

# McGladrey & Pullen

Certified Public Accountants

## **Village of Matteson, Illinois**

Annual Financial Report

Year Ended April 30, 2006

## Village of Matteson, Illinois

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**Financial Section (Continued)**

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

The Honorable President and  
Members of the Board of Trustees  
Village of Matteson, 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 Matteson, 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 Matteson, Illinois. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police or Firefighters' Pension Funds, both fiduciary fund types, or the Matteson Public Library, a discretely presented component unit, which statements reflect total assets of \$17,481,142, \$12,283,625 and \$4,807,497, respectively, as of April 30, 2006, and total additions to net assets/revenues of \$2,230,733, \$1,532,109 and \$2,071,432, respectively, for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police and Firefighters' Pension Funds and the Matteson Public Library, is based solely on the reports of the other auditors.

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.

The Village does not disclose the actuarial information for the Firefighters' Pension Fund as required by accounting principles generally accepted in the United States of America. The actuarial information that the Village discloses is provided by the State of Illinois Department of Insurance and does not comply with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine the actuarial disclosures required for the Firefighters' Pension Fund, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Matteson, 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 supplementary information which includes management's discussion and analysis (pages 3-13), budgetary comparison information (pages 67-68) and pension related information (pages 64-66) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Matteson, Illinois. The combining and individual fund financial statements 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 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*

Mokena, Illinois  
January 4, 2008

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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The Village of Matteson'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 14).

#### **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. Since the modification of this approach in 2005, 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 14-16) 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, for the first time, 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 16) 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, engineering 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 (Water), 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 17-20) 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.

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters Pension, see pages 25-26). 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.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 21-24) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental 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 18 and 20). 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**

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets 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 life 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 \$ 78.3 million as of April 30, 2006.

A significant portion of the Village's net assets (78.9%) reflects its investment in capital assets (i.e., land, 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 Matteson, Illinois

### Management's Discussion and Analysis April 30, 2006

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**Table 1**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Current Assets	\$21.9	\$3.5	\$25.4
Non Current Assets	<u>87.6</u>	<u>4.1</u>	<u>91.7</u>
Total Assets	109.5	7.6	117.1
Current Liabilities	11.8	(0.1)	11.7
Non Current Liabilities	<u>23.6</u>	<u>3.5</u>	<u>27.1</u>
Total Liabilities	35.4	3.4	38.8
Net Assets:			
Invested in Capital Assets, Net of Related Debt	61.2	0.6	61.8
Restricted	0.2	-	0.2
Unrestricted	<u>12.7</u>	<u>3.6</u>	<u>16.3</u>
Total Net Assets	<u>\$74.1</u>	<u>\$4.2</u>	<u>\$78.3</u>



## Village of Matteson, Illinois

### Management's Discussion and Analysis April 30, 2006

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Current Assets	\$24.1	\$0.9	\$25.0
Non Current Assets	<u>89.7</u>	<u>4.1</u>	<u>93.8</u>
Total Assets	113.8	5.0	118.8
Current Liabilities	10.4	(0.4)	10.0
Non Current Liabilities	<u>25.7</u>	<u>0.0</u>	<u>25.7</u>
Total Liabilities	36.1	(0.4)	35.7
Net Assets:			
Invested in Capital Assets, Net of Related Debt	61.2	4.1	65.3
Restricted	12.4	0.0	12.4
Unrestricted	<u>4.1</u>	<u>1.3</u>	<u>5.4</u>
Total Net Assets	<u>\$77.7</u>	<u>\$5.4</u>	<u>\$83.1</u>

For more detailed information see the Statement of Net Assets (pages 14-15).

The Village's combined net assets (which is the Village's bottom line) decreased to \$78.3 million from \$83.1 million primarily this year as a result of the additional capital spending within Governmental Activities. Net assets of the Village's governmental activities were \$74.1 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were \$12.7 million.

The net assets of business-type activities decreased to \$4.2 million from \$5.4 million. The Village can use the unrestricted net assets of \$3.6 million to finance the continuing operation of its water system.

#### **Normal Impacts**

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

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

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

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

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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**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 decreased \$4.8 million and can be attributed to several things, including additional capital spending related to Lincoln Mall development, and Liberty Plaza Development.

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)

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
REVENUES			
Program Revenues			
Charges for Services	\$5.9	\$3.7	\$9.6
Operating Grants & Contributions	1.5	0.0	1.5
General Revenues			
Property Taxes	6.4	0.0	6.4
Other Taxes	9.5	0.0	9.5
Transfers	1.1	(1.1)	0.0
Other	<u>1.2</u>	<u>0.0</u>	<u>1.2</u>
Total Revenues	25.6	2.6	28.2
EXPENSES			
General Government	16.5	0.0	16.5
Public Safety	8.7	0.0	8.7
Public Works	1.2	3.8	5.0
Parks and Recreation	1.2	0.0	1.2
Interest & Expense	<u>1.6</u>	<u>0.0</u>	<u>1.6</u>
Total Expenses	29.2	3.8	33.0
CHANGE IN NET ASSETS	(3.6)	(1.2)	(4.8)
BEGINNING NET ASSETS	<u>77.7</u>	<u>5.4</u>	<u>83.1</u>
ENDING NET ASSETS	<u>\$74.1</u>	<u>\$4.2</u>	<u>\$78.3</u>

## Village of Matteson, Illinois

### Management's Discussion and Analysis April 30, 2006

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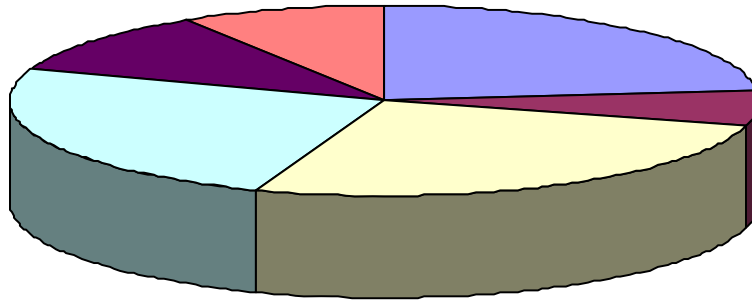
**Table 2**

**Changes in Net Assets**

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

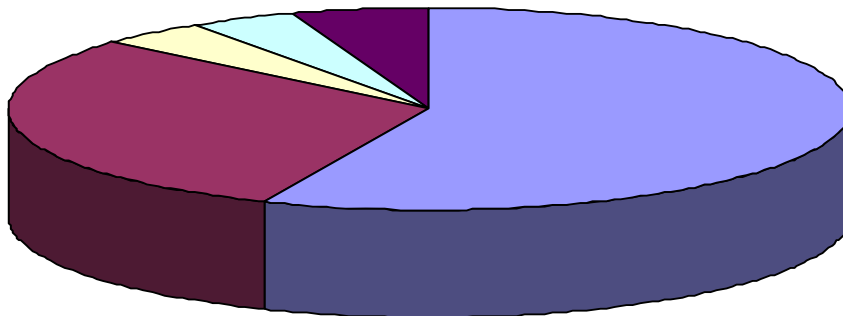
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
REVENUES			
Program Revenues			
Charges for Services	\$5.5	\$3.4	\$8.9
Operating Grants & Contributions	2.3	0.0	2.3
General Revenues			
Property Taxes	6.3	0.0	6.3
Other Taxes	8.9	0.0	8.9
Transfers	1.4	(1.4)	0.0
Other	<u>1.4</u>	<u>0.0</u>	<u>1.4</u>
Total Revenues	25.8	2.0	27.8
EXPENSES			
General Government	16.3	0.0	16.3
Public Safety	9.7	0.0	9.7
Public Works	1.9	2.1	4.0
Parks and Recreation	1.4	0.0	1.4
Interest & Expense	<u>0.9</u>	<u>0.0</u>	<u>0.9</u>
Total Expenses	30.2	2.1	32.3
CHANGE IN NET ASSETS	(4.4)	(0.1)	(4.5)
BEGINNING NET ASSETS	<u>82.1</u>	<u>5.5</u>	<u>87.6</u>
ENDING NET ASSETS	<u>\$77.7</u>	<u>\$5.4</u>	<u>\$83.1</u>

## 2006 Governmental Activities Revenue



- |                        |                                      |
|------------------------|--------------------------------------|
| ■ Charges for Services | ■ Operating Grants and Contributions |
| ■ Sales Tax            | ■ Property Tax                       |
| ■ Other Taxes          | ■ Other                              |

## 2006 Governmental Activities Expense



- |                      |                        |
|----------------------|------------------------|
| ■ General Government | ■ Public Safety        |
| ■ Public Works       | ■ Parks and Recreation |
| ■ Other              |                        |

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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

#### *Normal Impacts*

##### **Revenues:**

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

**Increase/Decrease in Village Board approved rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, 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 (General Government, 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 \$28.2 million. 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 Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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#### **Revenues:**

In addition to the Village increasing its property tax in 2006 compared to previous years, we saw the tax rate per \$100 of equalized assessed valuation (EAV) rise as well. This was due to a significant increase in the EAV due to Cook County's triennial reassessment. The 2005 EAV (used by the County in calculating 2006 tax bills) increased to \$482 million from \$408 million in 2004. Property tax revenue is comparable to the prior year.

Investment returns more than doubled in 2006 due to increased interest rates and positive performance experienced in the stock market.

#### **Expenses:**

The Village's total expenses for all activities for the year ended April 30, 2006 were \$33.0 million. This amount is fairly consistent with total expenses of \$32.3 million for the year ended April 30, 2005.

### Financial Analysis of the Village's Funds

#### **Governmental Funds**

At April 30, 2006, the governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$14.0 million. Expenditures exceeded revenues before other financing sources/(uses) by \$4.9 million. The primary reason for this was the capital development going on in the Village's new T.I.F. district, along with several other ongoing capital projects within the Village. Much of this spending came from bonds issued in previous years. Transfers to the governmental funds from business-type funds were \$1.1 million during the year. In addition, the Village issued \$0.8 million in capital leases. These factors contributed to an overall decrease in fund balance of \$3.0 million for all governmental funds in 2006.

#### ***General Fund Budgetary Highlights***

During the fiscal year the Village Board prepared year-end budget adjustments in order to provide formal spending authority for activity that took place during the year that was not anticipated when the original budget document was prepared. Below is a table that reflects the original and revised budget and the actual for the revenues and expenditures for the General Fund.

Village of Matteson, Illinois

Management's Discussion and Analysis  
April 30, 2006

*Table 3*  
*General Fund Budgetary Highlights*  
*For the Year Ended April 30, 2006*  
**(in millions)**

General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$13.5	\$13.5	\$12.4
Other	4.2	4.8	4.2
<b>Total</b>	<b>\$17.7</b>	<b>\$18.3</b>	<b>\$16.6</b>
Expenditures	\$18.0	\$17.9	\$17.3
Change in Fund Balance (before transfers)	<b>\$(0.3)</b>	<b>\$.4</b>	<b>\$(.7)</b>

Actual General Fund revenues came in at budget for 2006.

**Capital Assets**

At the end of the fiscal year 2006, the Village had a combined total of capital assets of \$91.7 million (after accumulated depreciation of \$40.1 million) invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4). This amount represents a net decrease (including additions and deletions) of \$1.8 million.

*Table 4*  
*Total Capital Assets*  
**Net of Depreciation**  
*For the Year Ended April 30, 2006*  
**(in millions)**

	Balance May 1, 2005	Net Additions / Deletions	Balance April 30, 2006
Land	\$32.0	\$0.0	\$32.0
Buildings	8.7	(0.2)	8.5
Vehicles and Equipment	3.7	0.3	4.0
Streets and Bridges	24.8	(0.8)	24.0
Storm Sewers	18.0	(0.9)	17.1
Water Mains	1.7	0.0	1.7
Sanitary Sewers	<u>4.6</u>	<u>(0.2)</u>	<u>4.4</u>
Total Capital Assets	<u>\$93.5</u>	<u>(\$1.8)</u>	<u>\$91.7</u>

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2006

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#### *Debt Outstanding*

At year-end, the Village had \$29.5 million in general obligation bonds and certificates outstanding. (More detailed information about the Village's long-term liabilities is presented in Note 6 to the financial statements.)

- The Village continued to pay down its debt, retiring \$2.6 million of outstanding bonds.
- The Village issued \$3.5 million in new General obligation bonds to provide for the financing of improvements to the waterworks system.
- The Village's general obligations bonds have carried a rating of A1 from Moody's.
- The state limits the amount of general obligation debt the Village can issue to 8.625% of the assessed value of all taxable property within the Village's limits. Outstanding debt is significantly below the current limit of \$41.6 million.

#### **Economic Factors**

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Matteson during 2006 and is expected to continue into 2007. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income 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 acts in order.

Another area of concern is the local labor market. The unemployment rate has increased from 4.8% in 2000 to the current 6.8%.

Home values and permit fees revenue have increased significantly over the past few years.

Matteson recognizes the need to be competitive in attracting new services and businesses to our community as well as support the businesses that are here. As part of our business recruitment strategy, we are creating a presence with marketing campaigns such as "Matteson, Take a Closer Look." This campaign has been publicized in various trade publications geared toward the retail industry. In addition, each year, staff along with Village officials, attend the International Council of Shopping Centers in Las Vegas where more than 40,000 people in the retail development industry come together to make deals and build relationships. The Village has hired a Grant Writer to work with administration to acquire other opportunities that have not been sought after in the past for the Village.

#### **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 Gloria Gibson, Budget Officer, Village of Matteson, 4900 Village Commons, Matteson, Illinois 60443.



## **Basic Financial Statements**

## Supplementary Information

**Government-Wide Financial Statements**

Village of Matteson, Illinois

Statement of Net Assets  
April 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Matteson Public Library
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 13,621,330	\$ 2,938,379	\$ 16,559,709	\$ 6,163
Investments	301,122	-	301,122	1,350,818
Receivables				
Property taxes	4,459,256	-	4,459,256	1,162,435
Accounts	158,419	540,009	698,428	-
Intergovernmental	2,734,274	-	2,734,274	-
Component unit	23,120	-	23,120	(23,120)
Miscellaneous	156,380	-	156,380	-
Inventories	46,023	-	46,023	-
Prepays	432,236	-	432,236	-
<b>Total current assets</b>	<b>21,932,160</b>	<b>3,478,388</b>	<b>25,410,548</b>	<b>2,496,296</b>
Noncurrent assets				
Unamortized bond costs	-	69,391	69,391	-
Capital assets, not being depreciated	29,832,055	29,780	29,861,835	300,000
Capital assets, net of accumulated depreciation	57,782,272	4,047,599	61,829,871	2,011,201
<b>Total noncurrent assets</b>	<b>87,614,327</b>	<b>4,146,770</b>	<b>91,761,097</b>	<b>2,311,201</b>
<b>Total assets</b>	<b>\$ 109,546,487</b>	<b>\$ 7,625,158</b>	<b>\$ 117,171,645</b>	<b>\$ 4,807,497</b>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Net Assets - Continued  
April 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Matteson Public Library
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 2,176,533	\$ 474,482	\$ 2,651,015	\$ 20,489
Accrued payroll	515,104	10,016	525,120	4,950
Accrued interest	404,200	-	404,200	-
Internal balances	592,643	(592,643)	-	-
Employer contribution payable	153,223	-	153,223	-
Unearned revenue	4,497,433	-	4,497,433	-
General obligation bonds	2,410,000	-	2,410,000	-
General obligation debt certificates	310,000	-	310,000	-
Capital lease	264,383	-	264,383	-
Compensated absences	521,416	10,540	531,956	19,620
<b>Total current liabilities</b>	<b>11,844,935</b>	<b>(97,605)</b>	<b>11,747,330</b>	<b>45,059</b>
Long-term liabilities, net of current maturities				
General obligation bonds, net of bond issuance losses and costs of \$379,796	22,585,204	3,500,000	26,085,204	-
General obligation debt certificates	320,000	-	320,000	-
Capital lease	545,617	-	545,617	-
Compensated absences	89,902	331	90,233	-
Net pension obligation	52,186	-	52,186	-
<b>Total long-term liabilities</b>	<b>23,592,909</b>	<b>3,500,331</b>	<b>27,093,240</b>	<b>-</b>
<b>Total liabilities</b>	<b>35,437,844</b>	<b>3,402,726</b>	<b>38,840,570</b>	<b>45,059</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	61,179,123	646,770	61,825,893	2,311,201
Restricted for MFT allotments	161,837	-	161,837	-
Unrestricted	12,767,683	3,575,662	16,343,345	2,451,237
<b>Total net assets</b>	<b>\$ 74,108,643</b>	<b>\$ 4,222,432</b>	<b>\$ 78,331,075</b>	<b>\$ 4,762,438</b>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Activities  
Year Ended April 30, 2006

Functions/Programs	Primary Government						Component Unit Matteson Public Library
	Program Revenues			Net (Expense), Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities							
General government	\$ 16,471,256	\$ 5,729,976	\$ 385,065	\$ (10,356,215)	\$ -	\$ (10,356,215)	\$ (1,254,540)
Public safety	8,718,969	-	1,081,698	(7,637,271)	-	(7,637,271)	-
Public works	1,230,551	-	-	(1,230,551)	-	(1,230,551)	-
Parks and recreation	1,173,306	222,091	-	(951,215)	-	(951,215)	-
Interest, amortization and fees	1,555,482	-	-	(1,555,482)	-	(1,555,482)	-
<b>Total governmental activities</b>	<b>29,149,564</b>	<b>5,952,067</b>	<b>1,466,763</b>	<b>(21,730,734)</b>	<b>-</b>	<b>(21,730,734)</b>	<b>(1,254,540)</b>
Business-type activities							
Water	3,849,502	3,702,981	-	-	(146,521)	(146,521)	-
<b>Total</b>	<b>\$ 32,999,066</b>	<b>\$ 9,655,048</b>	<b>\$ 1,466,763</b>	<b>(21,730,734)</b>	<b>(146,521)</b>	<b>(21,877,255)</b>	<b>(1,254,540)</b>
			General revenues				
			Taxes:				
			Sales	6,737,125	-	6,737,125	-
			Property	6,359,283	-	6,359,283	1,923,532
			Other	2,715,260	-	2,715,260	24,966
			Interest	385,606	15,348	400,954	40,491
			Net transfers	1,062,118	(1,062,118)	-	-
			Miscellaneous	830,279	-	830,279	82,443
			<b>Total general revenues</b>	<b>18,089,671</b>	<b>(1,046,770)</b>	<b>17,042,901</b>	<b>2,071,432</b>
			Change in net assets	(3,641,063)	(1,193,291)	(4,834,354)	816,892
			Net assets:				
			May 1, 2005	77,749,706	5,415,723	83,165,429	3,945,546
			April 30, 2006	<b>\$ 74,108,643</b>	<b>\$ 4,222,432</b>	<b>\$ 78,331,075</b>	<b>\$ 4,762,438</b>

See Notes to Basic Financial Statements.

## **Fund Financial Statements**

Village of Matteson, Illinois

Balance Sheet - Governmental Funds  
April 30, 2006

	General Fund	Tax Incremental Finance District IV Debt Service Fund	Tax Incremental Finance District IV Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 5,705,799	\$ 793,891	\$ 1,646,000	\$ 5,475,640	\$ 13,621,330
Investments	240,340	-	-	60,782	301,122
Receivables:					
Property taxes	2,802,279	-	-	1,656,977	4,459,256
Accounts	125,996	-	-	32,423	158,419
Intergovernmental	2,529,733	-	-	204,541	2,734,274
Miscellaneous	172,449	-	-	7,051	179,500
Due from other funds	351,903	3,066,484	965,215	1,190,239	5,573,841
Inventories	46,023	-	-	-	46,023
Prepays	432,236	-	-	-	432,236
<b>Total assets</b>	<b>\$ 12,406,758</b>	<b>\$ 3,860,375</b>	<b>\$ 2,611,215</b>	<b>\$ 8,627,653</b>	<b>\$ 27,506,001</b>
<b>Liabilities:</b>					
Accounts payable	\$ 2,048,461	\$ -	\$ 1,245	\$ 126,827	\$ 2,176,533
Accrued payroll and taxes	512,693	-	-	2,411	515,104
Due to other funds	1,293,528	-	3,115,599	1,910,580	6,319,707
Unearned revenue	2,828,776	-	-	1,668,657	4,497,433
Compensated absences	29,624	-	-	-	29,624
<b>Total liabilities</b>	<b>6,713,082</b>	<b>-</b>	<b>3,116,844</b>	<b>3,708,475</b>	<b>13,538,401</b>
<b>Fund Balances:</b>					
Reserved for inventories	46,023	-	-	-	46,023
Reserved for prepaids	432,236	-	-	-	432,236
Reserved for debt service	-	3,860,375	-	253,221	4,113,596
Unreserved					
General fund	5,215,417	-	-	-	5,215,417
Special revenue funds	-	-	-	2,639,969	2,639,969
Capital projects funds	-	-	(505,629)	2,025,988	1,520,359
Total fund balances	5,693,676	3,860,375	(505,629)	4,919,178	13,967,600
<b>Total liabilities and fund balances</b>	<b>\$ 12,406,758</b>	<b>\$ 3,860,375</b>	<b>\$ 2,611,215</b>	<b>\$ 8,627,653</b>	<b>\$ 27,506,001</b>

See Notes to Basic Financial Statements.



**Village of Matteson, Illinois**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
April 30, 2006**

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Total fund balances-governmental funds	\$ 13,967,600
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	87,614,327
The net pension obligation resulting from contributions below the annual required contribution are not financial resources and therefore are not reported in the funds.	(52,186)
Unamortized bond issuance losses and costs are recorded as a contra liability in the Statement of Net Assets, but are recorded as expenditures in the funds.	379,796
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:	
Accrued interest	(404,200)
General obligation bonds	(25,375,000)
General obligation debt certificates	(630,000)
Capital lease	(810,000)
Compensated absences	(581,694)
	<hr/>
Net assets of governmental activities	<u>\$ 74,108,643</u>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

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

	General Fund	Tax Incremental Finance District IV Debt Service Fund	Tax Incremental Finance District IV Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Sales taxes	\$ 6,737,125	\$ -	\$ -	\$ -	\$ 6,737,125
Property taxes	2,996,155	-	-	3,363,128	6,359,283
Developer contributions	-	-	-	611,616	611,616
Other taxes	2,715,260	-	-	-	2,715,260
Licenses and permits	1,358,120	-	-	300,057	1,658,177
Charges for services	1,957,717	-	-	1,219,454	3,177,171
Intergovernmental	4,238	-	-	380,827	385,065
Fines and forfeitures	272,438	-	-	10,574	283,012
Interest	92,991	123,361	63,622	105,632	385,606
Recreation programs	222,091	-	-	-	222,091
Special projects	-	-	-	1,081,698	1,081,698
Miscellaneous	281,976	-	-	548,303	830,279
<b>Total revenues</b>	<b>16,638,111</b>	<b>123,361</b>	<b>63,622</b>	<b>7,621,289</b>	<b>24,446,383</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	6,161,810	-	76,215	166,545	6,404,570
Administration, finance, planning and engineering services	1,846,055	-	-	-	1,846,055
Community relations	291,282	-	-	-	291,282
Housing and human relations	2,982	-	-	-	2,982
Public safety services	6,144,596	-	-	-	6,144,596
Public works	535,246	-	-	366,750	901,996
Parks and recreation	860,035	-	-	-	860,035
Special projects	319,830	-	-	1,321,628	1,641,458
Capital equipment	1,162,318	-	-	-	1,162,318
Reimbursements and refunds	-	-	-	724,792	724,792
<b>Debt service:</b>					
Principal retirement	-	835,000	-	1,800,000	2,635,000
Interest and fees	-	394,806	-	708,582	1,103,388
Capital outlay	-	-	5,177,069	457,188	5,634,257
<b>Total expenditures</b>	<b>17,324,154</b>	<b>1,229,806</b>	<b>5,253,284</b>	<b>5,545,485</b>	<b>29,352,729</b>
Excess (deficiency) of revenues over (under) expenditures	(686,043)	(1,106,445)	(5,189,662)	2,075,804	(4,906,346)
<b>Other financing sources (uses):</b>					
Capital lease issued	810,000	-	-	-	810,000
Transfers in	1,380,018	-	1,035,600	1,295,253	3,710,871
Transfers (out)	(205,000)	-	-	(2,443,753)	(2,648,753)
<b>Total other financing sources (uses)</b>	<b>1,985,018</b>	<b>-</b>	<b>1,035,600</b>	<b>(1,148,500)</b>	<b>1,872,118</b>
<b>Net change in fund balances</b>	<b>1,298,975</b>	<b>(1,106,445)</b>	<b>(4,154,062)</b>	<b>927,304</b>	<b>(3,034,228)</b>
<b>Fund balances:</b>					
May 1, 2005	4,394,701	4,966,820	3,648,433	3,991,874	17,001,828
April 30, 2006	\$ 5,693,676	\$ 3,860,375	\$ (505,629)	\$ 4,919,178	\$ 13,967,600

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

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

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Net change in fund balances-total governmental funds \$ (3,034,228)

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

Governmental funds report capital outlays as expenditures 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 outlays in the current period.

Current year additions	1,141,982	
Depreciation expense	<u>(2,922,290)</u>	(1,780,308)

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

General Obligation Bonds	2,335,000
General Obligation Debt Certificates	300,000

Some capital additions were financed through the issuance of capital leases. In governmental funds, capital leases are considered other financing sources, but in the Statement of Net Assets, capital leases are reported as liabilities. (810,000)

Amortization of bond issuance losses and costs are recorded in the Statement of Activities and are not reflected in the funds. (25,806)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Accrued interest	(404,200)
Change in pension assets/obligation	(336,163)
Change in compensated absences	<u>114,642</u>

Change in net assets of governmental activities \$ (3,641,063)

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Net Assets - Enterprise Fund

April 30, 2006

	Business-Type Activities
	<u>Water Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 2,938,379
Accounts receivable	540,009
Due from other funds	596,014
<b>Total current assets</b>	<u>4,074,402</u>
Noncurrent assets	
Unamortized bond issue costs	69,391
Capital assets not being depreciated	29,780
Capital assets, net of accumulated depreciation	4,047,599
<b>Total noncurrent assets</b>	<u>4,146,770</u>
<b>Total assets</b>	<u>\$ 8,221,172</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 474,482
Accrued payroll	10,016
Due to other funds	3,371
Compensated absences	10,540
<b>Total current liabilities</b>	<u>498,409</u>
Long-term liabilities, net of current maturities	
General obligation bonds	3,500,000
Compensated absences	331
<b>Total liabilities</b>	<u>3,998,740</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	646,770
Unrestricted	3,575,662
<b>Total net assets</b>	<u>\$ 4,222,432</u>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

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

	Business-Type Activities
	<u>Water Fund</u>
<hr/>	
Operating revenues:	
Water sales	\$ 3,326,613
Water meter sales	105,178
Fines and forfeitures	95,180
Miscellaneous	176,010
<b>Total operating revenues</b>	<u>3,702,981</u>
Operating expenses:	
Operations	3,647,531
Depreciation	201,971
<b>Total operating expenses</b>	<u>3,849,502</u>
<b>Operating (loss)</b>	<u>(146,521)</u>
Non-operating income (expense):	
Interest income	17,002
Interest expense	(1,654)
<b>Total non-operating income (expense)</b>	<u>15,348</u>
<b>Income (loss) before transfers</b>	(131,173)
Transfer (out)	<u>(1,062,118)</u>
<b>Change in net assets</b>	(1,193,291)
Net assets:	
May 1, 2005	<u>5,415,723</u>
April 30, 2006	<u>\$ 4,222,432</u>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

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

	Business-type Activities <u>Water Fund</u>
Cash Flows from Operating Activities	
Cash received from customers	\$ 3,585,476
Payments to employees	(377,633)
Payments to suppliers	(2,927,418)
<b>Net cash provided by operating activities</b>	<u>280,425</u>
Cash flows from non-capital financing activities	
Increase in due from other funds	2,740
Decrease in advances to other funds	3,371
Transfer out	(1,062,118)
<b>Net cash used in non-capital financing activities</b>	<u>(1,056,007)</u>
Cash flows from capital and related financing activities	
Additions to capital assets	(206,058)
Proceeds from general obligation bonds	3,500,000
Issuance costs paid on general obligation bonds issued	(69,391)
Interest paid	(1,654)
<b>Net cash provided by capital and related financing activities</b>	<u>3,222,897</u>
Cash flows from investing activities,	
Cash receipts from interest income	<u>17,002</u>
<b>Net increase in cash and cash equivalents</b>	2,464,317
Cash and cash equivalents:	
May 1, 2005	<u>474,062</u>
April 30, 2006	<u>\$ 2,938,379</u>

(continued)

Village of Matteson, Illinois

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

	<u>Business-type Activities Water Fund</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating (loss)	<u>\$ (146,521)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	201,971
Changes in assets and liabilities	
Accounts receivable	(117,505)
Accounts payable	337,359
Accrued payroll and compensated absences	(9,112)
Prepaid	14,233
Total adjustments	<u>426,946</u>
Net cash provided by operating activities	<u>\$ 280,425</u>

See Notes to Basic Financial Statements.

**Village of Matteson, Illinois**

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

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**Assets**

Cash and cash equivalents	\$	653,538
Investments		
U.S. government securities		12,786,784
Pooled investment accounts		6,272,589
Equity mutual funds		8,637,346
Money market mutual funds		1,097,723
Accrued interest receivable		159,939
Prepaid expense		3,625
Due from other funds		153,223

**Total assets**

\$ 29,764,767

**Liabilities and Net Assets**

Liabilities,		
Accounts payable	\$	5,434
Net assets held in trust for employees' benefits		29,759,333

**Total liabilities and net assets**

\$ 29,764,767

See Notes to Basic Financial Statements.



Village of Matteson, Illinois

Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended April 30, 2006

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**Additions**

Contributions:

Employer	\$ 899,103
Participants	464,274
<b>Total contributions</b>	<u>1,363,377</u>

Investment income

Net appreciation in fair value of investments	2,057,060
Interest	451,389
Less: Investment expenses	(108,984)
<b>Net investment income</b>	<u>2,399,465</u>

**Total additions** 3,762,842

**Deductions**

Administration	62,614
Pension benefits and refunds	1,387,819
<b>Total deductions</b>	<u>1,450,433</u>

**Net increase** 2,312,409

Net assets held in trust for employees' benefits:

May 1, 2005	<u>27,446,924</u>
April 30, 2006	<u>\$ 29,759,333</u>

See Notes to Basic Financial Statements.

**Note 1. Summary of Significant Accounting Policies**

The Village of Matteson, Illinois, (Village) was incorporated April 18, 1889. The Village operates under a Village form of government with an elected President and Board of Trustees. Operational management is provided by a professional Village Administrator employed by the Board of Trustees. Municipal services include: police, fire, water utility, street maintenance, planning and development, parks and recreation, building and zoning, sewer, and general administrative services.

The accounting policies of the Village of Matteson 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:

**a) Financial Reporting Entity**

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, one component unit has been included within the reporting entity. The Matteson Public Library provides library services to the residents of the Village, but is governed by a board which is separately elected by the public. However, the Library is fiscally dependent on the Village because the Village Board approves the Library's budget, levies taxes and must approve any debt issuances. Financial data of the Library has been discretely presented to emphasize that it is legally separate from the Village.

**b) Government-Wide and Fund Financial Statements**

*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:

**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.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**(b) Government-Wide and Fund Financial Statements (Continued)**

**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.

**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 government, 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, Tax Incremental Finance District IV Debt Service Fund and the Tax Incremental Finance District IV Capital Projects Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village's enterprise fund, the Water Fund, is a major 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 government, public safety, public works, and parks and recreation.

**Tax Incremental Finance District IV Debt Service Fund** – This fund accounts for the repayment of principal and interest on the Series 2004C General Obligation TIF Bonds.

**Tax Incremental Finance District IV Capital Projects Fund** – This fund accounts for the developer payment and property taxes for the Tax Incremental Finance District IV.

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (b) Government-Wide and Fund Financial Statements (Continued)

The Village administers the following major proprietary fund:

*Water Fund* – This fund accounts for the self-supporting water utility activities of the Village, which render services of a commercial nature on a user charge basis to the general public.

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.

##### c) 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. 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 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, sales and 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.

The proprietary fund distinguishes 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.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**d) Assets, Liabilities, and Net Assets or Equity**

*1. Cash and Cash Equivalents*

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

*2. Investments*

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value which approximates fair value.

*3. Interfund Receivables, Payables and Activity*

The Village has the following types of transactions between funds:

**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.

**Transfers**—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

*4. Inventory and Prepaid Items*

Inventories are accounted for at cost, using the first-in, first-out method. The costs of General Fund inventories are recorded as expenditures when consumed rather than when purchased. Reported General Fund inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

*5. Capital Assets*

Capital assets which include land, land improvements, buildings and improvements, machinery, furniture, and equipment, streets, sidewalks, storm sewers, sanitary sewers, water distribution system, traffic signals, streetlights, right of ways, and bridges 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 \$10,000, 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.

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:

Land improvements	20 years
Buildings and improvements	50 years
Machinery, furniture and equipment	5 – 15 years
Streets	50 years
Sidewalks	40 years
Storm sewers	40 years
Sanitary sewers	40 years
Streetlights	25 years
Traffic signals	50 years
Bridges	50 years
Water distribution system	45 – 80 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

**6. Unearned Revenue**

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

**7. Compensated Absences**

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to received sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. The general fund is typically used to liquidate these liabilities.

**8. 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 gain or losses on bond sales are capitalized and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. 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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds' debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. Proprietary funds individually account for and service the applicable debt that benefits those funds.

**9. 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.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

*10. Fund Balance Reserves and 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.

*11. 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.

*12. 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.

*13. Capital Contributions*

Capital contributions reported in the governmental and the proprietary fund represent capital assets donated from outside parties, principally developers.

**(e) New Governmental Accounting Standards Adopted**

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, which amends certain provisions of Statement No. 3. The Village has implemented this statement for the year ended April 30, 2006.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, has been implemented by the Village beginning with its year ended April 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

**Note 2. Stewardship, Compliance and Accountability**

**a) Budgetary Information**

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

- a) The Village Administrator submits to the Village Board of Trustees, for its adoption, a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally adopted by the Village Board of Trustees.



## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability (Continued)

- d) Formal budgetary integration is employed as a management control device during the year for the general and certain special revenue funds. Formal budgetary policies are not employed for debt service funds and capital projects funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions and formal capital project authorizations, respectively.
- e) Budgets for the general and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items, departments and funds may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally to be the fund budget in total.
- h) Supplemental budgets were adopted for various funds.

#### b) Excess of Expenditures Over Budget

The Water Enterprise Fund overexpended its budget for the year ended April 30, 2006 by approximately \$1,700,000.

#### c) Fund Equity Deficits

As of April 30, 2006, the following funds had deficit fund balances:

Fund	Amount
Major Fund	
Tax Increment Finance District IV Capital Projects Fund	\$ 505,629
Nonmajor Funds	
Special Revenue:	
South Suburban Special Recreation	27,689
Hotel/Motel Tax	131,593
Debt Service:	
1997B Village Hall/Village Green TIF III Bonds	287
2001 General Obligation Bonds	48,972
2004A General Obligation Refunding Bonds	754,418
2004B General Obligation Refunding Bonds	193,768
Capital Projects:	
Tax Incremental Finance District III	80,685

The Village intends to fund these deficits through future operating revenues and future incremental property taxes.

#### Note 3. Deposits and Investments

As of April 30, 2006, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*.

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

#### Note 3. Deposits and Investments (Continued)

The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price the investment could be sold for.

Illinois Metropolitan Investment Fund (I.M.E.T.) is a not-for-profit investment fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T. is not registered with the SEC as an investment company. Investments in I.M.E.T. are valued at I.M.E.T.'s share price, which is the price the investment could be sold for.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2006, the carrying amount of the Village's deposits was \$10,669,261 with bank balances of \$10,823,429. Of these bank balances, \$5,581,118 was uninsured and uncollateralized.

As of April 30, 2006, the carrying amount of the Police and Fire Pension deposits were \$614,728 and \$38,810 with bank balances of \$634,525 and \$42,932, respectively. Of these bank balances, \$419,728 of the police pension funds were uninsured and uncollateralized.

As of April 30, 2006, the carrying amount of the Library's deposits was \$6,063. These deposits were entirely covered by federal depository insurance or collateralized with securities held by the Library or its agent in the Library's name. The Library also had \$100 in petty cash on hand at April 30, 2006.

*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	\$ 2,836,580	\$ -	\$ 2,212,045	\$ 624,535	\$ -
U.S. Treasury Bonds	1,106,962	10,480	21,297	1,075,185	-
Governmental National Mortgage Assn.	1,108,086	-	1,065	3,490	1,103,531
Federal Home Loan Mortgage Corp.	696,720	-	696,720	-	-
Federal Home Loan Bank	5,978,899	2,994,797	2,025,972	958,130	-
Federal National Mortgage Assn.	1,059,537	-	811,980	247,557	-
Pooled Investment Account IPPFA Group Trust	1,943,518	1,943,518	-	-	-
Money Market Mutual Funds	1,097,723	1,097,723	-	-	-
Illinois Metropolitan Investment Fund	687,117	687,117	-	-	-
Illinois Funds	5,504,453	5,504,453	-	-	-
	<u>\$22,019,595</u>	<u>\$12,238,088</u>	<u>\$ 5,769,079</u>	<u>\$ 2,908,897</u>	<u>\$ 1,103,531</u>

In addition, the Library had Illinois Funds investments of \$1,350,818 as of April 30, 2006, which mature in less than 1 year.

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 3. Deposits and Investments (Continued)

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.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's and Library's investment policies require diversified investments to eliminate the risk of loss resulting in over concentration in a specific maturity. However, the Village's and Library's investment policies do not specifically identify limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized rating organizations (NRSROs). It is the Village's policy to limit its investments in these types to the top rating issued by NRSROs. 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 Illinois Metropolitan Investment Fund, the IPPFA pooled investment account, and the money market mutual funds were not rated.

*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 required is as follows:

- a. Up to a 100% investment in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;
- b. Up to a 90% investment in interest bearing saving accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, or certificates of deposits with federally insured institutions that are collateralized or insured at levels acceptable to the Village in excess of the \$100,000 provided by the Federal Deposit Insurance Corporation coverage limit;
- c. Up to a 33% investment in collateralized repurchase agreements, commercial paper, the Illinois Funds or the Illinois Municipal League Liquid Asset Fund.

More than 5 percent of the Village's investments are in U.S. Government Agencies, federal home loan banks, as follows:

FHLB	18%
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*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. agency securities are held by the Village's agent in the Village's name. The remainder of the Village's investments are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

As of April 30, 2006, the Village's fair values of investments that are not included in the totals above are as follows:

Stock Equities	\$ 4,329,071
Equity mutual funds	8,637,346
	<u>\$ 12,966,417</u>

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 3. Deposits and Investments (Continued)**

The above cash and investments totaling \$47,665,792 are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Component Unit-Library	Fiduciary Funds	Total
Cash and cash equivalents	\$ 13,621,330	\$ 2,938,379	\$ 6,163	\$ 653,538	\$ 17,219,410
Investments	301,122	-	1,350,818	28,794,442	30,446,382
Total	<u>\$ 13,922,452</u>	<u>\$ 2,938,379</u>	<u>\$ 1,356,981</u>	<u>\$ 29,447,980</u>	<u>\$ 47,665,792</u>

**Note 4. Property Taxes**

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about February 1 and July 1, and are payable in two installments which become due on or about March 1 and August 1. The County collects such taxes and periodically remits them to the Village.

A reduction for collection losses based on historical collection experience has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after the year-end is not considered to pay current liabilities and is, therefore, shown as unearned revenue.

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets

a) Governmental Activities

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

	Balance May 1, 2005	Additions	Retirements	Balance April 30, 2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,199,413	\$ -	\$ -	\$ 6,199,413
Rights of way	23,632,642	-	-	23,632,642
Total capital assets not being depreciated	29,832,055	-	-	29,832,055
Capital assets being depreciated:				
Land improvements	3,554,752	-	-	3,554,752
Buildings and improvements	10,935,029	58,038	-	10,993,067
Machinery and equipment	6,280,924	1,083,944	14,500	7,350,368
Streets	19,147,080	-	-	19,147,080
Sidewalks	10,718,045	-	-	10,718,045
Storm sewers	28,190,363	-	-	28,190,363
Sanitary sewers	7,343,468	-	-	7,343,468
Streetlights	3,852,550	-	-	3,852,550
Traffic signals	309,500	-	-	309,500
Bridges	3,372,914	-	-	3,372,914
Total capital assets being depreciated	93,704,625	1,141,982	14,500	94,832,107
Less accumulated depreciation for:				
Land improvements	1,278,994	177,737	-	1,456,731
Buildings and improvements	2,808,808	219,760	-	3,028,568
Machinery and equipment	4,269,025	875,908	14,500	5,130,433
Streets	5,774,325	379,185	-	6,153,510
Sidewalks	3,980,403	248,541	-	4,228,944
Storm sewers	10,431,060	654,164	-	11,085,224
Sanitary sewers	2,768,326	169,893	-	2,938,219
Streetlights	2,217,528	122,182	-	2,339,710
Traffic signals	216,800	7,462	-	224,262
Bridges	396,776	67,458	-	464,234
Total accumulated depreciation	34,142,045	2,922,290	14,500	37,049,835
Total capital assets being depreciated, net	59,562,580	(1,780,308)	-	57,782,272
Governmental activities capital assets, net	\$ 89,394,635	\$ (1,780,308)	\$ -	\$ 87,614,327

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

b) Business-Type Activities

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

	Balance May 1, 2005	Additions	Retirements	Balance April 30, 2006
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 29,780	\$ -	\$ -	\$ 29,780
Capital assets being depreciated:				
Buildings and improvements	1,495,065	-	-	1,495,065
Machinery, furniture and equipment	2,640,978	206,058	-	2,847,036
Water distribution system	2,755,449	-	-	2,755,449
Total capital assets being depreciated	6,891,492	206,058	-	7,097,550
Less accumulated depreciation for:				
Buildings and improvements	888,870	40,407	-	929,277
Machinery, furniture and equipment	939,066	106,580	-	1,045,646
Water distribution system	1,020,044	54,984	-	1,075,028
Total accumulated depreciation	2,847,980	201,971	-	3,049,951
Total capital assets being depreciated, net	4,043,512	4,087	-	4,047,599
Business-type activities capital assets, net	\$ 4,073,292	\$ 4,087	\$ -	\$ 4,077,379

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

**Note 5. Capital Assets (Continued)**

A summary of changes in the capital assets for the Library during the year ended April 30, 2006 is as follows:

	Balance May 1, 2005	Additions	Retirements	Balance April 30, 2006
Capital assets not being depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital assets being depreciated:				
Building	3,029,741	-	-	3,029,741
Furniture and fixtures	534,666	24,583	2,651	556,598
Site improvement	168,810	9,900	-	178,710
Equipment	6,083			6,083
Library collection	802,948	166,491	374,157	595,282
Total capital assets being depreciated	4,542,248	200,974	376,808	4,366,414
Less accumulated depreciation for:				
Building	1,363,384	100,991	-	1,464,375
Furniture and fixtures	447,188	33,847	2,386	478,649
Site improvements	129,823	9,863	-	139,686
Equipment	2,887	492	-	3,379
Library collection	529,715	113,566	374,157	269,124
Total accumulated depreciation	2,472,997	258,759	376,543	2,355,213
Total capital assets being depreciated, net	2,069,251	(57,785)	265	2,011,201
Capital assets, net	\$ 2,369,251	\$ (57,785)	\$ 265	\$ 2,311,201

Village of Matteson, Illinois

Notes to Basic Financial Statements

**Note 5. Capital Assets (Continued)**

**c) Depreciation Charged to Functions / Activities**

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 1,765,866	\$ -
Public safety	898,710	-
Public works	131,926	-
Parks and recreation	125,789	-
Water	-	201,971
	<u>\$ 2,922,290</u>	<u>\$ 201,971</u>

**Note 6. Long-Term Obligations**

*Governmental Activities*

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
General obligation bonds:					
Series 1996	\$ 705,000	\$ -	\$ 345,000	\$ 360,000	\$ 360,000
Series 1997B	350,000	-	-	350,000	-
Series 2001	2,635,000	-	80,000	2,555,000	85,000
Series 2002B	1,900,000	-	165,000	1,735,000	170,000
Series 2003A	2,170,000	-	80,000	2,090,000	85,000
Series 2003B	4,295,000	-	50,000	4,245,000	50,000
Series 2004	1,000,000	-	190,000	810,000	195,000
Series 2004A	2,930,000	-	385,000	2,545,000	395,000
Series 2004B	2,880,000	-	205,000	2,675,000	210,000
Series 2004C	8,845,000	-	835,000	8,010,000	860,000
Less deferred amounts:					
For issuance costs	(114,305)	-	12,780	(101,525)	-
On refunding	(291,297)	-	13,026	(278,271)	-
General obligation debt certificates, Series 2002	930,000	-	300,000	630,000	310,000
Capital lease	-	810,000	-	810,000	264,383
Pension obligation	(283,977)	336,163	-	52,186	-
Compensated absences	718,445	611,318	718,445	611,318	521,416
	<u>\$ 28,668,866</u>	<u>\$ 1,757,481</u>	<u>\$ 3,379,251</u>	<u>\$ 27,098,708</u>	<u>\$ 3,505,799</u>



**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Obligations (Continued)**

*Business-Type Activities*

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			Outstanding Debt		Due
	As of May 1, 2005	Additions	Reductions	as of April 30, 2006		within one year
General obligation bonds, Series 2006	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -	-
Unamortized issuance costs	-	(69,391)	-	(69,391)	-	-
Compensated absences	22,054	10,871	22,054	10,871		10,540
	<u>\$ 22,054</u>	<u>\$ 3,441,480</u>	<u>\$ 22,054</u>	<u>\$ 3,441,480</u>	<u>\$</u>	<u>10,540</u>

*Component Unit*

The Library has compensated absences outstanding of \$19,620, all of which is due within one year.

Long-term obligations outstanding of the Village are as follows:

General Obligation TIF III Bond Series 1996

The Village issued general obligation bonds on December 1, 1996 to provide financing for the purpose of constructing a new Village Hall and the Village Green. These bonds were partially refunded during 2004 by general obligation bond series 2003B. The remaining debt service requirements are due serially on December 1 through 2007, bearing interest at 5.15%. The Village has pledged future tax incremental finance property tax revenues from Redevelopment Project Area #3 (TIF #3) for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 360,000	\$ 18,540

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Obligations (Continued)**

General Obligation TIF III Bond Series 1997B

The Village issued general obligation bonds on February 1, 1997 to provide financing for the purpose of constructing a new Village Hall and the Village Green. The bonds are due serially on December 1 through 2014, bearing interest at 5.00% to 5.125%. The Village has pledged future tax incremental finance property tax revenues within Redevelopment Project Area #3 (TIF #3) for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ -	\$ 17,813
2008	-	17,813
2009	-	17,813
2010	-	17,813
2011	-	17,813
2012	-	17,813
2013	100,000	17,813
2014	125,000	12,813
2015	125,000	6,406
	<u>\$ 350,000</u>	<u>\$ 143,910</u>

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Long-Term Obligations (Continued)

##### General Obligation Bond Series 2001

The Village issued general obligation bonds on February 15, 2001 to provide financing of a new fire station. The bonds are due serially on December 1 through 2020, bearing interest at 4.125% to 5.625%. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 85,000	\$ 122,555
2008	95,000	117,774
2009	105,000	112,430
2010	115,000	106,524
2011	130,000	101,780
2012	140,000	96,255
2013	155,000	90,165
2014	170,000	83,267
2015	185,000	75,533
2016	195,000	66,930
2017	210,000	57,765
2018	220,000	47,685
2019	235,000	37,015
2020	250,000	25,500
2021	265,000	13,250
	<u>\$ 2,555,000</u>	<u>\$ 1,154,428</u>

##### General Obligation Refunding Bond Series 2002B

The Village issued general obligation bonds, Series 2002B on September 16, 2002 to provide for the refunding of the Series 1995B bonds. The bonds are due serially on December 1 through 2014, bearing interest at 2.00% to 3.60%. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 170,000	\$ 50,350
2008	175,000	45,200
2009	185,000	39,850
2010	185,000	34,640
2011	200,000	29,963
2012	200,000	24,587
2013	205,000	18,343
2014	205,000	11,857
2015	210,000	5,040
	<u>\$ 1,735,000</u>	<u>\$ 259,830</u>

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Obligations (Continued)**

General Obligation Bond Series 2003A

The Village issued general obligation bonds, (utility tax alternate revenue source) on December 2, 2003 to provide for the acquisition of land and related infrastructure for the future site of the Village's Community Center. The bonds are due serially on December 1 through 2023, bearing interest at 1.40% to 4.95%. The Village has pledged future utility tax revenue for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 85,000	\$ 87,247
2008	85,000	85,377
2009	90,000	83,210
2010	90,000	80,600
2011	95,000	77,720
2012	95,000	74,348
2013	100,000	70,785
2014	105,000	66,885
2015	110,000	62,685
2016	115,000	58,120
2017	120,000	53,175
2018	125,000	47,835
2019	130,000	42,147
2020	135,000	36,103
2021	140,000	29,757
2022	150,000	23,038
2023	155,000	15,763
2024	165,000	8,168
	<u>\$ 2,090,000</u>	<u>\$ 1,002,963</u>

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Long-Term Obligations (Continued)

##### General Obligation Refunding Bond Series 2003B

The Village issued general obligation refunding bonds (alternate revenue source) on December 2, 2003 to provide for the partial refunding of general obligation TIF III bond series 1996. The bonds are due serially on December 1 through 2015, bearing interest at 3.20% to 3.70%. The Village has pledged future utility tax revenue for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 50,000	\$ 142,235
2008	430,000	140,635
2009	450,000	126,875
2010	465,000	112,475
2011	485,000	97,595
2012	500,000	82,075
2013	415,000	66,075
2014	415,000	52,380
2015	440,000	37,855
2016	595,000	22,015
	<u>\$ 4,245,000</u>	<u>\$ 880,215</u>

##### General Obligation Bond Series 2004

The Village issued general obligation bonds (sales tax alternate revenue source) on April 15, 2004 to finance the purchase of capital equipment to be used in Village operations. The bonds are due serially on December 1 through 2009, bearing interest at 2.00% to 3.25%. The Village has pledged future sales tax revenue for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 195,000	\$ 23,658
2008	200,000	18,783
2009	205,000	13,283
2010	210,000	6,825
	<u>\$ 810,000</u>	<u>\$ 62,549</u>

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Long-Term Obligations (Continued)

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2004A

The Village issued general obligation bonds on October 1, 2004 to provide for the refunding of the Series 1997A general obligation bonds. The bonds are due serially on December 1 through 2011, bearing interest at 2.50% to 3.50%. The Village has pledged incremental property tax revenues for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 395,000	\$ 74,526
2008	405,000	65,639
2009	415,000	55,514
2010	425,000	44,931
2011	445,000	31,119
2012	460,000	16,100
	<u>\$ 2,545,000</u>	<u>\$ 287,829</u>

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2004B

The Village issued general obligation bonds on October 1, 2004 to provide for the refunding of the Series 1997C general obligation bonds. The bonds are due serially on December 1 through 2016, bearing interest at 2.50% to 4.00%. The Village has pledged future sales tax revenues for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 210,000	\$ 90,679
2008	215,000	85,429
2009	220,000	80,322
2010	225,000	74,272
2011	230,000	66,960
2012	240,000	59,197
2013	245,000	50,798
2014	260,000	41,610
2015	270,000	32,250
2016	275,000	22,125
2017	285,000	11,400
	<u>\$ 2,675,000</u>	<u>\$ 615,042</u>

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Obligations (Continued)**

Tax Increment Revenue Bonds, Series 2004C

The Village issued tax increment revenue bonds on October 1, 2004 to provide financing for capital improvements within Redevelopment Project Area #4 (TIF #4). The bonds are due serially on December 1 through 2017, bearing interest at 3.00% to 5.50%. The Village has pledged future tax incremental finance property tax revenues from TIF #4 for the repayment of these bonds. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 860,000	\$ 366,956
2008	895,000	336,856
2009	925,000	303,294
2010	965,000	263,981
2011	1,005,000	222,969
2012	1,055,000	173,975
2013	1,110,000	121,225
2014	215,000	65,725
2015	225,000	53,900
2016	240,000	41,525
2017	250,000	28,325
2018	265,000	14,575
	<u>\$ 8,010,000</u>	<u>\$ 1,993,306</u>

General Obligation Limited Tax Debt Certificates Series 2002

The Village issued general obligation limited tax debt certificates on November 21, 2002 to provide financing of various capital projects in the Village. The bonds are due semiannually on May 1 and November 1 through 2007, bearing interest at 3.30% to 3.60%. Debt service requirements for these bonds are as follows:

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 310,000	\$ 19,658
2008	320,000	8,640
	<u>\$ 630,000</u>	<u>\$ 28,298</u>

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Obligations (Continued)**

General Obligation Bonds (Waterworks Series 2006 Alternate Revenue Source)

The Village issued general obligation bonds on March 6, 2006 to provide financing of improvements to the waterworks system. The bonds are due semiannually on June 1 and December 1 through 2020, bearing interest at 3.625% to 4.00%.

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ -	\$ 93,443
2008	190,000	131,404
2009	195,000	124,516
2010	205,000	117,448
2011	215,000	110,016
2012	220,000	102,222
2013	230,000	94,248
2014	240,000	85,910
2015	250,000	77,210
2016	265,000	68,148
2017	275,000	58,342
2018	285,000	48,030
2019	295,000	37,200
2020	310,000	25,400
2021	325,000	13,000
	<u>\$ 3,500,000</u>	<u>\$ 1,186,537</u>

Capital Lease:

Capital lease, dated August 18, 2005, provides for the retirement of principal on May 30 of each year in annual amounts of \$264,383 in 2007, \$267,893 in 2008, and \$277,724 in 2009. Interest is due on May 30 of each year at 3.67%. The lease is collateralized by equipment with a net book value of \$782,396 at April 30, 2006.

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 264,383	\$ 23,534
2008	267,893	20,024
2009	277,724	10,192
	<u>\$ 810,000</u>	<u>\$ 53,750</u>



**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

Annual debt service requirements to maturity for the Village for general obligation bonds, general obligation certificates and capital leases are as follows:

Year ending April 30,	Governmental Activities		Business Type Activities	
	General Obligation Bonds and Certificates and Capital Leases		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 2,984,383	\$ 1,109,669	\$ -	\$ 93,443
2008	3,087,893	942,170	190,000	131,404
2009	2,872,724	842,783	195,000	124,516
2010	2,680,000	742,061	205,000	117,448
2011	2,590,000	645,919	215,000	110,016
2012-2016	9,500,000	1,798,475	1,205,000	427,738
2017-2021	2,630,000	444,532	1,490,000	181,972
2022-2024	470,000	46,969	-	-
Totals	<u>\$ 26,815,000</u>	<u>\$ 6,572,578</u>	<u>\$ 3,500,000</u>	<u>\$ 1,186,537</u>

*Legal Debt Margin*

Equalized Assessed Valuation (2005 Tax Year)	<u>\$ 482,391,137</u>
Bond debt limit - 8.625% of assessed value	\$ 41,606,236
Amount of debt applicable to debt limit -	
Series 1996 general obligation TIF III bonds	\$ 360,000
Series 1997B general obligation TIF III bonds	350,000
Series 2001 general obligation bonds	2,555,000
Series 2002B refunding general obligation bonds	1,735,000
Series 2003A general obligation bonds (alternate revenue)	2,090,000
Series 2003B general obligation refunding bonds (alternate revenue)	4,245,000
Series 2004 general obligation bonds	810,000
Series 2004A refunding general obligation bonds (alternate revenue)	2,545,000
Series 2004B refunding general obligation bonds (alternate revenue)	2,675,000
Series 2004C TIF IV bonds (alternate revenue)	8,010,000
Series 2002 general obligation debt certificates (alternate revenue)	630,000
Less alternate revenue source bonds	<u>(20,195,000)</u>
Total amount of debt applicable to debt limit	<u>5,810,000</u>
Legal debt margin	<u>\$ 35,796,236</u>

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Pension and Retirement Plan Commitments

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 is an agent multiple employer pension plan that 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 publicly available financial report that includes financial statements and required supplementary information. That report may be obtained 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 10.56 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 remaining amortization period at December 31, 2005, was 27 years.

For April 30, 2006, the Village's annual pension cost of \$420,501 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) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% 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) postretirement 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 and the schedule of funding progress were based on the 2002-2004 experience study.

##### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/06	\$ 420,501	100 %
04/30/05	381,486	100
04/30/04	335,441	100

##### **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. The Police Pension Plan's most recent actuary report was April 30, 2005.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

**Note 7. Pension and Retirement Plan Commitments (Continued)**

Covered employees are required to contribute 9.91% 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 2005 was 10.03% of covered payroll.

The Village's annual pension cost and net pension (asset) obligation to the Plan for the current year were as follows:

Annual required contribution	\$	547,940
Interest on net pension obligation		(17,864)
Adjustment to annual requirement contribution		18,702
Annual pension cost		<u>548,778</u>
Contributions made		<u>241,415</u>
Decrease in net pension asset		307,363
Net pension (asset), beginning of year		<u>(255,197)</u>
Net pension obligation, end of year	<u>\$</u>	<u>52,166</u>

The annual required contribution for the year ended April 30, 2005, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. 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 32 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/05	\$ 548,778	\$ 241,415	43.99	\$ 52,166
04/30/04	484,454	361,875	74.70	(255,197)
04/30/03	377,471	347,056	91.94	(377,776)

Membership in the plan consisted of the following as of April 30, 2005:

Retirees and beneficiaries receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>41</u>
<b>Total members</b>	<u><u>62</u></u>

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Pension and Retirement Plan Commitments (Continued)

##### Firefighters' Pension Plan

The information below is provided by the State of Illinois Department of Insurance and does not comply with accounting principles generally accepted in the United States of America.

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 mandated by Illinois State Statutes and may be amended only by the Illinois legislature. The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2006 was \$2,082,446 of a total payroll of \$9,733,429. At April 30, 2006 the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	8
Current employees, vested and nonvested	<u>33</u>
<b>Total</b>	<u><u>41</u></u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2% of such monthly salary for each additional month over 20 years of service through 30 years of service and one-twelfth of 1% of such monthly service for each additional month over 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased 3% annually.

Covered employees are required to contribute 9.45% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9-1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

##### Related Party Transactions

The Firefighters' Pension Plan did not have any investment securities in the form of bonds, notes, loans or any other instrument representing debt of the Village.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Pension and Retirement Plan Commitments (continued)**

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess, on a going-concern basis, the funding status of the system to which contributions are made, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is independent of the funding method used to determine contributions to the systems.

The pension benefit obligations were computed as part of the actuarial valuations performed as of the following dates, and the significant actuarial assumptions used in those valuations are as follows:

Actuarial valuation date	Fire- fighters' Pension <hr/> April 30, 2006**
Significant actuarial assumptions:	
a) Rate of return on investment of present and future assets	7.00% compounded annually
b) Projected salary increases - attributable to inflation	*
c) Additional projected salary increases - attributable to seniority/merit	*

\* Separate information for b. and c. is not available. Combined projected salary increases are 5.50% compounded annually.

\*\* Latest information available.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Pension and Retirement Plan Commitments (continued)**

The unfunded pension benefit obligation applicable to the Village's employees as of the preceding valuation dates and within the Firefighters' Pension Plan is as follows:

	<u>Fire- fighters' Pension</u>
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits	\$ 6,118,911
Terminated employees not yet receiving benefits	-
Current employees:	
Unallocated	-
Accumulated employee contributions including allocated investment earnings	8,965,683
Employer - financed vested	*
Employer - financed nonvested	*
<b>Total pension             benefit obligation</b>	<u>15,084,594</u>
Net assets available for benefits, at market**	<u>11,203,527</u>
Unfunded (assets in excess of) pension benefit obligation***	<u><u>\$ 3,881,067</u></u>

\* The concept of vesting is not clearly defined in Illinois State Statutes. Benefit accrual rates are delineated, but they do not assist in definitively determining vesting status. As such no detail allocation can be determined for the Firefighters' Pension Fund.

\*\* Net assets available for benefits, at fair value, at April 30, 2006, for the Firefighters' Pension Plan was \$12,282,753.

\*\*\* No asset or obligation has been recorded for the Firefighters' Pension Plan.

**Actuarially Determined Contribution Requirements and Contributions Made**

The funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal costs is determined using the entry age normal actuarial funding method. The firefighters' plan uses the level dollar amount method to amortize the unfunded liability over a forty-year period.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Pension and Retirement Plan Commitments (continued)**

The following contributions to the Plan for the year ended April 30, 2006, were based on, determined and made in accordance with actuarially determined requirements computed through actuarial valuations as of the actuarial valuation date.

	<u>Firefighters' Pension</u>
	<u>April 30, 2006</u>
Actuarial valuation date	
Contribution requirements:	
As a dollar amount:	
Normal cost	\$ 469,271
Amortization of unfunded actuarial accrued liability (credit for surplus)	168,170
Death and disability cost	-
Cost of supplemental retirement benefit	-
	<u>\$ 637,441</u>
As a % of covered payroll:	
Normal cost	22.53%
Amortization of unfunded actuarial accrued liability	8.08%
Death and disability cost	-
Cost of supplemental retirement benefit	-
	<u>22.62%</u>
Contributions made:	
As a dollar amount:	
Employer	\$ 419,145
Employee	233,480
	<u>\$ 652,625</u>
As a % of covered payroll:	
Employer	20.13%
Employee	11.21%
	<u>31.34%</u>

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 7. Pension and Retirement Plan Commitments (continued)**

Trend Information

Historical trend information gives an indication of the progress in accumulating sufficient assets to pay benefits when due. Ten-year trend information is not available in accordance with GASB No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB No. 27, *Accounting for Pension by State and Local Government Employers*. Accordingly, in accordance with GASB Technical Bulletin 96-1, ten-year trend information is not presented.

Within the Village's financial statements, the required three-year historical trend information for the Plan is as follows:

	Fiscal Year	Firefighters' Pension
Net assets available as a percentage of the pension benefit obligation	2004	*
	2005	*
	2006	*
Unfunded (assets in excess of) pension benefit obligation as a percentage of annual covered payroll	2004	*
	2005	*
	2006	*
Total employer contributions as a percentage of annual covered payroll	2004	*
	2005	*
	2006	20.13%

\* Information not available.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation.

Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay liabilities when due. Generally, the smaller this percentage, the stronger the system.



Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (Continued)

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

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 614,728	\$ 38,810	\$ 653,538
Investments:			
U.S. government securities	6,594,755	6,192,029	12,786,784
Pooled investment accounts	1,943,518	4,329,071	6,272,589
Equity mutual funds	8,164,509	472,837	8,637,346
Money market mutual funds	21,469	1,076,254	1,097,723
Accrued interest receivable	80,971	78,968	159,939
Prepaid expense	3,625	-	3,625
Due from the Village	57,567	95,656	153,223
	<u>\$ 17,481,142</u>	<u>\$ 12,283,625</u>	<u>\$ 29,764,767</u>
<b>Total assets</b>			
<b>Liabilities and Net Assets</b>			
Liabilities,			
Accounts payable	\$ 4,562	\$ 872	\$ 5,434
Net assets held in trust for employees' benefits	<u>17,476,580</u>	<u>12,282,753</u>	<u>29,759,333</u>
	<u>\$ 17,481,142</u>	<u>\$ 12,283,625</u>	<u>\$ 29,764,767</u>
<b>Total liabilities and net assets</b>			

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (Continued)

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

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions:			
Employer	\$ 479,958	\$ 419,145	\$ 899,103
Participants	230,794	233,480	464,274
<b>Total contributions</b>	<b>710,752</b>	<b>652,625</b>	<b>1,363,377</b>
Investment income:			
Net appreciation in fair value of investments	1,322,738	734,322	2,057,060
Interest	230,911	220,478	451,389
Less: Investment expenses	(33,668)	(75,316)	(108,984)
<b>Net investment income</b>	<b>1,519,981</b>	<b>879,484</b>	<b>2,399,465</b>
<b>Total additions</b>	<b>2,230,733</b>	<b>1,532,109</b>	<b>3,762,842</b>
<b>Deductions</b>			
Administration	29,091	33,523	62,614
Pension benefits and refunds	938,952	448,867	1,387,819
<b>Total deductions</b>	<b>968,043</b>	<b>482,390</b>	<b>1,450,433</b>
<b>Net increase</b>	<b>1,262,690</b>	<b>1,049,719</b>	<b>2,312,409</b>
Net assets held in trust for employees' benefits:			
May 1, 2005	16,213,890	11,233,034	27,446,924
April 30, 2006	\$ 17,476,580	\$ 12,282,753	\$ 29,759,333

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village carries private commercial insurance for workers' compensation, general liability and property coverage.

The Village is self-insured for employee health and accident claims. A purchased insurance policy limits the aggregate claims the Village may potentially pay up to \$50,000 per individual and \$1,000,000 in aggregate per calendar year. All administration and claims processing is done by an independent administrator. As of April 30, 2006, all significant claims incurred and reported have been accrued. All incurred and not reported claims have been estimated based on historical experience and have been accrued. There has been no significant reduction in insurance coverage from the prior year.

The Village did not exceed its insurance coverage during the years ended April 30, 2006, 2005 or 2004.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 8. Risk Management (Continued)**

Changes in aggregated claims payable for the years ended April 30, 2006 and 2005 were as follows:

	2006	2005
Beginning balance	\$ 255,650	\$ 297,777
Provision for claims	1,664,124	1,684,695
Claims paid	(1,755,238)	(1,726,822)
Ending balance	<u>\$ 164,536</u>	<u>\$ 255,650</u>

Claims payable of \$164,536 are included in accounts payable of \$2,048,461 in the Village's general fund at April 30, 2006.

The Library is exposed to various risks of loss through property ownership, employee injury, liability of employees, elected officials' actions and other items. The Library purchased commercial insurance policies to overcome these risks. During the past year, the insurance coverage for the building and personal property decreased by \$1,305,080. Claims have not exceeded coverage in the last three years.

**Note 9. Lake Michigan Water Project**

In 1983, the Village entered into a water service supply agreement with the Village of Oak Lawn, Illinois (Oak Lawn) whereby Oak Lawn constructed a water transmission line to provide Lake Michigan water to the Village and to two neighboring communities. The purpose of the transmission line, as well as the related assets constructed by the Village, was to provide, pump, and store Lake Michigan water. The project began operations in February 1985.

To finance the construction of the transmission line, which remains the property of Oak Lawn, Oak Lawn issued general obligation bonds. As part of the water supply agreement, the Village was responsible for its share of the costs related to the construction of the transmission line. In addition to the transmission line costs, the Village is responsible for a portion of principal and interest on the bonded debt incurred by Oak Lawn to finance the expansion of the pumping and storage system, and is to make semiannual payments to Oak Lawn as the bonds are repaid through the year 2012. Payments were allocated in proportion to the original water allocation and are considered future commitments and are a component of the water service fees. The following is a summary of the Village's commitment for these water service fees related to the general obligation bonds of Oak Lawn:

Year ending April 30:

2007	\$ 248,320
2008	248,156
2009	249,645
2010	249,632
2011	250,471
2012	<u>279,279</u>
	<u>\$ 1,525,503</u>

The Village also pays Oak Lawn for the purchase of Lake Michigan water which is based upon water consumption. During the year ended April 30, 2006, this additional amount totaled \$1,069,963.

**Village of Matteson, Illinois**

**Notes to Basic Financial Statements**

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**Note 10. Interfund Balances**

**a) Due To/From Other Funds**

Individual interfund balances for the Village at April 30, 2006, are shown as follows:

<b>Fund</b>	<b>Due From Other Funds</b>
General	
Tax Increment Finance District IV Capital Project	\$ 49,115
Nonmajor Governmental	302,788
Tax Increment Finance District IV Capital Project	
Nonmajor Governmental	965,215
Tax Increment Finance District IV Debt Service	
Tax Increment Finance District IV Capital Project	3,066,484
Nonmajor Governmental	
General	868,448
Water	3,371
Other Nonmajor Governmental	318,420
Water Fund	
General	271,857
Nonmajor Governmental	324,157
Fiduciary	
General	153,223
Total	\$ 6,323,078

<b>Fund</b>	<b>Due To Other Funds</b>
General	
Nonmajor Governmental	\$ 868,448
Water	271,857
Fiduciary	153,223
Tax Increment Finance District IV Capital Project	
General	49,115
Tax Increment Finance District IV Debt Service	3,066,484
Nonmajor Governmental	
General	302,788
Tax Increment Finance District IV Capital Project	965,215
Other Nonmajor Governmental	318,420
Water	324,157
Water Fund	
Nonmajor Governmental	3,371
Total	\$ 6,323,078

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

## Village of Matteson, Illinois

### Notes to Basic Financial Statements

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#### Note 10. Interfund Balances (Continued)

##### b) Transfers In/Out

The interfund transfers in and out for the year ended April 30, 2006, are as follows:

<u>Fund</u>	<u>Transfers In</u>
General	
Water	\$ 1,062,118
Nonmajor Governmental	317,900
TIF IV Capital Projects	
Nonmajor Governmental	1,035,600
Nonmajor Governmental	
General	205,000
Other Nonmajor Governmental	1,090,253
Total	<u>\$ 3,710,871</u>

<u>Fund</u>	<u>Transfers Out</u>
General	
Nonmajor Governmental	\$ 205,000
Water	
General	1,062,118
Nonmajor Governmental	
General	317,900
TIF IV Capital Projects	1,035,600
Other Nonmajor Governmental	1,090,253
Total	<u>\$ 3,710,871</u>

Transfers are used to a.) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; b.) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; and c.) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### Note 11. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Village employees, permits them to defer a portion of their salary until future years. The Village made no contributions to the plan for the year ended April 30, 2006.

#### Note 12. Commitments

The Village has agreements with several retail stores in the community to provide possible future economic assistance. The Village has agreed to remit 50% of the total sales taxes received by the Village as a result of sales made by these retail stores. During the year ended April 30, 2006, the Village expended \$1,318,196 under these agreements.

#### Note 13. Defeased Debt

The Village defeased certain general obligation 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 liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2006, \$10,700,000 of bonds outstanding are considered defeased.

Notes to Basic Financial Statements

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**Note 14. 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 ended April 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The Village is required to implement this Statement for the year ending April 30, 2009.

GASB Statement No. 46, *Net Assets Restricted by Legislation, an Amendment of GASB Statement No. 34*, clarifies the definition of "legally enforceable enabling legislation" as established in GASB Statement No. 34, and requires the government to separately disclose the portion of net assets that is restricted by enabling legislation. This Statement will become effective for year ending April 30, 2007.

GASB Statement No. 47, *Accounting for Termination Benefits*, establishes accounting standards for voluntary and involuntary termination benefits, including termination benefits provided through a defined benefit other post employment benefit plan (OPEB). For those termination benefits provided through a defined benefit OPEB plan, this Statement must be implemented concurrently with Statement No. 45. For all other termination benefits, this Statement will become effective for the year ending April 30, 2007.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, will be effective for the Village beginning with its year ending April 30, 2008. This statement will establish criteria that governments will use to ascertain whether proceeds received should be reported as revenue or as a liability.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, will be effective for the Village beginning with its year ended April 30, 2009. This Statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessment and cleanups.

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, will be effective for the Village beginning with its year ending April 30, 2009. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed on the notes to the financial statement or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Village beginning with its year ended April 30, 2011. This statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby, enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

**Note 15. Subsequent Event**

In December 2006, the Village issued \$2,340,000 in General Obligation Refunding Series 2006A. The proceeds from these bonds are being used for the Village's Community Center Capital Project.

**Village of Matteson, Illinois**

**Schedule of Funding Progress  
Illinois Municipal Retirement Fund**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded (Overfunded) AAL	(1)/(2) Funded Ratio	(3) Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2005	\$ 9,064,057	\$ 11,350,620	\$ 2,286,563	79.86 %	\$ 4,704,138	48.61 %
12/31/2004	8,361,032	10,633,865	2,272,833	78.63	4,500,169	50.51
12/31/2003	7,659,414	9,172,557	1,513,143	83.50	4,251,203	35.59
12/31/2002	8,162,088	9,109,920	947,832	89.60	4,134,040	22.93
12/31/2001	9,025,524	8,679,415	(346,109)	103.99	3,380,671	(10.24)
12/31/2000	8,303,332	7,439,936	(863,396)	111.60	2,998,101	(28.80)

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$9,173,214. On a market basis, the funded ratio would be 80.82%.

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 early retirements are expected to occur.

**Village of Matteson, Illinois**

**Schedule of Funding Progress  
Police Pension Fund**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
04/30/2005*	\$ 17,695,128	\$ 22,728,317	\$ 5,033,189	77.85 %	\$ 2,406,240	209.17 %
04/30/2004	17,520,234	21,185,282	3,665,048	82.70	2,304,283	159.05
04/30/2003	16,575,350	19,780,307	3,204,957	83.80	2,168,483	147.80
04/30/2002	15,701,208	17,596,047	1,894,839	89.23	2,170,691	87.29
04/30/2001	14,620,178	15,677,767	1,057,589	93.25	1,963,032	53.88
04/30/2000	13,042,762	14,100,114	1,057,352	92.50	1,915,537	55.20

\* Latest information available.

**Schedule of Employer Contributions  
Police Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2005	\$ 547,940	44.06 %
2004	483,429	74.86
2003	375,076	92.53
2002	329,666	87.45
2001	335,031	104.45

Information presented for as many years as available.



**Village of Matteson, Illinois**

**Schedule of Funding Progress  
Firefighters' Pension Fund**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
04/30/2005*	N/A	N/A	N/A	N/A %	N/A	N/A %
04/30/2004	\$ 11,091,147	\$ 12,059,981	\$ 968,834	91.97	\$ 1,981,546	48.89
04/30/2003	10,000,594	10,650,630	650,036	93.90	1,840,833	35.31
04/30/2002	8,988,501	9,431,178	442,677	95.31	1,616,878	27.38
04/30/2001	8,207,832	8,459,204	251,372	97.03	1,473,424	17.06
04/30/2000	7,339,882	7,243,735	(96,147)	101.33	1,415,699	(6.79)

\* Latest information available.

**Schedule of Employer Contributions  
Fire Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2005	N/A	N/A %
2004	\$ 373,312	89.74
2003	297,028	107.61
2002	271,469	89.31
2001	222,667	113.48

Information presented for as many years as available.

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 General Fund  
 Year Ended April 30, 2006

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Sales taxes	\$ 6,991,150	\$ 6,991,150	\$ 6,737,125	\$ (254,025)
Property taxes	3,138,903	3,435,561	2,996,155	(439,406)
Other taxes	3,354,408	3,112,745	2,715,260	(397,485)
Licenses and permits	1,254,385	1,515,037	1,358,120	(156,917)
Charges for services	1,841,780	2,010,603	1,957,717	(52,886)
Intergovernmental	7,800	4,238	4,238	-
Fines and forfeitures	198,700	255,551	272,438	16,887
Interest	21,000	48,284	92,991	44,707
Recreation programs	198,392	252,144	222,091	(30,053)
Miscellaneous	707,628	707,628	281,976	(425,652)
<b>Total revenues</b>	<b>17,714,146</b>	<b>18,332,941</b>	<b>16,638,111</b>	<b>(1,694,830)</b>
Expenditures:				
Current:				
General government	6,741,032	7,516,808	6,161,810	1,354,998
Administration, finance, planning, and engineering services	1,694,787	1,806,890	1,846,055	(39,165)
Housing and human relations	-	4,060	2,982	1,078
Community relations	350,471	293,981	291,282	2,699
Public safety services	6,258,003	5,973,151	6,144,596	(171,445)
Public works	699,133	586,145	535,246	50,899
Parks and recreation	1,033,697	948,808	860,035	88,773
Special projects	511,840	235,962	319,830	(83,868)
Capital equipment	668,973	494,686	1,162,318	(667,632)
<b>Total expenditures</b>	<b>17,957,936</b>	<b>17,860,491</b>	<b>17,324,154</b>	<b>536,337</b>
Excess (deficiency) of revenue over (under) expenditures	(243,790)	472,450	(686,043)	(1,158,493)
Other financing sources (uses):				
Capital lease issued	-	-	810,000	810,000
Transfers in	742,036	742,036	1,380,018	1,380,018
Transfers out	(535,845)	(535,845)	(205,000)	(205,000)
<b>Total other financing sources (uses)</b>	<b>206,191</b>	<b>206,191</b>	<b>1,985,018</b>	<b>1,985,018</b>
<b>Change in fund balance</b>	<b>\$ (37,599)</b>	<b>\$ 678,641</b>	<b>1,298,975</b>	<b>\$ 826,525</b>
Fund balances:				
May 1, 2005			<u>4,394,701</u>	
April 30, 2006			<u>\$ 5,693,676</u>	

See Note to Required Supplementary Information.

**Note to Required Supplementary Information**

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**Note 1. Budgetary Basis of Accounting**

The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Village of Matteson, Illinois

**Schedule of General Fund Revenues  
Budget and Actual  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Sales tax	\$ 6,991,150	\$ 6,991,150	\$ 6,737,125	\$ 6,692,470
Property taxes	3,044,743	3,297,691	2,864,804	3,240,433
Road and bridge taxes	94,160	137,870	131,351	98,175
	<u>3,138,903</u>	<u>3,435,561</u>	<u>2,996,155</u>	<u>3,338,608</u>
<b>Other taxes:</b>				
Income taxes	1,059,918	997,205	943,804	900,834
Replacement taxes	88,810	88,810	133,176	98,339
Utility tax	1,808,680	1,808,680	1,372,428	997,338
Sales use taxes	145,000	154,644	161,881	132,994
Hotel/motel	32,500	32,500	27,332	29,376
TIF distributions	190,000	-	55,368	-
Miscellaneous taxes	29,500	30,906	21,271	25,307
<b>Total other taxes</b>	<u>3,354,408</u>	<u>3,112,745</u>	<u>2,715,260</u>	<u>2,184,188</u>
<b>Licenses and permits:</b>				
Business licenses	61,525	67,118	62,875	63,750
Liquor licenses	5,800	6,327	34,500	36,600
Vending machine licenses	3,311	3,612	14,448	14,675
Miscellaneous licenses	2,381	2,597	2,512	2,474
Contractor licenses	55,200	60,218	59,600	59,800
Building permits	658,144	810,000	691,215	703,243
Electric permits	131,057	160,000	137,607	141,019
Plumbing permits	136,888	160,000	143,741	145,791
Mechanical permits	125,634	145,000	131,739	134,231
Alarm permits	43,989	46,000	49,127	49,520
Fire services	30,456	54,165	30,756	15,487
<b>Total licenses and permits</b>	<u>1,254,385</u>	<u>1,515,037</u>	<u>1,358,120</u>	<u>1,366,590</u>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Revenues  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Revenues: (continued)				
Charges for services:				
Payroll processing	\$ 2,997	\$ 3,269	\$ 3,238	\$ -
Existing structure inspection	35,622	38,860	41,441	37,523
Inspections and reinspections	23,705	25,860	25,295	5,780
Construction inspection	110,747	120,815	112,023	61,395
Engineering review	101,332	110,544	102,182	69,552
Plan review income	87,151	97,047	91,628	76,101
Scavenger services	746,911	814,812	786,850	831,991
Police reports	4,935	4,800	5,380	5,830
Fire reports	985	1,075	1,015	1,246
Fire protection agreement	427,201	466,037	464,588	448,803
Ambulance service	254,032	277,126	276,206	242,462
Planning/review	35,612	38,849	37,171	31,663
Health inspections	10,550	11,509	10,700	12,250
<b>Total charges for services</b>	<b>1,841,780</b>	<b>2,010,603</b>	<b>1,957,717</b>	<b>1,824,596</b>
Intergovernmental:				
Police reimbursement	6,000	-	-	7,759
Fire training grant	1,800	4,238	4,238	2,026
<b>Total intergovernmental</b>	<b>7,800</b>	<b>4,238</b>	<b>4,238</b>	<b>9,785</b>
Fines and forfeitures:				
Traffic and parking	83,200	110,292	122,724	78,659
Court fines	62,000	62,000	70,114	65,058
Other fines and penalties	53,500	83,259	79,600	66,393
<b>Total fines and forfeitures</b>	<b>198,700</b>	<b>255,551</b>	<b>272,438</b>	<b>210,110</b>

(continued)

Village of Matteson, Illinois

**Schedule of General Fund Revenues  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Revenues: (continued)				
Interest:				
Investments	\$ 21,000	\$ 48,284	\$ 92,991	\$ 35,088
<b>Total interest</b>	<b>21,000</b>	<b>48,284</b>	<b>92,991</b>	<b>35,088</b>
Recreation programs:				
Summer	34,395	34,395	34,395	19,125
Fall	16,756	29,274	16,756	31,585
Winter/Spring	25,246	41,898	28,304	46,154
Preschool	23,273	13,900	10,576	-
Matteson Community Theater	-	2,066	2,066	3,746
Matteson festival	71,300	84,286	86,661	40,765
Miscellaneous	27,422	46,325	43,333	17,615
<b>Total recreation programs</b>	<b>198,392</b>	<b>252,144</b>	<b>222,091</b>	<b>158,990</b>
Miscellaneous:				
Other reimbursed salaries	27,000	27,000	23,028	27,744
S.R.O.	26,565	26,565	26,565	60,735
Southcom utility payments	2,218	2,218	2,433	2,400
Tower rent	44,902	44,902	48,970	32,401
Building rent	7,600	7,600	10,945	9,709
Vending machines	1,000	1,000	741	4,556
IBT franchise fee	-	-	-	337,965
Cable franchise fee	145,465	145,465	138,340	116,229
Sale of equipment	18,547	18,547	17,001	12,727
Gas franchise fee	31,966	31,966	29,302	-
Fire and police applications	1,887	1,887	1,730	-
Range rental	629	629	577	403
Miscellaneous revenues (expenses)	399,849	399,849	(17,656)	(22,309)
<b>Total miscellaneous</b>	<b>707,628</b>	<b>707,628</b>	<b>281,976</b>	<b>582,560</b>
<b>Total general fund revenues</b>	<b>\$ 17,714,146</b>	<b>\$ 18,332,941</b>	<b>\$ 16,638,111</b>	<b>\$ 16,402,985</b>

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures:				
General government:				
Executive/legislative department:				
Salaries - Board trustees	\$ 36,000	\$ 36,000	\$ 36,000	\$ 24,001
Salaries - Village president	10,000	10,000	10,142	6,500
Salaries - Liquor commissioner	5,000	5,000	5,358	3,500
Supplies	14,500	14,073	12,660	1,458
Telephone	4,400	4,400	-	-
Liquor license investigation	100	170	156	234
Subscriptions	100	-	-	132
Conference/expenses	15,000	8,000	5,225	15,439
Travel	200	111	102	53
Legislative contact	1,000	500	332	1,273
Commissioner recognition	4,500	4,500	3,990	3,127
Public education	500	200	100	55
Trustee expense	6,000	8,871	8,876	4,099
Strategic planning	12,000	9,000	8,119	10,706
<b>Total executive/legislative department</b>	<b>109,300</b>	<b>100,825</b>	<b>91,060</b>	<b>70,577</b>
Office of the Village clerk:				
Officials fees	49,866	49,566	49,045	42,673
Books	200	250	214	143
Legal notices	1,000	2,697	3,155	122
Dues	80	87	80	80
Training/conference	1,000	775	875	409
<b>Total office of the Village clerk</b>	<b>52,146</b>	<b>53,375</b>	<b>53,369</b>	<b>43,427</b>
Memberships/contributions:				
NIPC	1,870	4,020	4,020	1,868
Municipal league	900	916	916	885
SSMMA	12,093	13,853	13,853	12,093
SS Chamber of Commerce	800	540	540	-
Chicago Southland alliance	5,000	5,000	5,000	1,655
SS housing center	1,500	6,000	6,000	4,500
MACC	2,650	2,650	2,650	4,650
Miscellaneous	3,500	5,236	4,912	3,478
<b>Total memberships/contributions</b>	<b>28,313</b>	<b>38,215</b>	<b>37,891</b>	<b>29,129</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
General government: (continued)				
Fire/police commission:				
Commissioner salary	\$ 2,750	\$ 2,750	\$ 7,500	\$ 7,500
Office supplies	120	252	251	156
Testing costs	24,000	48,110	46,361	13,393
Legal services	5,800	2,000	741	3,591
Recruitment	3,000	3,014	2,763	111
Legal notices	350	200	-	-
Postage	350	200	104	57
Dues	340	375	375	375
Conferences	2,500	3,000	3,000	3,094
<b>Total fire/police commission</b>	<b>39,210</b>	<b>59,901</b>	<b>61,095</b>	<b>28,277</b>
Park and recreation commission:				
Officials fees	-	2,030	1,855	1,925
Temporary service	-	-	-	45
<b>Total park and recreation commission</b>	<b>-</b>	<b>2,030</b>	<b>1,855</b>	<b>1,970</b>
Legal services:				
Village attorney	53,000	67,261	69,479	55,152
Special counsel	3,500	19,900	19,225	5,325
Collective bargaining	24,000	42,343	43,754	35,518
Code prosecutions	1,500	1,100	1,644	1,300
Police prosecutions	11,000	2,155	2,075	12,178
<b>Total legal services</b>	<b>93,000</b>	<b>132,759</b>	<b>136,177</b>	<b>109,473</b>

(continued)



Village of Matteson, Illinois

**Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
General government: (continued)				
Other professional and contractual:				
Auditing service	\$ 72,000	\$ 84,400	\$ 95,040	\$ 90,025
Scavenger service	761,300	761,300	793,968	764,705
Programming costs	5,000	2,500	2,433	6,800
Telephone	210,000	191,000	203,102	214,252
Pagers	-	50	14	54
Subscriptions	-	-	-	45
Postage	5,000	6,350	4,032	2,042
Electricity	84,900	102,600	109,141	83,416
Heat	62,600	79,309	84,525	65,922
Copier rental	14,000	12,700	13,025	14,000
Postage machine rental	2,700	2,200	2,230	2,172
Payment to Southcom	455,092	471,000	392,437	444,215
Security	-	-	-	3,518
Materials and supplies	28,000	30,730	30,779	32,836
Appraisal service	-	1,200	1,000	12,341
Wetland mitigation	13,000	7,000	-	9,000
Financial consulting	23,000	10,120	8,449	13,882
<b>Total other professional and contractual</b>	<b>1,736,592</b>	<b>1,762,459</b>	<b>1,740,175</b>	<b>1,759,225</b>
Taxes and employee benefits:				
Social Security	651,835	612,500	688,342	667,245
IMRF	374,313	374,313	420,501	381,486
Health and other benefits	1,800,000	2,648,523	2,121,463	1,498,759
Employee health insurance payments	(240,000)	(344,308)	(366,225)	(160,607)
Unemployment compensation	51,479	75,000	80,101	79,436
Workers' compensation	619,336	619,336	521,606	458,808
Fire and police pension contribution	847,438	847,438	-	698,531
Compensated absences	17,000	2,000	19,996	31,907
Fire department salary incentive	75,000	75,000	102,500	10,000
General liability	-	2,200	1,805	120
<b>Total taxes and employee benefits</b>	<b>4,196,401</b>	<b>4,912,002</b>	<b>3,590,089</b>	<b>3,665,685</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
General government: (continued)				
General maintenance and repair:				
Computer maintenance and repair	\$ 25,000	\$ 19,700	\$ 26,750	\$ 21,355
Equipment maintenance and repair	47,500	50,980	57,175	49,754
Vehicle maintenance and repair	134,000	117,000	131,953	145,203
Grounds maintenance	6,000	500	10,097	6,322
Restoration	-	1,800	1,598	5,707
<b>Total general maintenance and repair</b>	<b>212,500</b>	<b>189,980</b>	<b>227,573</b>	<b>228,341</b>
Building operations, maintenance and repair:				
Building materials and supplies	130,570	138,798	78,322	-
Janitorial services	51,000	51,000	52,810	50,856
Exterminating	-	164	224	420
Building maintenance and repairs	87,900	72,800	88,464	94,171
<b>Total building operations, maintenance and repair</b>	<b>269,470</b>	<b>262,762</b>	<b>219,820</b>	<b>145,447</b>
<b>Miscellaneous</b>	<b>4,100</b>	<b>2,500</b>	<b>2,706</b>	<b>43,647</b>
<b>Total general government</b>	<b>6,741,032</b>	<b>7,516,808</b>	<b>6,161,810</b>	<b>6,125,198</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Administration/finance/planning/ engineering services:				
Administrative services:				
Salaries	\$ 546,968	\$ 570,850	\$ 567,940	\$ 466,786
Office material and supplies	1,600	2,202	2,056	1,207
Books	300	280	259	66
Employee relations	9,500	15,077	16,343	9,661
Labor relations	-	-	-	17
EAP program	3,900	3,970	3,970	4,056
Recruitment expense	5,000	53,000	54,885	43,286
Postage	1,000	500	73	35
Dues	3,000	1,355	2,137	1,260
Subscriptions	800	135	127	-
Conferences and meetings	12,500	11,040	13,078	9,723
Travel	5,790	7,300	1,904	21,849
Other training	1,000	123	123	305
<b>Total administrative services</b>	<b>591,358</b>	<b>665,832</b>	<b>662,895</b>	<b>558,251</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Administration/finance/planning/ engineering services: (continued)				
Finance and budget management:				
Salaries	\$ 251,961	\$ 306,936	\$ 321,528	\$ 181,242
Treasurer	900	491	900	1,350
Office supplies	1,300	4,452	4,204	1,661
Books	400	170	156	170
Employee relations	-	209	192	-
Auditing service	500	183	168	959
Printing	-	548	518	-
Dues	910	806	739	853
Conference/training	4,200	2,243	2,056	4,239
Travel	100	10	9	46
Temporary services	-	20,843	19,106	-
<b>Total finance and budget management</b>	<b>260,271</b>	<b>336,891</b>	<b>349,576</b>	<b>190,520</b>
Planning/economic development:				
Salaries	348,092	119,418	119,204	197,250
Office supplies	750	1,390	1,412	574
Books	-	44	197	136
Engineering	70,000	70,000	93,936	17,730
Consulting appraisal	-	10,900	10,900	-
Legal Notices	1,000	1,200	1,590	-
Printing	1,500	1,500	197	161
Postage	500	500	498	1,343
Dues	3,500	3,500	2,160	3,435
Conference and training	2,500	2,500	892	1,933
Travel	400	900	637	334
<b>Total planning/economic development</b>	<b>428,242</b>	<b>211,852</b>	<b>231,623</b>	<b>222,896</b>
Planning commission:				
Officials fees	-	7,650	4,410	3,420
Reference materials	-	365	88	-
Legal notices	-	-	-	2,314
APA dues (7 members)	-	500	-	195
<b>Total planning commission</b>	<b>-</b>	<b>8,515</b>	<b>4,498</b>	<b>5,929</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Administration/finance/planning/ engineering services: (continued)				
Building inspection services:				
Salaries	\$ 356,291	\$ 493,280	\$ 509,465	\$ 300,496
Salaries - overtime	-	26,850	23,866	-
Part time inspectors	40,000	45,000	44,775	39,122
Office supplies	1,000	1,500	1,253	1,106
Tools and equipment	1,300	1,100	1,315	4,264
Books	750	750	592	428
Motor fuel and lubrication	4,500	5,670	6,637	4,040
Uniforms	1,500	1,400	1,441	500
Printing	1,500	1,900	1,831	1,436
Postage	1,200	950	983	911
Dues	675	550	530	528
Subscriptions	200	200	56	-
Conference and training	6,000	4,650	4,719	2,531
<b>Total building inspection services</b>	<b>414,916</b>	<b>583,800</b>	<b>597,463</b>	<b>355,362</b>
<b>Total administration, finance, planning, engineering services</b>	<b>1,694,787</b>	<b>1,806,890</b>	<b>1,846,055</b>	<b>1,332,958</b>
Community relations:				
Administration:				
Salaries	273,671	212,181	210,092	274,932
Office supplies	1,500	1,200	1,771	1,413
Film and processing	200	200	46	125
Residential marketing	40,000	40,000	37,168	34,095
Printing	13,000	15,200	17,362	13,000
Postage	9,000	6,000	6,441	7,629
Dues	500	500	385	280
Subscriptions	500	600	517	457
Conference and training	2,500	1,500	628	1,605
Travel	800	1,600	1,692	695
Community relations program	8,800	15,000	15,180	10,602
<b>Total community relations</b>	<b>350,471</b>	<b>293,981</b>	<b>291,282</b>	<b>344,833</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Housing and human relations commission:				
Official fees	\$ -	\$ 3,360	\$ 2,835	\$ 2,625
Supplies	-	150	103	150
Printing	-	550	44	300
<b>Total housing and human relations commission</b>	<b>-</b>	<b>4,060</b>	<b>2,982</b>	<b>3,075</b>
Public safety services:				
Police department:				
Police administration:				
Salaries	455,094	374,423	382,688	392,583
Office supplies	200	260	311	141
Materials and supplies	250	250	237	561
Books	250	250	250	233
Inoculations	750	750	125	211
Prisoner meals	2,599	2,599	2,397	2,453
Uniforms	2,500	3,200	3,388	2,630
Parking ticket collection services	-	8,602	10,146	-
Animal control	2,200	2,200	2,295	1,313
Dues	550	550	510	520
Subscriptions	750	775	762	584
Conferences	4,000	3,000	2,853	2,453
Travel	500	500	150	107
<b>Total police administration</b>	<b>469,643</b>	<b>397,359</b>	<b>406,112</b>	<b>403,789</b>
Police uniform division:				
Salaries	2,032,149	1,791,220	1,867,024	1,931,319
Salaries - overtime	237,715	240,000	251,017	230,719
Training	-	-	-	2,916
Leave coverage	102,000	115,000	116,011	118,560
Reimbursed overtime salaries	11,300	10,658	8,501	9,715
Equipment supplies	2,200	2,000	2,175	2,184
Tools and equipment	3,000	3,000	2,993	3,000
Uniforms	30,000	3,800	28,654	24,642
<b>Total police uniform division</b>	<b>2,418,364</b>	<b>2,165,678</b>	<b>2,276,375</b>	<b>2,323,055</b>

(continued)

Village of Matteson, Illinois

**Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety services: (continued)				
Police department: (continued)				
Police support services:				
Office supplies	\$ 18,000	\$ 18,500	\$ 17,525	\$ 17,789
Materials and supplies	400	700	1,052	384
Equipment supplies	1,800	1,800	1,704	1,800
Film and film processing	2,000	2,000	1,272	1,601
Tools and equipment	600	600	303	599
Vehicle license fees	950	950	767	747
Motor fuel and lubricants	90,000	90,000	93,054	82,544
Cleaning supplies	1,800	1,800	1,763	1,349
Postage	4,000	4,600	5,842	4,659
Copy machine rental	9,800	9,800	9,852	9,897
<b>Total police support services</b>	<b>129,350</b>	<b>130,750</b>	<b>133,134</b>	<b>121,369</b>
Police training:				
Training	40,000	44,674	46,592	44,888
Office supplies	300	300	237	296
Materials and supplies	500	450	420	500
Equipment supplies	1,900	1,900	1,833	973
Tools and equipment	1,400	1,400	1,618	1,264
Ammunition	10,000	6,000	8,317	9,241
Cleaning supplies	100	200	185	101
Dues	400	400	200	270
Subscriptions	300	300	266	294
Conferences and training	22,000	22,000	20,581	20,535
Travel	1,300	1,200	916	4,054
<b>Total police training</b>	<b>78,200</b>	<b>78,824</b>	<b>81,165</b>	<b>82,416</b>
Police communications/records:				
Salaries	180,490	180,490	177,279	173,873
Salaries - overtime	13,455	15,000	14,168	11,281
Uniforms	2,500	2,500	1,150	961
<b>Total police communications/records</b>	<b>196,445</b>	<b>197,990</b>	<b>192,597</b>	<b>186,115</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety services: (continued)				
Police department: (continued)				
Police youth investigations:				
Salaries	\$ 302,924	\$ 288,424	\$ 271,051	\$ 213,712
Salaries - overtime	28,463	57,000	63,693	44,112
Office supplies	100	100	63	185
Materials and supplies	500	500	521	497
Equipment supplies	650	650	650	622
Film and film processing	750	600	272	481
Tools and equipment	600	750	750	764
Uniforms	2,000	2,500	2,127	2,793
Dues	100	100	90	110
Travel	200	100	2,647	75
<b>Total police youth investigations</b>	<b>336,287</b>	<b>350,724</b>	<b>341,864</b>	<b>263,351</b>
<b>Total police department</b>	<b>3,628,289</b>	<b>3,321,325</b>	<b>3,431,247</b>	<b>3,380,095</b>
Fire department:				
Fire administration:				
Salaries	247,389	135,015	136,525	228,530
Office supplies	2,500	2,500	2,126	2,471
Motor fuel and lubricants	4,200	4,200	4,565	3,917
Printing	500	500	96	492
Postage	900	1,050	906	867
Dues	1,375	1,540	1,705	1,375
Subscriptions	85	85	85	25
Conference and training	4,000	4,000	4,353	3,000
Equipment rental	5,345	5,345	5,444	5,312
<b>Total fire administration</b>	<b>266,294</b>	<b>154,235</b>	<b>155,805</b>	<b>245,989</b>

(continued)



Village of Matteson, Illinois

**Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety services: (continued)				
Fire department: (continued)				
Fire inspection services:				
Salary	\$ 153,933	\$ 141,665	\$ 146,948	\$ 103,590
Books	625	625	626	626
Printing	200	200	103	40
Training	1,000	1,224	861	704
<b>Total fire inspection services</b>	<b>155,758</b>	<b>143,714</b>	<b>148,538</b>	<b>104,960</b>
Emergency medical services:				
Salaries	638,070	638,070	668,073	615,279
Salaries - overtime	42,140	78,500	85,771	87,762
Tools and equipment	5,300	5,300	1,165	1,428
Inoculations	2,528	2,528	434	1,458
Vehicle license fees	175	175	143	107
Motor fuel and lubricants	8,000	10,200	10,031	7,427
Medical supplies	5,900	8,000	9,171	5,971
Printing	1,200	1,200	611	1,148
Conference/training	4,880	4,880	1,852	2,827
<b>Total emergency medical services</b>	<b>708,193</b>	<b>748,853</b>	<b>777,251</b>	<b>723,407</b>

(continued)

Village of Matteson, Illinois

**Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety services: (continued)				
Fire department: (continued)				
Fire department suppression:				
Salaries	\$ 638,070	\$ 638,070	\$ 661,547	\$ 603,130
Salaries - overtime	42,816	91,500	101,998	117,255
Leave coverage	-	3,331	-	-
Materials and supplies	750	750	738	1,648
Equipment supplies	500	500	-	346
Tools and equipment	8,000	9,200	8,502	10,502
Motor fuel and lubricants	12,200	15,200	15,190	13,930
Protective clothing	12,000	12,000	2,450	14,480
Uniforms	12,500	16,000	16,122	16,036
M.A.B.A.S.	-	200	-	-
Physical examinations	2,700	2,900	3,191	1,762
Hazard material membership	2,750	2,750	1,500	2,500
Training	12,000	12,000	10,245	10,241
<b>Total fire department suppression</b>	<b>744,286</b>	<b>804,401</b>	<b>821,483</b>	<b>791,830</b>
Fire education, training and investigation:				
Salaries	364,612	364,612	375,128	344,645
Salaries - overtime	55,838	59,338	49,749	50,960
Training	40,000	40,000	46,335	33,951
Training materials	2,000	2,000	1,429	1,908
Photo supplies/processing	300	300	110	142
Investigative materials	500	500	387	403
Public education	2,103	2,103	2,102	1,595
<b>Total fire education, training and investigation</b>	<b>465,353</b>	<b>468,853</b>	<b>475,240</b>	<b>433,604</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public safety services: (continued)				
Fire department: (continued)				
Fire support services:				
Salaries	\$ 182,306	\$ 182,306	\$ 187,564	\$ 172,323
Salaries - overtime	22,582	60,622	62,987	30,765
Equipment supplies	650	650	554	625
Tools and equipment	6,500	6,500	9,675	5,871
Cleaning supplies	6,000	6,000	6,013	4,958
Opticom maintenance	2,500	6,400	-	1,381
<b>Total fire support services</b>	<b>220,538</b>	<b>262,478</b>	<b>266,793</b>	<b>215,923</b>
Fire part-time:				
POC/station duty pay	67,792	67,792	65,839	56,691
Training	1,500	1,500	2,400	1,500
<b>Total fire part-time</b>	<b>69,292</b>	<b>69,292</b>	<b>68,239</b>	<b>58,191</b>
<b>Total fire department</b>	<b>2,629,714</b>	<b>2,651,826</b>	<b>2,713,349</b>	<b>2,573,904</b>
<b>Total public safety services</b>	<b>6,258,003</b>	<b>5,973,151</b>	<b>6,144,596</b>	<b>5,953,999</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public works:				
Public works administration:				
Salaries	\$ 164,494	\$ 61,096	\$ 60,926	\$ 199,467
Salaries - overtime	22,000	11,350	11,839	24,637
Office supplies	1,000	1,200	1,138	816
Materials and supplies	1,200	2,000	1,233	1,050
Uniforms	3,000	1,500	1,438	1,313
Consulting engineering	-	-	-	64,689
Dumping fee	-	-	-	6,315
JULIE - locator	-	-	-	4,126
Postage	100	150	88	54
Dues and subscriptions	650	500	493	544
Conference and training	6,000	1,500	631	659
Travel	350	250	169	423
Equipment rental	3,500	3,500	3,300	3,510
Outdoor siren maintenance	3,500	3,500	2,850	2,775
<b>Total public works administration</b>	<b>205,794</b>	<b>86,546</b>	<b>84,105</b>	<b>310,378</b>
Public works vehicle/equipment:				
Salaries	97,445	97,445	86,148	94,094
Salaries - overtime	100	1,000	683	434
Materials and supplies	5,000	5,000	3,006	4,841
Tools and equipment	13,000	13,000	13,072	12,328
Motor fuel and lubrication	25,000	30,350	32,921	27,132
<b>Total public works vehicle/equipment</b>	<b>140,545</b>	<b>146,795</b>	<b>135,830</b>	<b>138,829</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Public works: (continued)				
Public works roadway maintenance:				
Salaries	\$ 327,794	\$ 327,794	\$ 292,682	\$ 305,559
Salaries - overtime	25,000	25,000	22,620	27,531
Streetlight maintenance and repair	-	10	9	-
<b>Total public works roadway maintenance</b>	<b>352,794</b>	<b>352,804</b>	<b>315,311</b>	<b>333,090</b>
<b>Total public works</b>	<b>699,133</b>	<b>586,145</b>	<b>535,246</b>	<b>782,297</b>
Parks and recreation:				
Park administration:				
Salaries	148,296	280,285	254,057	260,944
Salaries - overtime	6,210	15,000	7,195	5,955
Office supplies	5,000	5,000	4,570	5,335
Materials and supplies	5,000	5,000	2,734	3,534
Film and film processing	-	200	130	32
Tools and equipment	200	200	36	70
Motor fuel and lubricants	-	4,125	5,067	2,307
Cleaning supplies	-	1,073	1,154	851
Paint	100	100	168	82
Uniforms	700	700	292	268
Vending	1,000	432	432	2,882
Program guide	18,000	18,000	12,576	15,526
Printing	3,500	3,500	3,154	5,385
Postage	4,500	2,500	2,278	3,000
Dues	2,300	2,300	86	1,168
Subscriptions	300	300	281	688
Conference	3,150	3,150	1,677	1,533
Travel	1,000	750	805	1,212
Equipment rental	15,000	16,000	14,522	11,717
<b>Total park administration</b>	<b>214,256</b>	<b>358,615</b>	<b>311,214</b>	<b>322,489</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006  
 With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Parks and recreation (continued)				
Park and ground maintenance:				
Salaries	\$ 216,633	\$ 216,633	\$ 215,548	\$ 305,259
Salaries - overtime	35,000	35,000	32,732	32,624
Part-time seasonal	10,200	18,947	20,304	10,277
Materials and supplies	3,300	6,000	6,126	3,979
Office supplies	300	600	597	201
Small tools and equipment	3,000	2,000	1,947	1,938
Motor fuel and lubricants	14,000	14,000	12,001	13,113
Cleaning supplies	1,000	1,000	669	1,180
Paint	1,200	1,400	1,459	1,155
Protective clothing	100	100	18	35
Uniforms	1,000	1,000	936	578
Dues	850	850	258	699
Grounds maintenance	20,000	18,000	17,347	10,530
Equipment rental	1,000	500	732	767
Conferences and training	1,000	1,000	610	714
<b>Total park and grounds maintenance</b>	<b>308,583</b>	<b>317,030</b>	<b>311,284</b>	<b>383,049</b>
Seasonal programs:				
Summer programs - regular	26,006	23,000	23,810	18,534
Fall programs - regular	41,443	38,943	15,835	21,405
Winter/Spring - regular	42,911	40,811	23,426	33,319
<b>Total seasonal programs</b>	<b>110,360</b>	<b>102,754</b>	<b>63,071</b>	<b>73,258</b>

(continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Parks and recreation: (continued)				
Other programs:				
Matteson youth baseball	\$ 25,000	\$ 14,282	\$ 20,982	\$ (5,197)
Matteson festivals	121,000	116,475	117,394	95,156
Concerts	5,500	5,251	5,251	5,000
Teen nights	800	650	675	938
Open gym	18,000	18,000	15,167	15,951
Kiddy Kamp	3,600	3,058	3,058	3,386
Day camp	7,000	6,499	6,499	7,842
Teen nights out	1,600	1,600	-	-
Community special event	4,000	4,475	5,331	3,658
Engineering review	-	-	-	96
Matteson community theatre	-	119	109	929
<b>Total other programs</b>	<b>186,500</b>	<b>170,409</b>	<b>174,466</b>	<b>127,759</b>
<b>Total parks and recreation</b>	<b>1,033,697</b>	<b>948,808</b>	<b>860,035</b>	<b>906,555</b>
Special projects:				
2005 census	45,000	72,419	105,929	-
Motor court		-	-	11,427
Economic development alert	22,000	6,585	22,681	23,851
Holiday decorations		-	-	2,450
Banner program	5,000	14,930	6,780	36,533
Marketing contract	36,000	-	-	33,000
Village Message Sign	-	690	690	47,013
Preservation bike path	74,000	-	35,167	8,586
ADA Playground	35,000	37,958	37,958	-
Playground Improvement	34,480	23,380	32,415	-
Ridgeland Manor	2,800	-	1,622	-
Travel		-	1,670	-
Gov hwy floodgate	155,560	-	-	-
Kimco Infrastructure costs	100,000	80,000	74,918	-
<b>Total special projects</b>	<b>511,840</b>	<b>235,962</b>	<b>319,830</b>	<b>164,863</b>

(continued)

Village of Matteson, Illinois

**Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006			2005 Actual
	Original Budget	Final Budget	Actual	
Expenditures: (continued)				
Capital equipment:				
Computer equipment/system	\$ -	\$ 115,200	\$ 114,814	\$ 63,536
Municipal code update	-	-	-	5,378
Protective clothing	-	-	-	8,502
Squad cars, trucks and other licensed vehicles	460,663	167,881	974,084	318,640
Consulting-IT	-	-	3,150	-
Community center improvements/carpet	199,560	199,560	58,038	10,412
Street Salt Spreader	3,750	7,760	3,860	-
Block replacement in range	-	-	-	5,500
GIS	-	-	4,087	2,400
Furniture and equipment	5,000	4,285	4,285	-
<b>Total capital equipment</b>	<b>668,973</b>	<b>494,686</b>	<b>1,162,318</b>	<b>414,368</b>
Debt service	-	-	-	8,061
<b>Total general fund expenditures</b>	<b>\$ 17,957,936</b>	<b>\$ 17,860,491</b>	<b>\$ 17,324,154</b>	<b>\$ 16,036,207</b>



Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2006

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,064,609	\$ 1,299,553	\$ 2,111,478	\$ 5,475,640
Investments	60,782	-	-	60,782
Receivables				
Property taxes	107,444	1,549,533	-	1,656,977
Accounts	32,423	-	-	32,423
Intergovernmental	204,541	-	-	204,541
Miscellaneous	5,850	-	1,201	7,051
Due from other funds	1,026,266	163,973	-	1,190,239
<b>Total assets</b>	<b>\$ 3,501,915</b>	<b>\$ 3,013,059</b>	<b>\$ 2,112,679</b>	<b>\$ 8,627,653</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 126,827	\$ -	\$ -	\$ 126,827
Accrued payroll	2,411	-	-	2,411
Due to other funds	613,584	1,210,305	86,691	1,910,580
Unearned revenue	119,124	1,549,533	-	1,668,657
<b>Total liabilities</b>	<b>861,946</b>	<b>2,759,838</b>	<b>86,691</b>	<b>3,708,475</b>
Fund Balances:				
Reserved for debt service	-	253,221	-	253,221
Unreserved	2,639,969	-	2,025,988	4,665,957
<b>Total fund balances</b>	<b>2,639,969</b>	<b>253,221</b>	<b>2,025,988</b>	<b>4,919,178</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,501,915</b>	<b>\$ 3,013,059</b>	<b>\$ 2,112,679</b>	<b>\$ 8,627,653</b>

Village of Matteson, Illinois

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

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 143,093	\$ 1,245,199	\$ 1,974,836	\$ 3,363,128
Developer contributions	-	611,616	-	611,616
Licenses and permits	300,057	-	-	300,057
Charges for services	1,219,454	-	-	1,219,454
Intergovernmental	380,827	-	-	380,827
Fines and forfeitures	10,574	-	-	10,574
Interest	32,040	32,086	41,506	105,632
Special projects	1,081,698	-	-	1,081,698
Miscellaneous	548,303	-	-	548,303
<b>Total revenues</b>	<b>3,716,046</b>	<b>1,888,901</b>	<b>2,016,342</b>	<b>7,621,289</b>
Expenditures:				
Current:				
Administrative services	166,545	-	-	166,545
Public works	366,750	-	-	366,750
Special projects	1,321,628	-	-	1,321,628
Reimbursements and refunds	-	-	724,792	724,792
Debt service:				
Principal retirement	-	1,800,000	-	1,800,000
Interest and fees	-	708,582	-	708,582
Capital outlay	457,188	-	-	457,188
<b>Total expenditures</b>	<b>2,312,111</b>	<b>2,508,582</b>	<b>724,792</b>	<b>5,545,485</b>
Excess (deficiency) of revenues over (under) expenditures	1,403,935	(619,681)	1,291,550	2,075,804
Other financing sources (uses):				
Transfers in	115,000	1,180,253	-	1,295,253
Transfers (out)	(602,033)	(1,366,445)	(475,275)	(2,443,753)
<b>Total other financing sources (uses)</b>	<b>(487,033)</b>	<b>(186,192)</b>	<b>(475,275)</b>	<b>(1,148,500)</b>
<b>Change in fund balance</b>	<b>916,902</b>	<b>(805,873)</b>	<b>816,275</b>	<b>927,304</b>
Fund balances:				
May 1, 2005	1,723,067	1,059,094	1,209,713	3,991,874
April 30, 2006	\$ 2,639,969	\$ 253,221	\$ 2,025,988	\$ 4,919,178

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 April 30, 2006

	Motor Fuel Tax	South Suburban Special Recreation	Sewer	Vehicle License	Drug Forfeiture	Special Purpose	Hotel/Motel Tax	Quality of Life	Totals
<b>Assets</b>									
Cash and cash equivalents	\$ 140,572	\$ -	\$ 423,349	\$ 157,678	\$ 251,886	\$ 691,054	\$ -	\$ 400,070	\$ 2,064,609
Investments	60,782	-	-	-	-	-	-	-	60,782
Receivables									
Property taxes	-	62,254	45,190	-	-	-	-	-	107,444
Accounts	-	-	32,423	-	-	-	-	-	32,423
Intergovernmental	29,624	-	-	48,737	-	-	22,597	103,583	204,541
Miscellaneous	227	-	-	-	5,623	-	-	-	5,850
Due from other funds	418	-	2,953	90,000	-	428,443	-	504,452	1,026,266
<b>Total assets</b>	<b>\$ 231,623</b>	<b>\$ 62,254</b>	<b>\$ 503,915</b>	<b>\$ 296,415</b>	<b>\$ 257,509</b>	<b>\$ 1,119,497</b>	<b>\$ 22,597</b>	<b>\$ 1,008,105</b>	<b>\$ 3,501,915</b>
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 69,063	\$ -	\$ 8,315	\$ 27,492	\$ -	\$ 21,957	\$ -	\$ -	\$ 126,827
Accrued payroll	-	-	2,411	-	-	-	-	-	2,411
Due to other funds	723	27,689	1,943	175,361	-	253,678	154,190	-	613,584
Unearned revenue	-	62,254	45,190	540	-	11,140	-	-	119,124
<b>Total liabilities</b>	<b>69,786</b>	<b>89,943</b>	<b>57,859</b>	<b>203,393</b>	<b>-</b>	<b>286,775</b>	<b>154,190</b>	<b>-</b>	<b>861,946</b>
Fund Balances (deficits), Unreserved	161,837	(27,689)	446,056	93,022	257,509	832,722	(131,593)	1,008,105	2,639,969
<b>Total liabilities and fund balances</b>	<b>\$ 231,623</b>	<b>\$ 62,254</b>	<b>\$ 503,915</b>	<b>\$ 296,415</b>	<b>\$ 257,509</b>	<b>\$ 1,119,497</b>	<b>\$ 22,597</b>	<b>\$ 1,008,105</b>	<b>\$ 3,501,915</b>

Village of Matteson, Illinois

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

	Motor Fuel Tax	South Suburban Special Revenue	Sewer	Vehicle License	Drug Forfeiture	Special Purpose	Hotel/Motel Tax	Quality of Life	Totals
Revenues:									
Property taxes	\$ -	\$ 83,389	\$ 59,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,093
Licenses and permits	-	-	-	300,057	-	-	-	-	300,057
Charges for services	-	-	391,773	-	-	-	-	827,681	1,219,454
Intergovernmental	380,827	-	-	-	-	-	-	-	380,827
Fines and forfeitures	-	-	-	-	10,574	-	-	-	10,574
Interest	5,963	275	6,093	986	7,184	9,094	-	2,445	32,040
Special projects	-	-	-	-	-	1,081,698	-	-	1,081,698
Miscellaneous	-	-	-	16,425	-	272,108	259,770	-	548,303
<b>Total revenues</b>	<b>386,790</b>	<b>83,664</b>	<b>457,570</b>	<b>317,468</b>	<b>17,758</b>	<b>1,362,900</b>	<b>259,770</b>	<b>830,126</b>	<b>3,716,046</b>
Expenditures:									
Current:									
Administrative services	-	93,797	3,602	14,235	54,911	-	-	-	166,545
Public works	-	-	175,932	190,818	-	-	-	-	366,750
Special projects	-	-	-	-	-	1,081,698	-	239,930	1,321,628
Capital outlay	457,188	-	-	-	-	-	-	-	457,188
<b>Total expenditures</b>	<b>457,188</b>	<b>93,797</b>	<b>179,534</b>	<b>205,053</b>	<b>54,911</b>	<b>1,081,698</b>	<b>-</b>	<b>239,930</b>	<b>2,312,111</b>
Excess (deficiency) of revenues over (under) expenditures	(70,398)	(10,133)	278,036	112,415	(37,153)	281,202	259,770	590,196	1,403,935
Other financing sources (uses):									
Transfers in	115,000	-	-	-	-	-	-	-	115,000
Transfers (out)	-	-	(73,900)	(115,000)	-	-	(244,000)	(169,133)	(602,033)
<b>Total other financing sources (uses)</b>	<b>115,000</b>	<b>-</b>	<b>(73,900)</b>	<b>(115,000)</b>	<b>-</b>	<b>-</b>	<b>(244,000)</b>	<b>(169,133)</b>	<b>(487,033)</b>
<b>Change in fund balance</b>	<b>44,602</b>	<b>(10,133)</b>	<b>204,136</b>	<b>(2,585)</b>	<b>(37,153)</b>	<b>281,202</b>	<b>15,770</b>	<b>421,063</b>	<b>916,902</b>
Fund balances (deficits):									
May 1, 2005	117,235	(17,556)	241,920	95,607	294,662	551,520	(147,363)	587,042	1,723,067
April 30, 2006	\$ 161,837	\$ (27,689)	\$ 446,056	\$ 93,022	\$ 257,509	\$ 832,722	\$ (131,593)	\$ 1,008,105	\$ 2,639,969

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 Year Ended April 30, 2006

	1996 Village Hall/ Village Green TIF III Bonds	1997B Village Hall/ Village Green TIF III Bonds	2001 General Obligation Bonds	2002B General Obligation Refunding Bonds	2002 General Obligation Debt Certificates	2003A Community Center Utility Bonds	2003B Refunding Bonds	2004 General Obligation Capital Equipment Bonds	2004A General Obligation Refunding Bonds	2004B General Obligation Refunding Bonds	Totals
<b>Assets</b>											
Cash and cash equivalents	\$ 24,328	\$ 27,332	\$ -	\$ 315,551	\$ 165,559	\$ 145,319	\$ 38,661	\$ 582,803	\$ -	\$ -	\$ 1,299,553
Receivables,											
Property taxes	269,002	12,621	147,464	160,901	-	120,065	136,679	155,380	333,669	213,752	1,549,533
Due from other funds	-	-	-	163,973	-	-	-	-	-	-	163,973
<b>Total assets</b>	<b>\$ 293,330</b>	<b>\$ 39,953</b>	<b>\$ 147,464</b>	<b>\$ 640,425</b>	<b>\$ 165,559</b>	<b>\$ 265,384</b>	<b>\$ 175,340</b>	<b>\$ 738,183</b>	<b>\$ 333,669</b>	<b>\$ 213,752</b>	<b>\$ 3,013,059</b>
<b>Liabilities and Fund Balances</b>											
Liabilities:											
Due to other funds	\$ -	\$ 27,619	\$ 48,972	\$ 21,555	\$ 163,973	\$ -	\$ -	\$ -	\$ 754,418	\$ 193,768	\$ 1,210,305
Unearned revenue	269,002	12,621	147,464	160,901	-	120,065	136,679	155,380	333,669	213,752	1,549,533
<b>Total liabilities</b>	<b>269,002</b>	<b>40,240</b>	<b>196,436</b>	<b>182,456</b>	<b>163,973</b>	<b>120,065</b>	<b>136,679</b>	<b>155,380</b>	<b>1,088,087</b>	<b>407,520</b>	<b>2,759,838</b>
Fund Balances (deficits),											
Reserved for debt service	24,328	(287)	(48,972)	457,969	1,586	145,319	38,661	582,803	(754,418)	(193,768)	253,221
<b>Total liabilities and fund balances</b>	<b>\$ 293,330</b>	<b>\$ 39,953</b>	<b>\$ 147,464</b>	<b>\$ 640,425</b>	<b>\$ 165,559</b>	<b>\$ 265,384</b>	<b>\$ 175,340</b>	<b>\$ 738,183</b>	<b>\$ 333,669</b>	<b>\$ 213,752</b>	<b>\$ 3,013,059</b>

Village of Matteson, Illinois

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

	1996	1997B	2001	2002B	2002	2003A	2003B	2004	2004A	2004B	Totals
	Village Hall/ Village Green TIF III Bonds	Village Hall/ Village Green TIF III Bonds	General Obligation Bonds	General Obligation Refunding Bonds	General Obligation Debt Certificates	Community Center Utility Bonds	Refunding Bonds	General Obligation Capital Equipment Bonds	General Obligation Refunding Bonds	General Obligation Refunding Bonds	
Revenues:											
Property taxes	\$ 369,294	\$ 17,331	\$ 201,243	\$ 76,861	\$ -	\$ 57,373	\$ 187,592	\$ 74,210	\$ 159,334	\$ 101,961	\$ 1,245,199
Developer contributions	-	-	-	611,616	-	-	-	-	-	-	611,616
Interest	2,199	842	245	10,177	1,492	965	403	14,859	551	353	32,086
<b>Total revenues</b>	<b>371,493</b>	<b>18,173</b>	<b>201,488</b>	<b>698,654</b>	<b>1,492</b>	<b>58,338</b>	<b>187,995</b>	<b>89,069</b>	<b>159,885</b>	<b>102,314</b>	<b>1,888,901</b>
Expenditures:											
Debt service:											
Principal retirement	345,000	-	80,000	165,000	300,000	80,000	50,000	190,000	385,000	205,000	1,800,000
Interest and fees	36,818	18,713	127,540	62,360	30,771	86,549	144,320	27,943	82,486	91,082	708,582
<b>Total expenditures</b>	<b>381,818</b>	<b>18,713</b>	<b>207,540</b>	<b>227,360</b>	<b>330,771</b>	<b>166,549</b>	<b>194,320</b>	<b>217,943</b>	<b>467,486</b>	<b>296,082</b>	<b>2,508,582</b>
Excess (deficiency) of revenues over (under) expenditures	(10,325)	(540)	(6,052)	471,294	(329,279)	(108,211)	(6,325)	(128,874)	(307,601)	(193,768)	(619,681)
Other financing sources (uses):											
Transfer in	-	-	-	-	330,845	169,133	-	205,000	475,275	-	1,180,253
Transfer (out)	-	-	-	(330,845)	-	-	-	-	(1,035,600)	-	(1,366,445)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(330,845)</b>	<b>330,845</b>	<b>169,133</b>	<b>-</b>	<b>205,000</b>	<b>(560,325)</b>	<b>-</b>	<b>(186,192)</b>
<b>Change in fund balance</b>	<b>(10,325)</b>	<b>(540)</b>	<b>(6,052)</b>	<b>140,449</b>	<b>1,566</b>	<b>60,922</b>	<b>(6,325)</b>	<b>76,126</b>	<b>(867,926)</b>	<b>(193,768)</b>	<b>(805,873)</b>
Fund balances (deficits):											
May 1, 2005	34,653	253	(42,920)	317,520	20	84,397	44,986	506,677	113,508	-	1,059,094
April 30, 2006	\$ 24,328	\$ (287)	\$ (48,972)	\$ 457,969	\$ 1,586	\$ 145,319	\$ 38,661	\$ 582,803	\$ (754,418)	\$ (193,768)	\$ 253,221

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 Year Ended April 30, 2006

	Tax Incremental Finance District I	Tax Incremental Finance District II	Tax Incremental Finance District III	Old Plank Road Trail	Auto Mall	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 941,598	\$ 980,508	\$ -	\$ 38,007	\$ 151,365	\$ 2,111,478
Receivables, miscellaneous	823	223	155	-	-	1,201
<b>Total assets</b>	<b>\$ 942,421</b>	<b>\$ 980,731</b>	<b>\$ 155</b>	<b>\$ 38,007</b>	<b>\$ 151,365</b>	<b>\$ 2,112,679</b>
<b>Liabilities and Fund Balances</b>						
Liabilities,						
Due to other funds	\$ 5,851	\$ -	\$ 80,840	\$ -	\$ -	\$ 86,691
Fund Balances (deficit), unreserved	936,570	980,731	(80,685)	38,007	151,365	2,025,988
<b>Total liabilities and fund balances</b>	<b>\$ 942,421</b>	<b>\$ 980,731</b>	<b>\$ 155</b>	<b>\$ 38,007</b>	<b>\$ 151,365</b>	<b>\$ 2,112,679</b>

Village of Matteson, Illinois

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

	Tax Incremental Finance District I	Tax Incremental Finance District II	Tax Incremental Finance District III	Old Plank Road Trail	Auto Mall	Totals
Revenues:						
Property taxes	\$ 1,530,533	\$ 444,303	\$ -	\$ -	\$ -	\$ 1,974,836
Interest	19,278	18,763	-	695	2,770	41,506
<b>Total revenues</b>	<u>1,549,811</u>	<u>463,066</u>	<u>-</u>	<u>695</u>	<u>2,770</u>	<u>2,016,342</u>
Expenditures,						
Reimbursements and refunds	<u>552,854</u>	<u>171,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,792</u>
Excess of revenues over expenditures	996,957	291,128	-	695	2,770	1,291,550
Other financing (uses), Transfers (out)	<u>(475,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(475,275)</u>
<b>Change in fund balance</b>	521,682	291,128	-	695	2,770	816,275
Fund balances (deficit):						
May 1, 2005	<u>414,888</u>	<u>689,603</u>	<u>(80,685)</u>	<u>37,312</u>	<u>148,595</u>	<u>1,209,713</u>
April 30, 2006	<u>\$ 936,570</u>	<u>\$ 980,731</u>	<u>\$ (80,685)</u>	<u>\$ 38,007</u>	<u>\$ 151,365</u>	<u>\$ 2,025,988</u>



Village of Matteson, Illinois

**Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual  
Water Fund  
Year Ended April 30, 2006  
With Comparative Amounts for 2005**

	2006		2005 Actual
	Original and Final Budget	Actual	
Operating revenues:			
Water sales	\$ 3,060,000	\$ 3,326,613	\$ 3,039,083
Water meter sales	91,800	105,178	104,340
Fines and forfeitures	71,400	95,180	62,898
Miscellaneous	181,764	176,010	207,911
<b>Total operating revenues</b>	<u>3,404,964</u>	<u>3,702,981</u>	<u>3,414,232</u>
Operating expenses:			
Operations	2,172,720	3,647,531	1,933,451
Depreciation	-	201,971	176,161
<b>Total operating expenses</b>	<u>2,172,720</u>	<u>3,849,502</u>	<u>2,109,612</u>
<b>Operating income (loss)</b>	<u>1,232,244</u>	<u>(146,521)</u>	<u>1,304,620</u>
Non-operating income (expense):			
Interest income	5,100	17,002	8,503
Interest expense	-	(1,654)	-
<b>Total non-operating income (expense)</b>	<u>5,100</u>	<u>15,348</u>	<u>8,503</u>
<b>Income (loss) before transfers</b>	<u>1,237,344</u>	<u>(131,173)</u>	<u>1,313,123</u>
Transfer (out)	<u>(1,062,118)</u>	<u>(1,062,118)</u>	<u>(1,410,334)</u>
<b>Change in net assets</b>	<u>\$ 175,226</u>	<u>(1,193,291)</u>	<u>(97,211)</u>
Net assets:			
Beginning of year		<u>5,415,723</u>	<u>5,512,934</u>
End of year		<u>\$ 4,222,432</u>	<u>\$ 5,415,723</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2006  
With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Revenues:			
Intergovernmental	\$ 367,800	\$ 380,827	\$ 386,476
Interest	3,600	5,963	2,373
<b>Total revenues</b>	<u>371,400</u>	<u>386,790</u>	<u>388,849</u>
Expenditures,			
Capital outlay	<u>486,400</u>	<u>457,188</u>	<u>331,469</u>
Excess (deficiency) of revenues over (under) expenditures	(115,000)	(70,398)	57,380
Other financing sources,			
Transfer in	<u>115,000</u>	<u>115,000</u>	-
<b>Change in fund balance</b>	<u>\$ -</u>	<u>44,602</u>	<u>57,380</u>
Fund balance:			
Beginning of year		<u>117,235</u>	<u>59,855</u>
End of year		<u>\$ 161,837</u>	<u>\$ 117,235</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Sewer Fund  
Year Ended April 30, 2006  
With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Revenues:			
Property taxes	\$ 60,051	\$ 59,704	\$ 50,146
Charges for services	352,700	391,773	384,251
Interest	1,200	6,093	1,242
<b>Total revenues</b>	<u>413,951</u>	<u>457,570</u>	<u>435,639</u>
Expenditures:			
Current:			
Administrative services	100	3,602	42
Public works	338,958	175,932	207,278
<b>Total expenditures</b>	<u>339,058</u>	<u>179,534</u>	<u>207,320</u>
Excess of revenues over expenditures	74,893	278,036	228,319
Other financing (uses), Transfers (out)	<u>(73,900)</u>	<u>(73,900)</u>	<u>(70,400)</u>
<b>Change in fund balance</b>	<u>\$ 993</u>	204,136	157,919
Fund balance:			
Beginning of year		<u>241,920</u>	<u>84,001</u>
End of year		<u>\$ 446,056</u>	<u>\$ 241,920</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Vehicle License Fund  
Year Ended April 30, 2006  
With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Revenues:			
Licenses and permits	\$ 334,750	\$ 300,057	\$ 308,908
Interest income	230	986	95
Miscellaneous	9,180	16,425	10,890
<b>Total revenues</b>	<u>344,160</u>	<u>317,468</u>	<u>319,893</u>
Expenditures:			
Current			
Administrative services	11,000	14,235	20,250
Public works	211,950	190,818	167,936
<b>Total expenditures</b>	<u>222,950</u>	<u>205,053</u>	<u>188,186</u>
Excess of revenues over expenditures	121,210	112,415	131,707
Other financing sources, Transfers (out)	(115,000)	(115,000)	-
<b>Change in fund balance</b>	<u>\$ 6,210</u>	<u>(2,585)</u>	<u>131,707</u>
Fund balance (deficit):			
Beginning of year		95,607	(36,100)
End of year		<u>\$ 93,022</u>	<u>\$ 95,607</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Hotel / Motel Tax Fund  
Year Ended April 30, 2006  
With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Revenues:			
Miscellaneous, hotel/motel taxes	\$ 245,000	\$ 259,770	\$ 279,195
Other financing (uses), Transfers (out)	(244,000)	(244,000)	(244,000)
<b>Change in fund balance</b>	<u>\$ 1,000</u>	15,770	35,195
Fund balance (deficit):			
Beginning of year		(147,363)	(182,558)
End of year		<u>\$ (131,593)</u>	<u>\$ (147,363)</u>

Village of Matteson, Illinois

Schedule of Operating Expenses - Budget and Actual

Water Fund

Year Ended April 30, 2006

With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Water billing:			
Salaries	\$ 74,004	\$ 75,215	\$ 64,066
Office supplies	700	599	642
Bill printing/lock box	18,360	18,977	18,536
Postage	16,320	23,310	17,156
Conference/training	200	125	-
Computer maintenance	4,900	-	-
<b>Total water billing</b>	<b>114,484</b>	<b>118,226</b>	<b>100,400</b>
Water public works:			
Water purchase	838,111	1,069,963	927,088
Bad debt expense	1,339	1,057	-
Bank service charges/fees	-	-	978
Oak Lawn Payment	-	83,429	-
Transmission line payment	253,243	246,164	245,867
<b>Total water purchase and debt</b>	<b>1,092,693</b>	<b>1,400,613</b>	<b>1,173,933</b>
Operations and maintenance:			
Salaries	265,193	246,761	285,037
Salaries - overtime	33,000	46,545	65,891
Office supplies	2,500	2,558	1,129
Meters	80,000	115,511	117,812
Tools and equipment	16,000	7,120	9,306
Motor fuel and lubricants	13,700	11,761	13,357
Chemicals	2,500	2,429	1,135
Protective clothing	3,000	1,065	1,573
Uniforms	1,400	1,120	198
Dumping fees	3,500	3,200	-
Legal fees	25,000	1,915	-
Water lab testing	8,500	5,976	8,408
Julie locator	1,500	1,488	-
Telephone	3,500	1,344	1,932

(continued)

Village of Matteson, Illinois

Schedule of Operating Expenses - Budget and Actual (Continued)

Water Fund

Year Ended April 30, 2006

With Comparative Amounts for 2005

	2006		2005 Actual
	Original and Final Budget	Actual	
Operations and maintenance (continued):			
Legal notice	\$ 2,500	\$ 2,676	\$ 2,132
Postage	1,000	2,492	975
Dues	1,500	279	1,341
Conference/training	6,000	1,955	4,025
Travel	350	92	303
Electricity	24,400	25,807	21,643
Heat	2,000	1,971	927
Equipment rental	500	-	293
Main maintenance	15,000	8,715	20,934
Tower maintenance and paint	8,000	1,033	6,310
Pumping stations	5,000	14,430	6,155
<b>Total operations and maintenance</b>	<b>525,543</b>	<b>508,243</b>	<b>570,816</b>
Capital improvements:			
Vehicles	100,000	92,307	39,452
Main replacement	340,000	1,734,200	166,168
	<b>440,000</b>	<b>1,826,507</b>	<b>205,620</b>
<b>Total operations</b>	<b>\$ 2,172,720</b>	<b>3,853,589</b>	<b>2,050,769</b>
Less equipment capitalized		(206,058)	(117,318)
<b>Total operations</b>		<b>3,647,531</b>	<b>1,933,451</b>
Plus depreciation		201,971	176,161
<b>Total water fund operating expenses</b>		<b>\$ 3,849,502</b>	<b>\$ 2,109,612</b>