

VILLAGE OF WORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2008**

Prepared By:

**HEARNE & ASSOCIATES, P.C.
Certified Public Accountants &
Business Consultants**

VILLAGE OF WORTH, ILLINOIS

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HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (Ret'd)
Phillip M. Hearne, CPA
Rebecca L. Heintz, CPA

Anthony M. Scott, CPA
John C. Williams, CPA, MST
Matthew R. Truschka

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, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Worth, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois, as of April 30, 2008, 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 3-12), pension related schedules (pages 41-43) and budgetary schedule (page 44-52) 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.

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, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Worth, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

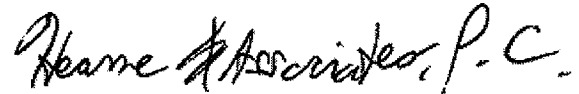
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining,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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois, as of April 30, 2008, 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 3-12), pension related schedules (pages 41-43) and budgetary schedule (page 44-52) 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 the 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 page 60 which is 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.

January 22, 2009
Mokena, IL



Hearne & Associates, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2008

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 13).

Using the Financial Section of this Comprehensive Annual Report

The management of the Village of Worth offers readers of the Village's Financial Statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2008. This correspondence is intended to serve as an introduction to the Village's basic financial statements, which comprise three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13-15) 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 15) 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, 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.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2008

The Governmental Funds (see pages 16-19) presentation is presented on a source 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 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 23-24). While these Funds represent trust responsibilities of the government, these assets are restricted on purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 20-22) 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 17 and 19). 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.

Government-Wide Financial Statements

Statement of Net Assets

Net assets serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$ 6.6 million as of April 30, 2008.

VILLAGE OF WORTH, ILLINOIS

**Management's Discussion and Analysis
April 30, 2008**

A significant portion of the Village's net assets (72 %) 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 are 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 are 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.

**Table 1
Statement of Net Assets
As of April 30, 2008**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
Current Assets	\$ 4,644,999	\$ 898,940	\$ 5,543,939
Non Current Assets	10,131,885	3,666,503	13,798,388
Total Assets	<u>\$ 14,776,884</u>	<u>\$ 4,565,443</u>	<u>\$ 19,342,327</u>
Current Liabilities	\$ 3,176,668	\$ 1,063,459	\$ 4,240,127
Non Current Liabilities	7,918,536	604,882	8,523,418
Total Liabilities	<u>\$ 11,095,204</u>	<u>\$ 1,668,341</u>	<u>\$ 12,763,545</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 2,423,967	\$ 3,079,182	\$ 5,503,149
Unrestricted (Deficit)	1,257,712	(182,080)	1,075,632
Total Net Assets	<u>\$ 3,681,679</u>	<u>\$ 2,897,102</u>	<u>\$ 6,578,781</u>

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

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
Current Assets	\$ 5,078,600	\$ 280,800	\$ 5,359,400
Non Current Assets	10,069,600	3,789,800	13,859,400
Total Assets	<u>\$ 15,148,200</u>	<u>\$ 4,070,600</u>	<u>\$ 19,218,800</u>
Current Liabilities	\$ 3,383,400	\$ 358,800	\$ 3,742,200
Non Current Liabilities	8,635,600	671,800	9,307,400
Total Liabilities	<u>\$ 12,019,000</u>	<u>\$ 1,030,600</u>	<u>\$ 13,049,600</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 1,709,700	\$ 3,051,600	\$ 4,761,300
Unrestricted (Deficit)	1,419,500	(11,600)	1,407,900
Total Net Assets	<u>\$ 3,129,200</u>	<u>\$ 3,040,000</u>	<u>\$ 6,169,200</u>

For more detailed information see the Statement of Net Assets (page 13-14).

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis

April 30, 2008

The Village's combined net assets (which is the Village's equity) increased to \$ 6,578,781 from \$ 6,169,236 as a result of the increase in net assets primarily in the Governmental Activities. Net assets of the Village's governmental activities were \$ 3,681,679. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were \$ 1,257,712. The net assets of business-type activities decreased to \$ 2,897,102 from \$ 3,040,032. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system.

NORMAL IMPACTS

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

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

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

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested 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 \$ 410,000 and can be attributed to several factors. The Village's revenues increased by \$ 91 thousand, and expenses increased by \$ 783 thousand.

VILLAGE OF WORTH, ILLINOIS

**Management's Discussion and Analysis
April 30, 2008**

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, 2008**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
REVENUES			
Program Revenues			
Charges for Services	\$ 3,396,028	\$ 1,898,336	\$ 5,294,364
Operating Grants and Contributions	378,975	-	378,975
General Revenues			
Property Taxes	2,705,110	-	2,705,110
Other Taxes	2,458,267	-	2,458,267
Other	283,455	34,696	318,151
Total Revenues	\$ 9,221,835	\$ 1,933,032	\$ 11,154,867
EXPENSES			
General Government	\$ 819,146	\$ -	\$ 819,146
Building Department	99,995	-	99,995
Boat Launch	25,009	-	25,009
Health Department	7,725	-	7,725
Fire Department	336,020	-	336,020
Ambulance & Paramedic Department	1,209,391	-	1,209,391
Police Department	3,082,657	-	3,082,657
Street and Bridge	485,966	-	485,966
Crossing Guard	-	-	-
Golf Course	1,727,586	-	1,727,586
Worth Days	100,263	-	100,263
Motor Fuel Tax Project	341,094	-	341,094
Senior Citizens	-	-	-
Interest	434,509	-	434,509
Waterworks & Sewerage	-	1,973,751	1,973,751
Commuter Parking Lot	-	102,211	102,211
Total Expenses	\$ 8,669,361	\$ 2,075,962	\$ 10,745,323
Change In Net Assets	\$ 552,474	\$ (142,930)	\$ 409,544
Beginning Net Assets	3,129,205	3,040,032	6,169,237
Ending Net Assets	\$ 3,681,679	\$ 2,897,102	\$ 6,578,781

VILLAGE OF WORTH, ILLINOIS

**Management's Discussion and Analysis
April 30, 2008**

**Changes In Net Assets
For the Fiscal Year Ended April 30, 2007**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>
REVENUES					
Program Revenues					
Charges for Services	\$ 3,395,200	\$	1,773,600	\$	5,168,800
Operating Grants and Contributions	480,500		-		480,500
General Revenues					
Property Taxes	2,556,500		-		2,556,500
Other Taxes	2,381,200		-		2,381,200
Other	313,600		163,500		477,100
Total Revenues	<u>\$ 9,127,000</u>	<u>\$</u>	<u>1,937,100</u>	<u>\$</u>	<u>11,064,100</u>
EXPENSES					
General Government	\$ 1,131,600	\$	-	\$	1,131,600
Building Department	104,100		-		104,100
Boat Launch	22,600		-		22,600
Health Department	4,400		-		4,400
Fire Department	161,900		-		161,900
Ambulance & Paramedic Department	919,200		-		919,200
Police Department	2,510,100		-		2,510,100
Street and Bridge	367,900		-		367,900
Crossing Guard	-		-		-
Golf Course	1,706,200		-		1,706,200
Worth Days	73,600		-		73,600
Motor Fuel Tax Project	108,700		-		108,700
Senior Citizens	-		-		-
Interest	474,200		-		474,200
Waterworks & Sewerage	-		2,289,300		2,289,300
Commuter Parking Lot	-		88,800		88,800
Total Expenses	<u>\$ 7,584,500</u>	<u>\$</u>	<u>2,378,100</u>	<u>\$</u>	<u>9,962,600</u>
Change In Net Assets	\$ 1,542,500	\$	(441,000)	\$	1,101,500
Beginning Net Assets	<u>1,586,700</u>		<u>3,481,000</u>		<u>5,067,700</u>
Ending Net Assets	<u>\$ 3,129,200</u>	<u>\$</u>	<u>3,040,000</u>	<u>\$</u>	<u>6,169,200</u>

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2008

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, 2008, revenues from all activities totaled \$ 11,154,867, 1% over 2007. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services we provide.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2008

Expenses:

The Village's total expenses for all activities for the year ended April 30, 2008 and 2007 were \$ 10,745,323 and \$ 9,962,600, 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 95% 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 \$ 4.7 million of the total expenses in 2008 and \$ 3.6 million of the total expenses in 2007. Personnel costs including pension benefits accounted for 72% 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 cost of providing employee benefits continued to increase. The most significant increases were in Workmen's Compensation claims, which the Village self-insures.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2008, the governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$ 2,630,135 compared to \$ 2,846,951 in 2007. Expenses exceeded revenues and other financing sources (uses) in 2008.

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 2008. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

**Table 3
General Fund Budgetary Highlights**

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources		
Taxes	\$ 3,617,000	\$ 3,517,521
Licenses, Permits, and Fees	937,600	1,046,177
Intergovernmental	1,892,843	1,646,234
Fines and Forfeitures	263,000	154,740
Golf Course	1,929,234	2,032,782
Other	899,550	419,244
Total	<u>\$ 9,539,227</u>	<u>\$ 8,816,698</u>

VILLAGE OF WORTH, ILLINOIS

**Management's Discussion and Analysis
April 30, 2008**

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Expenditures and Other Financing Uses		
General Government	\$ 994,175	\$ 778,303
Building Department	111,625	99,995
Boat Launch	9,400	25,009
Health Department	5,000	7,725
Fire Department	410,727	364,824
Ambulance & Paramedic Department	1,219,200	1,156,464
Police Department	3,139,087	3,161,633
Street and Bridge	457,400	574,022
Golf Course	1,336,993	1,677,612
Worth Days	76,000	100,263
Debt Service	1,654,692	1,102,801
Total	\$ 9,414,299	\$ 9,048,651
Change In Fund Balance	\$ 124,928	\$ (231,953)

As shown above the General Fund had a surplus budget of \$ 124,928, while actual results were a \$ 232,000 deficit. There are several factors that attributed to this deficit.

CAPITAL ASSETS

At the end of the fiscal year 2008, the Village had a combined total of capital assets of \$ 13,798,388 invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers, and sanitary sewer lines. (See Table 4 below).

**Table 4
Total Capital Assets at Year End
Net of Depreciation**

	<u>Balance April 30, 2007</u>	<u>Net</u>	<u>Balance April 30, 2008</u>
Land	\$ 3,501,306	\$ 33,983	\$ 3,535,289
Building and Improvements	3,853,500	(25,483)	3,828,017
Waterworks & Sewerage System	3,362,300	(143,615)	3,218,685
Machinery and Equipment	1,826,900	13,973	1,840,873
Commuter Parking Lot	338,900	(24,957)	313,943
Infrastructure	556,400	84,950	641,350
Construction in Progress	420,231	-	420,231
Total Capital Assets	\$ 13,859,537	\$ (61,149)	\$ 13,798,388

DEBT OUTSTANDING

See Note 6 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2008.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis

April 30, 2008

Economic Factors

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

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

Contacting The Village's Financial Management

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Barbara Maziarek, Treasurer, Village of Worth, 7112 West 111th Street, Worth, Illinois 60482.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets
April 30, 2008

	Governmental Activities	Business Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,922,716	\$ 663,294	\$ 2,586,010
Receivables:			
Property Taxes	1,139,111	-	1,139,111
Other	482,270	210,269	692,539
Due From Other Funds	978,980	16,130	995,110
Prepaid Expenses	57,626	9,247	66,873
Inventories	64,295	-	64,295
Total Current Assets	<u>\$ 4,644,998</u>	<u>\$ 898,940</u>	<u>\$ 5,543,938</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	\$ 3,907,696	\$ -	\$ 3,907,696
Capital Assets Being Depreciated, Net	6,224,189	3,666,503	9,890,692
Total Noncurrent Assets	<u>\$ 10,131,885</u>	<u>\$ 3,666,503</u>	<u>\$ 13,798,388</u>
Total Assets	<u>\$ 14,776,883</u>	<u>\$ 4,565,443</u>	<u>\$ 19,342,326</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 292,943	\$ 84,079	\$ 377,022
Accrued Payroll	64,979	12,493	77,472
Accrued Vacation	228,435	-	228,435
Due To Fiduciary Funds	97,700	-	97,700
Deferred Revenue	1,192,141	-	1,192,141
Deposits	43,502	-	43,502
Installment Contracts	61,653	-	61,653
General Obligation Bonds	60,000	-	60,000
Revenue Bonds	-	53,939	53,939
General Obligation Debt Certificates	535,153	-	535,153
Alternative Revenue Bonds	505,000	-	505,000
Capital Lease	-	13,000	13,000
Due To Other Funds	95,162	899,948	995,110
Total Current Liabilities	<u>\$ 3,176,668</u>	<u>\$ 1,063,459</u>	<u>\$ 4,240,127</u>
Long Term Liabilities, Net of Current Maturities			
Installment Contracts	\$ 265,167	\$ -	\$ 265,167
General Obligation Bonds	625,000	-	625,000
Revenue Bonds	-	533,382	533,382
General Obligation Debt Certificates	450,945	-	450,945
Alternative Revenue Bonds	5,890,000	-	5,890,000
Capital Lease	-	71,500	71,500
Compensated Absences	60,210	-	60,210
Pension Obligations	627,214	-	627,214
Total Noncurrent Liabilities	<u>\$ 7,918,536</u>	<u>\$ 604,882</u>	<u>\$ 8,523,418</u>
Total Liabilities	<u>\$ 11,095,204</u>	<u>\$ 1,668,341</u>	<u>\$ 12,763,545</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets
April 30, 2008

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net Assets			
Invested In Capital Assets, Net of Related Debt	\$ 2,423,967	\$ 3,079,182	\$ 5,503,149
Unrestricted, (Deficit)	<u>1,257,712</u>	<u>(182,080)</u>	<u>1,075,632</u>
Total Net Assets	<u>\$ 3,681,679</u>	<u>\$ 2,897,102</u>	<u>\$ 6,578,781</u>
Total Liabilities and Net Assets	<u>\$ 14,776,883</u>	<u>\$ 4,565,443</u>	<u>\$ 19,342,326</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Activities
Year Ended April 30, 2008

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	\$ 819,146	\$ 1,089,516	\$ -	\$ 270,370	\$ -	\$ 270,370
Building Department	99,995	154,379	-	54,384	-	54,384
Boat Launch	25,009	-	-	(25,009)	-	(25,009)
Health Department	7,725	7,950	-	225	-	225
Fire Department	336,020	-	-	(336,020)	-	(336,020)
Ambulance and Paramedic Department	1,209,391	234,781	-	(974,610)	-	(974,610)
Police Department	3,082,657	154,740	-	(2,927,917)	-	(2,927,917)
Street and Bridge	485,966	-	-	(485,966)	-	(485,966)
Golf Course	1,727,586	1,649,178	-	(78,408)	-	(78,408)
Worth Days	100,263	105,484	-	5,221	-	5,221
Motor Fuel Tax Project	341,094	-	378,975	37,881	-	37,881
Interest	434,509	-	-	(434,509)	-	(434,509)
Total Governmental Activities	\$ 8,669,361	\$ 3,396,028	\$ 378,975	\$ (4,894,358)	\$ -	\$ (4,894,358)
Business-Type Activities:						
Waterworks and Sewerage	\$ 1,973,751	\$ 1,848,973	\$ -	\$ -	\$ (124,778)	\$ (124,778)
Commuter Parking Lot	102,211	49,363	-	-	(52,848)	(52,848)
Total Business Type Activities	\$ 2,075,962	\$ 1,898,336	\$ -	\$ -	\$ (177,626)	\$ (177,626)
Total	\$10,745,323	\$ 5,294,364	\$ 378,975	\$ (4,894,358)	\$ (177,626)	\$ (5,071,984)
General Revenues						
Taxes:						
Property				\$ 2,705,110	\$ -	\$ 2,705,110
Other				2,458,267		2,458,267
Interest				66,809	1,174	67,983
Miscellaneous				216,646	33,522	412,497
Total General Revenues, Contributions, and Transfers				\$ 5,446,832	\$ 34,696	\$ 5,643,857
Change in Net Assets				552,474	(142,930)	409,544
Net Assets						
May 1, 2007				3,129,205	3,040,032	6,169,237
April 30, 2008				\$ 3,681,679	\$ 2,897,102	\$ 6,578,781

See the accompanying notes to the financial statements

FUND FINANCIAL STATEMENTS

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2008

	General Fund	Motor Fuel Tax Fund	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,152,074	\$ 770,642	\$ 1,922,716
Receivables:			
Property Taxes	1,139,111	-	1,139,111
Other	20,391	24,729	45,120
Due From Other Funds	978,980	-	978,980
Due From Other Government Agencies	437,150	-	437,150
Prepays	57,626	-	57,626
Inventories	64,295	-	64,295
Total Assets	<u>\$ 3,849,627</u>	<u>\$ 795,371</u>	<u>\$ 4,644,998</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 288,883	\$ 4,060	\$ 292,943
Accrued Payroll	64,685	294	64,979
Accrued Vacation	228,435	-	228,435
Deferred Revenue	1,192,141	-	1,192,141
Deposits	43,502	-	43,502
Due To Other Funds	113,830	79,033	192,863
Total Liabilities	<u>\$ 1,931,476</u>	<u>\$ 83,387</u>	<u>\$ 2,014,863</u>
Fund Balances			
Reserved For:			
Prepays	\$ 57,626	\$ -	\$ 57,626
Inventory	64,295	-	64,295
Unreserved:			
General Fund	1,796,230	-	1,796,230
Special Revenue Funds	-	711,984	711,984
Total Fund Balances	<u>1,918,151</u>	<u>711,984</u>	<u>2,630,135</u>
Total Liabilities and Fund Balances	<u>\$ 3,849,627</u>	<u>\$ 795,371</u>	<u>\$ 4,644,998</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2008

Total Fund Balances - Governmental Funds	\$ 2,630,135
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources; and, therefore, are not reported in the funds.	10,131,886
Some liabilities reported in the Statement of Activities do not require the use of current financial resources; and, therefore, are not reported in governmental funds. These activities consist of:	
Installment Contracts	(326,820)
General Obligation Bonds	(685,000)
General Obligation Debt Certificates	(986,098)
Alternate Revenue Bonds	(6,395,000)
Compensated Absences	(60,210)
Pension Obligations	<u>(627,214)</u>
Net Assets of Governmental Activities	<u>\$ 3,681,679</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended April 30, 2008

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues:			
Property Taxes	\$ 2,705,110	\$ -	\$ 2,705,110
Sales Taxes	812,411	-	812,411
Intergovernmental	1,646,234	378,597	2,024,831
Licenses, Permits, and Fees	1,046,177	-	1,046,177
Fines and Forfeits	154,740	-	154,740
Charges for Service:			
Golf Course	1,649,178	-	1,649,178
Other	383,604	-	383,604
Interest	40,269	26,540	66,809
Other	378,975	-	378,975
Total Revenues	\$ 8,816,698	\$ 405,137	\$ 9,221,835
Expenditures:			
Current:			
General Government	\$ 778,303	\$ -	\$ 778,303
Building Department	99,995	-	99,995
Boat Launch	25,009	-	25,009
Health Department	7,725	-	7,725
Fire Department	364,824	-	364,824
Ambulance and Paramedic Department	1,156,464	-	1,156,464
Police Department	3,161,633	-	3,161,633
Street and Bridge	574,022	-	574,022
Golf Course	1,677,612	-	1,677,612
Worth Days	100,263	-	100,263
Motor Fuel Tax Project	-	351,286	351,286
Debt Service:			
Golf Course Principal	537,189	-	537,189
Other Principal	141,068	28,750	169,818
Golf Course Interest	356,869	-	356,869
Other Interest	67,675	9,965	77,640
Total Expenditures	\$ 9,048,651	\$ 390,001	\$ 9,438,652
Excess (Deficiency) of Revenues Over (Under) Expenditures	(231,953)	15,136	(216,817)
Debt Certificate Proceeds	-	-	-
Installment Note Proceeds	-	-	-
Fund Balances:			
May 1, 2007	2,150,104	696,848	2,846,952
April 30, 2008	<u>\$ 1,918,151</u>	<u>\$ 711,984</u>	<u>\$ 2,630,135</u>

See the accompanying notes to the 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, 2008

Net Change in Fund Balance - Total Governmental Funds \$ (216,817)

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	\$ 530,755	
Depreciation expense	<u>(468,472)</u>	62,283

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	125,750	
General obligation bonds and debt certificates	146,258	
Alternate revenue bonds	<u>435,000</u>	<u>707,008</u>

Change in net assets of governmental activities		<u>\$ 552,474</u>
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VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets - Enterprise Funds
April 30, 2008

	<u>Business-Type Activities</u>		
	<u>Waterworks and Sewerage Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 361,848	\$ 301,446	\$ 663,294
Customers	76,138	-	76,138
Other	134,131	-	134,131
Prepaid Insurance	9,247	-	9,247
Due From Other Funds	-	16,130	16,130
Total Current Assets	<u>\$ 581,364</u>	<u>\$ 317,576</u>	<u>\$ 898,940</u>
Property and Equipment	\$ 8,444,531	\$ 946,967	\$ 9,391,498
Less: Accumulated Depreciation	<u>(5,103,833)</u>	<u>(621,162)</u>	<u>(5,724,995)</u>
	<u>3,340,698</u>	<u>325,805</u>	<u>3,666,503</u>
Total Assets	<u>\$ 3,922,062</u>	<u>\$ 643,381</u>	<u>\$ 4,565,443</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 82,327	\$ 1,752	\$ 84,079
Accrued Payroll	11,689	804	12,493
Current Maturities of Revenue Bonds	53,939	-	53,939
Current Maturities of Capital Lease	13,000	-	13,000
Due To Other Funds	899,948	-	899,948
Total Current Liabilities	<u>\$ 1,060,903</u>	<u>\$ 2,556</u>	<u>\$ 1,063,459</u>
Long Term Liabilities, Net of Current Maturities			
Maturities of Revenue Bonds	\$ 533,382	\$ -	\$ 533,382
Maturities of Capital Lease	71,500	-	71,500
Total Liabilities	<u>\$ 1,665,785</u>	<u>\$ 2,556</u>	<u>\$ 1,668,341</u>
Net Assets			
Invested In Capital Assets, Net of Related Debt	\$ 2,753,377	\$ 325,805	\$ 3,079,182
Unrestricted, (Deficit)	<u>(497,100)</u>	<u>315,020</u>	<u>(182,080)</u>
Total Net Assets	<u>\$ 2,256,277</u>	<u>\$ 640,825</u>	<u>\$ 2,897,102</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets -
Enterprise Funds
Year Ended April 30, 2008

	<u>Business-Type Activities</u>		
	<u>Waterworks and Sewerage Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Total</u>
Operating Revenues:			
Water and Sewer Charges	\$ 1,828,948	\$ -	\$ 1,828,948
Commuter Parking Fees	-	49,363	49,363
Other Fees and Charges	20,025	-	20,025
Total Operating Revenues	<u>\$ 1,848,973</u>	<u>\$ 49,363</u>	<u>\$ 1,898,336</u>
Operating Expenses:			
Operations	\$ 1,761,836	\$ 77,298	\$ 1,839,134
Depreciation and Amortization	185,759	24,913	210,672
Total Operating Expenses	<u>\$ 1,947,595</u>	<u>\$ 102,211</u>	<u>\$ 2,049,806</u>
Operating Income (Loss)	<u>\$ (98,622)</u>	<u>\$ (52,848)</u>	<u>\$ (151,470)</u>
Nonoperating Revenues (Expenses):			
Interest Income	\$ -	\$ 1,173	\$ 1,173
Interest Expense	<u>(26,156)</u>	<u>-</u>	<u>(26,156)</u>
Income (Loss) Before Transfers	(124,778)	(51,675)	(176,453)
Transfer In	<u>33,522</u>	<u>-</u>	<u>33,522</u>
Change in Net Assets	(91,256)	(51,675)	(142,931)
Net Assets:			
May 1, 2007	<u>2,347,533</u>	<u>692,500</u>	<u>3,040,033</u>
April 30, 2008	<u>\$ 2,256,277</u>	<u>\$ 640,825</u>	<u>\$ 2,897,102</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2008

	<u>Business-Type Activities</u>		
	<u>Waterworks and Sewerage Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash Received for Services	\$ 1,884,811	\$ 49,363	\$ 1,934,174
Payments to Employees	(474,138)	(20,390)	(494,528)
Payments to Suppliers	(1,237,401)	(55,268)	(1,292,669)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 173,272</u>	<u>\$ (26,295)</u>	<u>\$ 146,977</u>
Cash Flows from Noncapital Financing Activities			
(Increases) Decreases In Due (To) From Other Funds	\$ 500,593	\$ (16,130)	\$ 484,463
Transfer from Other Funds	33,522	-	33,522
Net Cash Provided by Noncapital Financing Activities	<u>\$ 534,115</u>	<u>\$ (16,130)</u>	<u>\$ 517,985</u>
Cash Flows from Capital and Related Financing Activities			
Bond Principal Payments	\$ (251,393)	\$ -	\$ (251,393)
Bond Interest Payments	(26,156)	-	(26,156)
Net Cash (Used in) Capital and Related Financing Activities	<u>\$ (277,549)</u>	<u>\$ -</u>	<u>\$ (277,549)</u>
Cash Flows from Investing Activities,			
Purchase of Property & Equipment	\$ (87,368)	\$ -	\$ (87,368)
Interest Received	-	1,173	1,173
Net cash used in investing activities	<u>\$ (87,368)</u>	<u>\$ 1,173</u>	<u>\$ (86,195)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	\$ 342,470	\$ (41,252)	\$ 301,218
Cash and Cash Equivalents:			
May 1, 2007	<u>19,376</u>	<u>342,699</u>	<u>362,075</u>
April 30, 2008	<u>\$ 361,846</u>	<u>\$ 301,447</u>	<u>\$ 663,293</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating (Loss)	(98,622)	(52,847)	(151,469)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	185,759	24,913	210,672
Changes In Assets and Liabilities			
Accounts Receivable	35,838	-	35,838
Prepaid Insurance	62,759	-	62,759
Accounts Payable and accruals	(12,462)	1,639	(10,823)
Total Adjustments	<u>\$ 271,894</u>	<u>\$ 26,552</u>	<u>\$ 298,446</u>
Net Cash Provided By Operating Activities	<u>\$ 173,272</u>	<u>\$ (26,295)</u>	<u>\$ 146,977</u>

See the accompanying notes to the financial statements.

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2008

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 382,761	\$ 911,806	\$ 1,294,567
Investments	9,257,061	1,458,308	10,715,369
Accrued Interest Receivable	69,555	6,991	76,546
Prepaid Expenses	503	1,014	1,517
Due From Other Funds	69,321	28,379	97,700
Total Assets	<u>\$ 9,779,201</u>	<u>\$ 2,406,498</u>	<u>\$12,185,699</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 8,295	\$ 83	\$ 8,378
Net Assets Held In Trust For Employees' Benefits	<u>9,770,906</u>	<u>2,406,415</u>	<u>12,177,321</u>
Total Liabilities and Net Assets	<u>\$ 9,779,201</u>	<u>\$ 2,406,498</u>	<u>\$12,185,699</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
April 30, 2008

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
Additions			
Contributions			
Employer	\$ 275,724	\$ 102,376	\$ 378,100
Employee	146,338	63,079	209,417
Total Contributions	<u>\$ 422,062</u>	<u>\$ 165,455</u>	<u>\$ 587,517</u>
Investment Income			
Net Appreciation (Decrease) in Fair Value of Investments	\$ (127,535)	\$ 58,583	\$ (68,952)
Interest Income	312,283	71,983	384,266
Total Investment Income	<u>\$ 184,748</u>	<u>\$ 130,566</u>	<u>\$ 315,314</u>
Investment Expenses			
Other Investment Expenses	\$ 34,460	\$ 2,140	\$ 36,600
Total Investment Expenses	<u>\$ 34,460</u>	<u>\$ 2,140</u>	<u>\$ 36,600</u>
Net Investment Gain	<u>\$ 150,288</u>	<u>\$ 128,426</u>	<u>\$ 278,714</u>
Total Additions	<u>\$ 572,350</u>	<u>\$ 293,881</u>	<u>\$ 866,231</u>
Deductions, Benefits Taken	\$ 747,144	\$ 61,730	\$ 808,874
Administrative Expenses	12,893	10,240	23,133
Total Deductions	<u>\$ 760,037</u>	<u>\$ 71,970</u>	<u>\$ 832,007</u>
Changes in Net Assets	<u>\$ (187,687)</u>	<u>\$ 221,911</u>	<u>\$ 34,224</u>
Net Assets Held in Trust for Employee's			
May 1, 2007	<u>\$ 9,958,593</u>	<u>\$ 2,184,504</u>	<u>\$12,143,097</u>
April 30, 2008	<u>\$ 9,770,906</u>	<u>\$ 2,406,415</u>	<u>\$12,177,321</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2008

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. 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.

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.