

# Village of Matteson, Illinois

Annual Financial Report

Year Ended April 30, 2009

# Village of Matteson, Illinois

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**Financial Section (Continued)**

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Required Supplementary Information

## Management's Discussion and Analysis (MD&A)

# 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Matteson, Illinois, as of and for the year ended April 30, 2009, 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 \$16,215,999, \$13,179,565 and \$7,158,072, respectively, as of April 30, 2009; total net assets of \$16,211,487, \$12,933,957 and \$7,089,334, respectively, as of April 30, 2009; and total additions to net assets/revenues of \$(1,856,843), \$(882,410) and \$2,808,260, respectively, for the year ended April 30, 2009. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Police and Firefighters' Pension Funds and the Matteson Public Library, are 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, 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, 2009, 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 and the other auditors' information which includes management's discussion and analysis (pages 3-13), schedules of funding progress and employer contributions (64-67), and budgetary comparison information and note (pages 68-69) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 supplementary information 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 by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
April 26, 2010

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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The Village of Matteson's (the "Village") management's 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 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).

Certain amounts in this MD&A may not agree exactly to the basic financial statements due to rounding.

#### 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, fire, public works, community development 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.

The government-wide financial statements also include the Matteson Public Library (Library) which is a discretely presented component unit of the Village. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the primary government's financial statements. For detailed information pertaining to the Library, refer to the separately issued Library financial statements for the year ended April 30, 2009.



## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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#### 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.

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 Activities 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 \$75.5 million as of April 30, 2009.

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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A significant portion of the Village's net assets (76.8%) 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.

Table 1

#### Statement of Net Assets

*As of April 30, 2009*

(in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Current Assets	\$26.6	\$1.1	\$27.7
Capital Assets	82.1	6.9	89.0
Non Current Assets	<u>0.3</u>	<u>0.1</u>	<u>0.4</u>
Total Assets	<u>109.1</u>	<u>8.0</u>	<u>117.1</u>
Current Liabilities	12.4	0.6	13.0
Non Current Liabilities	<u>25.7</u>	<u>2.9</u>	<u>28.6</u>
Total Liabilities	<u>38.1</u>	<u>3.5</u>	<u>41.6</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	54.2	3.8	58.0
Restricted	0.3	0.0	0.3
Unrestricted	<u>16.5</u>	<u>0.7</u>	<u>17.2</u>
Total Net Assets	<u>\$71.0</u>	<u>\$4.5</u>	<u>\$75.5</u>

Village of Matteson, Illinois

Management's Discussion and Analysis  
April 30, 2009

Table 1 (continued)

Statement of Net Assets  
As of April 30, 2008  
(in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Current Assets	\$28.4	\$0.8	\$29.2
Capital Assets	83.1	0.1	\$83.2
Non Current Assets	<u>0.4</u>	<u>7.0</u>	<u>7.4</u>
Total Assets	<u>111.9</u>	<u>7.9</u>	<u>119.8</u>
Current Liabilities	9.8	0.0	9.8
Non Current Liabilities	<u>28.3</u>	<u>3.1</u>	<u>31.4</u>
Total Liabilities	<u>38.1</u>	<u>3.1</u>	<u>41.2</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	52.4	3.7	56.1
Restricted	0.2	0.0	0.2
Unrestricted	<u>21.2</u>	<u>1.1</u>	<u>22.3</u>
Total Net Assets	<u>\$73.8</u>	<u>\$4.8</u>	<u>\$78.6</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 \$75.5 million from \$78.6 million primarily this year as a result of additional spending in public safety and capital projects, depreciation expense on governmental activities capital assets and an increase in the pension obligation and other long-term liabilities. Net assets of the Village's governmental activities were \$71.0 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 \$16.5 million.

The net assets of business-type activities decreased to \$4.5 million from \$4.8 million. The Village can use the unrestricted net assets of \$0.7 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, 2009

**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 \$3.1 million and can be attributed to several things, including additional capital spending related to various Village construction, special projects, increase in the pension obligation and other long-term liabilities and depreciation expense on capital assets. Revenues increased approximately \$0.5 million, primarily due to increases in property tax and other various tax revenues (such as sales) from the prior year.

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, 2009*  
(in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$4.1	\$3.4	\$7.5
Operating Grants and Contributions	1.4	0.0	1.4
General Revenues			
Property Taxes	9.6	0.0	9.6
Other Taxes	7.9	0.0	7.9
Transfers	1.2	(1.2)	0.0
Other	1.1	0.0	1.1
Total Revenues	<u>25.3</u>	<u>2.2</u>	<u>27.5</u>
<b>EXPENSES</b>			
General Government	12.1	0.0	12.1
Community Development	1.1	0.0	1.1
Public Safety	10.5	0.0	10.5
Public Works	2.3	2.5	4.8
Recreational Services	0.8	0.0	0.8
Interest, Amortization and Fees	1.3	0.0	1.3
Total Expenses	<u>28.1</u>	<u>2.5</u>	<u>30.6</u>
CHANGE IN NET ASSETS	(2.8)	(0.3)	(3.1)
BEGINNING NET ASSETS	<u>73.8</u>	<u>4.8</u>	<u>78.6</u>
ENDING NET ASSETS	<u>\$71.0</u>	<u>\$4.5</u>	<u>\$75.5</u>

Village of Matteson, Illinois

Management's Discussion and Analysis  
 April 30, 2009

Table 2 (continued)

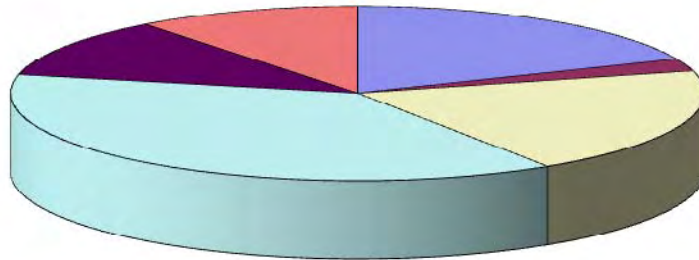
Changes in Net Assets

*For the Fiscal Year Ended April 30, 2008*

(in millions)

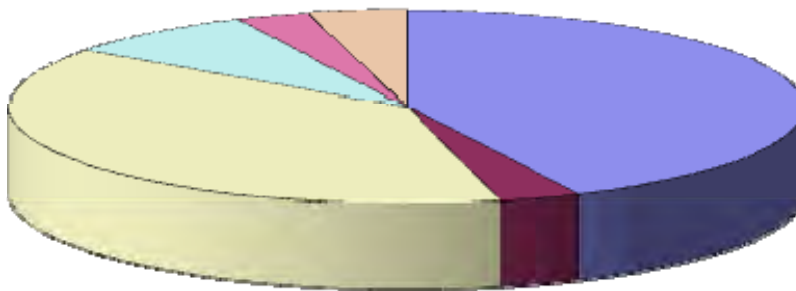
	Governmental Activities	Business-Type Activities	Total Primary Government
REVENUES			
Program Revenues			
Charges for Services	\$5.7	\$3.8	\$9.5
Operating Grants and Contributions	0.6	0.0	0.6
General Revenues			
Property Taxes	6.5	0.0	6.5
Other Taxes	9.3	0.0	9.3
Transfers	1.5	(1.5)	0.0
Other	<u>1.1</u>	<u>0.0</u>	<u>1.1</u>
Total Revenues	<u>24.7</u>	<u>2.3</u>	<u>27.0</u>
EXPENSES			
General Government	11.6	0.0	11.6
Community Development	2.1	0.0	2.1
Public Safety	10.2	0.0	10.2
Public Works	2.0	2.1	4.1
Recreational Services	0.8	0.0	0.8
Interest, Amortization and Fees	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>
Total Expenses	<u>27.7</u>	<u>2.1</u>	<u>29.8</u>
CHANGE IN NET ASSETS	(3.0)	0.2	(2.8)
BEGINNING NET ASSETS	<u>76.8</u>	<u>4.6</u>	<u>81.4</u>
ENDING NET ASSETS	<u>\$73.8</u>	<u>\$4.8</u>	<u>\$78.6</u>

## 2009 Governmental Activities Revenue



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

## 2009 Governmental Activities Expense



- |                         |                         |
|-------------------------|-------------------------|
| ■ General Government    | ■ Community Development |
| ■ Public Safety         | ■ Public Works          |
| ■ Recreational Services | ■ Other                 |

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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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 50% 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.

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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#### *Current Year Impacts*

##### Revenues:

For the fiscal year ended April 30, 2009, revenues from all activities totaled \$27.5 million. The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided.

In addition to the Village increasing its property tax levy in 2008 compared to previous years, the Village saw the tax rate per \$100 of equalized assessed valuation (EAV) rise as well. The 2008 EAV (used by the County in calculating 2009 tax bills) increased to \$602 million from \$558 million in 2007. Property tax revenue increased by approximately \$3.1 million from the prior year, due to a higher levy in the 2008 levy year compared to the prior years.

##### Expenses:

The Village's total expenses for all activities for the year ended April 30, 2009 were \$30.6 million. This amount is an increase from total expenses of \$29.8 million for the year ended April 30, 2008. This increase is primarily a result of increased spending in the general government and public safety departments, as well as an increase in spending related to capital and special projects within the Village. There was also an increase in the payments of the alternate revenue bonds principal and interest payments.

#### **Financial Analysis of the Village's Funds**

##### Governmental Funds

At April 30, 2009, the governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$18.4 million. Expenditures exceeded revenues before other financing sources/(uses) by \$5.3 million. The primary reason for this was due to a drastic decline in sales taxes and other miscellaneous taxes received during the fiscal year compared to previous years. Expenses were not curtailed as a result of the decline in revenues within the general fund. In addition, multiple capital projects which the Village began or committed to complete were expensed during the current fiscal year. These capital projects were pay-as-you-go projects funded from the general fund. In addition, the general fund incurred increases in expenditures such as scavenger service, some commodities, payments to dispatch service, public safety salaries and overtime payments, capital and special projects. Transfers to the governmental funds from business-type funds were \$1.3 million during the year. These factors contributed to an overall decrease in fund balance of \$4.0 million for all governmental funds in 2009.

#### *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. The original and revised budget is approved at the board level.

*Table 3*  
**General Fund Budgetary Highlights**  
**For the Year Ended April 30, 2009**  
(in millions)

General Fund	Original and Final Budget	Actual	Variance
Revenues			
Taxes	\$14.2	\$11.7	\$(2.5)
Other	4.7	4.0	(0.7)
<b>Total</b>	<b>\$18.9</b>	<b>\$15.6</b>	<b>\$(3.2)</b>
Expenditures	\$20.0	\$21.4	\$(1.4)
Excess of revenues over (under) expenditures	<b>\$(1.1)</b>	<b>\$(5.7)</b>	<b>\$(4.6)</b>



Village of Matteson, Illinois

Management's Discussion and Analysis  
April 30, 2009

Capital Assets

At the end of the fiscal year 2009, the Village had a combined total of capital assets of \$89.0 million (after accumulated depreciation of \$46.5 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 \$1.1 million.

*Table 4*  
*Total Capital Assets*  
*Net of Depreciation*  
*For the Year Ended April 30, 2009*  
*(in millions)*

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009
Land	\$ 29.9	\$ -	\$ -	\$ 29.9
Land improvements	2.1	0.2	-	2.3
Buildings and improvements	8.1	1.1	-	9.2
Machinery and equipment	2.9	(0.6)	-	2.3
Streets and bridges	15.0	(0.4)	-	14.6
Sidewalks	6.0	(0.3)	-	5.7
Storm sewers	15.8	(0.7)	-	15.1
Water distribution systems	4.8	(0.1)	-	4.7
Sanitary sewers	4.1	(0.2)	-	3.9
Streetlights	1.3	(0.1)	-	1.2
Traffic signals	0.1	-	-	0.1
	<u>\$ 90.1</u>	<u>\$ (1.1)</u>	<u>\$ -</u>	<u>\$ 89.0</u>

## Village of Matteson, Illinois

### Management's Discussion and Analysis

April 30, 2009

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#### *Debt Outstanding*

At year-end, the Village had \$31.0 million in general obligation bonds and certificates outstanding. (More detailed information about the Village's long-term liabilities is presented in Note 5 to the financial statements.)

- The Village continued to pay down its debt, retiring \$2.8 million of outstanding bonds and \$0.3 million of capital leases.
- The Village's general obligations bonds have carried a rating of A1 from Moody's until January 2010 in which they were downgraded to Baa2.
- 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 \$51.9 million.

#### **Economic Factors**

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Matteson during 2009 and is expected to continue into 2010. 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 the economy begins to recover.

Another area of concern is the local labor market. The unemployment rate has increased from 4.8% in 2000 to the year-end average of 9.3%.

Home values and permit revenue have decreased significantly over the past few years due to the current economic state of the nation.

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 automobile dealerships in the Village have been impacted by the recent downturn of the economy. The Village has incurred a drop in sales tax revenues in fiscal year 2009 and expects fiscal year 2010 to be less than budget as well. This would be offset by a decrease in the sales tax rebates that the Village is required to remit to dealerships per incentive agreements. There was one dealership that closed during fiscal year 2009. One dealership returned to the auto mall during fiscal 2010. There was one dealership within the Village or the Matteson Auto Mall which was affected by the recent dealership closings and mass layoffs.

#### **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 Brian D. Mitchell, Village Administrator, Village of Matteson, 4900 Village Commons, Matteson, Illinois 60443.

## Basic Financial Statements

**Government-Wide Financial Statements**

Village of Matteson, Illinois

Statement of Net Assets  
April 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Matteson Public Library
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 18,855,753	\$ 523,469	\$ 19,379,222	\$ 2,420,022
Investments	69,359	-	69,359	-
Prepaid	201,673	-	201,673	-
Receivables				
Property taxes	4,399,093	-	4,399,093	1,912,209
Accounts	332,424	554,002	886,426	-
Intergovernmental	2,247,223	-	2,247,223	10,912
Miscellaneous	152,970	-	152,970	-
Employer contribution receivable	244,348	-	244,348	-
Inventories	107,460	-	107,460	-
<b>Total current assets</b>	<b>26,610,303</b>	<b>1,077,471</b>	<b>27,687,774</b>	<b>4,343,143</b>
Noncurrent assets				
Unamortized bond issuance costs	331,494	55,513	387,007	-
Capital assets, not being depreciated	29,832,055	29,780	29,861,835	300,000
Capital assets, net of accumulated depreciation	52,300,111	6,852,582	59,152,693	2,514,929
<b>Total noncurrent assets</b>	<b>82,463,660</b>	<b>6,937,875</b>	<b>89,401,535</b>	<b>2,814,929</b>
<b>Total assets</b>	<b>109,073,963</b>	<b>8,015,346</b>	<b>117,089,309</b>	<b>7,158,072</b>

See Notes to Basic Financial Statements.

(continued)

Village of Matteson, Illinois

Statement of Net Assets - (Continued)  
April 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Matteson Public Library
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 2,878,814	\$ 99,108	\$ 2,977,922	\$ 20,918
Accrued payroll and taxes	1,074,317	16,644	1,090,961	15,481
Accrued interest	471,800	48,900	520,700	-
Internal balances	(245,258)	245,258	-	-
Employer contribution payable	96,718	-	96,718	-
Unearned revenue	4,435,287	-	4,435,287	-
General obligation bonds	3,040,000	205,000	3,245,000	-
Capital lease	5,152	-	5,152	-
Compensated absences	589,971	8,900	598,871	32,339
<b>Total current liabilities</b>	<b>12,346,801</b>	<b>623,810</b>	<b>12,970,611</b>	<b>68,738</b>
Long-term liabilities, net of current maturities				
General obligation bonds, including premium of \$174,354 and net of losses on refunding \$199,189	24,850,165	2,910,000	27,760,165	-
Compensated absences	104,113	795	104,908	-
Pension obligation	577,882	-	577,882	-
Other postemployment benefits	52,581	-	52,581	-
Other long-term liabilities	141,890	-	141,890	-
<b>Total long-term liabilities</b>	<b>25,726,631</b>	<b>2,910,795</b>	<b>28,637,426</b>	<b>-</b>
<b>Total liabilities</b>	<b>38,073,432</b>	<b>3,534,605</b>	<b>41,608,037</b>	<b>68,738</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	54,236,849	3,767,362	58,004,211	2,814,929
Restricted for MFT allotments	254,263	-	254,263	-
Unrestricted	16,509,419	713,379	17,222,798	4,274,405
<b>Total net assets</b>	<b>\$ 71,000,531</b>	<b>\$ 4,480,741</b>	<b>\$ 75,481,272</b>	<b>\$ 7,089,334</b>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Activities  
Year Ended April 30, 2009

Functions/Programs	Primary Government						Component Unit
	Program Revenues			Net (Expense), Revenue and Changes in Net Assets			Matteson Public Library
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities							
General government	\$ 12,089,504	\$ 3,681,363	\$ 910,941	\$ (7,497,200)	\$ -	\$ (7,497,200)	\$ -
Community development	1,133,864	-	-	(1,133,864)	-	(1,133,864)	-
Public safety	10,448,720	-	-	(10,448,720)	-	(10,448,720)	-
Public works	2,330,518	232,551	445,760	(1,652,207)	-	(1,652,207)	-
Recreational services	806,009	171,688	-	(634,321)	-	(634,321)	-
Interest, amortization and fees	1,261,809	-	-	(1,261,809)	-	(1,261,809)	-
<b>Total governmental activities</b>	<b>28,070,424</b>	<b>4,085,602</b>	<b>1,356,701</b>	<b>(22,628,121)</b>	<b>-</b>	<b>(22,628,121)</b>	<b>-</b>
Business-type activities							
Water	2,521,620	3,429,944	-	-	908,324	908,324	-
<b>Total primary government</b>	<b>\$ 30,592,044</b>	<b>\$ 7,515,546</b>	<b>\$ 1,356,701</b>	<b>(22,628,121)</b>	<b>908,324</b>	<b>(21,719,797)</b>	<b>-</b>
Component unit, Library	\$ 1,767,877	\$ 37,177	\$ 3,230	-	-	-	(1,727,470)
			General revenues				
			Taxes:				
			Sales	5,085,572	-	5,085,572	-
			Property	9,606,923	-	9,606,923	2,717,398
			Other	2,843,100	-	2,843,100	22,774
			Interest	356,192	-	356,192	21,350
			Miscellaneous	702,322	-	702,322	6,331
			Transfers	1,251,795	(1,251,795)	-	-
			<b>Total general revenues</b>	<b>19,845,904</b>	<b>(1,251,795)</b>	<b>18,594,109</b>	<b>2,767,853</b>
			Change in net assets	(2,782,217)	(343,471)	(3,125,688)	1,040,383
			Net assets:				
			May 1, 2008	73,782,748	4,824,212	78,606,960	6,048,951
			April 30, 2009	<b>\$ 71,000,531</b>	<b>\$ 4,480,741</b>	<b>\$ 75,481,272</b>	<b>\$ 7,089,334</b>

See Notes to Basic Financial Statements.

## Fund Financial Statements



Village of Matteson, Illinois

Balance Sheet - Governmental Funds  
April 30, 2009

	General Fund	Tax Incremental Finance District IV Debt Service Fund	2008 General Obligation Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 200,382	\$ 3,965,260	\$ 5,722,332	\$ 8,967,779	\$ 18,855,753
Investments	-	-	-	69,359	69,359
Prepaid	201,673	-	-	-	201,673
Receivables:					
Property taxes	2,841,304	-	555,053	1,002,736	4,399,093
Accounts	111,408	-	-	221,016	332,424
Intergovernmental	2,190,829	-	-	56,394	2,247,223
Miscellaneous	152,970	-	-	-	152,970
Due from other funds	244,348	-	-	-	244,348
Advances to other funds	718,987	-	2,840,577	829,376	4,388,940
Inventories	107,460	-	-	-	107,460
<b>Total assets</b>	<b>\$ 6,769,361</b>	<b>\$ 3,965,260</b>	<b>\$ 9,117,962</b>	<b>\$ 11,146,660</b>	<b>\$ 30,999,243</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 2,368,180	\$ -	\$ -	\$ 510,634	\$ 2,878,814
Accrued payroll and taxes	1,069,501	-	-	4,816	1,074,317
Due to other funds	96,718	-	-	-	96,718
Advances from other funds	1,979,634	-	-	2,164,048	4,143,682
Deferred revenue	2,865,818	-	555,053	1,014,416	4,435,287
<b>Total liabilities</b>	<b>8,379,851</b>	<b>-</b>	<b>555,053</b>	<b>3,693,914</b>	<b>12,628,818</b>
Fund Balances (Deficits):					
Reserved for prepaids	201,673	-	-	-	201,673
Reserved for inventories	107,460	-	-	-	107,460
Reserved for debt service	-	3,965,260	8,562,909	741,935	13,270,104
Reserved for interfund advances	718,987	-	2,840,577	829,376	4,388,940
Unreserved (deficit)					
General fund	(2,638,610)	-	(2,840,577)	-	(5,479,187)
Special revenue funds	-	-	-	3,055,998	3,055,998
Debt service funds	-	-	-	(1,242,849)	(1,242,849)
Capital projects funds	-	-	-	4,068,286	4,068,286
<b>Total fund balances</b>	<b>(1,610,490)</b>	<b>3,965,260</b>	<b>8,562,909</b>	<b>7,452,746</b>	<b>18,370,425</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,769,361</b>	<b>\$ 3,965,260</b>	<b>\$ 9,117,962</b>	<b>\$ 11,146,660</b>	<b>\$ 30,999,243</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, 2009

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Total fund balances-governmental funds	\$ 18,370,425
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.	82,132,166
Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	331,494
Premiums and losses on refunding on bonds that are other financing sources/uses in the fund financial statements are amortized over the life of the bonds in the government-wide financial statements.	24,835
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	(471,800)
General obligation bonds	(27,915,000)
Capital lease	(5,152)
Compensated absences	(694,084)
Pension obligation	(577,882)
Other postemployment benefits	(52,581)
Other long-term liabilities	(141,890)
	<hr/>
Net assets of governmental activities	<u>\$ 71,000,531</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, 2009

	General Fund	Tax Incremental Finance District IV Debt Service Fund	2008 General Obligation Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Sales taxes, net	\$ 5,085,572	\$ -	\$ -	\$ -	\$ 5,085,572
Property taxes	3,805,349	-	212,576	5,588,998	9,606,923
Developer contributions	-	-	-	33,881	33,881
Other taxes	2,843,100	-	-	-	2,843,100
Licenses and permits	489,878	-	-	289,770	779,648
Charges for services	2,606,831	-	-	232,551	2,839,382
Intergovernmental	37,400	-	-	1,223,211	1,260,611
Fines and forfeitures	261,003	-	-	-	261,003
Interest	141,607	-	87,170	127,415	356,192
Recreation programs	171,688	-	-	-	171,688
Grants and reimbursements	96,090	-	-	-	96,090
Miscellaneous	143,389	-	7,522	551,411	702,322
<b>Total revenues</b>	<b>15,681,907</b>	<b>-</b>	<b>307,268</b>	<b>8,047,237</b>	<b>24,036,412</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	276,281	-	-	-	276,281
General operations	7,202,311	-	-	-	7,202,311
Administrative services	479,270	-	-	265,957	745,227
Human resources	226,048	-	-	-	226,048
Finance	576,148	-	-	-	576,148
Community development	808,594	-	-	154,748	963,342
Public safety services	8,655,232	-	-	-	8,655,232
Public works	1,263,741	-	-	595,740	1,859,481
Recreational services	684,794	-	-	-	684,794
Capital	1,200,677	-	-	-	1,200,677
<b>Debt service:</b>					
Principal retirement	7,321	-	-	2,882,725	2,890,046
Interest and fees	595	-	229,704	810,139	1,040,438
Bond issuance costs	-	-	495	-	495
Capital outlay	-	-	-	2,990,664	2,990,664
<b>Total expenditures</b>	<b>21,381,012</b>	<b>-</b>	<b>230,199</b>	<b>7,699,973</b>	<b>29,311,184</b>
Excess (deficiency) of revenues over (under) expenditures	(5,699,105)	-	77,069	347,264	(5,274,772)
<b>Other financing sources (uses):</b>					
Transfers in	1,862,725	-	-	4,770,778	6,633,503
Transfers (out)	(681,453)	-	(1,430,000)	(3,270,255)	(5,381,708)
<b>Total other financing sources (uses)</b>	<b>1,181,272</b>	<b>-</b>	<b>(1,430,000)</b>	<b>1,500,523</b>	<b>1,251,795</b>
<b>Net change in fund balances</b>	<b>(4,517,833)</b>	<b>-</b>	<b>(1,352,931)</b>	<b>1,847,787</b>	<b>(4,022,977)</b>
<b>Fund balances (deficits):</b>					
May 1, 2008	2,907,343	3,965,260	9,915,840	5,604,959	22,393,402
April 30, 2009	\$ (1,610,490)	\$ 3,965,260	\$ 8,562,909	\$ 7,452,746	\$ 18,370,425

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, 2009

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Net change in fund balances-total governmental funds	\$	(4,022,977)
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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	\$	2,355,645	
Depreciation expense		<u>(3,322,882)</u>	(967,237)

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			2,605,000
Capital lease			285,046

Amortization of bond issuance costs are recorded in the Statement of Activities but are not reflected in the funds.			(29,148)
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Amortization of bond premiums and losses on bond refunding are recorded in the Statement of Activities and are not reflected in the funds.			(30,828)
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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			(160,900)
Change in pension assets/obligation			(261,424)
Change in other postemployment benefits			(52,581)
Change in compensated absences			(5,278)
Change in other long-term liabilities			<u>(141,890)</u>

Change in net assets of governmental activities	\$	<u>(2,782,217)</u>
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See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Net Assets - Enterprise Fund  
April 30, 2009

	Business-Type Activities
	<u>Water Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 523,469
Accounts receivable, net	554,002
Advances to other funds	1,581,731
<b>Total current assets</b>	<u>2,659,202</u>
Noncurrent assets	
Unamortized bond issue costs	55,513
Capital assets not being depreciated	29,780
Capital assets, net of accumulated depreciation	6,852,582
<b>Total noncurrent assets</b>	<u>6,937,875</u>
<b>Total assets</b>	<u>9,597,077</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	99,108
Accrued payroll and taxes	16,644
Accrued interest	48,900
Advances from other funds	1,826,989
General obligation bonds	205,000
Compensated absences	8,900
<b>Total current liabilities</b>	<u>2,205,541</u>
Long-term liabilities, net of current maturities	
General obligation bonds	2,910,000
Compensated absences	795
<b>Total current liabilities</b>	<u>2,910,795</u>
<b>Total liabilities</b>	<u>5,116,336</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	3,767,362
Unrestricted	713,379
<b>Total net assets</b>	<u>\$ 4,480,741</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, 2009

	Business-Type Activities
	<u>Water Fund</u>
<hr/>	
Operating revenues:	
Water sales	\$ 3,333,041
Water meter sales	9,646
Fines and forfeitures	65,290
Miscellaneous	21,967
<b>Total operating revenues</b>	<u>3,429,944</u>
Operating expenses:	
Operations	2,102,711
Depreciation	291,481
Amortization	4,626
<b>Total operating expenses</b>	<u>2,398,818</u>
<b>Operating income</b>	1,031,126
Non-operating expense:	
Interest expense	<u>(122,802)</u>
<b>Income before transfers</b>	908,324
Transfer out	<u>(1,251,795)</u>
<b>Change in net assets</b>	(343,471)
Net assets:	
May 1, 2008	<u>4,824,212</u>
April 30, 2009	<u>\$ 4,480,741</u>

See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Cash Flows - Enterprise Fund  
Year Ended April 30, 2009

	Business-Type Activities <u>Water Fund</u>
Cash Flows from Operating Activities	
Cash received from customers	\$ 3,617,461
Payments to employees	(402,917)
Payments to suppliers	(1,734,928)
<b>Net cash provided by operating activities</b>	<u>1,479,616</u>
Cash Flows from Non-Capital Financing Activities	
Increase in advances to other funds	(1,125,692)
Increase in advances from other funds	1,820,040
Transfer out	(1,251,795)
<b>Net cash used in non-capital financing activities</b>	<u>(557,447)</u>
Cash Flows from Capital and Related Financing Activities	
Capital assets purchased	(149,419)
Principal payments	(195,000)
Cash payments for interest	(125,802)
<b>Net cash used in capital and related financing activities</b>	<u>(470,221)</u>
<b>Net increase in cash and cash equivalents</b>	451,948
Cash and cash equivalents:	
May 1, 2008	<u>71,521</u>
April 30, 2009	<u>\$ 523,469</u>

See Notes to Basic Financial Statements.

(Continued)

Village of Matteson, Illinois

Statement of Cash Flows - Enterprise Fund - (Continued)  
Year Ended April 30, 2009

	<u>Business-Type Activities</u> <u>Water Fund</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,031,126
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	291,481
Amortization	4,626
Changes in assets and liabilities	
Accounts receivable	187,517
Accounts payable	(48,175)
Accrued payroll and compensated absences	13,041
Total adjustments	<u>448,490</u>
Net cash provided by operating activities	<u>\$ 1,479,616</u>

See Notes to Basic Financial Statements.



Village of Matteson, Illinois

Statement of Fiduciary Net Assets

Pension Trust Funds

April 30, 2009

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**Assets**

Cash and cash equivalents	\$	174,280
Investments		
Municipal securities		400,119
U.S. government and agency securities		16,937,565
Equity securities		2,755,467
Equity mutual funds		6,824,263
Money market mutual funds		2,043,764
Accrued interest receivable		150,827
Prepaid expense		12,561
Due from the Village		96,718
<b>Total assets</b>		<u>29,395,564</u>

**Liabilities**

Due to the Village		244,348
Accounts payable		<u>5,772</u>
<b>Total liabilities</b>		<u>250,120</u>

**Net Assets**

Held in trust for employees' benefits	\$	<u>29,145,444</u>
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See Notes to Basic Financial Statements.

Village of Matteson, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2009

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**Additions**

Contributions:	
Employer	\$ 1,334,708
Participants	510,880
<b>Total contributions</b>	<u>1,845,588</u>
Investment income (loss):	
Net depreciation in fair value of investments	(5,823,072)
Interest earned	1,356,504
Less: Investment expenses	(118,273)
<b>Net investment income (loss)</b>	<u>(4,584,841)</u>
<b>Total additions</b>	<u>(2,739,253)</u>

**Deductions**

Administration	67,237
Pension benefits and refunds	1,752,698
<b>Total deductions</b>	<u>1,819,935</u>
<b>Net decrease</b>	(4,559,188)

Net assets held in trust for employees' benefits:

May 1, 2008	<u>33,704,632</u>
April 30, 2009	<u>\$ 29,145,444</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:

**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.

**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)**

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 funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

*2008 General Obligation Bond Fund* – This fund accounts for the bond proceeds of the Series 2008 General Obligation Bonds for the Community Center Project.

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

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.

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)**

Assets, Liabilities, and Net Assets or Fund Balance

*i. 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.

*ii. 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.

*iii. Interfund Receivables, Payables and Activity*

The Village has the following types of transactions between funds:

*Loans and Advances*—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.

*iv. 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)**

Assets, Liabilities, and Net Assets or Fund Balance (Continued)

*v. 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 of business-type activities 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 operations on the Statement of Activities.

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

Assets, Liabilities, and Net Assets or Fund Balance (Continued)

*vi. Unearned/Deferred Revenue*

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

*vii. 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.

*viii. 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.

*ix. 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)**

**Assets, Liabilities, and Net Assets or Fund Balance (Continued)**

***x. 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.

***xi. Eliminations and Reclassifications***

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.

***xii. 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.

***xiii. Capital Contributions***

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

***xiv. New Accounting Pronouncements***

Effective May 1, 2008, the Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* on a prospective basis. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information.

Effective May 1, 2008, the Village adopted the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. 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. The Village has accrued for a remediation obligation in its government wide financial statements, which is included in other long-term liabilities on the statement of net assets at April 30, 2009.

Effective May 1, 2008, the Village adopted the provisions of GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. 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.

Notes to Basic Financial Statements

**Note 2. Deposits and Investments**

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.

**Deposits**

*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, 2009, the carrying amount of the Village's deposits was \$4,681,873 with bank balances of \$4,843,665. Of these bank balances, \$3,988,568 was uninsured and uncollateralized.

As of April 30, 2009, the carrying amount of the Police and Firefighters' Pension deposits were \$145,000 and \$29,280 with bank balances of \$168,308 and \$33,688, respectively. The Pension Funds' investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Funds' deposits with financial institutions. The Police and Firefighter's Pension deposits were entirely covered by federal depository insurance or collateralized with securities held by the pension funds or their respective agents in the pension funds' names.

As of April 30, 2009, the carrying amount of the Library's deposits was \$16,458. The Library's policy requires no collateral for investments in Federally Insured or Licensed Institutions Permitted to Hold Public Funds, provided that such investments shall not exceed federal insurance limits. Uninsured investments shall be collateralized by securities or mortgages in an amount equal to at least fair market value of the uninsured amount. 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 \$97 in petty cash on hand at April 30, 2009.

**Investments**

As of April 30, 2009, the Village had the following investments in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 1,701,848	\$ 210,419	\$ 965,651	\$ 525,778	\$ -
U.S. Treasury Bonds	1,058,108	-	-	-	1,058,108
U.S. Treasury Strips	85,582	-	-	-	85,582
U.S. agencies - GNMA	2,107,455	-	1,646	1,629,687	476,122
U.S. agencies - FHLMC	1,497,284	75,016	560,598	861,670	-
U.S. agencies - FHLB	8,624,225	-	7,411,475	1,212,750	-
U.S. agencies - FNMA	772,190	-	420,577	-	351,613
Municipal securities	400,119	102,330	-	213,255	84,534
Illinois Funds *	14,766,708	14,766,708	-	-	-
Money Market Mutual Funds *	2,043,764	2,043,764	-	-	-
Other U.S. Agencies	1,090,873	-	1,090,873	-	-
	<u>\$34,148,156</u>	<u>\$17,198,237</u>	<u>\$10,450,820</u>	<u>\$ 4,443,140</u>	<u>\$ 2,055,959</u>

In addition, the Library had Illinois Funds investments of \$2,403,467 as of April 30, 2009, which mature in less than 1 year.

\* Weighted average maturity is less than one year.

**Note 2. Deposits and Investments (Continued)**

*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. The Police and Firefighters' Pension Fund investment policies limit each fund's exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

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

*Credit Risk.* State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may invest as allowed by the Illinois Pension Code. It is the Village's policy to limit its investments to the top rating issued by nationally recognized standard rating organizations (NRSROs). As of April 30, 2009, the Village and Library investments in the Illinois Funds were rated AAAM by Standard & Poor's. The Police and Firefighters' Pension Funds' investments in the securities of U.S. agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Firefighters' Pension Fund's investments in municipal securities were not rated as of April 30, 2009, nor were the Police and Firefighter's Pension Funds' investments in money market mutual funds.

*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 amount provided by the Federal Deposit Insurance Corporation coverage limit; and
- 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 total investments (20%) are invested in the Federal Home Loan Bank.

At April 30, 2009, the Police Pension Fund has over 5% of plan net assets invested in GNMA (18.74%) and money market funds (8.34%). Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Police Pension Fund's investment policy specifies "the Board of Trustees consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio."

Notes to Basic Financial Statements

**Note 2. Deposits and Investments (Continued)**

The Firefighters' Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2009, the Firefighters' Pension Fund has over 5% of plan net assets invested in several money market mutual funds at Smith Barney totaling \$1,119,917. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Library's policy states that if funds invested in one of the securities exceeds federal deposit insurance limits, unless collateralized by securities or mortgages, the excess funds shall be moved to another federally insured institution.

*Custodial Credit Risk* – For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury notes, bonds and strips, U.S. agency securities and municipal securities are held by the Village's agent in the Village's name. The remainder of the Village's investments is not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

As of April 30, 2009, the Village's fair values of investments that are not included in the totals above are as follows:

Equity securities	\$ 2,755,467
Equity mutual funds	<u>6,824,263</u>
	<u><u>\$ 9,579,730</u></u>

The above cash and investments totaling \$51,004,061 are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Component Unit-Library	Fiduciary Funds	Total
Cash and cash equivalents	\$ 18,855,753	\$ 523,469	\$ 2,420,022	\$ 174,280	\$ 21,973,524
Investments	69,359	-	-	28,961,178	29,030,537
Total	<u>\$ 18,925,112</u>	<u>\$ 523,469</u>	<u>\$ 2,420,022</u>	<u>\$ 29,135,458</u>	<u>\$ 51,004,061</u>

**Note 3. 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 4. Capital Assets

Governmental Activities

A summary of changes in capital assets for governmental activities of the Village for the year ended April 30, 2009 is as follows:

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009
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	<u>29,832,055</u>	-	-	<u>29,832,055</u>
Capital assets being depreciated:				
Land improvements	3,975,669	342,204	-	4,317,873
Buildings and improvements	11,145,481	1,365,360	-	12,510,841
Machinery and equipment	8,360,123	648,081	-	9,008,204
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	3,884,254	-	-	3,884,254
Traffic signals	309,500	-	-	309,500
Bridges	3,372,914	-	-	3,372,914
Total capital assets being depreciated	<u>96,446,897</u>	<u>2,355,645</u>	-	<u>98,802,542</u>
Less accumulated depreciation for:				
Land improvements	1,847,640	215,894	-	2,063,534
Buildings and improvements	3,474,038	250,217	-	3,724,255
Machinery and equipment	7,137,803	1,217,484	-	8,355,287
Streets	6,906,472	376,481	-	7,282,953
Sidewalks	4,726,525	248,541	-	4,975,066
Storm sewers	12,393,552	654,164	-	13,047,716
Sanitary sewers	3,278,005	169,893	-	3,447,898
Streetlights	2,577,182	115,290	-	2,692,472
Traffic signals	239,182	7,460	-	246,642
Bridges	599,150	67,458	-	666,608
Total accumulated depreciation	<u>43,179,549</u>	<u>3,322,882</u>	-	<u>46,502,431</u>
Total capital assets being depreciated, net	<u>53,267,348</u>	<u>(967,237)</u>	-	<u>52,300,111</u>
Governmental activities capital assets, net	<u>\$ 83,099,403</u>	<u>\$ (967,237)</u>	<u>\$ -</u>	<u>\$ 82,132,166</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2009 is as follows:

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009
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	2,958,222	122,784	-	3,081,006
Water distribution system	6,142,842	26,635	-	6,169,477
Total capital assets being depreciated	10,596,129	149,419	-	10,745,548
Less accumulated depreciation for:				
Buildings and improvements	1,010,091	40,407	-	1,050,498
Machinery, furniture and equipment	1,267,024	120,672	-	1,387,696
Water distribution system	1,324,370	130,402	-	1,454,772
Total accumulated depreciation	3,601,485	291,481	-	3,892,966
Total capital assets being depreciated, net	6,994,644	(142,062)	-	6,852,582
Business-type activities capital assets, net	\$ 7,024,424	\$ (142,062)	\$ -	\$ 6,882,362

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

Component Unit (Matteson Public Library)

A summary of changes in the capital assets for the Library during the year ended April 30, 2009 is as follows:

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009
Capital assets not being depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital assets being depreciated:				
Building	3,551,303	6,006	-	3,557,309
Furniture and fixtures	577,687	1,607	1,653	577,641
Site improvement	185,300	-	-	185,300
Equipment	29,042	7,000	-	36,042
Library collection	834,497	220,062	99,409	955,150
Total capital assets being depreciated	5,177,829	234,675	101,062	5,311,442
Less accumulated depreciation for:				
Building	1,581,503	119,670	-	1,701,173
Furniture and fixtures	490,878	5,304	1,653	494,529
Site improvements	150,389	2,496	-	152,885
Equipment	13,617	12,935	-	26,552
Library collection	341,792	178,991	99,409	421,374
Total accumulated depreciation	2,578,179	319,396	101,062	2,796,513
Total capital assets being depreciated, net	2,599,650	(84,721)	-	2,514,929
Capital assets, net	\$ 2,899,650	\$ (84,721)	\$ -	\$ 2,814,929

Depreciation Charged to Functions / Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 1,517,766	\$ -
Community development	142,972	-
Public safety	1,284,542	-
Public works	275,970	-
Recreational services	101,632	-
Water	-	291,481
	\$ 3,322,882	\$ 291,481

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. 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, 2009:

	Outstanding Debt as of May 1,			Outstanding Debt as of April 30,		Due within
	2008	Additions	Reductions	2009	one year	
General obligation bonds:						
Series 1997B	\$ 350,000	\$ -	\$ -	\$ 350,000	\$ -	
Series 2001	105,000	-	105,000	-	-	
Series 2002B	1,390,000	-	185,000	1,205,000	185,000	
Series 2003A	1,920,000	-	90,000	1,830,000	90,000	
Series 2003B	3,765,000	-	450,000	3,315,000	465,000	
Series 2004	415,000	-	205,000	210,000	210,000	
Series 2004A	1,745,000	-	415,000	1,330,000	425,000	
Series 2004B	2,250,000	-	220,000	2,030,000	225,000	
Series 2004C	6,255,000	-	925,000	5,330,000	965,000	
Series 2006A	2,325,000	-	10,000	2,315,000	125,000	
Series 2008	10,000,000	-	-	10,000,000	350,000	
Premium on general obligation bonds	184,854	-	10,500	174,354	-	
Losses on refunding of general obligation bonds	(240,517)	-	(41,328)	(199,189)	-	
Capital lease	290,198	-	285,046	5,152	5,152	
Compensated absences	718,430	867,234	891,580	694,084	589,971	
Pension obligation	316,458	266,906	-	583,364	-	
Other postemployment benefits	-	196,721	144,140	52,581	-	
Other long-term liabilities	-	141,890	-	141,890	-	
	<u>\$ 31,789,423</u>	<u>\$ 1,472,751</u>	<u>\$ 3,894,938</u>	<u>\$ 29,367,236</u>	<u>\$ 3,635,123</u>	

The General Fund is typically used to liquidate compensated absences, the pension obligation, other postemployment benefits and other long-term liabilities.

Unamortized bond issuance costs related to governmental activities long-term obligations were \$331,494 at April 30, 2009, with amortization expense of \$29,148 during the year then ended.



Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. 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, 2009:

	Outstanding Debt As of May 1, 2008			Additions	Reductions	Outstanding Debt as of April 30, 2009		Due within one year
General obligation bonds, Series 2006	\$ 3,310,000	\$ -	\$ 195,000		\$ 3,115,000	\$ 205,000		
Compensated absences	795	9,695	795		9,695	8,900		
	<u>\$ 3,310,795</u>	<u>\$ 9,695</u>	<u>\$ 195,795</u>		<u>\$ 3,124,695</u>	<u>\$ 213,900</u>		

Unamortized bond issuance costs related to business-type activities long-term obligations were \$55,513 at April 30, 2009, with amortization expense of \$4,626 during the year then ended.

Component Unit

The Library has compensated absences outstanding of \$32,339, all of which is due within one year.

Pledged Revenue and Payments

Details relating to pledged revenues on the Village's debt as of April 30, 2009 is as follows:

Debt Issue	Pledged Revenue Source	Revenue	Principal and Interest Retired	Pledged Remaining	Commitment End Date	Principal and Interest as a Percentage of Pledged Revenue
<b>Governmental Activities</b>						
Series 1997B	TIF III Property Taxes	\$ 923,526	\$ 17,813	\$ 440,471	12/1/2014	2%
Series 2002B	Sales Taxes *	5,085,572	208,045	1,352,650	12/1/2014	4%
Series 2003A	Utility Taxes *	2,067,032	168,506	2,532,031	12/1/2023	8%
Series 2003B	Sales Taxes	5,085,572	576,875	3,785,470	12/1/2015	11%
Series 2004	Sales Taxes *	5,085,572	218,283	216,825	12/1/2009	4%
Series 2004A	TIF I Property Taxes	1,631,269	470,514	1,422,150	12/1/2011	29%
Series 2004B	Sales Taxes *	5,085,572	300,323	2,388,612	12/1/2016	6%
Series 2004C	TIF IV Property Taxes	1,270,684	1,228,294	6,316,200	12/1/2017	97%
Series 2006A	Property Taxes *	9,606,923	103,000	2,982,600	12/1/2020	1%
Series 2008	Utility Taxes *	2,067,032	229,704	14,560,306	12/1/2027	11%
<b>Business-Type Activities</b>						
Series 2006	Waterworks Service Charges	3,429,944	319,516	3,952,174	12/1/2020	9%

\* Although there is a pledged revenue source for these obligations, the Village has levied property taxes for the payment of this debt in its 2008 tax levy due to shortfalls in the applicable pledged revenue streams.

Village of Matteson, Illinois

Notes to Basic Financial Statements

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**Note 5. Long-Term Obligations (Continued)**

Long-term obligations outstanding for governmental activities are as follows:

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>
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>\$ 90,471</u>

General Obligation Refunding Bond (Alternate Revenue Source), Series 2002B

The Village issued general obligation (alternate revenue source) 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 3.00% to 3.60%. The Village has pledged future sales tax revenue in the General Fund 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>
2010	\$ 185,000	\$ 40,540
2011	200,000	34,805
2012	200,000	28,305
2013	205,000	21,705
2014	205,000	14,735
2015	210,000	7,560
	<u>\$ 1,205,000</u>	<u>\$ 147,650</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

General Obligation Bonds (Alternate Revenue Source), Series 2003A

The Village issued general obligation bonds, (utility tax alternate revenue source), Series 2003A 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 3.25% to 4.7%. The Village has pledged future utility tax revenue in the General Fund 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>
2010	\$ 90,000	\$ 75,581
2011	95,000	72,656
2012	95,000	69,569
2013	100,000	66,363
2014	105,000	62,763
2015	110,000	58,878
2016	115,000	54,588
2017	120,000	50,103
2018	125,000	45,003
2019	130,000	39,690
2020	135,000	34,165
2021	140,000	28,090
2022	150,000	21,790
2023	155,000	15,040
2024	165,000	7,755
	<u>\$ 1,830,000</u>	<u>\$ 702,031</u>

General Obligation Refunding Bonds (Alternate Revenue Source), Series 2003B

The Village issued general obligation refunding bonds utility tax (alternate revenue source), Series 2003B 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 sales tax revenue in the General Fund 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>
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>\$ 3,315,000</u>	<u>\$ 470,470</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

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 2.5% to 3.25%. The Village has pledged future sales tax revenue in the General Fund for the repayment of these bonds. Debt service requirements for these bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
<u>Year ending April 30:</u>		
2010	\$ 210,000	\$ 6,825

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

The Village issued alternate revenue 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 2.5% to 3.50%. The Village has pledged incremental property tax revenues from TIF #1 for the repayment of these bonds. Debt service requirements for these bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
<u>Year ending April 30:</u>		
2010	\$ 425,000	44,931
2011	445,000	31,119
2012	460,000	16,100
	<u>\$ 1,330,000</u>	<u>\$ 92,150</u>

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

The Village issued alternate revenue 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 2.375% to 4.00%. The Village has pledged future sales tax revenues in the General Fund for the repayment of these bonds. Debt service requirements for these bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
<u>Year ending April 30:</u>		
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>\$ 2,030,000</u>	<u>\$ 358,612</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. 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 3.75% 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>
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>\$ 5,330,000</u>	<u>\$ 986,200</u>

General Obligation Refunding Bonds, Series 2006A

The Village issued general obligation bonds on December 21, 2006 to provide for the partial refunding of the Series 2001 general obligation bonds. The bonds are due semiannually on December 1 through 2020, bearing interest at 3.625% to 4.0%. The Village has pledged 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>
2010	\$ 125,000	\$ 92,600
2011	140,000	87,600
2012	150,000	82,000
2013	165,000	76,000
2014	180,000	69,400
2015	195,000	62,200
2016	205,000	54,400
2017	210,000	46,200
2018	215,000	37,800
2019	230,000	29,200
2020	245,000	20,000
2021	255,000	10,200
	<u>\$ 2,315,000</u>	<u>\$ 667,600</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

General Obligation Bonds (Utility Tax Alternate Revenue Source) Series 2008

The Village issued alternate revenue general obligation bonds, Series 2008, on April 7, 2008 to finance the new construction of a community center within the Village. The bonds are due semiannually on June 1 and December 1 through 2027, bearing interest at 3.00% to 4.00%. The Village has pledged future utility tax revenue in the General Fund 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>
2010	\$ 350,000	\$ 381,076
2011	360,000	370,576
2012	375,000	359,776
2013	385,000	348,526
2014	395,000	335,050
2015	410,000	321,226
2016	425,000	306,876
2017	435,000	292,000
2018	455,000	274,600
2019	475,000	256,400
2020	495,000	237,400
2021	515,000	217,600
2022	530,000	197,000
2023	555,000	175,800
2024	575,000	153,600
2025	770,000	130,600
2026	800,000	99,800
2027	830,000	67,800
2028	865,000	34,600
	<u>\$ 10,000,000</u>	<u>\$ 4,560,306</u>

Capital Leases

Capital lease, dated December 11, 2006, provides for the retirement of principal on the 15<sup>th</sup> of every month with an annual amount of \$5,152 in 2010. Interest is due on the 15<sup>th</sup> of every month at 6.5%. The lease is collateralized by a vehicle with a net book value of \$5,152 at April 30, 2009.

<u>Year ending April 30:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,152	\$ 126

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 5. 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%.

Long-term obligations outstanding for business-type activities are as follows:

Year ending April 30:	Principal	Interest
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
	\$ 3,115,000	\$ 837,174

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

Year ending April 30,	Governmental Activities		Business Type Activities	
	General Obligation Bonds and Capital Leases		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 3,045,152	\$ 1,110,220	\$ 205,000	\$ 117,448
2011	2,960,000	1,002,093	215,000	110,016
2012	3,075,000	888,810	220,000	102,222
2013	2,725,000	768,505	230,000	94,248
2014	1,900,000	654,476	240,000	85,910
2015-2019	7,035,000	2,207,098	1,370,000	288,930
2020-2024	3,915,000	1,118,440	635,000	38,400
2025-2028	3,265,000	332,800	-	-
Totals	\$ 27,920,152	\$ 8,082,441	\$ 3,115,000	\$ 837,174

Village of Matteson, Illinois

Notes to Basic Financial Statements

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**Note 5. Long-Term Obligations (Continued)**

Legal Debt Margin

Equalized Assessed Valuation (2008 Tax Year)		<u>\$ 601,514,258</u>
Bond debt limit - 8.625% of assessed value		\$ 51,880,605
Amount of debt applicable to debt limit -		
General Obligation Refunding Bonds, Series 2002B	\$ 1,205,000	
General Obligation Bonds, Series 2003A	1,830,000	
General Obligation Bonds, Series 2004	210,000	
General Obligation Bonds, Series 2004B	2,030,000	
General Obligation Refunding Bonds, Series 2006A	2,315,000	
General Obligation Bonds, Series 2008	<u>10,000,000</u>	
Total amount of debt applicable to debt limit		<u>17,590,000</u>
Legal debt margin		<u>\$ 34,290,605</u>

**Note 6. Pension and Retirement Plan Commitments**

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

Illinois Municipal Retirement Fund

*Plan Description.* The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).



Notes to Basic Financial Statements

**Note 6. Pension and Retirement Plan Commitments (Continued)**

*Funding Policy.* As set by statute, plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 12.38 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For 2008, the Village's annual pension cost of \$681,549 for the Regular plan was equal to the Village's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2008	\$ 681,549	100%	\$ -
12/31/2007	605,093	100%	-
12/31/2006	542,175	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.

*Funded Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 65.83 percent funded. The actuarial accrued liability for benefits was \$13,411,882 and the actuarial value of the assets was \$8,828,525, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,583,357. The covered payroll (annual payroll of active employees covered by the plan) was \$5,505,241 and the ratio of the UAAL to the covered payroll was 83 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Notes to Basic Financial Statements

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**Note 6. Pension and Retirement Plan Commitments (Continued)**

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's most recent actuarial valuation was as of April 30, 2008.

Costs of administering the Plan are financed through employee and employer contributions. 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 2009 was 31.72% of covered payroll.

The Police Pension Fund issues a financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Budget Officer at the Village of Matteson, 4900 Village Commons, Matteson, Illinois 60443.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2009 were as follows:

Annual required contribution	\$ 877,454
Interest on net pension obligation	22,152
Adjustment to annual requirement contribution	<u>(24,088)</u>
Annual pension cost	875,518
Contributions made	<u>626,285</u>
Increase in net pension obligation	249,233
Net pension obligation, beginning of year	<u>316,458</u>
Net pension obligation, end of year	<u><u>\$ 565,691</u></u>

The annual required contribution for the year ended April 30, 2009, was determined as part of the April 30, 2008, 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 1.12% to 4.86%, (c) 3.0% per year cost of living adjustments, and (d) inflation of 2.50% per year. 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 three-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, 2008, was 29 years.

Notes to Basic Financial Statements

**Note 6. Pension and Retirement Plan Commitments (Continued)**

As of April 30, 2008, the most recent actuarial valuation date, the plan was 76.12 percent funded. The actuarial accrued liability for benefits was \$27,532,846 and the actuarial value of the assets was \$20,958,210, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,574,636. The covered payroll (annual payroll of active employees covered by the plan) was \$2,646,623 and the ratio of the UAAL to the covered payroll was 248 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
4/30/2009	\$ 875,518	\$ 626,285	98.31%	\$ 565,691
4/30/2008	731,862	834,549	114.03%	316,458
4/30/2007	664,213	350,660	52.79%	419,145

Membership in the plan consisted of the following as of April 30, 2008:

Retirees and beneficiaries receiving benefits	25
Terminated plan members entitled to but not yet receiving benefits	5
Active plan members	37
<b>Total</b>	<b>67</b>

Firefighters' Pension Plan

Firefighter 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 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 Firefighters' Pension Plan's most recent actuarial valuation was as of May 1, 2008.

Costs of administering the Plan are financed through employee and employer contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 2008 was 20.12% of covered payroll.

The Firefighters' Pension Fund issues a financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Budget Officer at the Village of Matteson, 4900 Village Commons, Matteson, Illinois 60443.

Notes to Basic Financial Statements

**Note 6. Pension and Retirement Plan Commitments (Continued)**

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2009 were as follows:

Annual required contribution	\$ 720,614
Interest on net pension obligation	-
Adjustment to annual requirement contribution	-
Annual pension cost	<u>720,614</u>
Contributions made	<u>708,423</u>
Increase in net pension obligation	12,191
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ 12,191</u></u>

The annual required contribution for the year ended April 30, 2009, was determined as part of the April 30, 2008, 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 5.50%, (c) 3.0% per year cost of living adjustments, and (d) inflation of 3.00% per year. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2008, was 25 years.

As of April 30, 2008, the most recent actuarial valuation date, the plan was 73.44 percent funded. The actuarial accrued liability for benefits was \$19,633,929 and the actuarial value of the assets was \$14,418,900, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,215,029. The covered payroll (annual payroll of active employees covered by the plan) was \$2,299,162 and the ratio of the UAAL to the covered payroll was 227 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/2009	\$ 720,614	\$ 708,423	98.31%	\$ 12,191
04/30/2008	462,672	462,672	100.00%	-
04/30/2007	N/A	N/A	N/A	N/A

Membership in the plan consisted of the following as of April 30, 2008:

Retirees and beneficiaries receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	2
Active plan members	<u>32</u>
<b>Total</b>	<u><u>49</u></u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

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Note 6. Pension and Retirement Plan Commitments (Continued)

Pension Trust Funds  
 Combining Statement of Fiduciary Net Assets  
 Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 145,000	\$ 29,280	\$ 174,280
Investments:			
Municipal securities	-	400,119	400,119
U.S. government and agency securities	10,154,793	6,782,772	16,937,565
Equity securities	-	2,755,467	2,755,467
Equity mutual funds	4,806,927	2,017,336	6,824,263
Money market mutual funds	923,847	1,119,917	2,043,764
Accrued interest receivable	88,214	62,613	150,827
Prepaid expense	500	12,061	12,561
Due from the Village	96,718	-	96,718
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	16,215,999	13,179,565	29,395,564
<b>Liabilities and Net Assets</b>			
Liabilities			
Due to the Village	-	244,348	244,348
Accounts payable	4,512	1,260	5,772
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	4,512	245,608	250,120
<b>Net Assets</b>			
Held in trust for employees' benefits	<u>\$ 16,211,487</u>	<u>\$ 12,933,957</u>	<u>\$ 29,145,444</u>

Village of Matteson, Illinois

Notes to Basic Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions:			
Employer	\$ 626,285	\$ 708,423	\$ 1,334,708
Participants	261,134	249,746	510,880
<b>Total contributions</b>	<b>887,419</b>	<b>958,169</b>	<b>1,845,588</b>
Investment income (loss):			
Net depreciation in fair value of investments	(3,449,224)	(2,373,848)	(5,823,072)
Interest earned	741,437	615,067	1,356,504
Less: Investment expenses	(36,475)	(81,798)	(118,273)
<b>Net investment income (loss)</b>	<b>(2,744,262)</b>	<b>(1,840,579)</b>	<b>(4,584,841)</b>
<b>Total additions</b>	<b>(1,856,843)</b>	<b>(882,410)</b>	<b>(2,739,253)</b>
<b>Deductions</b>			
Administration	36,139	31,098	67,237
Pension benefits and refunds	1,181,263	571,435	1,752,698
<b>Total deductions</b>	<b>1,217,402</b>	<b>602,533</b>	<b>1,819,935</b>
<b>Net decrease</b>	<b>(3,074,245)</b>	<b>(1,484,943)</b>	<b>(4,559,188)</b>
Net assets held in trust for employees' benefits:			
May 1, 2008	19,285,732	14,418,900	33,704,632
April 30, 2009	\$ 16,211,487	\$ 12,933,957	\$ 29,145,444

Notes to Basic Financial Statements

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**Note 7. 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 \$60,000 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, 2009, 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, 2009, 2008 or 2007.

Changes in aggregated claims payable for the years ended April 30, 2009 and 2008 were as follows:

	2009	2008
Beginning balance	\$ 209,092	\$ 332,704
Provision for claims	1,696,056	2,396,255
Claims paid	(1,628,416)	(2,519,867)
Ending balance	\$ 276,732	\$ 209,092

Claims payable of \$276,732 are included in accounts payable of \$2,368,180 in the Village's general fund at April 30, 2009. All known claims and estimated claims incurred but not reported are expected to be paid from current available resources; therefore, these amounts are accrued in the governmental funds at April 30, 2009.

Notes to Basic Financial Statements

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**Note 8. 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:

2010	\$	249,632
2011		250,471
2012		279,279
	\$	<u>779,382</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, 2009, this additional amount totaled \$1,241,219.



Village of Matteson, Illinois

Notes to Basic Financial Statements

**Note 9. Other Fund Disclosures (FFS Level Only)**

Advances To/From Other Funds

Interfund advances for the Village at April 30, 2009, are shown as follows:

Fund	Advances To Other Funds
General	
Nonmajor Governmental	\$ 718,987
2008 General Obligation Bond	
Water	1,813,214
Nonmajor Governmental	1,027,363
Nonmajor Governmental	
General	569,772
Water	13,775
Nonmajor Governmental	245,829
Water Fund	
General	1,409,862
Nonmajor Governmental	171,869
Total	\$ 5,970,671

Fund	Advances From Other Funds
General	
Nonmajor Governmental	\$ 569,772
Water	1,409,862
Nonmajor Governmental	
General	718,987
2008 General Obligation Bond	1,027,363
Nonmajor Governmental	245,829
Water	171,869
Water Fund	
2008 General Obligation Bond	1,813,214
Nonmajor Governmental	13,775
Total	\$ 5,970,671

Advances between funds represent loans that are not expected to be repaid in the following fiscal year.

Village of Matteson, Illinois

Notes to Basic Financial Statements

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Note 9. Other Fund Disclosures (FFS Level Only) (Continued)

Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2009, are shown as follows:

<b>Fund</b>	Due From Other Funds
General	
Fiduciary	\$ 244,348
Fiduciary	
General	96,718
Total	<u>\$ 341,066</u>

<b>Fund</b>	Due To Other Funds
General	
Fiduciary	\$ 96,718
Fiduciary	
General	244,348
Total	<u>\$ 341,066</u>

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. Individual Fund Disclosures (FFS Level Only) (Continued)

Transfers In/Out

The interfund transfers in and out for the year ended April 30, 2009, are as follows:

Fund	Transfers In
General	
Water	\$ 1,251,795
Nonmajor Governmental	610,930
Nonmajor Governmental	
General	681,453
2008 General Obligation Bond	1,430,000
Nonmajor Governmental	2,659,325
Total	\$ 6,633,503
Fund	Transfers Out
General	
Nonmajor Governmental	\$ 681,453
Water	
General	1,251,795
2008 General Obligation Bond	
Nonmajor Governmental	1,430,000
Nonmajor Governmental	
General	610,930
Nonmajor Governmental	2,659,325
Total	\$ 6,633,503

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.

Village of Matteson, Illinois

Notes to Basic Financial Statements

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**Note 10. Individual Fund Disclosures (FFS Level Only (Continued))**

Deficit Fund Balances

As of April 30, 2009, the following funds had deficit fund balances:

	Amount	Intended Financing
General	\$ 1,610,490	Sales and property taxes
Vehicle License	221,330	License revenues
2001 General Obligation Bonds	49,013	Property taxes
2002B General Obligation Refunding Bonds	187,692	Property taxes
2003B Refunding Bonds	304,624	Property taxes
2004A General Obligation Bonds	286,886	Property taxes
2004B General Obligation Refunding Bonds	214,218	Property taxes
2006A General Obligation Bonds	36,443	Property taxes
Tax Increment Finance District I	9,516	TIF I property taxes

The following funds overexpended its budget for the year ended April 30, 2009 by the following approximate amounts:

General	\$ 1,335,800
South Suburban Special Recreation	5,500
Vehicle License	79,600
Hotel/Motel Tax	65,900
Quality of Life	133,400
2001 General Obligation Bonds	1,200
2003A Community Center Utility Bonds	2,200
2003B Refunding Bonds	6,200
2004B General Obligation Refunding Bonds	1,300
2006A General Obligation Bonds	100
2008 General Obligation Bond Fund	80,000
Tax Incremental Finance District III	200
Tax Incremental Finance District IV	1,258,800
Capital Equipment	600
Community Center	1,078,000
Water	37,300

**Note 10. 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, 2009.

Notes to Basic Financial Statements

**Note 11. Postemployment Healthcare Plan**

*Plan Description.* The Village of Matteson (Village) provides limited health care insurance coverage for its eligible retired employees. This is a single-employer plan. The plan does not issue a publicly available financial report.

*Funding Policy.* The required contribution is based on projected pay-as-you-go financing requirements. Eligible disabled pensioners receive coverage under the Village's health plan with an employer contribution rate of 100% of the premiums for the coverage elected by the retiree. There is also an implicit rate subsidy of 20% related to all Village retirees. The Village contributed \$144,140 to the plan during fiscal year 2009.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2009, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$	196,721
Interest on net OPEB obligation		-
Adjustment to annual requirement contribution		-
Annual OPEB cost		<u>196,721</u>
Contributions made		<u>144,140</u>
Increase in net OPEB obligation		52,581
Net OPEB obligation, beginning of year		<u>-</u>
Net OPEB obligation, end of year	<u>\$</u>	<u>52,581</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2009	\$ 196,721	73.30%	\$ 52,581
04/30/2008	N/A	N/A	N/A
04/30/2007	N/A	N/A	N/A

*Funded Status and Funding Progress.* As of April 30, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$3,822,477, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$3,822,477. The covered payroll (annual payroll of active employees covered by the Plan) was \$10,796,939 and the ratio of the UAAL to the covered payroll was 35.4 percent.

**Note 11. Postemployment Healthcare Plan (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employee and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent discount rate (includes inflation at 3.0 percent) annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent, and anticipated participation of 20.0 percent to 100 percent based on position of employee. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009 was 30 years.

**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 a percentage of the total sales taxes and property taxes received by the Village as a result of sales made by these retail stores. During the year ended April 30, 2009, the Village expended \$1,437,255 and \$70,867, respectively, under these agreements.

**Note 13. Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Village beginning with its year ending 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.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, will be effective for the Village beginning with its year ending April 30, 2010. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income.

**Note 13. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, will be effective for the Village beginning with its year ending April 30, 2011. This Statement addresses recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the Village beginning with its year ending April 30, 2012. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

**Note 14. Authorized But Unissued Bonds**

Subsequent to April 30, 2009, the Village Board authorized the issuance of \$25,300,000 in General Obligation Debt Certificates, Series 2010. The proceeds from these certificates will be used for the completion of the new community center within the Village, in addition to various other capital projects within the public works, police and fire departments. The interest rates for these certificates are yet to be determined.

**Note 15. Contingent Liability**

The Village is a defendant in a lawsuit. The outcome of this lawsuit is not presently determinable and the affect on the financial condition of the Village is unknown.

Required Supplementary Information



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)
12/31/2008	\$ 8,828,525	\$ 13,411,882	\$ 4,583,357	65.83 %	\$ 5,505,241	83.25 %
12/31/2007	9,378,732	12,411,637	3,032,905	75.56	5,261,682	57.64
12/31/2006	8,856,157	11,691,340	2,835,183	75.75	4,849,507	58.46

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$6,296,582. On a market basis, the funded ratio would be 46.95%.

Village of Matteson, Illinois

Schedule of Funding Progress and Employer Contributions  
Police Pension Fund

Funding Progress:

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)
04/30/2008	\$ 20,958,210	\$ 27,532,846	\$ 6,574,636	76.12 %	\$ 2,646,623	248.42 %
04/30/2007	19,579,638	25,046,992	5,467,354	78.17	2,379,780	229.74
04/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2005	17,695,128	22,728,317	5,033,189	77.85	2,477,780	203.13
04/30/2004	17,520,234	21,185,282	3,665,048	82.70	2,341,774	156.51
04/30/2003	16,575,350	19,780,307	3,204,957	83.80	2,147,984	149.21

Employer Contributions:

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2008	\$ 877,454	70.75 %
2007	734,090	113.68
2006	N/A	N/A
2005	664,697	91.93
2004	547,940	44.06
2003	483,429	74.86

Information presented for as many years as available.

Village of Matteson, Illinois

Schedule of Funding Progress and Employer Contributions  
Firefighters' Pension Fund

Funding Progress:

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)
04/30/2008	\$ 14,418,900	\$ 19,633,929	\$ 5,215,029	73.44 %	\$ 2,299,162	226.82 %
04/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
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	2,000,192	48.44
04/30/2003	10,000,594	10,650,630	650,036	93.90	1,928,793	33.70

Employer Contributions:

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2008	\$ 462,672	100.00 %
2007	N/A	N/A
2006	N/A	N/A
2005	N/A	N/A
2004	405,916	84.04
2003	405,621	82.59

Information presented for as many years as available.

Village of Matteson, Illinois

Schedule of Funding Progress and Employer Contributions  
 Postemployment Healthcare Plan

Funding Progress:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAA)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
04/30/2009	\$ -	\$ 3,822,477	\$ 3,822,477	- %	\$ 10,796,939	35.40 %
04/30/2008	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2007	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions:

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2009	\$ 196,721	73.30 %
2008	N/A	N/A
2007	N/A	N/A

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 General Fund  
 Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance
Revenues:			
Sales taxes, net	\$ 7,571,375	\$ 5,085,572	\$ (2,485,803)
Property taxes	3,290,734	3,805,349	514,615
Other taxes	3,327,688	2,843,100	(484,588)
Licenses and permits	1,003,496	489,878	(513,618)
Charges for services	2,640,646	2,606,831	(33,815)
Intergovernmental	23,800	37,400	13,600
Fines and forfeitures	274,261	261,003	(13,258)
Interest	-	141,607	141,607
Recreation programs	204,151	171,688	(32,463)
Grants and reimbursements	492,477	96,090	(396,387)
Miscellaneous	93,100	143,389	50,289
<b>Total revenues</b>	<u>18,921,728</u>	<u>15,681,907</u>	<u>(3,239,821)</u>
Expenditures:			
Current:			
General government	275,669	276,281	(612)
General operations	6,422,252	7,202,311	(780,059)
Administrative services	432,085	479,270	(47,185)
Human resources	272,546	226,048	46,498
Finance	524,680	576,148	(51,468)
Community development	1,267,764	808,594	459,170
Public safety services	7,263,882	8,655,232	(1,391,350)
Public works	966,435	1,263,741	(297,306)
Recreational services	716,972	684,794	32,178
Capital	1,986,998	1,200,677	786,321
Debt service:			
Principal retirement	15,920	7,321	8,599
Interest and fees	(100,000)	595	(100,595)
<b>Total expenditures</b>	<u>20,045,203</u>	<u>21,381,012</u>	<u>(1,335,809)</u>
Deficiency of revenue under expenditures	<u>(1,123,475)</u>	<u>(5,699,105)</u>	<u>(4,575,630)</u>
Other financing sources (uses):			
Transfers in	1,800,000	1,862,725	62,725
Transfers out	(295,618)	(681,453)	(385,835)
<b>Total other financing sources (uses)</b>	<u>1,504,382</u>	<u>1,181,272</u>	<u>(323,110)</u>
<b>Change in fund balance</b>	<u>\$ 380,907</u>	<u>(4,517,833)</u>	<u>\$ (4,898,740)</u>
Fund balance (deficit):			
May 1, 2008		<u>2,907,343</u>	
April 30, 2009		<u>\$ (1,610,490)</u>	

See Note to Required Supplementary Information.

**Note to Required Supplementary Information**

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**Note 1. Budget Information**

**Budgetary Process**

- 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.
- d) Formal budgetary integration is employed as a management control device during the year for the general, certain special revenue funds, debt service funds and capital projects fund.
- e) Budgets 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 administration 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.

**Budget Overexpenditures**

The General Fund overexpended its budget by approximately \$1,335,800 for the year ended April 30, 2009.

## Supplementary Information

Village of Matteson, Illinois

Schedule of General Fund Revenues  
 Budget and Actual  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
<b>Revenues:</b>			
Sales tax, net	\$ 7,571,375	\$ 5,085,572	\$ 5,914,923
Property taxes	3,108,734	3,654,750	3,236,043
Road and bridge taxes	182,000	150,599	131,487
	<u>3,290,734</u>	<u>3,805,349</u>	<u>3,367,530</u>
<b>Other taxes:</b>			
Income taxes	1,456,000	1,150,513	1,508,969
Replacement taxes	124,800	126,243	172,725
Utility tax	1,430,000	1,289,581	1,423,984
Sales use taxes	249,600	248,448	224,562
Hotel/motel	36,400	-	-
Miscellaneous taxes	30,888	28,315	37,151
<b>Total other taxes</b>	<u>3,327,688</u>	<u>2,843,100</u>	<u>3,367,391</u>
<b>Licenses and permits:</b>			
Business licenses	84,150	52,400	58,300
Liquor licenses	33,900	29,575	31,600
Vending machine licenses	13,700	14,174	7,244
Miscellaneous licenses	2,350	2,011	1,979
Contractor licenses	60,000	51,500	62,600
Payroll processing	3,500	3,852	3,659
Building permits	457,600	162,591	491,036
Electric permits	94,536	30,388	99,216
Plumbing permits	93,600	28,158	98,273
Mechanical permits	83,200	25,734	91,908
Alarm permits	50,960	80,065	57,425
Fire services	26,000	9,430	25,961
<b>Total licenses and permits</b>	<u>1,003,496</u>	<u>489,878</u>	<u>1,029,201</u>

(Continued)



Village of Matteson, Illinois

Schedule of General Fund Revenues  
 Budget and Actual  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Revenues: (continued)			
Charges for services:			
Existing structure inspection	\$ 31,200	\$ 34,252	\$ 38,814
Inspections and re-inspections	13,520	10,444	8,525
Construction inspection	122,580	139,941	170,754
Engineering review	84,099	93,794	132,863
Plan review income	98,360	29,752	152,714
Scavenger services	1,014,000	1,004,896	1,022,163
Yard waste stickers	-	98,113	-
Police reports	5,000	4,247	4,470
Senior project	500	-	50
Fire reports	2,600	1,206	765
Fire protection agreement	512,900	512,964	490,742
Ambulance service	478,955	411,914	357,665
Planning/review	20,000	14,315	25,695
Health inspections	13,520	9,275	11,200
Building rent	10,452	14,777	12,848
Cable franchise fee	197,600	226,934	134,382
Gas franchise fee	33,280	-	33,689
Fire and police applications	2,080	7	1,175
<b>Total charges for services</b>	<b>2,640,646</b>	<b>2,606,831</b>	<b>2,598,514</b>
Intergovernmental:			
Other reimbursed salaries	22,000	30,473	30,237
Fire equipment grant	-	4,000	-
Fire training grant	1,800	2,927	1,460
<b>Total intergovernmental</b>	<b>23,800</b>	<b>37,400</b>	<b>31,697</b>
Fines and forfeitures:			
Traffic and parking	127,000	164,361	163,606
Court fines	66,000	44,832	80,931
Other fines and penalties	81,261	51,810	81,815
<b>Total fines and forfeitures</b>	<b>274,261</b>	<b>261,003</b>	<b>326,352</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Revenues  
 Budget and Actual  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues: (continued)			
Interest:			
Investments	\$ -	\$ 141,607	\$ 101,442
<b>Total interest</b>	<b>-</b>	<b>141,607</b>	<b>101,442</b>
Recreation programs:			
Summer	38,936	39,181	38,374
Fall	18,540	17,678	20,549
Winter/Spring	29,000	28,185	22,942
Preschool	11,867	11,171	11,181
Matteson festival	63,000	37,675	81,001
Miscellaneous	42,808	37,798	37,168
<b>Total recreation programs</b>	<b>204,151</b>	<b>171,688</b>	<b>211,215</b>
Grants and reimbursements:			
Itep bike path grant	191,477	-	-
DECO - Cicero street lights grant	100,000	-	-
STP - SSMMA Cicero street lights	155,000	-	-
Parks & recreation grant	46,000	96,090	152,909
<b>Total grants and reimbursements</b>	<b>492,477</b>	<b>96,090</b>	<b>152,909</b>
Miscellaneous:			
Southcom utility payments	2,400	1,475	2,400
Tower rent	53,000	57,257	63,840
Vending machines	200	122	189
Miscellaneous revenues (expenses)	37,500	84,535	(52,181)
<b>Total miscellaneous</b>	<b>93,100</b>	<b>143,389</b>	<b>14,248</b>
<b>Total general fund revenues</b>	<b>\$ 18,921,728</b>	<b>\$ 15,681,907</b>	<b>\$ 17,115,422</b>

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures:			
General government:			
Executive/legislative department:			
Salaries - Board trustees	\$ 48,000	\$ 49,538	\$ 47,077
Salaries - Village president	10,500	10,509	10,509
Salaries - Liquor commissioner	5,000	4,991	4,991
Workmen's compensation	-	156	144
Supplies	1,500	2,986	1,084
Liquor license investigation	200	34	39
Conference/expenses	9,000	8,822	4,177
Travel	200	169	156
Legislative contact	1,000	146	484
Commissioner recognition	4,500	7,149	4,395
Public education	500	72	-
Trustee expense	14,000	26,996	19,028
Strategic planning	5,000	-	10,315
<b>Total executive/legislative department</b>	<b>99,400</b>	<b>111,568</b>	<b>102,399</b>
Office of the Village clerk:			
Full-time salaries	38,340	38,833	-
Officials fees	11,800	12,154	11,647
Books and materials	200	116	191
Ordinance codification	3,500	-	-
Legal notices	2,000	12,675	487
Dues	100	325	100
Training/conference	500	75	414
Elected officials expense	2,000	1,641	1,149
<b>Total office of the Village clerk</b>	<b>58,440</b>	<b>65,819</b>	<b>13,988</b>
Memberships and contributions:			
NIPC	2,162	-	2,162
Municipal league	1,200	1,255	1,130
SSMMA	17,505	17,477	16,995
South Suburban Chamber of Commerce	740	540	540
Chicago Southland Alliance	5,000	2,500	-
South Suburban Housing Center	1,500	1,500	-
MACC	3,500	6,685	-
Local school incentives	2,500	950	300
Miscellaneous	14,580	11,118	6,632
<b>Total memberships and contributions</b>	<b>48,687</b>	<b>42,025</b>	<b>27,759</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
General government: (continued)			
Fire and police commission:			
Commissioner salary	\$ 7,500	\$ 7,500	\$ 7,500
Workmen's compensation	-	90	18
Office supplies	150	-	52
Testing costs	25,000	37,090	20,410
Legal services	3,500	-	956
Recruitment	6,000	-	10,399
Postage	150	154	264
Dues	380	375	375
Conferences	4,000	2,535	3,761
Travel	500	117	709
<b>Total fire and police commission</b>	<b>47,180</b>	<b>47,861</b>	<b>44,444</b>
Plan commission:			
Officials fees	8,222	3,555	4,950
Reference materials	100	151	34
APA dues (7 members)	500	-	-
<b>Total plan commission</b>	<b>8,822</b>	<b>3,706</b>	<b>4,984</b>
Community affairs commission:			
Official fees	6,395	2,450	3,010
Supplies	50	36	50
Printing	100	-	123
Conferences/training	200	786	200
<b>Total community affairs commission</b>	<b>6,745</b>	<b>3,272</b>	<b>3,383</b>
Recreational services - advisory commission:			
Officials fees	6,395	2,030	2,660
<b>Total general government</b>	<b>275,669</b>	<b>276,281</b>	<b>199,617</b>
General operations:			
Legal services:			
Village attorney	55,000	112,658	66,872
Special counsel	5,000	-	1,175
Code prosecutions	1,500	1,000	1,400
Police prosecutions	2,000	4,075	1,200
<b>Total legal services</b>	<b>63,500</b>	<b>117,733</b>	<b>70,647</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
General operations (continued)			
Professional and contractual services:			
Auditing service	\$ 65,000	\$ 212,423	\$ 98,703
Scavenger service	917,000	963,710	1,046,046
Programming costs	3,714	62	176
Telephone	147,200	156,006	186,508
Subscriptions	30	-	-
Postage	7,000	9,998	3,793
Electricity	100,000	138,979	228,240
Heat	60,000	64,339	87,179
Copier rental	14,000	12,191	15,341
Postage machine rental	2,700	2,146	2,848
Payment to Southcom	876,039	655,216	749,943
Materials and supplies	19,000	17,516	20,059
Medical supplies	-	-	3,190
Appraisal service	4,000	-	2,900
Insurance - general liability	410,000	496,871	387,545
Financial consulting	5,000	45,412	38,695
<b>Total professional and contractual services</b>	<b>2,630,683</b>	<b>2,774,869</b>	<b>2,871,166</b>
Taxes and employee benefits:			
Social Security	700,000	921,421	735,666
IMRF	450,000	574,312	545,910
Health and other benefits	3,000,000	4,154,274	4,778,343
Employee health insurance payments	(1,500,000)	(2,526,249)	(2,258,476)
Unemployment compensation	45,000	15,656	42,892
Workers' compensation	400,000	153,966	108,460
Compensated absences	2,000	70,092	41,931

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
General operations: (continued)			
Equipment/vehicle maintenance and repairs:			
Computer maintenance and repair	\$ 27,600	\$ 19,902	\$ 21,333
Equipment maintenance and repair	49,191	42,172	49,757
Vehicle maintenance and repair	125,750	179,461	152,245
<b>Total equipment/vehicle maintenance       and repairs</b>	<b>202,541</b>	<b>241,535</b>	<b>223,335</b>
Building maintenance services:			
Salaries	173,228	225,478	173,722
Uniforms	1,000	663	857
Janitorial services	52,000	38,232	48,818
Exterminating	1,000	515	581
Conference/training	2,000	758	1,151
Travel	100	-	-
Building maintenance and repairs	131,000	168,566	135,530
Grounds maintenance	15,000	19,843	23,507
<b>Total building maintenance services</b>	<b>375,328</b>	<b>454,055</b>	<b>384,166</b>
Miscellaneous	3,200	211,364	29,442
<b>Total general operations</b>	<b>6,422,252</b>	<b>7,202,311</b>	<b>7,573,482</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures: (continued)			
Administration:			
Administrative services:			
Salaries	\$ 341,877	\$ 407,022	\$ 253,110
Workmen's compensation	-	1,181	535
Health and other benefits	-	390	-
Office material and supplies	980	1,919	1,669
Books	250	1,741	1,606
Employee relations	5,750	8,330	6,507
Economic development program	21,188	29,922	-
Banner program	31,000	580	-
Dues	2,740	1,958	2,335
Subscriptions	400	33	309
Conferences and meetings	17,900	15,554	14,016
Travel	3,900	2,502	3,245
Other training	6,100	8,070	4,465
<b>Total administrative services</b>	<b>432,085</b>	<b>479,270</b>	<b>287,797</b>
Human resources:			
Full time- salaries	194,302	140,673	109,763
Pooled wage adjustments	-	-	10
Workmen's compensation	-	344	252
Office supplies	1,000	1,051	1,666
Reference materials	500	80	116
Physical exams	4,624	3,959	8,443
Collective bargaining	26,000	12,107	120,700
Meeting costs	500	135	90
Labor relations	14,000	50,255	20,558
Labor management cooperation	500	-	-
EAP program	4,370	4,371	4,004
Recruitment expense	20,000	10,933	32,201
Printing	1,000	149	-
Postage	500	91	162
Dues	500	530	564
Conference/training	1,500	881	1,032
Staff development	3,000	-	116
Travel	250	489	130
<b>Total human resources</b>	<b>272,546</b>	<b>226,048</b>	<b>299,807</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Finance:			
Finance information technology:			
Salaries	\$ 181,948	\$ 189,055	\$ 170,620
Office supplies	200	104	105
Workmen's compensation	-	453	392
Reference materials	150	-	41
Subscriptions	250	-	119
Conferences/training	1,000	1,942	-
Travel	100	-	41
<b>Total finance information technology</b>	<b>183,648</b>	<b>191,554</b>	<b>171,318</b>
Finance customer service:			
Salaries	120,807	133,952	107,373
Overtime salaries	300	2,726	2,599
Office supplies	2,000	1,739	1,867
Workmen's compensation	-	327	250
Uniforms	1,280	2,191	-
Conferences/training	500	-	-
Travel	100	-	-
<b>Total finance customer service</b>	<b>124,987</b>	<b>140,935</b>	<b>112,089</b>
Finance and budget management:			
Salaries	205,745	232,955	196,690
Treasurer	900	900	900
Office supplies	2,600	3,165	3,625
Workmen's compensation	-	565	454
Books	500	145	70
Employee relations	500	1,274	488
Auditing service	500	86	587
Postage	350	153	338
Printing	500	-	-
Legal notices	500	-	474
Dues	750	570	603
Conference/training	2,000	1,647	1,842
Travel	200	18	265
Temporary services	1,000	2,181	50
<b>Total finance and budget management</b>	<b>216,045</b>	<b>243,659</b>	<b>206,386</b>
<b>Total finance</b>	<b>524,680</b>	<b>576,148</b>	<b>489,793</b>

(Continued)



Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures: (continued)			
Community development:			
Administration, planning, engineering, and capital projects:			
Salaries	\$ 285,079	\$ 169,289	\$ 163,974
Office supplies	1,500	767	1,275
Workmen's compensation	-	471	377
Tools and equipment	500	202	-
Books	500	1,299	920
Uniforms	400	-	366
Engineering	25,000	18,770	44,160
Consulting appraisal	-	500	29,871
Legal notices	2,000	130	1,992
Printing	500	178	26
Postage	650	302	817
Dues	2,000	744	1,250
Conference and training	9,800	629	2,266
Travel	400	166	187
<b>Total administration, planning, engineering, and capital projects</b>	<b>328,329</b>	<b>193,447</b>	<b>247,481</b>
Building services:			
Salaries	620,700	422,092	601,359
Salaries - overtime	-	1,603	-
Part time inspectors	45,115	8,910	32,946
Office supplies	2,000	1,439	1,456
Workmen's compensation	-	1,001	2,773
Tools and equipment	1,500	699	306
Books	900	220	263
Motor fuel and lubrication	8,100	6,173	6,681
Uniforms	2,500	835	1,168
Printing	2,600	2,411	1,899
Postage	2,300	1,327	2,204
Dues	750	690	298
Subscriptions	3,090	4,240	3,966
Conference and training	3,000	3,157	3,096
<b>Total building services</b>	<b>692,555</b>	<b>454,797</b>	<b>658,415</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures: (continued)			
Community development: (continued)			
Community affairs/economic development:			
Salaries	\$ 162,692	\$ 105,066	\$ 92,704
Office supplies	1,200	791	1,389
Workmen's compensation	-	254	213
Film and processing	200	68	58
Residential marketing	9,000	-	148
Printing	25,000	25,659	21,442
Postage	9,000	9,293	7,579
Dues	700	425	625
Subscriptions	500	509	572
Conference and training	600	125	270
Travel	300	-	23
Community relations program	16,500	14,406	8,229
Economic development	21,188	3,754	14,445
<b>Total community affairs/economic development</b>	<b>246,880</b>	<b>160,350</b>	<b>147,697</b>
<b>Total community development</b>	<b>1,267,764</b>	<b>808,594</b>	<b>1,053,593</b>
Public safety services:			
Police:			
Police administration:			
Salaries	400,475	402,993	424,659
Salaries-overtime	-	231	1,322
Office supplies	350	349	308
Workmen's compensation	-	6,848	6,017
Materials and supplies	300	298	219
Books	500	160	408
Inoculations	500	-	-
Prisoner meals	2,600	1,667	1,535
Uniforms	3,300	3,207	2,547
Parking ticket collection services	19,000	19,331	18,658
Animal control	2,000	1,785	1,020
Dues	600	460	565
Subscriptions	900	1,138	805
Conferences	3,500	2,366	3,248
Travel	500	404	521
National Night Out	12,500	12,749	9,368
Community policing program	3,000	3,239	-
Senior programs	2,500	2,786	846
<b>Total police administration</b>	<b>452,525</b>	<b>460,011</b>	<b>472,046</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures: (continued)			
Public safety services (continued)			
Police: (continued)			
Police uniform division:			
Salaries	\$ 2,162,843	\$ 1,949,119	\$ 2,307,333
Salaries - overtime	235,000	282,094	269,080
Leave coverage	135,000	166,030	145,734
Reimbursed overtime salaries	2,000	964	156
Workmen's compensation	-	48,772	49,088
Equipment supplies	2,200	2,174	1,620
Tools and equipment	8,000	8,000	8,604
Protective clothing	1,500	1,739	-
Uniforms	33,000	28,361	23,564
<b>Total police uniform division</b>	<b>2,579,543</b>	<b>2,487,253</b>	<b>2,805,179</b>
Police support services:			
Office supplies	18,500	17,098	18,006
Materials and supplies	600	595	604
Equipment supplies	1,500	1,499	1,551
Film and film processing	750	-	10
Tools and equipment	1,200	1,164	1,183
Vehicle license fees	1,100	683	779
Motor fuel and lubricants	120,000	78,010	130,502
Cleaning supplies	2,100	1,954	1,982
Postage	6,500	6,041	7,258
Copy machine rental	9,800	8,708	9,297
<b>Total police support services</b>	<b>162,050</b>	<b>115,752</b>	<b>171,172</b>
Police training:			
Training	44,000	33,446	43,550
Office supplies	300	274	255
Workmen's compensation	-	595	740
Materials and supplies	1,200	1,185	380
Equipment supplies	1,500	1,526	1,457
Tools and equipment	10,000	9,405	9,735
Ammunition	7,000	6,586	6,320
Cleaning supplies	100	96	100
Dues	200	50	75
Subscriptions	300	-	136
Conferences and training	20,000	17,572	14,976
Travel	1,300	1,360	1,376
Other training	6,000	6,510	6,000
<b>Total police training</b>	<b>91,900</b>	<b>78,605</b>	<b>85,100</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures (continued)			
Public safety services (continued)			
Police: (continued)			
Police records:			
Salaries	\$ 199,801	\$ 199,448	\$ 187,262
Salaries - overtime	20,000	28,164	21,739
Workmen's compensation	-	525	464
Uniforms	2,000	977	323
<b>Total police records</b>	<b>221,801</b>	<b>229,114</b>	<b>209,788</b>
Police investigation division:			
Salaries	326,620	347,083	354,084
Salaries - overtime	64,000	65,371	67,455
Office supplies	550	535	483
Workmen's compensation	-	7,648	7,117
Film and film processing	300	91	284
Tools and equipment	2,800	2,807	1,975
Uniforms	2,600	2,506	2,167
Investigative material	500	419	579
Dues	100	60	60
Conferences/training	500	395	28
Travel	100	66	157
<b>Total police investigation division</b>	<b>398,070</b>	<b>426,981</b>	<b>434,389</b>
Police pension contribution	-	626,285	708,423
<b>Total police</b>	<b>3,905,889</b>	<b>4,424,001</b>	<b>4,886,097</b>
Fire:			
Fire administration:			
Salaries	243,902	228,604	214,161
Salaries - overtime	2,700	-	2,664
Office supplies	2,500	2,249	2,732
Workmen's compensation	-	13,395	9,469
Motor fuel and lubricants	6,000	24,662	5,706
Printing	250	-	250
Postage	1,700	596	1,499
Dues	3,570	1,820	1,790
Subscriptions	150	164	30
Conference and training	7,000	4,991	6,103
Equipment rental	8,600	5,025	6,059
<b>Total fire administration</b>	<b>276,372</b>	<b>281,506</b>	<b>250,463</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Public safety services (continued)			
Fire: (continued)			
Fire inspection services:			
Salary	\$ 167,900	\$ 157,564	\$ 151,746
Salaries - overtime	-	1,523	280
Workmen's compensation	-	6,193	7,309
Books	730	716	87
Printing	300	300	340
Training	2,035	1,784	805
<b>Total fire inspection services</b>	<b>170,965</b>	<b>168,080</b>	<b>160,567</b>
Fire emergency medical services:			
Salaries	776,946	722,265	729,366
Salaries - overtime	124,000	146,426	128,318
Workmen's compensation	-	49,684	43,308
Tools and equipment	12,000	3,765	4,338
Inoculations	8,375	841	1,100
Vehicle license fees	225	160	75
Motor fuel and lubricants	18,038	121	12,817
Medical supplies	10,000	10,168	12,923
Printing	2,300	1,020	1,224
Conference/training	9,000	1,284	4,367
<b>Total fire emergency medical services</b>	<b>960,884</b>	<b>935,734</b>	<b>937,836</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Public safety services (continued)			
Fire: (continued)			
Fire department suppression:			
Salaries	\$ 776,946	\$ 718,146	\$ 716,592
Salaries - overtime	142,520	169,848	144,839
Workmen's compensation	-	50,473	43,131
Materials and supplies	1,000	1,293	449
Equipment supplies	500	61	35
Tools and equipment	6,860	2,770	10,078
Grant expenditure - fire equipment	-	4,000	-
Motor fuel and lubricants	18,000	2,992	19,744
Protective clothing	27,000	25,504	23,883
Uniforms	24,695	14,503	15,628
Dues	2,000	2,000	-
M.A.B.A.S.	200	-	-
Physical examinations	2,475	2,796	2,992
Continuing education	1,500	-	424
Training	15,000	16,050	16,450
<b>Total fire department suppression</b>	<b>1,018,696</b>	<b>1,010,436</b>	<b>994,245</b>
Fire education, training and investigation:			
Salaries	443,969	449,334	409,481
Salaries - overtime	75,000	85,091	77,086
Training	50,000	61,283	45,864
Workmen's compensation	-	30,325	26,515
Training materials	4,900	2,009	1,505
Photo supplies/processing	500	89	91
Investigative materials	2,500	1,621	128
Public education	4,500	2,142	2,465
<b>Total fire education, training and investigation</b>	<b>581,369</b>	<b>631,894</b>	<b>563,135</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Public safety services (continued)			
Fire: (continued)			
Fire support services:			
Salaries	\$ 221,985	\$ 223,865	\$ 192,247
Salaries - overtime	32,000	176,567	35,141
Reimbursed overtime salaries	-	(411)	670
Workmen's compensation	-	20,179	12,398
Equipment supplies	650	1,035	1,479
Tools and equipment	10,500	6,686	7,438
Cleaning supplies	7,172	6,578	6,124
Opticom maintenance	3,000	1,050	-
<b>Total fire support services</b>	<b>275,307</b>	<b>435,549</b>	<b>255,497</b>
Fire part-time support services:			
POC/station duty pay	68,500	51,000	51,361
Workmen's compensation	-	3,056	2,948
Training	5,900	5,553	1,916
<b>Total fire part-time support services</b>	<b>74,400</b>	<b>59,609</b>	<b>56,225</b>
Firefighters' pension contribution	-	708,423	1,334,708
<b>Total fire</b>	<b>3,357,993</b>	<b>4,231,231</b>	<b>4,552,676</b>
<b>Total public safety services</b>	<b>7,263,882</b>	<b>8,655,232</b>	<b>9,438,773</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Public works:			
Public works administration:			
Salaries	\$ 65,844	\$ 223,941	\$ 70,367
Salaries - overtime	2,000	472	316
Office supplies	1,500	830	1,507
Workmen's compensation	-	3,294	1,554
Materials and supplies	600	967	751
Consulting engineering	24,500	11,796	-
Uniforms	1,100	2,346	1,587
Postage	100	229	72
Dues and subscriptions	500	662	160
Conference and training	1,500	1,208	1,088
Equipment rental	2,800	3,498	3,572
Outdoor siren maintenance	3,000	2,850	2,850
<b>Total public works administration</b>	<b>103,944</b>	<b>252,519</b>	<b>84,151</b>
Public works vehicles and equipment:			
Salaries	106,588	109,603	99,730
Salaries - overtime	1,000	781	680
Workmen's compensation	-	2,331	2,029
Materials and supplies	3,500	1,821	4,992
Tools and equipment	6,200	1,942	19,079
Motor fuel and lubrication	44,040	58,337	47,059
Uniforms	500	1,150	356
Conferences/training	500	377	260
<b>Total public works vehicles and equipment</b>	<b>162,328</b>	<b>176,342</b>	<b>174,185</b>

(Continued)



Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Public works: (continued)			
Public works roadway maintenance:			
Salaries	\$ 283,987	\$ 282,246	\$ 271,347
Workmen's compensation	-	15,050	13,088
Street and traffic signs	-	(858)	-
<b>Total public works       roadway maintenance</b>	<b>309,987</b>	<b>382,571</b>	<b>328,599</b>
Parks and grounds maintenance:			
Salaries	261,641	272,587	247,545
Salaries - overtime	20,180	32,257	28,114
Part-time seasonal	30,000	15,781	14,955
Youth summer jobs program	16,000	71,154	6,475
Workmen's compensation	-	6,501	4,629
Materials and supplies	4,000	2,218	3,519
Office supplies	300	466	87
Small tools and equipment	4,000	2,385	2,526
Motor fuel and lubricants	25,000	25,628	23,928
Cleaning supplies	1,200	1,187	508
Paint	2,200	938	2,298
Protective clothing	800	186	21
Uniforms	1,000	1,723	557
Dues	300	265	267
Grounds maintenance	19,270	18,022	20,641
Equipment rental	500	400	227
Travel	285	27	221
Continuing education	1,000	-	55
Conferences and training	2,500	584	1,203
<b>Total park and grounds maintenance</b>	<b>390,176</b>	<b>452,309</b>	<b>357,776</b>
<b>Total public works</b>	<b>966,435</b>	<b>1,263,741</b>	<b>944,711</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Recreational services:			
Recreational services administration:			
Salaries	\$ 311,432	\$ 319,597	\$ 312,814
Salaries - overtime	1,500	454	499
Office supplies	4,000	4,229	4,439
Workmen's compensation	-	877	776
Motor fuel and lubricants	1,000	1,285	1,266
Uniforms	700	962	674
Employee relations	700	589	897
Program guide	23,500	25,796	22,500
Printing	4,000	3,552	3,417
Postage	3,000	179	2,143
Dues	2,300	1,672	1,993
Subscriptions	200	115	269
Advertising	400	124	385
Conference	4,000	3,323	3,034
Travel	800	285	474
Equipment rental	17,000	11,138	12,010
Copier rental	3,800	2,904	2,912
Postage machine rental	760	848	869
<b>Total recreational services administration</b>	<b>384,492</b>	<b>383,825</b>	<b>376,540</b>
Seasonal programs:			
Summer programs - regular	21,000	20,975	17,381
Workmen's compensation	-	645	590
Fall programs - regular	21,725	22,977	17,822
Winter/Spring - regular	29,500	23,028	23,247
<b>Total seasonal programs</b>	<b>72,225</b>	<b>67,625</b>	<b>59,040</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008
	Final Budget	Actual	Actual
Expenditures: (continued)			
Recreational services: (continued)			
Other programs:			
Workmen's compensation	\$ -	\$ 1,463	\$ 996
Matteson youth baseball	24,500	26,816	23,902
Matteson festivals	174,176	153,029	173,415
Concerts	9,000	5,356	5,309
Teen nights	3,000	1,546	1,371
Open gym	23,000	25,168	20,415
Kiddy Kamp	6,300	5,631	5,312
Day camp	13,000	8,322	10,525
Teen action room	2,750	1,892	1,706
Engineering review	29	-	454
<b>Total other programs</b>	<b>260,255</b>	<b>233,344</b>	<b>247,905</b>
<b>Total recreational services</b>	<b>716,972</b>	<b>684,794</b>	<b>683,485</b>
Capital:			
Capital improvements:			
Computer equipment/system	116,819	104,712	157,711
GIS reconcile prcl/address	75,000	6,012	1,500
GIS maintenance	4,500	297	1,525
<b>Total capital improvements</b>	<b>196,319</b>	<b>111,021</b>	<b>160,736</b>
Special projects:			
2005 census	34,000	16,490	74,334
Travel	-	2,552	-
Banner program	-	-	20,479
Preservation bike path	245,410	160,120	69,876
ITEP grant - bike path match	253,347	6,762	-
Playground improvements	-	2,810	-
Cicero avenue streetlights	310,000	53	24,456
Facility remodeling/improvements	-	43,095	29,658
Providence manor drive ext	100,000	186,237	37,085
Cicero & 207th traffic light match	14,172	-	12,858
211th street metra station study	-	-	1,000
Central avenue/ph 1 match	70,000	-	61,987
<b>Total special projects</b>	<b>1,026,929</b>	<b>418,119</b>	<b>331,733</b>

(Continued)

Village of Matteson, Illinois

Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Expenditures: (continued)			
Capital: (continued)			
Capital equipment:			
Tools & equipment	\$ 193,687	\$ 190,788	\$ 15,697
Squad cars, trucks and other licensed vehicles	461,887	404,175	224,480
Community center improvements/carpet	46,000	39,467	30,517
Furniture and equipment	62,176	37,107	39,003
<b>Total capital equipment</b>	<b>763,750</b>	<b>671,537</b>	<b>309,697</b>
<b>Total capital</b>	<b>1,986,998</b>	<b>1,200,677</b>	<b>802,166</b>
Debt service:			
Principal retirement	15,920	7,321	6,899
Interest and fees	(100,000)	595	1,017
<b>Total debt service</b>	<b>(84,080)</b>	<b>7,916</b>	<b>7,916</b>
<b>Total general fund expenditures</b>	<b>\$ 20,045,203</b>	<b>\$ 21,381,012</b>	<b>\$ 21,781,140</b>

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,543,614	\$ 1,066,345	\$ 4,357,820	\$ 8,967,779
Investments	69,359	-	-	69,359
Receivables:				
Property taxes	148,742	853,994	-	1,002,736
Accounts	221,016	-	-	221,016
Intergovernmental	56,394	-	-	56,394
Advances to other funds	665,403	163,973	-	829,376
<b>Total assets</b>	<b>\$ 4,704,528</b>	<b>\$ 2,084,312</b>	<b>\$ 4,357,820</b>	<b>\$ 11,146,660</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 375,390	\$ -	\$ 135,244	\$ 510,634
Accrued payroll and taxes	4,816	-	-	4,816
Advances from other funds	442,499	1,567,259	154,290	2,164,048
Deferred revenue	160,422	853,994	-	1,014,416
<b>Total liabilities</b>	<b>983,127</b>	<b>2,421,253</b>	<b>289,534</b>	<b>3,693,914</b>
Fund Balances (Deficits) :				
Reserved for debt service	-	741,935	-	741,935
Reserved for interfund advances	665,403	163,973	-	829,376
Unreserved (deficit)	3,055,998	(1,242,849)	4,068,286	5,881,435
<b>Total fund balances</b>	<b>3,721,401</b>	<b>(336,941)</b>	<b>4,068,286</b>	<b>7,452,746</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,704,528</b>	<b>\$ 2,084,312</b>	<b>\$ 4,357,820</b>	<b>\$ 11,146,660</b>

Village of Matteson, Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended April 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 163,153	\$ 787,706	\$ 4,638,139	\$ 5,588,998
Developer contributions	-	33,881	-	33,881
Licenses and permits	289,770	-	-	289,770
Charges for services	232,551	-	-	232,551
Intergovernmental	1,223,211	-	-	1,223,211
Interest	10,635	19,123	97,657	127,415
Miscellaneous	541,254	9,637	520	551,411
<b>Total revenues</b>	<b>2,460,574</b>	<b>850,347</b>	<b>4,736,316</b>	<b>8,047,237</b>
Expenditures:				
Current:				
Administrative services	160,510	-	105,447	265,957
Community development	154,748	-	-	154,748
Public works	595,740	-	-	595,740
Debt service:				
Principal retirement	-	1,680,000	1,202,725	2,882,725
Interest and fees	-	496,654	313,485	810,139
Capital outlay	706,460	-	2,284,204	2,990,664
<b>Total expenditures</b>	<b>1,617,458</b>	<b>2,176,654</b>	<b>3,905,861</b>	<b>7,699,973</b>
Excess (deficiency) of revenues over (under) expenditures	843,116	(1,326,307)	830,455	347,264
Other financing sources (uses):				
Transfers in	74,317	688,790	4,007,671	4,770,778
Transfers (out)	(541,549)	-	(2,728,706)	(3,270,255)
<b>Total other financing sources (uses)</b>	<b>(467,232)</b>	<b>688,790</b>	<b>1,278,965</b>	<b>1,500,523</b>
<b>Net change in fund balance</b>	<b>375,884</b>	<b>(637,517)</b>	<b>2,109,420</b>	<b>1,847,787</b>
Fund balances (deficits):				
May 1, 2008	3,345,517	300,576	1,958,866	5,604,959
April 30, 2009	\$ 3,721,401	\$ (336,941)	\$ 4,068,286	\$ 7,452,746

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 April 30, 2009

	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	\$ 483,276	\$ 153,599	\$ 638,186	\$ -	\$ 223,692	\$ 388,247	\$ 186,589	\$ 1,470,025	\$ 3,543,614
Investments	69,359	-	-	-	-	-	-	-	69,359
Receivables:									
Property taxes	-	95,356	53,386	-	-	-	-	-	148,742
Accounts	-	-	31,509	-	-	-	-	189,507	221,016
Intergovernmental	32,956	-	-	-	-	-	23,438	-	56,394
Advances to other funds	650	-	6,531	88,351	-	201,572	-	368,299	665,403
<b>Total assets</b>	<b>\$ 586,241</b>	<b>\$ 248,955</b>	<b>\$ 729,612</b>	<b>\$ 88,351</b>	<b>\$ 223,692</b>	<b>\$ 589,819</b>	<b>\$ 210,027</b>	<b>\$ 2,027,831</b>	<b>\$ 4,704,528</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 331,328	\$ -	\$ 5,622	\$ 7,374	\$ 467	\$ 21,868	\$ 8,731	\$ -	\$ 375,390
Accrued payroll and taxes	-	-	4,816	-	-	-	-	-	4,816
Advances from other funds	-	118,919	81,181	213,416	460	-	28,523	-	442,499
Deferred revenue	-	95,356	53,386	540	-	11,140	-	-	160,422
<b>Total liabilities</b>	<b>331,328</b>	<b>214,275</b>	<b>145,005</b>	<b>221,330</b>	<b>927</b>	<b>33,008</b>	<b>37,254</b>	<b>-</b>	<b>983,127</b>
<b>Fund Balances (Deficits):</b>									
Reserved for interfund advances	650	-	6,531	88,351	-	201,572	-	368,299	665,403
Unreserved	254,263	34,680	578,076	(221,330)	222,765	355,239	172,773	1,659,532	3,055,998
<b>Total fund balances</b>	<b>254,913</b>	<b>34,680</b>	<b>584,607</b>	<b>(132,979)</b>	<b>222,765</b>	<b>556,811</b>	<b>172,773</b>	<b>2,027,831</b>	<b>3,721,401</b>
<b>Total liabilities and fund balances</b>	<b>\$ 586,241</b>	<b>\$ 248,955</b>	<b>\$ 729,612</b>	<b>\$ 88,351</b>	<b>\$ 223,692</b>	<b>\$ 589,819</b>	<b>\$ 210,027</b>	<b>\$ 2,027,831</b>	<b>\$ 4,704,528</b>

Village of Matteson, Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended April 30, 2009

	Motor Fuel Tax	South Suburban Special Recreation	Sewer	Vehicle License	Drug Forfeiture	Special Purpose	Hotel/Motel Tax	Quality of Life	Totals
Revenues:									
Property taxes	\$ -	\$ 111,479	\$ 51,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,153
Licenses and permits	-	-	-	289,770	-	-	-	-	289,770
Charges for services	-	-	232,551	-	-	-	-	-	232,551
Intergovernmental	445,760	-	-	-	-	-	-	777,451	1,223,211
Interest	5,748	261	13	-	1,955	1,100	-	1,558	10,635
Miscellaneous	-	-	253	1,048	16,232	177,178	346,543	-	541,254
<b>Total revenues</b>	<b>451,508</b>	<b>111,740</b>	<b>284,491</b>	<b>290,818</b>	<b>18,187</b>	<b>178,278</b>	<b>346,543</b>	<b>779,009</b>	<b>2,460,574</b>
Expenditures:									
Current:									
Administrative services	-	138,178	-	16,827	5,505	-	-	-	160,510
Community development	-	-	-	-	-	88,896	65,852	-	154,748
Public works	-	-	229,440	366,300	-	-	-	-	595,740
Capital outlay	418,393	-	-	-	-	-	-	288,067	706,460
<b>Total expenditures</b>	<b>418,393</b>	<b>138,178</b>	<b>229,440</b>	<b>383,127</b>	<b>5,505</b>	<b>88,896</b>	<b>65,852</b>	<b>288,067</b>	<b>1,617,458</b>
Excess (deficiency) of revenues over (under) expenditures	33,115	(26,438)	55,051	(92,309)	12,682	89,382	280,691	490,942	843,116
Other financing sources (uses):									
Transfers in	-	74,317	-	-	-	-	-	-	74,317
Transfers (out)	-	-	-	(50,000)	-	-	(318,354)	(173,195)	(541,549)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>74,317</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>(318,354)</b>	<b>(173,195)</b>	<b>(467,232)</b>
<b>Net change in fund balance</b>	<b>33,115</b>	<b>47,879</b>	<b>55,051</b>	<b>(142,309)</b>	<b>12,682</b>	<b>89,382</b>	<b>(37,663)</b>	<b>317,747</b>	<b>375,884</b>
Fund balances (deficits):									
May 1, 2008	221,798	(13,199)	529,556	9,330	210,083	467,429	210,436	1,710,084	3,345,517
April 30, 2009	\$ 254,913	\$ 34,680	\$ 584,607	\$ (132,979)	\$ 222,765	\$ 556,811	\$ 172,773	\$ 2,027,831	\$ 3,721,401



Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 Year Ended April 30, 2009

	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 Obligations Bonds	2004B General Obligation Refunding Bonds	2006A General Obligation Bonds	Totals
<b>Assets</b>											
Cash and cash equivalents	\$ 36,225	\$ -	\$ 132,818	\$ 166,702	\$ 204,407	\$ -	\$ 526,193	\$ -	\$ -	\$ -	\$ 1,066,345
Property taxes receivable	-	-	171,236	-	125,714	-	164,620	-	227,216	165,208	853,994
Advances to other funds	-	-	163,973	-	-	-	-	-	-	-	163,973
<b>Total assets</b>	<b>\$ 36,225</b>	<b>\$ -</b>	<b>\$ 468,027</b>	<b>\$ 166,702</b>	<b>\$ 330,121</b>	<b>\$ -</b>	<b>\$ 690,813</b>	<b>\$ -</b>	<b>\$ 227,216</b>	<b>\$ 165,208</b>	<b>\$ 2,084,312</b>
<b>Liabilities and Fund Balances</b>											
<b>Liabilities:</b>											
Advances from other funds	\$ 27,619	\$ 49,013	\$ 484,483	\$ 163,973	\$ -	\$ 304,624	\$ -	\$ 286,886	\$ 214,218	\$ 36,443	\$ 1,567,259
Deferred revenue	-	-	171,236	-	125,714	-	164,620	-	227,216	165,208	853,994
<b>Total liabilities</b>	<b>27,619</b>	<b>49,013</b>	<b>655,719</b>	<b>163,973</b>	<b>125,714</b>	<b>304,624</b>	<b>164,620</b>	<b>286,886</b>	<b>441,434</b>	<b>201,651</b>	<b>2,421,253</b>
<b>Fund Balances (Deficits):</b>											
Reserved for debt service	8,606	-	-	2,729	204,407	-	526,193	-	-	-	741,935
Reserved for interfund advances	-	-	163,973	-	-	-	-	-	-	-	163,973
Unreserved (deficit)	-	(49,013)	(351,665)	-	-	(304,624)	-	(286,886)	(214,218)	(36,443)	(1,242,849)
<b>Total fund balances</b>	<b>8,606</b>	<b>(49,013)</b>	<b>(187,692)</b>	<b>2,729</b>	<b>204,407</b>	<b>(304,624)</b>	<b>526,193</b>	<b>(286,886)</b>	<b>(214,218)</b>	<b>(36,443)</b>	<b>(336,941)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 36,225</b>	<b>\$ -</b>	<b>\$ 468,027</b>	<b>\$ 166,702</b>	<b>\$ 330,121</b>	<b>\$ -</b>	<b>\$ 690,813</b>	<b>\$ -</b>	<b>\$ 227,216</b>	<b>\$ 165,208</b>	<b>\$ 2,084,312</b>

Village of Matteson, Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Debt Service Funds  
Year Ended April 30, 2009

	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 Obligations Bonds	2004B General Obligation Refunding Bonds	2006A General Obligation Bonds	Totals
<b>Revenues:</b>											
Property taxes	\$ 9,031	\$ 59,514	\$ 176,808	\$ -	\$ 48,146	\$ 31,742	\$ 74,708	\$ 237,465	\$ 87,020	\$ 63,272	\$ 787,706
Developer contributions	-	-	33,881	-	-	-	-	-	-	-	33,881
Interest	2,356	16,038	8	-	-	-	300	417	-	4	19,123
Miscellaneous	111	685	-	-	1,703	-	-	5,208	-	1,930	9,637
<b>Total revenues</b>	<b>11,498</b>	<b>76,237</b>	<b>210,697</b>	<b>-</b>	<b>49,849</b>	<b>31,742</b>	<b>75,008</b>	<b>243,090</b>	<b>87,020</b>	<b>65,206</b>	<b>850,347</b>
<b>Expenditures:</b>											
<b>Debt service:</b>											
Principal retirement	-	105,000	185,000	-	90,000	450,000	205,000	415,000	220,000	10,000	1,680,000
Interest and fees	18,412	2,952	23,530	-	78,991	127,361	13,625	56,000	82,249	93,534	496,654
<b>Total expenditures</b>	<b>18,412</b>	<b>107,952</b>	<b>208,530</b>	<b>-</b>	<b>168,991</b>	<b>577,361</b>	<b>218,625</b>	<b>471,000</b>	<b>302,249</b>	<b>103,534</b>	<b>2,176,654</b>
Excess (deficiency) of revenues over (under) expenditures	(6,914)	(31,715)	2,167	-	(119,142)	(545,619)	(143,617)	(227,910)	(215,229)	(38,328)	(1,326,307)
<b>Other financing sources:</b>											
Transfer in	18,413	-	-	-	173,195	-	-	196,375	300,807	-	688,790
<b>Net change in fund balance</b>	<b>11,499</b>	<b>(31,715)</b>	<b>2,167</b>	<b>-</b>	<b>54,053</b>	<b>(545,619)</b>	<b>(143,617)</b>	<b>(31,535)</b>	<b>85,578</b>	<b>(38,328)</b>	<b>(637,517)</b>
<b>Fund balances (deficits):</b>											
May 1, 2008	(2,893)	(17,298)	(189,859)	2,729	150,354	240,995	669,810	(255,351)	(299,796)	1,885	300,576
April 30, 2009	\$ 8,606	\$ (49,013)	\$ (187,692)	\$ 2,729	\$ 204,407	\$ (304,624)	\$ 526,193	\$ (286,886)	\$ (214,218)	\$ (36,443)	\$ (336,941)

Village of Matteson, Illinois

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 Year Ended April 30, 2009

	Tax Incremental Finance District I	Tax Incremental Finance District II	Tax Incremental Finance District III	Tax Incremental Finance District IV	Old Plank Road Trail	Auto Mall	Capital Equipment	Community Center	Totals
<b>Assets</b>									
Cash and cash equivalents	\$ -	\$ 223	\$ 1,267,834	\$ 2,572,562	\$ 39,565	\$ 157,569	\$ 24,818	\$ 295,249	\$ 4,357,820
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 6,186	\$ -	\$ -	\$ -	\$ 129,058	\$ 135,244
Advances from other funds	9,516	223	80,840	63,711	-	-	-	-	154,290
<b>Total liabilities</b>	9,516	223	80,840	69,897	-	-	-	129,058	289,534
Fund Balances (Deficits), unreserved	(9,516)	-	1,186,994	2,502,665	39,565	157,569	24,818	166,191	4,068,286
<b>Total liabilities and fund balances</b>	\$ -	\$ 223	\$ 1,267,834	\$ 2,572,562	\$ 39,565	\$ 157,569	\$ 24,818	\$ 295,249	\$ 4,357,820

Village of Matteson, Illinois

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended April 30, 2009

	Tax Incremental Finance District I	Tax Incremental Finance District II	Tax Incremental Finance District III	Tax Incremental Finance District IV	Old Plank Road Trail	Auto Mall	Capital Equipment	Community Center	Totals
Revenues:									
Property taxes	\$ 1,631,269	\$ 812,660	\$ 923,526	\$ 1,270,684	\$ -	\$ -	\$ -	\$ -	\$ 4,638,139
Interest	25,753	12,132	1	59,771	-	-	-	-	97,657
Miscellaneous	-	-	-	520	-	-	-	-	520
<b>Total revenues</b>	<b>1,657,022</b>	<b>824,792</b>	<b>923,527</b>	<b>1,330,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,736,316</b>
Expenditures,									
Administrative services	-	-	155	105,292	-	-	-	-	105,447
Debt service:									
Principal retirement	-	-	-	925,000	-	-	277,725	-	1,202,725
Interest and fees	-	-	-	303,294	-	-	10,191	-	313,485
Capital outlay	5,200	-	-	1,200,995	-	-	-	1,078,009	2,284,204
<b>Total expenditures</b>	<b>5,200</b>	<b>-</b>	<b>155</b>	<b>2,534,581</b>	<b>-</b>	<b>-</b>	<b>287,916</b>	<b>1,078,009</b>	<b>3,905,861</b>
Excess (deficiency) of revenues over (under) expenditures	1,651,822	824,792	923,372	(1,203,606)	-	-	(287,916)	(1,078,009)	830,455
Other financing sources (uses):									
Transfer in	-	-	-	2,289,755	-	-	287,916	1,430,000	4,007,671
Transfers (out)	(1,661,338)	(824,792)	-	(242,576)	-	-	-	-	(2,728,706)
<b>Total other financing sources (uses)</b>	<b>(1,661,338)</b>	<b>(824,792)</b>	<b>-</b>	<b>2,047,179</b>	<b>-</b>	<b>-</b>	<b>287,916</b>	<b>1,430,000</b>	<b>1,278,965</b>
<b>Net change in fund balance</b>	<b>(9,516)</b>	<b>-</b>	<b>923,372</b>	<b>843,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351,991</b>	<b>2,109,420</b>
Fund balances (deficits):									
May 1, 2008	-	-	263,622	1,659,092	39,565	157,569	24,818	(185,800)	1,958,866
April 30, 2009	\$ (9,516)	\$ -	\$ 1,186,994	\$ 2,502,665	\$ 39,565	\$ 157,569	\$ 24,818	\$ 166,191	\$ 4,068,286

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$ 525,000	\$ 445,760	\$ 454,656
Interest	7,200	5,748	17,033
<b>Total revenues</b>	<u>532,200</u>	<u>451,508</u>	<u>471,689</u>
Expenditures:			
Capital outlay	<u>450,000</u>	<u>418,393</u>	<u>539,134</u>
<b>Change in fund balance</b>	<u><u>\$ 82,200</u></u>	<u>33,115</u>	<u>(67,445)</u>
Fund balance:			
Beginning of year		<u>221,798</u>	<u>289,243</u>
End of year		<u><u>\$ 254,913</u></u>	<u><u>\$ 221,798</u></u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
South Suburban Special Recreation Fund  
Year Ended April 30, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Property taxes	\$ 125,000	\$ 111,479	\$ 93,113
Interest	-	261	180
<b>Total revenues</b>	<u>125,000</u>	<u>111,740</u>	<u>93,293</u>
Expenditures:			
Current, administrative services	<u>132,703</u>	<u>138,178</u>	<u>125,470</u>
Expenditures over revenues	(7,703)	(26,438)	(32,177)
Other financing sources:			
Transfer in	<u>7,703</u>	<u>74,317</u>	<u>18,978</u>
<b>Change in fund balance</b>	<u>\$ -</u>	<u>47,879</u>	<u>(13,199)</u>
Fund balance (deficit):			
Beginning of year		<u>(13,199)</u>	<u>-</u>
End of year		<u>\$ 34,680</u>	<u>\$ (13,199)</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Sewer Fund  
Year Ended April 30, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Property taxes	\$ 71,019	\$ 51,674	\$ 53,598
Charges for services	367,152	232,551	290,741
Interest	8,000	13	9,736
Miscellaneous	-	253	-
<b>Total revenues</b>	<b>446,171</b>	<b>284,491</b>	<b>354,075</b>
Expenditures:			
Current, public works	421,551	229,440	485,738
Excess (deficiency) of revenues over (under) expenditures	24,620	55,051	(131,663)
Other financing sources:			
Transfers in	-	-	5,000
<b>Change in fund balance</b>	<b>\$ 24,620</b>	<b>55,051</b>	<b>(126,663)</b>
Fund balance:			
Beginning of year		529,556	656,219
End of year		<b>\$ 584,607</b>	<b>\$ 529,556</b>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Vehicle License Fund  
Year Ended April 30, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Licenses and permits	\$ 350,000	\$ 289,770	\$ 290,831
Interest income	3,000	-	3,021
Miscellaneous	2,000	1,048	1,125
<b>Total revenues</b>	<u>355,000</u>	<u>290,818</u>	<u>294,977</u>
Expenditures:			
Current:			
Administrative services	12,000	16,827	7,307
Public works	291,564	366,300	328,290
<b>Total expenditures</b>	<u>303,564</u>	<u>383,127</u>	<u>335,597</u>
Excess (deficiency) of revenues over (under) expenditures	51,436	(92,309)	(40,620)
Other financing uses:			
Transfers out	(50,000)	(50,000)	-
<b>Change in fund balance</b>	<u>\$ 1,436</u>	<u>(142,309)</u>	<u>(40,620)</u>
Fund balance (deficit):			
Beginning of year		<u>9,330</u>	<u>49,950</u>
End of year		<u>\$ (132,979)</u>	<u>\$ 9,330</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, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Interest	\$ -	\$ -	\$ 329
Miscellaneous, hotel/motel taxes	275,000	346,543	395,885
<b>Total revenues</b>	<u>275,000</u>	<u>346,543</u>	<u>396,214</u>
Expenditures:			
Current, community development	-	65,852	72,010
Excess of revenues over expenditures	275,000	280,691	324,204
Other financing uses:			
Transfers (out)	(250,000)	(318,354)	(208,000)
<b>Change in fund balance</b>	<u>\$ 25,000</u>	<u>(37,663)</u>	<u>116,204</u>
Fund balance:			
Beginning of year		210,436	94,232
End of year		<u>\$ 172,773</u>	<u>\$ 210,436</u>

Village of Matteson, Illinois

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Quality of Life Fund  
Year Ended April 30, 2009  
With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$ 700,000	\$ 777,451	\$ 858,772
Interest	15,000	1,558	17,757
<b>Total revenues</b>	<u>715,000</u>	<u>779,009</u>	<u>876,529</u>
Expenditures:			
Capital outlay	<u>154,700</u>	<u>288,067</u>	<u>555,475</u>
Excess of revenues over expenditures	<u>560,300</u>	<u>490,942</u>	<u>321,054</u>
Other financing sources (uses):			
Transfers in	-	-	15,000
Transfers out	(173,195)	(173,195)	(170,802)
<b>Total other financing sources (uses)</b>	<u>(173,195)</u>	<u>(173,195)</u>	<u>(155,802)</u>
<b>Change in fund balance</b>	<u><u>\$ 387,105</u></u>	<u>317,747</u>	<u>165,252</u>
Fund balance:			
Beginning of year		<u>1,710,084</u>	<u>1,544,832</u>
End of year		<u><u>\$ 2,027,831</u></u>	<u><u>\$ 1,710,084</u></u>

Village of Matteson, Illinois

Schedule of Revenues, Expenses and Changes in Net Assets -  
 Budget and Actual  
 Water Fund  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Operating revenues:			
Water sales	\$ 4,370,000	\$ 3,333,041	\$ 3,558,781
Water meter sales	40,000	9,646	44,634
Fines and forfeitures	100,000	65,290	101,469
Miscellaneous	55,000	21,967	54,750
<b>Total operating revenues</b>	<u>4,565,000</u>	<u>3,429,944</u>	<u>3,759,634</u>
Operating expenses:			
Operations	2,361,543	2,102,711	1,856,202
Depreciation	-	291,481	286,256
Amortization	-	4,626	4,626
<b>Total operating expenses</b>	<u>2,361,543</u>	<u>2,398,818</u>	<u>2,147,084</u>
<b>Operating income</b>	<u>2,203,457</u>	<u>1,031,126</u>	<u>1,612,550</u>
Non-operating income (expense):			
Interest income	7,800	-	131,512
Principal payments	(195,000)	-	-
Interest expense	(127,281)	(122,802)	(129,536)
<b>Total non-operating income (expense)</b>	<u>(314,481)</u>	<u>(122,802)</u>	<u>1,976</u>
<b>Income before transfers</b>	<u>1,888,976</u>	<u>908,324</u>	<u>1,614,526</u>
Transfer out	<u>(1,500,000)</u>	<u>(1,251,795)</u>	<u>(1,455,000)</u>
<b>Change in net assets</b>	<u>\$ 388,976</u>	<u>(343,471)</u>	<u>159,526</u>
Net assets:			
Beginning of year		<u>4,824,212</u>	<u>4,664,686</u>
End of year		<u>\$ 4,480,741</u>	<u>\$ 4,824,212</u>

Village of Matteson, Illinois

Schedule of Operating Expenses - Budget and Actual  
 Water Fund  
 Year Ended April 30, 2009  
 With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Water billing:			
Salaries	\$ 78,546	\$ 100,766	\$ 80,781
Salaries- overtime	-	259	373
Employee benefits	-	214	183
Office supplies	500	327	350
Uniforms	320	-	-
Bill printing/lock box	24,000	15,281	31,150
Postage	20,000	24,606	23,907
Conference/training	200	200	179
Bank service charges	-	41	679
<b>Total water billing</b>	<b>123,566</b>	<b>141,694</b>	<b>137,602</b>
Water public works:			
Water purchase	1,230,000	1,241,219	1,024,890
Bad debt expense	500	13,059	19,068
Bank service charges/fees	-	-	518
Transmission line payment	260,000	274,908	221,893
<b>Total water public works</b>	<b>1,490,500</b>	<b>1,529,186</b>	<b>1,266,369</b>
Operations and maintenance:			
Salaries	258,594	257,191	228,936
Employee benefits	-	11,956	11,262
Salaries - overtime	48,526	45,572	38,648
Office supplies	1,000	92	229
Meters	70,218	122,784	92,764
Tools and equipment	9,500	30,888	6,786
Motor fuel and lubricants	14,500	-	18,967
Chemicals	3,400	3,638	4,054
Protective clothing	2,000	1,273	1,666
Uniforms	750	2,070	744
Dumping fees	5,000	-	5,000
Consulting Services	4,000	180	-
Map upgrading	-	385	25,531

(Continued)

Village of Matteson, Illinois

Schedule of Operating Expenses - Budget and Actual (Continued)

Water Fund

Year Ended April 30, 2009

With Comparative Amounts for 2008

	2009		2008 Actual
	Final Budget	Actual	
Operations and maintenance (continued):			
Water lab testing	\$ 14,500	\$ 3,923	\$ 7,389
Julie locator	1,500	1,916	1,214
Telephone	1,000	1,382	1,151
Legal notice	1,620	1,917	1,917
Postage	1,250	1,118	1,566
Dues	500	223	498
Conference/training	4,000	2,286	1,156
Travel	350	68	148
Electricity	25,000	27,464	9,406
Heat	500	882	999
Equipment rental	500	-	-
Vehicle M/R - PW	3,000	1,470	2,046
Main maintenance	32,500	18,609	19,841
Tower maintenance and paint	14,100	6,925	6,440
Pumping stations	10,000	6,225	10,372
Restoration	2,000	4,893	2,829
<b>Total operations and maintenance</b>	<b>529,808</b>	<b>555,330</b>	<b>501,559</b>
Capital improvements:			
Vehicles	27,669	48	18,502
Main replacement	190,000	25,872	546,337
<b>Total capital improvements</b>	<b>217,669</b>	<b>25,920</b>	<b>564,839</b>
<b>Total operations</b>	<b>\$ 2,361,543</b>	<b>2,252,130</b>	<b>2,470,369</b>
Less equipment capitalized		<u>(149,419)</u>	<u>(614,167)</u>
<b>Total operations</b>		<b>2,102,711</b>	<b>1,856,202</b>
Plus depreciation		291,481	286,256
Plus amortization		<u>4,626</u>	<u>4,626</u>
<b>Total water fund operating expenses</b>		<b>\$ 2,398,818</b>	<b>\$ 2,147,084</b>