335	\$ 311,335
Dated May 1, 1999	2008	45,000	269,615	314,615
Interest payable on January 1	2009	505,000	267,658	772,658
and June 1 at rates	2010	560,000	245,690	805,690
between 3.60% and 4.80%	2011	620,000	221,050	841,050
Paying Agent: Depository Trust	2012	685,000	193,150	878,150
Company	2013	755,000	161,983	916,983
	2014	820,000	127,253	947,253
	2015	905,000	89,123	994,123
	2016	980,000	47,040	1,027,040
		<u>\$ 5,915,000</u>	<u>\$ 1,893,897</u>	<u>\$ 7,808,897</u>
General Obligation Recreational Facility Revenue Refunding Bonds Series 2005 Note 1				
	2007	\$ -	\$ 9,360	\$ 9,360
	2008	-	9,360	9,360
	2009	-	9,360	9,360
	2010	240,000	9,360	249,360
		<u>\$ 240,000</u>	<u>\$ 37,440</u>	<u>\$ 277,440</u>
General Obligation Recreational Facility Revenue Refunding Bonds Series 2005 Note 2				
	2007	\$ -	\$ 14,300	\$ 14,300
	2008	-	14,300	14,300
	2009	-	14,300	14,300
	2010	-	14,300	14,300
	2011	325,000	14,300	339,300
		<u>\$ 325,000</u>	<u>\$ 71,500</u>	<u>\$ 396,500</u>

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements (Continued)
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
General Obligation Debt Certificates				
Dated January 26, 2004	2007	\$ 82,143	\$ 27,230	\$ 109,373
Interest payable on January 26	2008	82,143	28,473	110,616
and July 26 at rates	2009	82,143	29,140	111,283
between 1.85% and 4.90%	2010	82,143	26,429	108,572
Paying Agent: Founders Bank	2011	82,143	27,672	109,815
	2012	82,143	25,146	107,289
	2013	82,143	23,010	105,153
	2014	82,143	21,254	103,397
	2015	82,143	17,558	99,701
	2016	82,143	14,940	97,083
	2017	82,143	11,069	93,212
	2018	82,143	7,044	89,187
	2019	82,141	3,019	85,160
		<u>\$ 1,067,857</u>	<u>\$ 261,984</u>	<u>\$ 1,329,841</u>
General Obligation Debt Certificates				
Dated March 8, 2006	2007	\$ 500,000	\$ -	\$ 500,000
Interest payable quarterly				
and principal on March 8, 2007				
Variable interest rate				
General Obligation Debt Certificates				
Series 2005	2007	\$ -	\$ -	\$ -
	2008	-	-	-
	2009	-	-	-
	2010	100,000	-	100,000
		<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
General Obligation Debt Certificates				
Series 2006	2007	\$ 7,036	\$ 2,356	\$ 9,392
	2008	7,507	1,885	9,392
	2009	8,010	1,382	9,392
	2010	8,546	846	9,392
	2011	8,292	273	8,565
		<u>\$ 39,391</u>	<u>\$ 6,742</u>	<u>\$ 46,133</u>

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements (Continued)
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
Revenue Bonds				
1994 Water and Sewer Refunding Bonds				
Dated November 1, 1994	2007	\$ 50,000	\$ 13,335	\$ 63,335
Interest payable on May 1 and November 1 at a rate of 6.35%	2008	185,000	5,874	190,874
Paying Agent: Founders Bank		<u>\$ 235,000</u>	<u>\$ 19,209</u>	<u>\$ 254,209</u>
Revenue Bonds				
Water and Sewer Revenue Bonds, Series 1998B:				
Dated April 28, 1998	2007	\$ 120,000	\$ 3,780	\$ 123,780
Interest payable on May 1 and November 1 at rates between 5.75% and 6.30%				
Paying Agent: American National Bank				
Installment Note				
Dated February 5, 2003				
Principal and Interest payable on March 1 and October 1 of each year at a rate of approximately 3%	2007	\$ 14,580	\$ 552	\$ 15,132
Installment Note				
Dated March 27, 2003				
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	\$ 39,174	\$ 3,726	\$ 42,900
	2008	41,212	1,668	42,880
		<u>\$ 80,386</u>	<u>\$ 5,394</u>	<u>\$ 85,780</u>

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements (Continued)
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
Installment Note				
Dated March 25, 2004				
Principal and Interest payable on	2007	\$ 1,633	\$ 155	\$ 1,788
May through October of each year	2008	1,718	70	1,788
at a rate of approximately 5%		<u>\$ 3,351</u>	<u>\$ 225</u>	<u>\$ 3,576</u>
Installment Note				
Dated April 1, 2003				
Principal and Interest payable on	2007	\$ 1,021	\$ 95	\$ 1,116
May through October of each year	2008	1,073	43	1,116
at a rate of approximately 5%		<u>\$ 2,094</u>	<u>\$ 138</u>	<u>\$ 2,232</u>
Installment Note				
Dated April 1, 2003				
Principal and Interest payable on	2007	\$ 1,759	\$ 167	\$ 1,926
May through October of each year	2008	1,851	75	1,926
at a rate of approximately 5%		<u>\$ 3,610</u>	<u>\$ 242</u>	<u>\$ 3,852</u>
Installment Note				
Dated March 1, 2004				
Principal and Interest payable on	2007	\$ 55,419	\$ 5,181	\$ 60,600
May through October of each year	2008	58,254	2,837	61,091
at a rate of approximately 5%		<u>\$ 113,673</u>	<u>\$ 8,018</u>	<u>\$ 121,691</u>
Installment Note				
Dated June 1, 2003				
Principal and Interest payable on	2007	\$ 5,860	\$ 548	\$ 6,408
June through November of each year	2008	6,159	248	6,407
at a rate of approximately 5%		<u>\$ 12,019</u>	<u>\$ 796</u>	<u>\$ 12,815</u>
Installment Note				
Dated December 2, 2005				
Variable interest rate	2007	\$ 16,550	\$ 3,587	\$ 20,137
	2008	17,335	2,800	20,135
	2009	18,160	1,977	20,137
	2010	19,020	1,114	20,134
	2011	13,585	245	13,830
		<u>\$ 84,650</u>	<u>\$ 9,723</u>	<u>\$ 94,373</u>

VILLAGE OF WORTH, ILLINOIS

Debt Service Requirements (Continued)
April 30, 2006

	Year Ended April 30,	Principal	Interest	Total
Installment Note Dated May 9, 2005 Variable interest rate	2007	\$ 6,128	\$ -	\$ 6,128
	2008	6,128	-	6,128
	2009	6,128	-	6,128
	2010	6,128	-	6,128
	2011	6,128	-	6,128
	2012	6,128	-	6,128
	2013	6,128	-	6,128
	2014	6,128	-	6,128
	2015	6,128	-	6,128
	2016	6,128	-	6,128
	2017	6,128	-	6,128
	2018	6,128	-	6,128
	2019	6,128	-	6,128
	2020	6,128	-	6,128
	2021	6,128	-	6,128
	2022	6,128	-	6,128
	2023	6,128	-	6,128
	2024	6,128	-	6,128
	2025	6,128	-	6,128
		<u>\$ 116,432</u>	<u>\$ -</u>	<u>\$ 116,432</u>
Capital Lease Dated May 1, 2004 With an average interest rate of 2%	2007	\$ 13,000	\$ 2,568	\$ 15,568
	2008	13,000	2,610	15,610
	2009	13,000	2,533	15,533
	2010	13,000	2,252	15,252
	2011	13,000	1,966	14,966
	2012	13,000	1,646	14,646
	2013	13,000	1,181	14,181
	2014	13,000	697	13,697
	2015	6,500	146	6,646
		<u>\$ 110,500</u>	<u>\$ 15,599</u>	<u>\$ 126,099</u>

VILLAGE OF WORTH, ILLINOIS

Information Required By Revenue Bond Ordinance
 (Unaudited)
 April 30, 2006

Consumer data:

Number of customers:

Water and sewer service:

Residential	2,443
Commercial	339

Total

Sewer service only:

Residential	2
Commercial	3

Total

Percent

Water usage:

Gallage purchased	407,757	100%
Gallage billed	324,867	80%

Gallage lost and/or unaccounted for

82,890	20%
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Insurance coverage data:

Employee Benefits Plan Liability - Each claim	\$ 8,000,000
Law Enforcement Liability - Each wrongful act	8,000,000
Paramedic Liability - Each occurrence	8,000,000
General Liability - Each occurrence	8,000,000
Public Officials Liability - Each wrongful act	2,500,000
Public Officials Liability - Aggregate	8,000,000
Pollution Liability - Aggregate	4,000,000

(continued)

