

**VILLAGE OF ALSIP, ILLINOIS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**April 30, 2007**

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## **Independent Auditor's Report**

To the Honorable Mayor and Trustees  
Village of Alsip, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alsip, Illinois as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Alsip, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgeting comparison for the General and Road and Bridge funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on page 3 through 11 and the pension information on pages 48 through 50 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As discussed in Note 6 to the financial statements, the Village of Alsip, Illinois has retroactively reported their infrastructure assets as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, for the year ended April 30, 2007.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Oak Brook, Illinois  
October 25, 2007

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

The Village of Alsip offers readers of the Village's financial statements this narrative overview and analysis of the financial activity of the Village for the fiscal year ended April 30, 2007. Readers are encouraged to consider the information presented here in conjunction with the Village of Alsip's financial statements which begin on page 12 of this report.

**Financial Highlights**

The Village of Alsip's net assets total \$31,070,643. Net assets for governmental activities account for \$8,263,899 or 26.6% of the total and business-type activities account for \$22,806,744 or 73.4%.

The government's total net assets increased by \$19,676,663 during fiscal year 2007, due to the capitalization of government and business-type infrastructure assets.

As of the close of the current fiscal year, the Village of Alsip's governmental funds reported combined ending fund balances of \$11,749,150.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,204,355 or 34.2% of total General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village of Alsip's basic financial statements. The Village's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may relate to cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, finance, fire, police, 911 services, civil defense, road and bridge, health and welfare, public works and economic development. The business-type activities of the Village include water, sewer, stormwater management and senior housing.



**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

The Village of Alsip includes two separate legal entities in its report, the Village of Alsip Police Pension Employees' Retirement System and the Firefighter's Pension Employees' Retirement System. The Village of Alsip Police Pension Employees' Retirement System and the Firefighters' Pension Employees' Retirement System are considered "blended component units". Although legally separate, these "component units" are important because the Village of Alsip is financially accountable for them. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 and 13 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Alsip, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Alsip can be divided into three categories: governmental, proprietary, and fiduciary.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Alsip maintains five individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Road and Bridge Fund, Debt Service Fund and the Capital Projects Fund, all of which are considered to be major funds. Individual fund data for the nonmajor governmental fund, the Special Revenue Fund, is provided elsewhere in this report.

The Village of Alsip adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

***Proprietary Funds***

The Village of Alsip maintains proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Water, Sewer, Stormwater Management and Senior Housing Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Refuse, Stormwater Management and Senior Housing Funds.

The basic proprietary fund financial statements can be found on pages 18 through 22 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the Village. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23 and 24 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 46 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 48 through 50 of this report. Combining and individual fund statements and schedules can be found on pages 52 through 96 of this report.

**Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Alsip, assets exceeded liabilities by \$31,070,643 at the close of the most recent fiscal year.

By far, the largest portion of the Village of Alsip's net assets (81.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Alsip's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

**Village of Alsip**  
**Condensed Statement of Net Assets**  
**As of April 30, 2007 and 2006**  
**(in Millions)**

	<u>Governmental</u> <u>Activities</u>		<u>Business</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 16.6	\$ 15.1	\$ 2.4	\$ 2.3	\$ 19.0	\$ 17.4
Capital assets	<u>19.0</u>	<u>9.3</u>	<u>30.7</u>	<u>20.7</u>	<u>49.7</u>	<u>30.0</u>
<b>Total assets</b>	<u>\$ 35.6</u>	<u>\$ 24.4</u>	<u>\$ 33.1</u>	<u>\$ 23.0</u>	<u>\$ 68.7</u>	<u>\$ 47.4</u>
Long-term liabilities	\$ 23.9	\$ 24.2	\$ 7.0	\$ 8.3	\$ 30.9	\$ 32.5
Other liabilities	<u>3.5</u>	<u>3.0</u>	<u>3.3</u>	<u>1.9</u>	<u>6.8</u>	<u>4.9</u>
<b>Total liabilities</b>	<u>\$ 27.4</u>	<u>\$ 27.2</u>	<u>\$ 10.3</u>	<u>\$ 10.2</u>	<u>\$ 37.7</u>	<u>\$ 37.4</u>
Net assets:						
Invested in capital assets, net of debt	\$ 2.8	\$ (8.8)	\$ 22.5	\$ 11.5	\$ 25.3	\$ 2.7
Restricted	7.3	7.2	-	-	7.3	7.2
Unrestricted (deficit)	<u>(1.8)</u>	<u>(1.2)</u>	<u>.3</u>	<u>1.4</u>	<u>(1.5)</u>	<u>.2</u>
<b>Total net assets (deficit)</b>	<u>\$ 8.3</u>	<u>\$ (2.8)</u>	<u>\$ 22.8</u>	<u>\$ 12.9</u>	<u>\$ 31.1</u>	<u>\$ 10.1</u>

A portion of the Village of Alsip's net assets (\$7.3 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets shows a deficit of \$1.8 million. This is mostly due to a negative fund balance in the road and bridge fund. This deficit is projected to be eliminated in the next three years.

At the end of the current fiscal year, the Village of Alsip is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Net assets of the Village of Alsip increased in fiscal year ended 2007 from \$10.1 million to \$31.1 million and increased in fiscal year ended 2006 from \$8.4 million to \$10.1 million. This increase in fiscal year ended 2007 is in large part due to the change in accounting principle to account for the implementation of the Village's infrastructure assets in accordance with GASB 34. The Village of Alsip has not restated the prior period information to include infrastructure assets; however, in future periods, a comparative analysis will be presented.

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

**Change in Net Assets**

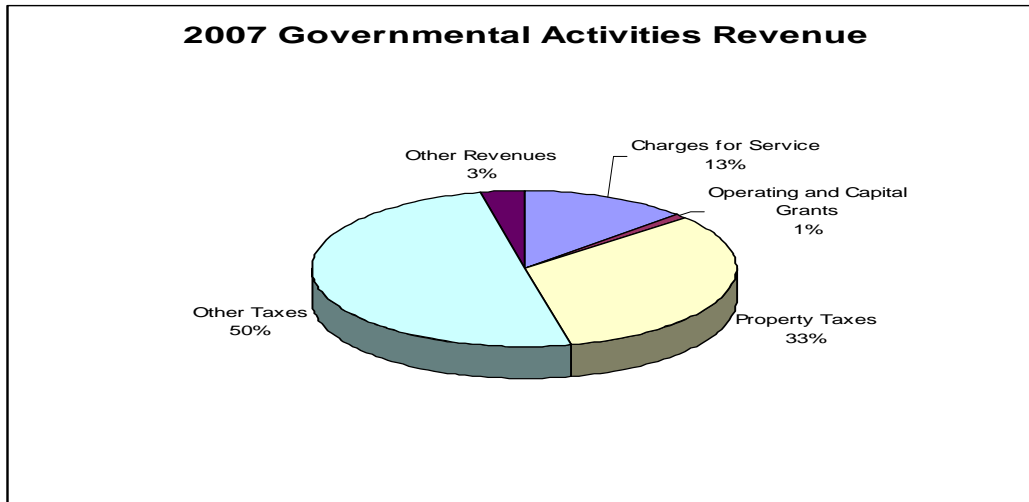
The fiscal year 2007 activities of the Village of Alsip caused the net assets to decline by \$0.4 million (governmental activities, \$0.4 million decrease and business type activities, no change). Key elements are as follows:

**Village of Alsip**  
**Changes in Net Assets**  
**For the Fiscal Years Ended April 30, 2007 and 2006**  
**(in Millions)**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>						
Program revenues:						
Charges for service	\$ 2.6	\$ 2.2	\$ 9.6	\$ 9.7	\$12.2	\$11.9
Operating and capital grants	.1	.1	-	-	.1	.1
General Revenue:						
Property taxes	6.7	6.5	-	-	6.7	6.5
Other taxes	10.3	10.0	-	-	10.3	10.0
Other revenues	<u>.7</u>	<u>.4</u>	<u>-</u>	<u>-</u>	<u>.7</u>	<u>.4</u>
Total revenue	<u>20.4</u>	<u>19.2</u>	<u>9.6</u>	<u>9.7</u>	<u>30.0</u>	<u>28.9</u>
<b>Expenses</b>						
Governmental activities:						
General government	2.1	2.4	-	-	2.1	2.4
Public safety	12.9	12.4	-	-	12.9	12.4
Road and Bridge	2.9	1.4	-	-	2.9	1.4
Building	.3	.2	-	-	.3	.2
Health and welfare	.8	.8	-	-	.8	.8
Drainage and Forestry	.1	.2	-	-	.1	.2
Interest	.8	.9	-	-	.8	.9
Business-type:						
Water	-	-	5.8	5.9	5.8	5.9
Sewer	-	-	.1	.1	.1	.1
Senior Complex	<u>-</u>	<u>-</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>
Total expenses	<u>19.9</u>	<u>18.3</u>	<u>8.8</u>	<u>8.9</u>	<u>28.7</u>	<u>27.2</u>
Revenues over expenses	.5	.9	.8	.8	1.3	1.7
Transfers	<u>.2</u>	<u>.2</u>	<u>(.2)</u>	<u>(.2)</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<u>\$ .7</u>	<u>\$ 1.1</u>	<u>\$ .6</u>	<u>\$ .6</u>	<u>\$ 1.3</u>	<u>\$ 1.7</u>

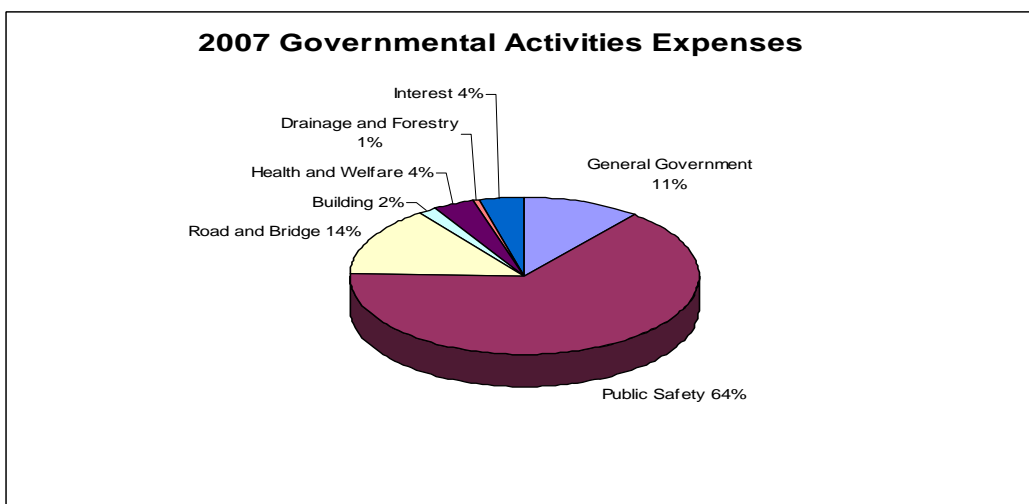
**VILLAGE OF ALSIP, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2007**

**Revenues:**



For the fiscal year ended April 30, 2007, revenues from governmental activities totaled \$20.4 million, signifying an increase in revenues of approximately \$1.2 million dollars over the previous fiscal year. Property taxes totaled \$6.7 million representing 33% of the total governmental activity revenue. Other taxes, at \$10.3 million, are primarily attributable to the Village's sales, state income, fuel and real estate transfer taxes, realized an increase of approximately \$0.3 million over the 2006 fiscal year.

**Expenses:**



For the fiscal year ended April 30, 2007, expenses for governmental activities totaled \$19.9 million, a \$1.6 million increase over the previous fiscal year.

**VILLAGE OF ALSIP, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2007**

**Business-type Activities**

This fiscal year saw a decrease in total charges for services of approximately \$0.1 million. Business-type activities increased the Village of Alsip' net assets by \$631,856. Key elements of this increase were continued capital projects.

**Financial Analysis of the Government's Funds**

As noted earlier, the Village of Alsip uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At April 30, 2007, the governmental funds reported a combined fund balance of \$11,749,150, an increase of \$1,052,767 from the previous fiscal year.

The General Fund is the Village's primary operating fund and the largest source of funding for the day-to-day activities of its various departments. The fund balance of the General Fund experienced a slight increase of \$733,863 from the previous fiscal year.

**General Fund Budgetary Highlights**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 17,076,000	\$ 17,076,000	\$ 15,861,934
Expenditures	<u>15,888,379</u>	<u>15,888,379</u>	<u>15,215,957</u>
Excess of revenues over expenditures	1,187,621	1,187,621	645,977
Other financial sources	<u>-</u>	<u>-</u>	<u>127,886</u>
<b>Net changes in fund balance</b>	<u>\$ 1,187,621</u>	<u>\$ 1,187,621</u>	<u>\$ 773,863</u>

**Proprietary Funds** - The Village of Alsip's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Waterworks and Sewerage Fund and the Senior Citizen Complex Fund as major proprietary funds. The Waterworks and Sewerage Fund account for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago at a rate of \$1.35 per thousand gallons. Water is sold to all municipal customers at varying rates, based on usage. The spread between purchase and sales rates is intended to finance the operation of the waterworks and sewerage system, including labor costs, supplies and infrastructure maintenance.

Water sales during fiscal year ended 2007 were \$190,728 lower than the previous fiscal year.

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

**Capital Asset and Debt Administration**

**Capital Assets** - The Village of Alsip's investment in capital assets for its governmental and business-type activities as of April 30, 2007 amounts to \$49,750,060 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, highways, and bridges. The total increase of \$19,678,307 in the Village of Alsip's investment in capital assets for the current fiscal year is due to the implementation of the Village's infrastructure assets.

**Village of Alsip**  
**Capital Assets at Year End**  
**Net of Depreciation**  
**(in Millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ -	\$ -	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9
Improvements	.4	.3	3.6	3.5	4.0	3.8
Construction in progress	.2	-	1.5	-	1.7	-
Building	5.1	5.3	11.1	11.6	16.2	16.9
Machinery and equipment	1.0	.9	.8	.9	1.8	1.8
Infrastructure	10.6	1.3	11.8	2.8	22.4	4.1
Vehicles	<u>1.7</u>	<u>1.5</u>	<u>-</u>	<u>-</u>	<u>1.7</u>	<u>1.5</u>
<b>Total</b>	<u>\$19.0</u>	<u>\$ 9.3</u>	<u>\$30.7</u>	<u>\$20.7</u>	<u>\$49.7</u>	<u>\$30.0</u>

Additional information on the Village of Alsip's capital assets can be found in Note 4C on pages 36 through 38 of this report.

**Long-term Debt** - At the end of the fiscal year 2007, the Village of Alsip had total bonded debt outstanding of \$24,420,029. Of this amount, 100% comprises debt backed by the full faith and credit of the government.

**Village of Alsip**  
**Outstanding General Obligation Debt (OOO's)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary Government</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General obligation bonds	<u>\$ 16.3</u>	<u>\$ 18.1</u>	<u>\$ 8.1</u>	<u>\$ 9.0</u>	<u>\$ 24.4</u>	<u>\$ 27.1</u>

The Village of Alsip made principal payments on outstanding general obligation bonds in the current year of \$2,743,961, in accordance with the terms of the various bond issues.

**VILLAGE OF ALSIP, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2007**

In fiscal year ended 2007, the Village of Alsip was assigned an A1 rating from Moody's. The Village of Alsip as a home rule authority is not limited to the amount of general obligation debt it may issue, except that any debt issue may not exceed a 40-year payment period. The total per capita general obligation debt for the community is \$1,221.

Additional information on the Village of Alsip' long-term debt can be found in Note 4E on pages 40 through 43 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Alsip is located approximately 19 miles southwest of downtown Chicago, along Interstate 294. The Village has accessibility via highway, rail, water, and air transportation. Interstate 57 and Interstate 80, two major interstate highways, are located in close proximity to the Village. Additionally, the Calumet Sag Channel allows the Village access to the Port of Chicago which includes major docks on Lake Calumet.

The Village is home to approximately 900 businesses, encompassing various segments of commerce, including retail, service and manufacturing. This diversity of business and industry provides a stable economic base, which in turn creates outstanding municipal services, educational systems, health and human care agencies and recreational facilities. The Village of Alsip is centrally located to both O'Hare Airport, approximately 18 miles northwest of the Village, and Midway Airport, approximately seven miles north of the Village.

- Looking forward towards fiscal year 2008, the Village will continue negotiations dealing with the redevelopment of the 123<sup>rd</sup> Street TIF and the remainder of Cicero Avenue to 119<sup>th</sup> Street. This redevelopment is anticipated to bring retail growth, providing additional sales and property tax to the Village.
- A new development, known as "Quarry Plaza", located at 122<sup>nd</sup> and Cicero, is scheduled to open in the fall of 2007. Totalling approximately 200,000 square feet of retail space, this center includes as two of its major anchors Home Depot and LA Fitness, in addition to two outlots and other tenants. In addition to providing additional sales and property tax to the Village, it is expected that this development will provide the impetus for more retail and commercial development along the Cicero Corridor.
- In 2006, the Board began a multi-phase program to create a plan for an identifiable "Main Street" for the Village of Alsip located along Pulaski Avenue from 115<sup>th</sup> Street to 123<sup>rd</sup> Street. It is anticipated that a formal plan will be presented for adoption in fiscal year 2008.

These factors will be prominent in the preparation of the Village's budget for the 2008 fiscal year.

**Requests for Information**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be addressed to the Director of Finance, Village of Alsip, 4500 W. 123<sup>rd</sup> Street, Alsip, Illinois 60803.



**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**April 30, 2007**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 900,229	\$ 100	\$ 900,329
Temporary cash investments	7,583,976	909,716	8,493,692
Receivables (net of allowance for uncollectibles)	6,173,852	644,903	6,818,755
Internal balances	892,113	(892,113)	-
Deferred charges	-	50,905	50,905
Deposits	41,804	155,174	196,978
Prepaid expenses	85,514	8,982	94,496
Restricted assets:			
Temporary cash investments	953,414	1,493,338	2,446,752
Capital assets (net of accumulated depreciation):			
Land	-	1,886,953	1,886,953
Buildings	5,129,442	11,130,153	16,259,595
Improvements other than building	370,568	3,594,701	3,965,269
System infrastructure	10,588,834	11,804,288	22,393,122
Machinery and equipment	860,857	765,258	1,626,115
Furniture and fixtures	102,276	-	102,276
Vehicles	1,700,122	26,809	1,726,931
Construction in progress	249,299	1,540,500	1,789,799
	<u>35,632,300</u>	<u>33,119,667</u>	<u>68,751,967</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	921,339	1,889,779	2,811,118
Accrued interest payable	224,514	85,250	309,764
Intergovernmental liability	141,896	-	141,896
Due to fiduciary funds	110,207	-	110,207
Deposits	-	322,190	322,190
Deferred other revenue	7,782	-	7,782
Payable from restricted accounts:			
Customer deposits	-	30,860	30,860
Noncurrent liabilities:			
Due within one year	2,006,383	1,007,683	3,014,066
Due in more than one year	23,956,280	6,977,161	30,933,441
	<u>27,368,401</u>	<u>10,312,923</u>	<u>37,681,324</u>
Total liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,760,007	22,482,130	25,242,137
Restricted for:			
Project costs	134,659	-	134,659
Debt service	6,361,550	-	6,361,550
Other	830,376	-	830,376
Unrestricted	<u>(1,822,693)</u>	<u>324,614</u>	<u>(1,498,079)</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 8,263,899</u></u>	<u><u>\$ 22,806,744</u></u>	<u><u>\$ 31,070,643</u></u>

These financial statements should be read only in connection with the notes to financial statements

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended April 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 2,054,754	\$ 612,742	\$ 110,014	\$ (1,331,998)	\$ -	\$ (1,331,998)
Public Safety	12,899,612	996,427	11,970	(11,891,215)	-	(11,891,215)
Highway and streets	2,929,769	460,668	-	(2,469,101)	-	(2,469,101)
Building	282,487	438,707	-	156,220	-	156,220
Health and environmental control	846,510	72,996	-	(773,514)	-	(773,514)
Drainage and storm sewers	35,709	-	-	(35,709)	-	(35,709)
Forestry maintenance	68,414	-	-	(68,414)	-	(68,414)
Capital projects	-	-	-	-	-	-
Interest on long-term debt	766,039	-	-	(766,039)	-	(766,039)
Total governmental activities	<u>19,883,294</u>	<u>2,581,540</u>	<u>121,984</u>	<u>(17,179,770)</u>	<u>-</u>	<u>(17,179,770)</u>
Business-type activities:						
Water	5,783,690	5,525,945	-	-	(257,745)	(257,745)
Sewer	129,987	339,900	-	-	209,913	209,913
Senior Citizen Complex	2,928,203	3,778,366	-	-	850,163	850,163
Total business-type activities	<u>8,841,880</u>	<u>9,644,211</u>	<u>-</u>	<u>-</u>	<u>802,331</u>	<u>802,331</u>
Total primary government	<u>\$ 28,725,174</u>	<u>\$ 12,225,751</u>	<u>\$ 121,984</u>	<u>\$ (17,179,770)</u>	<u>\$ 802,331</u>	<u>\$ (16,377,439)</u>
<b>General revenues:</b>						
Property taxes				\$ 6,655,837	\$ -	\$ 6,655,837
Sales taxes				5,851,120	-	5,851,120
State income taxes				1,963,010	-	1,963,010
Fuel use taxes				544,554	-	544,554
Motor fuel taxes				585,362	-	585,362
Replacement taxes				350,334	-	350,334
Real estate transfer taxes				650,148	-	650,148
Other taxes				389,493	-	389,493
Sale of capital assets				28,901	-	28,901
Unrestricted interest/investment earnings				297,620	55,416	353,036
Other				326,448	2,467	328,915
<b>Transfers</b>				<u>228,358</u>	<u>(228,358)</u>	<u>-</u>
Total general revenues and transfers				<u>17,871,185</u>	<u>(170,475)</u>	<u>17,700,710</u>
<b>CHANGE IN NET ASSETS</b>				691,415	631,856	1,323,271
<b>NET ASSETS - BEGINNING</b>				(2,794,793)	12,865,502	10,070,709
Change in accounting principle				<u>10,367,277</u>	<u>9,309,386</u>	<u>19,676,663</u>
<b>NET ASSETS - ENDING</b>				<u>\$ 8,263,899</u>	<u>\$ 22,806,744</u>	<u>\$ 31,070,643</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**April 30, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Insurance</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash	\$ 900,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,229
Temporary cash investments	2,756,750	15,329	23,013	3,466,341	108,176	1,214,367	7,583,976
Receivables (net of allowance for uncollectibles)	4,749,685	154,720	-	757,004	-	512,443	6,173,852
Due from other funds	2,424,161	-	177,694	3,037,105	26,483	539,291	6,204,734
Deposits	41,804	-	-	-	-	-	41,804
Prepaid expenses	85,514	-	-	-	-	-	85,514
Restricted assets:							
Temporary cash investments	203,683	-	749,731	-	-	-	953,414
<b>TOTAL ASSETS</b>	<u>\$ 11,161,826</u>	<u>\$ 170,049</u>	<u>\$ 950,438</u>	<u>\$ 7,260,450</u>	<u>\$ 134,659</u>	<u>\$ 2,266,101</u>	<u>\$ 21,943,523</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>							
<b>Liabilities:</b>							
Accounts payable and other current liabilities	\$ 503,657	\$ 125,137	\$ 291,772	\$ -	\$ -	\$ 773	\$ 921,339
Intergovernmental liability	-	-	-	141,896	-	-	141,896
Deferred property tax revenue	2,358,229	119,720	-	757,004	-	465,575	3,700,528
Deferred other revenue	7,782	-	-	-	-	-	7,782
Due to other funds	3,002,289	2,209,380	-	-	-	211,159	5,422,828
<b>Total liabilities</b>	<u>5,871,957</u>	<u>2,454,237</u>	<u>291,772</u>	<u>898,900</u>	<u>-</u>	<u>677,507</u>	<u>10,194,373</u>
<b>Fund balances (deficit):</b>							
Reserved for:							
Reserved for prepaid expenses	85,514	-	-	-	-	-	85,514
Reserved for insurance	-	-	744,862	-	-	-	744,862
Reserved for project costs	-	-	-	-	134,659	-	134,659
Reserved for debt service	-	-	-	6,361,550	-	-	6,361,550
Unreserved, reported in:							
General fund	5,204,355	-	-	-	-	-	5,204,355
Special revenue funds	-	(2,284,188)	(86,196)	-	-	1,588,594	(781,790)
<b>Total fund balances (deficit)</b>	<u>5,289,869</u>	<u>(2,284,188)</u>	<u>658,666</u>	<u>6,361,550</u>	<u>134,659</u>	<u>1,588,594</u>	<u>11,749,150</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 11,161,826</u>	<u>\$ 170,049</u>	<u>\$ 950,438</u>	<u>\$ 7,260,450</u>	<u>\$ 134,659</u>	<u>\$ 2,266,101</u>	

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.	19,001,398
Receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,700,528
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(26,187,177)</u>
	<u>\$ 8,263,899</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended April 30, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Insurance</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
<b>REVENUES</b>							
Taxes	\$ 13,333,244	\$ 675,547	\$ -	\$ 1,429,863	\$ -	\$ 1,422,713	\$ 16,861,367
Fines	278,204	-	-	-	-	-	278,204
Licenses and permits	530,744	360,522	-	-	-	144,927	1,036,193
Grants	121,984	-	-	-	-	-	121,984
Charges for services	72,996	-	-	-	-	-	72,996
Investment income	121,571	1,208	25,578	96,027	2,002	51,234	297,620
Miscellaneous	1,403,191	153,052	2,551,820	-	-	41,335	4,149,398
	<u>15,861,934</u>	<u>1,190,329</u>	<u>2,577,398</u>	<u>1,525,890</u>	<u>2,002</u>	<u>1,660,209</u>	<u>22,817,762</u>
Total revenues							
<b>EXPENDITURES</b>							
Current: General government	1,802,683	-	-	-	-	-	1,802,683
Public safety	9,386,349	-	-	-	-	193,865	9,580,214
Highways and streets	-	1,525,448	-	-	-	173,621	1,699,069
Building	196,115	-	-	-	-	-	196,115
Health and environmental control	829,839	-	-	-	-	-	829,839
Insurance	2,780,120	-	2,297,792	-	-	-	5,077,912
Drainage and storm sewers	-	28,295	-	-	-	-	28,295
Forestry maintenance	-	55,607	-	-	-	-	55,607
Miscellaneous	28,161	-	-	9,992	-	921	39,074
Debt service: Principal retirement	176,314	17,773	-	1,719,281	-	-	1,913,368
Interest and fiscal charges	16,376	1,632	-	753,169	-	-	771,177
	<u>15,215,957</u>	<u>1,628,755</u>	<u>2,297,792</u>	<u>2,482,442</u>	<u>-</u>	<u>368,407</u>	<u>21,993,353</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>645,977</u>	<u>(438,426)</u>	<u>279,606</u>	<u>(956,552)</u>	<u>2,002</u>	<u>1,291,802</u>	<u>824,409</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfer in	127,886	-	-	1,156,779	-	39,778	1,324,443
Operating transfer out	-	(39,778)	-	(127,886)	-	(928,421)	(1,096,085)
	<u>127,886</u>	<u>(39,778)</u>	<u>-</u>	<u>1,028,893</u>	<u>-</u>	<u>(888,643)</u>	<u>228,358</u>
Total other financing sources (uses)							
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	773,863	(478,204)	279,606	72,341	2,002	403,159	1,052,767
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	4,516,006	(1,805,984)	379,060	4,282,199	2,245,377	1,079,725	10,696,383
Residual equity transfers in (out)	-	-	-	2,007,010	(2,112,720)	105,710	-
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 5,289,869</u>	<u>\$ (2,284,188)</u>	<u>\$ 658,666</u>	<u>\$ 6,361,550</u>	<u>\$ 134,659</u>	<u>\$ 1,588,594</u>	<u>\$ 11,749,150</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2007**

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 15)	\$ 1,052,767
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, \$2,435,849, exceeded capital outlays, \$1,572,190, in the current period.	(863,659)
The effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins) is to decrease net assets by the undepreciated balance of the capital assets.	(48,082)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	128,491
The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,907,993
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.	<u>(1,486,095)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (PAGE 13)</b>	<u><u>\$ 691,415</u></u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL AND ROAD AND BRIDGE FUNDS**  
**(BUDGETARY BASIS)**  
**For the Year Ended April 30, 2007**

	<b>General</b>			<b>Road and Bridge</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>						
Taxes	\$ 14,780,000	\$ 13,275,998	\$ (1,504,002)	\$ 1,262,000	\$ 675,547	\$ (586,453)
Fines	400,000	284,559	(115,441)	-	-	-
Licenses and permits	675,000	530,744	(144,256)	370,000	360,522	(9,478)
Grants	160,000	121,984	(38,016)	-	-	-
Charges for services	75,000	72,996	(2,004)	-	-	-
Investment income	-	121,571	121,571	-	1,208	1,208
Miscellaneous	986,000	1,318,706	332,706	126,000	118,052	(7,948)
Total revenues	<u>17,076,000</u>	<u>15,726,558</u>	<u>(1,349,442)</u>	<u>1,758,000</u>	<u>1,155,329</u>	<u>(602,671)</u>
<b>EXPENDITURES</b>						
Current: General government	2,043,923	1,773,876	270,047	-	-	-
Public safety	9,157,267	9,299,229	(141,962)	-	-	-
Highway and streets	-	-	-	2,216,674	1,493,231	723,443
Building	235,488	193,671	41,817	-	-	-
Health and environmental control	842,500	828,047	14,453	-	-	-
Drainage and storm sewers	-	-	-	62,252	28,295	33,957
Forestry maintenance	-	-	-	93,305	53,632	39,673
Insurance	3,447,000	2,684,398	762,602	-	-	-
Miscellaneous	47,201	28,305	18,896	-	-	-
Debt service: Principal retirement	115,000	176,314	(61,314)	-	17,773	(17,773)
Interest and fiscal charges	-	16,376	(16,376)	-	1,632	(1,632)
Total expenditures	<u>15,888,379</u>	<u>15,000,216</u>	<u>888,163</u>	<u>2,372,231</u>	<u>1,594,563</u>	<u>777,668</u>
Excess (deficiency) of revenues over expenditures	<u>1,187,621</u>	<u>726,342</u>	<u>(461,279)</u>	<u>(614,231)</u>	<u>(439,234)</u>	<u>174,997</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfer in	-	127,886	127,886	-	-	-
Operating transfer out	-	-	-	-	(39,778)	(39,778)
Total other financing sources (uses)	<u>-</u>	<u>127,886</u>	<u>127,886</u>	<u>-</u>	<u>(39,778)</u>	<u>(39,778)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 1,187,621</u>	<u>\$ 854,228</u>	<u>\$ (333,393)</u>	<u>\$ (614,231)</u>	<u>\$ (479,012)</u>	<u>\$ 135,219</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**April 30, 2007**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b><u>Waterworks and Sewerage</u></b>	<b><u>Senior Citizen Complex</u></b>	<b><u>Totals Current Year</u></b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 100	\$ -	\$ 100
Temporary cash investments	396,240	513,476	909,716
Receivables (net of allowance for uncollectibles)	644,903	-	644,903
Prepaid insurance/expense	2,292	6,690	8,982
Due from other funds	202,460	184,290	386,750
Total current assets	<u>1,245,995</u>	<u>704,456</u>	<u>1,950,451</u>
Noncurrent assets:			
Restricted temporary cash investments	30,860	1,462,479	1,493,339
Bond issuance costs	-	50,905	50,905
Deposits	-	155,174	155,174
Capital assets:			
Land	36,138	1,886,953	1,923,091
Buildings	3,823,869	14,698,198	18,522,067
Building improvements	-	4,851,107	4,851,107
Improvements other than building	-	529,898	529,898
System infrastructure	17,743,611	-	17,743,611
Machinery and equipment	1,526,188	250,061	1,776,249
Vehicles	90,096	-	90,096
Construction in progress	1,384,500	695,071	2,079,571
Less accumulated depreciation	<u>(9,167,249)</u>	<u>(7,599,779)</u>	<u>(16,767,028)</u>
Total capital assets (net of accumulated depreciation)	<u>15,437,153</u>	<u>15,311,509</u>	<u>30,748,662</u>
Total noncurrent assets	<u>15,468,013</u>	<u>16,980,067</u>	<u>32,448,080</u>
Total assets	<u>16,714,008</u>	<u>17,684,523</u>	<u>34,398,531</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**April 30, 2007**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Waterworks and Sewerage</b>	<b>Senior Citizen Complex</b>	<b>Totals Current Year</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other current liabilities	\$ 1,826,233	\$ 62,933	\$ 1,889,166
Accrued interest payable	8,560	76,690	85,250
Utility overpayment	614	-	614
Security deposits	-	322,190	322,190
Due to other funds	-	1,278,863	1,278,863
Current portion of note payable	84,843	-	84,843
Current portion of general obligation bonds	64,875	857,965	922,840
	<u>1,985,125</u>	<u>2,598,641</u>	<u>4,583,766</u>
Current liabilities payable from restricted assets:			
Deposits	30,860	-	30,860
	<u>30,860</u>	<u>-</u>	<u>30,860</u>
Noncurrent liabilities:			
Compensated absences payable	11,575	-	11,575
Long-term portion of note payable	135,097	-	135,097
Long-term portion of general obligation bonds (net of unamortized discount and loss from extinguishment of debt)	272,475	6,558,014	6,830,489
	<u>419,147</u>	<u>6,558,014</u>	<u>6,977,161</u>
Total noncurrent liabilities	<u>419,147</u>	<u>6,558,014</u>	<u>6,977,161</u>
Total liabilities	<u>2,435,132</u>	<u>9,156,655</u>	<u>11,591,787</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	14,879,864	7,602,266	22,482,130
Unrestricted	(600,988)	925,602	324,614
	<u>14,278,876</u>	<u>8,527,868</u>	<u>22,806,744</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 14,278,876</u>	<u>\$ 8,527,868</u>	<u>\$ 22,806,744</u>

These financial statements should be read only in connection with the notes to financial statements.



**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended April 30, 2007**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for sales and services:			
Water and sewer sales	\$ 5,824,502	\$ -	\$ 5,824,502
Rental sales	-	3,724,000	3,724,000
Other sales and services	43,809	54,366	98,175
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,868,311	3,778,366	9,646,677
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>			
Cost of sales and services	5,182,040	1,905,497	7,087,537
Depreciation	698,592	579,805	1,278,397
	<hr/>	<hr/>	<hr/>
Total operating expenses	5,880,632	2,485,302	8,365,934
	<hr/>	<hr/>	<hr/>
Operating income (loss)	(12,321)	1,293,064	1,280,743
	<hr/>	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Amortization of bond issuance costs	-	(10,908)	(10,908)
Amortization of underwriter's discount	-	(1,344)	(1,344)
Note and bond interest and fiscal charges	(33,045)	(430,648)	(463,693)
Investment earnings	8,812	46,604	55,416
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(24,233)	(396,296)	(420,529)
	<hr/>	<hr/>	<hr/>
Income before transfers	(36,554)	896,768	860,214
	<hr/>	<hr/>	<hr/>
<b>TRANSFERS OUT</b>	(228,358)	-	(228,358)
	<hr/>	<hr/>	<hr/>
Change in net assets	(264,912)	896,768	631,856
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - BEGINNING</b>	5,234,402	7,631,100	12,865,502
Change in accounting principle	9,309,386	-	9,309,386
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - ENDING</b>	<u>\$ 14,278,876</u>	<u>\$ 8,527,868</u>	<u>\$ 22,806,744</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended April 30, 2007**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,883,080	\$ 3,772,204	\$ 9,655,284
Payments to other funds	-	-	-
Payments to suppliers	(4,937,850)	(1,836,183)	(6,774,033)
Payments to employees	(413,822)	(539,870)	(953,692)
Net cash provided by operating activities	<u>531,408</u>	<u>1,396,151</u>	<u>1,927,559</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Operating transfers out	<u>(228,358)</u>	<u>-</u>	<u>(228,358)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(175,670)	(405,565)	(581,235)
Principal payments on note payable	(80,186)	-	(80,186)
Principal payments on bonds payable	(60,550)	(852,620)	(913,170)
Interest paid on notes and bonds	(33,045)	(378,310)	(411,355)
Net cash used in capital and related financing activities	<u>(349,451)</u>	<u>(1,636,495)</u>	<u>(1,985,946)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	<u>8,812</u>	<u>46,604</u>	<u>55,416</u>
<b>NET DECREASE IN CASH AND TEMPORARY CASH INVESTMENTS</b>	(37,589)	(193,740)	(231,329)
<b>CASH AND TEMPORARY CASH INVESTMENTS, BEGINNING OF YEAR</b>	<u>464,789</u>	<u>2,169,695</u>	<u>2,634,484</u>
<b>CASH AND TEMPORARY CASH INVESTMENTS, END OF YEAR</b>	<u>\$ 427,200</u>	<u>\$ 1,975,955</u>	<u>\$ 2,403,155</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended April 30, 2007**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (12,321)	\$ 1,293,064	\$ 1,280,743
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	698,592	579,805	1,278,397
Effects of changes in operating assets and liabilities:			
Receivables - account customers	(5,295)	-	(5,295)
Receivables - unbilled charges	20,533	-	20,533
Due from other funds	(164,400)	(69,694)	(234,094)
Prepaid insurance/expense	(2,292)	(2,854)	(5,146)
Utility overpayment	614	-	614
Deposits	-	(6,162)	(6,162)
Accounts payable	24,189	29,127	53,316
Due to other funds	(21,000)	(426,110)	(447,110)
Other accrued expenses	(6,715)	-	(6,715)
Security deposits	-	(1,025)	(1,025)
Restricted liabilities	(1,084)	-	(1,084)
Compensated absences	587	-	587
	<u>587</u>	<u>-</u>	<u>587</u>
 Net cash provided by operating activities	 <u>\$ 531,408</u>	 <u>\$ 1,396,151</u>	 <u>\$ 1,927,559</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**April 30, 2007**

	<u>Pension Trust</u>		
	<u>Police</u>	<u>Firemens'</u>	
	<u>Pension</u>	<u>Pension</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 876,248	\$ 1,056,021	\$ 1,932,269
Receivables:			
Contributions	538,761	422,957	961,718
Accrued interest	179,752	108,644	288,396
Due from other funds	190,220	-	190,220
Investments, at fair value:			
U.S. Government securities	7,016,011	7,100,889	14,116,900
Mutual funds	4,515,077	4,256,180	8,771,257
Stocks	2,037,446	1,838,139	3,875,585
Insurance contracts	-	1,000,520	1,000,520
	<u>15,353,515</u>	<u>15,783,350</u>	<u>31,136,865</u>
Total assets			
<b>LIABILITIES</b>			
Accrued liabilities	24,348	27,246	51,594
Deferred contributions	538,761	422,957	961,718
Due to other funds	-	80,013	80,013
	<u>563,109</u>	<u>530,216</u>	<u>1,093,325</u>
Total liabilities			
<b>NET ASSETS HELD IN TRUST</b>			
<b>FOR PENSION BENEFITS</b>			
	<u>\$ 14,790,406</u>	<u>\$ 15,253,134</u>	<u>\$ 30,043,540</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**For the Year Ended April 30, 2007**

	<u>Pension Trust</u>		<u>Totals</u>
	<u>Police Pension Fund</u>	<u>Firemens' Pension Fund</u>	
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 911,359	\$ 795,694	\$ 1,707,053
Employee	243,984	307,898	551,882
Total contributions	<u>1,155,343</u>	<u>1,103,592</u>	<u>2,258,935</u>
Investment earnings:			
Net appreciation in fair value of investments	725,691	711,620	1,437,311
Dividends	128,917	93,804	222,721
Interest	338,146	342,069	680,215
Miscellaneous income	64,117	-	64,117
Less investment expense	<u>1,256,871</u>	<u>1,147,493</u>	<u>2,404,364</u>
Net investment earnings	<u>67,260</u>	<u>68,935</u>	<u>136,195</u>
Total additions	<u>1,189,611</u>	<u>1,078,558</u>	<u>2,268,169</u>
Total additions	<u>2,344,954</u>	<u>2,182,150</u>	<u>4,527,104</u>
<b>DEDUCTIONS</b>			
Retirement benefits	1,502,771	194,046	1,696,817
Duty disability benefits	27,444	435,393	462,837
Surviving spouse benefits	12,000	162,120	174,120
Miscellaneous	42,688	455	43,143
Total deductions	<u>1,584,903</u>	<u>792,014</u>	<u>2,376,917</u>
<b>NET INCREASE</b>	760,051	1,390,136	2,150,187
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING</b>	<u>14,030,355</u>	<u>13,862,998</u>	<u>27,893,353</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, ENDING</b>	<u>\$ 14,790,406</u>	<u>\$ 15,253,134</u>	<u>\$ 30,043,540</u>

These financial statements should be read only in connection with the notes to financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Alsip (the "Village") was incorporated in 1927 and operates under a Mayor-Trustee form of government. The Village provides the following services as authorized by its Charter: Public safety (police and fire), highways and streets, sanitation, health and social services, culture recreation, education, public improvements, planning and zoning, and general administrative services. The Village has an April 30 year end.

The following is a summary of the more significant policies:

A. Principles used to determine the scope of the reporting entity

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The Village's reporting entity includes the Village's governing board. There are no related organizations for which the Village is financially accountable.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The *general fund* is the Village's primary operating fund. It accounts for all financial resources of the Village, except those required to be accounted for in another fund.

The *road and bridge fund* accounts for the Village's share of fuel use tax, vehicle license and road and bridge property tax revenue that are utilized for the maintenance of the Village's road and bridges, drainage and storm sewers and forests.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital project fund* accounts for the resources accumulated and payments made for the acquisition or construction of general fixed assets of governmental funds.

The Village reports the following major proprietary funds:

The *waterworks and sewerage fund* accounts for the activities of the Village's water distribution system, sewage pumping stations and collection systems and sewage treatment plant.

The *senior citizen complex fund* accounts for the activities of the Village's two senior citizen living facilities.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Additionally, the Village reports the following fund type:

The *pension trust funds* accounts for the activities of the Police Pension and Firemen's Pension plans, which accumulates resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both 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. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Village's water and sewer function and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. The principal operating revenues of the senior citizen complex enterprise fund are charges to customers for rental of living facilities. The water and sewer enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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



**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, liabilities, and net assets or equity

1. *Deposits and investments*

The Village's cash and cash equivalents are considered to be cash on hand and demand deposits.

The Village and the pension trusts' temporary cash investments are saving and money market accounts and certificates of deposit.

State statutes authorize the Village and the pension trusts to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, mutual funds, stocks and the State Treasurer's Investment Pool.

Investments for the Village, as well as for its pension trusts, are reported at fair value, which are based on quoted market prices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 3% of the original levy amount, with the exception of the property tax receivable applicable to the bond and interest levies which is equal to 5%.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is divided into two billings: the first billing (mailed on February 1) is an estimate of the current year's levy based on the prior year's taxes: the second billing (mailed on October 1) reflects adjustments to the current year's actual levy. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, liabilities, and net assets or equity (continued)

3. *Inventories and prepaid items*

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted assets*

Certain assets of the Village are classified as restricted assets because their use is restricted for insurance requirements, waterworks and sewerage consumer deposits and federal and state seizure requirements.

5. *Capital assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 (amount not rounded) with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, drainage systems, water and sewer systems and lighting systems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, liabilities, and net assets or equity (continued)

Property, plant and equipment of the Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 40
Building/site/ground improvements	10 - 40
System infrastructure	20
Vehicles	8
Machinery and equipment	5 - 15
Furniture and fixtures	10 - 15

6. *Compensated absences*

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated vacation time since the Village does not have a policy to pay any amounts when employees separate from service with the Village. Sick pay is accrued based on the Village employees' area of employment, an employees' years of service, the number of days accumulated, and a set maximum percentage of the total time accumulated. A liability is recognized in the government-wide and proprietary fund's financial statements for that portion of accumulated sick pay benefits that it is estimated will be taken as "terminal leave" prior to retirement.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premium and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Losses on extinguishment of debt are deferred and amortized over the shorter of the life of the new or old bonds using the straight-line method. Using the straight-line method is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and any losses on extinguishment of debt. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 in 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.

8. *Fund equity*

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. Designations of fund balance represent tentative management plans that are subject to change.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$26,187,177 difference are as follows:

Bonds and notes payable	\$ 16,513,592
Less: deferred charge on refunding (to be amortized over life of debt)	(121,578)
Less: deferred charge for issuance costs (to be amortized over life of debt)	(128,271)
Less: net issuance (discount) premium (to be amortized over life of debt)	(22,351)
Accrued interest payable	224,513
Other payable	226,050
Compensated absences	262,789
Net pension obligation	<u>9,232,433</u>
<b>Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i></b>	<b><u>\$ 26,187,177</u></b>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The detail of this \$(863,659) difference is as follows:

Capital outlay	\$ 1,572,190
Depreciation expense	<u>(2,435,849)</u>
<b>Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i></b>	<b><u>\$ (863,659)</u></b>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The detail of this \$1,907,993 difference is as follows:

Principal repayments:	
Note payable debt	\$ 77,203
General obligation debt	<u>1,830,790</u>
<b>Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i></b>	<b><u>\$ 1,907,993</u></b>

Another element of that reconciliation states that “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.” The details of this \$(1,486,095) difference is as follows:

Compensated absences	\$ (28,432)
Net pension obligation	(1,478,169)
Accrued interest	48,822
Amortization of charge on refunding	(13,801)
Amortization of issuance costs	(14,251)
Amortization of bond premiums	8,045
Amortization of bond discounts	<u>(8,309)</u>
<b>Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i></b>	<b><u>\$ (1,486,095)</u></b>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary information**

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

1. The Village mayor and finance director propose an operating budget based upon requests submitted by individual departments for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Budget hearings are conducted.
3. The Village mayor is authorized to transfer budgeted amounts within departments. Any revision that alters the total expenditure of any department is made through the passage of a resolution. Any revision that alters the total expenditure of any fund is made through the passage of a supplemental appropriations ordinance. Appropriations lapse at year-end.
4. Expenditure budgets for the General, certain Special Revenue Funds and components of the Debt Service and Capital Project Funds are legally adopted on the cash basis through passage of an appropriations ordinance. In 2006, an expenditure budget was not prepared for the Special Tax Allocation, Insurance and Foreign Fire Insurance Tax Special Revenue Funds; 1996 Bond, 2000 Bond, Special Service Area, Tax Incremental Financing District, and Road Bond of the Debt Service Fund.

The reconciliation of the revenues and expenditures for the funds budgeted on a cash basis is as follows:

<u>Fund</u>	<u>Cash Basis</u>	<u>Modified Accrual Basis</u>	<u>Difference</u>
General:			
Revenues	\$15,726,558	\$15,861,934	\$ (135,376)
Expenditures	15,000,216	15,215,957	(215,741)
Road and Bridge:			
Revenues	1,155,329	1,190,329	(35,000)
Expenditures	1,594,563	1,628,755	(34,192)

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Excess of expenditures over appropriations**

For the year ended April 30, 2007, expenditures exceeded appropriations in the public safety and debt service departments of the general fund by \$141,962 and \$77,690, respectively. Expenditures exceed appropriations in the debt service department of the road and bridge fund by \$19,405. These over-expenditures were funded by less than anticipated expenditures in the other departments of the general and road and bridge funds and by available fund balance of the general fund.

**Deficit fund equity**

The Road and Bridge special revenue fund had a deficit fund balance of \$2,284,188 as of April 30, 2007.

**NOTE 4 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

**Deposits**

*Custodial Audit Risk.* Custodial audit risk is the risk that in the event of a bank or other financial institution failure, the government's deposits may not be returned to it. The Village does not have a deposit policy for custodial audit risk. As of April 30, 2007, \$57,051 of the Village's bank balance of \$14,044,322 was exposed to custodial audit risk as follows:

Uninsured and uncollateralized	<u>\$ 57,051</u>
--------------------------------	------------------

**Investments**

As of April 30, 2007, the Police and Firemen's Pension trust funds own all of the investments, which are comprised of the following:

<u>Investment Type</u>	<u>Fair Value</u>
U. S. Government securities	\$ 14,116,900
Domestic and international equities	3,875,585
Mutual funds	<u>8,771,257</u>
	<u>\$ 26,763,742</u>

*Interest Rate Risk.* The pension funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and investments (continued)**

**Investments (continued)**

*Credit Risk.* State law limits the type of investment pension funds may choose. The pension funds have no investment policy that would further limit its investment choices.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the pension fund investments are insured, registered or held by the pension fund or its agent in the pension fund's name.

*Concentration of Credit Risk.* The pension funds place no limit on the amount the funds may invest in any one issuer. More than 5% of the Firemen's pension fund's investments are in a U.S. Treasury Note with a January 15, 2012 maturity, a Gateway mutual fund and a First Midwest EB Large Cap Equity mutual fund. These investments are 6.8%, 12.6% and 10.9%, respectively, of the fire pension fund's total investments. The Police pension fund did not have any individual investments which exceeded more than 5% of the Police pension fund's total investments.

**B. Receivables**

Receivables as of year end for the Village's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Waterworks and Sewerage</u>	<u>Nonmajor and Fiduciary Funds</u>	<u>Total</u>
Receivables:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 288,396	\$ 288,396
Taxes	4,595,993	125,496	828,772	-	537,360	6,087,621
Accounts	<u>1,058,238</u>	<u>35,000</u>	<u>-</u>	<u>644,903</u>	<u>961,718</u>	<u>2,699,859</u>
Gross receivables	5,654,231	160,496	828,772	644,903	1,787,474	9,075,876
Less: allowance for uncollectibles	<u>(904,546)</u>	<u>(5,776)</u>	<u>(71,768)</u>	<u>-</u>	<u>(24,917)</u>	<u>(1,007,007)</u>
<b>Net total receivables</b>	<u>\$ 4,749,685</u>	<u>\$ 154,720</u>	<u>\$ 757,004</u>	<u>\$644,903</u>	<u>\$1,762,557</u>	<u>\$ 8,068,869</u>



**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables (continued)**

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. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (general fund)	\$ 2,358,229	\$ -
Delinquent property taxes receivable (special revenue funds)	585,295	-
Delinquent property taxes receivable (debt service fund)	757,004	-
Grant drawdowns prior to meeting all eligibility requirements	<u>-</u>	<u>7,782</u>
<b>Total deferred/unearned revenue for governmental funds</b>	<b><u>\$ 3,700,528</u></b>	<b><u>\$ 7,782</u></b>

**C. Capital assets**

Capital asset activity for the year ended April 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Government activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 249,299	\$ -	\$ 249,299
Capital assets, being depreciated:				
Buildings	8,345,449	-	-	8,345,449
Improvements other than building	1,063,580	100,543	-	1,164,123
System infrastructure	33,488,701	674,522	-	34,163,223
Machinery and equipment	2,062,997	234,480	-	2,297,477
Furniture and fixtures	352,459	-	-	352,459
Vehicles	<u>3,523,028</u>	<u>539,396</u>	<u>(90,159)</u>	<u>3,972,265</u>
Total capital assets being depreciated	<u>48,836,214</u>	<u>1,548,941</u>	<u>(90,159)</u>	<u>50,294,996</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital assets (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings	(3,003,583)	(212,424)	-	(3,216,007)
Improvements other than building	(770,779)	(22,776)	-	(793,555)
System infrastructure	(21,825,980)	(1,748,409)	-	(23,574,389)
Machinery and equipment	(1,284,597)	(152,023)	-	(1,436,620)
Furniture and fixtures	(227,439)	(22,744)	-	(250,183)
Vehicles	<u>(2,036,747)</u>	<u>(277,473)</u>	<u>42,077</u>	<u>(2,272,143)</u>
Total accumulated depreciation	<u>(29,149,125)</u>	<u>(2,435,849)</u>	<u>42,077</u>	<u>(31,542,897)</u>
Total capital assets, being depreciated, net	<u>19,687,089</u>	<u>(886,908)</u>	<u>(48,082)</u>	<u>18,752,099</u>
<b>Governmental activities capital assets, net</b>	<u>\$19,687,089</u>	<u>\$ (637,609)</u>	<u>\$ (48,082)</u>	<u>\$19,001,398</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,886,953	\$ -	\$ -	\$ 1,886,953
Construction in progress	<u>31,735</u>	<u>1,540,500</u>	<u>(31,735)</u>	<u>1,540,500</u>
Total capital assets, not being depreciated	<u>1,918,688</u>	<u>1,540,500</u>	<u>(31,735)</u>	<u>3,427,453</u>
Capital assets, being depreciated:				
Buildings	18,522,067	-	-	18,522,067
Improvements other than building	5,167,579	249,565	-	5,417,144
System infrastructure	17,565,947	177,664	-	17,743,611
Machinery and equipment	2,306,677	8,641	-	2,315,318
Vehicles	<u>69,000</u>	<u>21,096</u>	<u>-</u>	<u>90,096</u>
Total capital assets being depreciated	<u>43,631,270</u>	<u>456,966</u>	<u>-</u>	<u>44,088,236</u>
Less accumulated depreciation for:				
Buildings	(6,869,513)	(522,401)	-	(7,391,914)
Improvements other than building	(1,649,021)	(173,422)	-	(1,822,443)
System infrastructure	(5,449,959)	(489,364)	-	(5,939,323)
Machinery and equipment	(1,458,037)	(92,023)	-	(1,550,060)
Vehicles	<u>(62,100)</u>	<u>(1,187)</u>	<u>-</u>	<u>(63,287)</u>
Total accumulated depreciation	<u>(15,488,630)</u>	<u>(1,278,397)</u>	<u>-</u>	<u>(16,767,027)</u>
Total capital assets, being depreciated, net	<u>28,142,640</u>	<u>(821,431)</u>	<u>-</u>	<u>27,321,209</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 30,061,328</u>	<u>\$ 719,069</u>	<u>\$ (31,735)</u>	<u>\$ 30,748,662</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital assets (continued)**

Depreciation expense was charged to functions/programs of the Village as follows:

Government activities:	
General government	\$ 70,393
Public safety	470,600
Highways and streets	1,881,467
Building	11,533
Health and environmental	<u>1,856</u>
	<u>\$2,435,849</u>

**D. Interfund receivables, payables, and transfers**

The composition of interfund balances as of April 30, 2007, is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund:		
Road and Bridge Fund	\$ 2,209,380	\$ -
9-1-1 Emergency Telephone Fund	-	90,944
Special tax Allocation Fund	-	183,004
Insurance Fund	-	177,694
Motor Fuel Tax Fund	-	265,343
Debt Service Fund	-	1,866,141
Capital Project Fund	-	26,483
Waterworks and Sewerage Fund	-	202,460
Senior Citizen Complex Fund	134,768	-
Police Pension Fund	-	190,220
Firemen's Pension Fund	<u>80,013</u>	<u>-</u>
	<u>2,424,161</u>	<u>3,002,289</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund receivables, payables and transfers (continued)**

	<u>Receivables</u>	<u>Payables</u>
Road and Bridge Fund:		
General Fund	-	<u>2,209,380</u>
9-1-1 Emergency Telephone Fund:		
General Fund	<u>90,944</u>	-
Special Tax Allocation Fund:		
General Fund	183,004	-
Debt Service Fund	-	<u>211,159</u>
	<u>183,004</u>	<u>211,159</u>
Motor Fuel Tax Fund:		
General Fund	<u>265,343</u>	-
Insurance Fund:		
General Fund	<u>177,694</u>	-
Debt Service Fund:		
General Fund	1,866,141	-
Special Tax Allocation Fund	211,159	-
Senior Citizen Complex Fund	<u>959,805</u>	-
	<u>3,037,105</u>	-
Capital Project Fund:		
General Fund	26,483	-
Debt Service Fund	-	-
Senior Citizen Complex Fund	-	-
	<u>26,483</u>	-
Waterworks and Sewerage Fund:		
General Fund	<u>202,460</u>	-

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund receivables, payables and transfers (continued)**

	<u>Receivables</u>	<u>Payables</u>
Senior Citizen Complex Fund:		
General Fund	184,290	319,058
Debt Service Fund	-	959,805
	184,290	1,278,863
Police Pension Fund:		
General Fund	190,220	-
Firemen's Pension Fund:		
General Fund	-	80,013
<b>Total all funds</b>	<b><u>\$ 6,781,704</u></b>	<b><u>\$ 6,781,704</u></b>

The composition of interfund transfers as of April 30, 2007, is as follows:

	<b>Transfer In:</b>			
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
Transfer out:				
Motor Fuel Tax Fund	\$ -	\$ 145,227	\$ -	\$ 145,227
9-1-1 Emergency Telephone Fund	-	47,100	-	47,100
Special Allocation Tax Fund	-	736,094	-	736,094
Debt Service Fund	127,886	-	-	127,886
Waterworks and Sewerage Fund	-	228,358	-	228,358
Senior Citizen Complex Fund	-	-	-	-
Road and Bridge Fund	-	-	39,778	39,778
<b>Total</b>	<b><u>\$127,886</u></b>	<b><u>\$1,156,779</u></b>	<b><u>\$ 39,778</u></b>	<b><u>\$1,324,443</u></b>

**E. Long-term debt**

General obligation bonds

The Village issues general obligation bonds to provide for the acquisition, construction and rehabilitation of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$49,912,000. There were no general obligation bonds issued during the year ending April 30, 2007.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-term debt** (continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. These bonds generally are issued as 15 to 20-year serial bonds with various amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.50 - 6.75%	\$ 7,712,167
Governmental activities - refunding	2.06 - 4.50%	8,655,000
Business-type activities	1.50 - 5.20%	<u>8,052,862</u>
		<u>\$ 24,420,029</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,876,758	\$ 1,071,345	\$ 3,948,103
2009	2,960,596	955,200	3,915,796
2010	2,980,476	827,062	3,807,538
2011	3,019,400	728,116	3,747,516
2012	3,065,370	594,665	3,660,035
2013-2016	5,562,429	1,256,318	6,818,747
2017-2021	3,155,000	548,762	3,703,762
2022-2024	<u>800,000</u>	<u>77,900</u>	<u>877,900</u>
	<u>\$ 24,420,029</u>	<u>\$ 6,059,368</u>	<u>\$ 30,479,397</u>

Notes payable

The Village has entered into loan arrangements for the financing of the repainting of the Village's water towers and the purchase of vehicles. Notes payable currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.66 – 3.99%	\$ 146,424
Business-type activities	5.60%	<u>219,940</u>
		<u>\$ 366,364</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-term debt** (continued)

Annual debt service requirements for the notes payable are as follows:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 167,307	\$ 15,614	\$ 182,921
2009	153,678	7,593	161,271
2010	<u>45,379</u>	<u>1,281</u>	<u>46,660</u>
	<u>\$ 366,364</u>	<u>\$ 24,488</u>	<u>\$ 390,852</u>

Advance refunding

In November 2005, the Village issued \$3,060,000 and \$2,425,000 of general obligation refunding bonds to advance refund four general obligation bond issues, totaling \$7,770,000. The net proceeds of \$5,389,979 were used to purchase U.S. Government State and Local Government Series securities. Those securities were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the refunded debt. As a result, except for \$590,000, the refunded bonds are considered to be defeased and the liability has been removed from the noncurrent liabilities of the governmental activities. This advance refunding was undertaken to obtain an economic gain of \$140,000. As of April 30, 2007, \$2,270,000 of the defeased debt is still outstanding.

Changes in long-term liabilities

Long-term liabilities activity for the year ended April 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Government activities:</b>					
Bonds payable:					
General obligation bonds	\$18,197,958	\$ -	\$(1,830,791)	\$ 16,367,167	\$ 1,923,919
Less deferred amounts:					
For issuance costs and discounts	<u>(300,517)</u>	<u>-</u>	<u>28,318</u>	<u>(272,199)</u>	<u>-</u>
Total bonds payable	17,897,441	-	(1,802,473)	16,094,968	1,923,919
Notes payable	223,627	-	(77,203)	146,424	82,464
Compensated absences	234,357	28,432	-	262,789	-
Other long-term liabilities	-	226,049	-	226,049	-
Net pension obligation	<u>7,754,264</u>	<u>1,478,169</u>	<u>-</u>	<u>9,232,433</u>	<u>-</u>
<b>Governmental activities long-term liabilities</b>	<u>\$26,109,689</u>	<u>\$ 1,732,650</u>	<u>\$(1,879,676)</u>	<u>\$ 25,962,663</u>	<u>\$ 2,006,383</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 4 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-term debt (continued)**

Changes in long-term liabilities (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Bonds payable:	\$ 8,966,032	\$ -	\$ (913,170)	\$ 8,052,862	\$ 922,840
General obligation bonds					
Less deferred amounts:					
For loss on extinguishment of debt	(356,093)	-	62,831	(293,262)	-
For issuance costs and discounts	<u>(7,614)</u>	<u>-</u>	<u>1,343</u>	<u>(6,271)</u>	<u>-</u>
Total bonds payable	8,602,325	-	(848,996)	7,753,329	922,840
Notes payable	300,126	-	(80,186)	219,940	84,843
Compensated absences	<u>10,988</u>	<u>587</u>	<u>-</u>	<u>11,575</u>	<u>-</u>
<b>Business-type activities long-term liabilities</b>	<u>\$ 8,913,439</u>	<u>\$ 587</u>	<u>\$ (929,182)</u>	<u>\$ 7,984,844</u>	<u>\$1,007,683</u>

**F. Segment information**

The Village maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended April 30, 2007 is presented below:

	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Total</u>
Operating revenues	\$ 5,868,311	\$ 3,778,366	\$ 9,646,677
Depreciation expense	698,592	579,805	1,278,397
Operating income (loss)	(12,321)	1,293,064	1,280,743
Net income (loss)	(264,912)	896,768	631,856
Current capital contributions	-	-	-
Property, plant and equipment additions	175,670	405,564	581,234
Net working capital	(739,130)	(1,894,185)	(2,633,315)
Total assets	16,714,008	17,981,285	34,695,293
Bonds payable and other long-term debt	568,865	7,709,241	8,278,106
Net assets	14,278,876	8,527,868	22,806,744
Operating transfers out	228,358	-	228,358



**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 5 - OTHER INFORMATION**

**A. Risk management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In February 1986, the Village joined together with other municipal units in the State to form the Illinois Public Risk Fund (IPRF), a public entity risk pool currently operating as a common provider for the defense and payment of members' workers' compensation claims for approximately 465 member municipal units. The Village pays an annual premium to IPRF for its workers' compensation insurance coverage. Village costs are proportional, based on contributions developed by a payroll audit of all members.

The Village has adopted a risk management program to provide group health insurance to its employees. Payments are made monthly and deposited into a savings account to be used to pay claims. The program has a stop-loss clause in effect which limits the Village's liability to \$70,000 per individual. After \$70,000, the underwriter reimburses the Village for paid claims. At April 30, 2007, the Village owes \$291,772 for medical claims; this liability is accrued in the Insurance Fund.

**B. Subsequent events**

In May and June 2007, the Village approved contracts totaling \$595,402 for the 2007 miscellaneous street patching and reconstruction projects.

**C. Contingent liabilities**

Village employees who retire are extended coverage under the Village's health insurance plan but are required to pay a portion of the insurance cost depending on their age at retirement and length of service. The Village accounts for the plan as a current year expenditure and provides a reservation of fund balance. There were no costs incurred for retirees under the plan for the years ended April 30, 2006 and 2007.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Employee retirement systems and pension plans**

Pension plans – primary government

**Agent-Multiple-Employer Defined Benefit Pension Plan:**

*Plan Description:*

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Funding Policy and Annual Pension Cost:*

The Village's Annual Pension Cost and related information for the plan is located in the required supplemental information section of this report.

*Digest of Changes:*

Assumptions:

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002 - 2004 Experience Study.

The principal changes were:

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

**Single-Employer Defined Benefit Pension Plans:**

*Plan Descriptions:*

The Village contributes to two single-employer defined benefit pension plans: Police Pension Plan (PPP) and Firemen's Pension Plan (FPP). Each plan provides retirement, disability, and pension benefits to plan members and beneficiaries. The plan documents establish the benefit provisions of the plan that can only be amended by the Village's Pension Boards. The plans do not issue a publicly available financial report that includes financial statements and required supplementary information.

**VILLAGE OF ALSIP, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2007**

**NOTE 5 - OTHER INFORMATION (CONTINUED)**

**D. Employee retirement systems and pension plans** (continued)

**Single-Employer Defined Benefit Pension Plans:** (continued)

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	<u>PPP</u>	<u>FPP</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	27	24
Active plan members	39	36
<b>Total</b>	66	60

*Basis of Accounting:*

The financial statements are prepared using the accrual basis of accounting. Employee and Village contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

*Method Used to Value Investments:*

Fixed income securities are reported at fair value. Equity securities are valued at the last reported sales price. Insurance contracts are reported at contract value.

*Funding Policy and Annual Pension Cost:*

The Village's annual pension cost and related information for each plan is located in the required supplemental information section of this report.

**NOTE 6 - CHANGE IN ACCOUNTING PRINCIPLES**

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." This Statement establishes new financial statement reporting requirements for all state and local governments. It creates new information and restructures much of the information that is currently presented in the financial statements. The Village adopted this new standard beginning with its 2004 fiscal year, the year in which adoption was first required for the Village. Adjustments to governmental, proprietary, and fiduciary funds resulting from the change to comply with this Statement were treated as adjustments of prior periods, and financial statements presented for the periods affected were restated unless restatement was not practical. However, the Village elected to delay the retroactive reporting of their infrastructure assets as provided by GASB No. 34 until its 2007 fiscal year. During its 2007 fiscal year, the Village capitalized its governmental and business-type infrastructure assets. The change had the effect of increasing net assets of the governmental activities by \$10,367,277 and business-type activities by \$9,309,386. Current period depreciation on these assets were \$1,748,409 and \$489,365, respectively.

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF ALSIP, ILLINOIS**  
**REQUIRED PENSION AND RETIREMENT INFORMATION**  
**April 30, 2007**

**I. SCHEDULE OF FUNDING PROGRESS**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) --Entry Age	(3) (Excess of Assets Over) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) ÷ (5)
12/31/00	\$4,971,380	\$4,660,933	\$ (310,447)	106.66%	\$1,704,092	0.00%
12/31/01	5,622,856	5,015,598	(607,258)	112.11%	1,748,558	0.00%
12/31/02	5,773,306	5,507,787	(265,519)	104.82%	1,898,136	0.00%
12/31/03	6,110,977	5,988,220	(122,757)	102.05%	1,977,602	0.00%
12/31/04	6,146,998	6,376,910	229,912	96.39%	2,198,108	10.46%
12/31/05	4,025,870	5,132,842	1,106,972	78.43%	2,403,463	46.06%
12/31/06	4,311,748	6,004,736	1,692,988	71.81%	2,307,763	73.36%

**Police Pension Fund**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liabilities (AAL)	(3) Unfunded AAL (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) ÷ (5)
4/30/00	\$12,215,800	\$18,102,760	\$ 5,886,960	67.48%	\$2,104,554	279.72%
4/30/01	12,831,055	21,293,641	8,462,586	60.26%	2,134,787	396.41%
4/30/02	12,934,405	23,048,285	10,113,880	56.12%	2,494,702	405.41%
4/30/03	12,911,696	26,009,369	13,097,673	49.64%	2,320,945	564.33%
4/30/04	13,238,404	28,721,804	15,483,400	46.91%	2,587,530	598.39%
4/30/05	13,393,892	28,999,241	15,605,349	46.19%	2,481,395	629.89%
4/30/06	14,030,355	32,678,836	18,648,481	42.93%	2,483,080	751.02%

**VILLAGE OF ALSIP, ILLINOIS**  
**REQUIRED PENSION AND RETIREMENT INFORMATION**  
**April 30, 2007**

**I. SCHEDULE OF FUNDING PROGRESS (CONTINUED)**

**Firemens' Pension Fund**

<u>Actuarial Valuation Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liabilities (AAL)</u>	<u>(3) Unfunded AAL (2) - (1)</u>	<u>(4) Funded Ratio (1) ÷ (2)</u>	<u>(5) Covered Payroll</u>	<u>(6) UAAL as a Percentage of Covered Payroll (3) ÷ (5)</u>
4/30/00	\$10,617,209	\$15,331,143	\$4,713,934	69.25%	\$1,811,278	260.25%
4/30/01	10,652,818	16,113,015	5,460,197	66.11%	2,037,839	267.94%
4/30/02	10,505,041	17,434,787	6,929,746	60.25%	2,054,148	337.35%
4/30/03	10,926,500	18,269,849	7,343,349	59.81%	2,258,460	325.15%
4/30/04	11,716,680	19,774,070	8,057,390	59.25%	2,385,475	337.77%
4/30/05	12,643,083	20,125,387	7,482,304	62.82%	2,370,182	315.68%
4/30/06	13,862,998	20,410,714	6,547,716	67.92%	2,247,854	291.29%

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Illinois Municipal Retirement Fund	12/31/00	\$ 138,883	100%	\$ -
	12/31/01	127,470	100%	-
	12/31/02	116,166	100%	-
	12/31/03	93,343	100%	-
	12/31/04	161,781	100%	-
	12/31/05	199,968	100%	-
	12/31/06	216,007	100%	-
Police Pension Fund	4/30/00	988,144	57%	1,021,206
	4/30/01	1,228,142	51%	1,619,736
	4/30/02	1,470,044	55%	2,289,053
	4/30/03	1,787,670	44%	3,294,791
	4/30/04	2,101,616	45%	4,447,540
	4/30/05	2,120,962	53%	5,435,573
	4/30/06	2,493,710	46%	6,773,940
Firemen's' Pension Fund	4/30/99	355,297	145%	58,171
	4/30/00	876,035	66%	355,888
	4/30/01	1,040,389	59%	777,290
	4/30/02	1,213,041	66%	1,185,867
	4/30/03	1,308,973	65%	1,639,631
	4/30/04	1,422,468	69%	2,084,784
	4/30/05	1,363,963	83%	2,318,691
	4/30/06	1,243,394	89%	2,458,493

**VILLAGE OF ALSIP, ILLINOIS**  
**REQUIRED PENSION AND RETIREMENT INFORMATION**  
**April 30, 2007**

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

	<b><u>Illinois Municipal Retirement Fund</u></b>	<b><u>Police Pension Fund</u></b>	<b><u>Firemens' Pension Fund</u></b>
Contribution rates:			
Village	N/A	N/A	N/A
Plan members	4.50%	9.91%	8.46%
Annual pension cost	\$216,007	\$2,120,962	\$1,363,963
Contributions made	\$216,007	\$1,132,929	\$1,130,056
Actuarial valuation date	December 31, 2006	April 30, 2006	April 30, 2006
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent of payroll, closed period	Level percent of payroll, closed period	Level percent of payroll, closed period
Remaining amortization period	26 years	27.1699 years	27.1699 years
Asset valuation method	Market value	Market value	Market value
Actuarial assumptions:			
Rate of return on investment of present and future assets*	7.5% compounded annually	7.0% compounded annually	7.0% compounded annually
Projected salary increases attributable to inflation*	.4% to 11.6% compounded annually	5.5% compounded annually	5.5% compounded annually
*Includes inflation at	4.0%	4.0%	4.0%
Cost of living adjustments	3.0%	3.0%	3.0%

**SUPPLEMENTAL INFORMATION**



**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 900,229	\$ 1,045,015
Temporary cash investment	2,756,750	1,644,113
Restricted assets:		
Temporary cash investment	203,683	106,090
Receivables (net of allowance for uncollectibles):		
Taxes	4,465,729	4,346,559
Accounts	283,956	202,326
Due from other funds	2,424,161	2,100,458
Deposits	41,804	34,130
Prepaid insurance	85,514	88,549
	<u>\$ 11,161,826</u>	<u>\$ 9,567,240</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,161,826</u>	<u>\$ 9,567,240</u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>		
Accounts payable	\$ 437,694	\$ 218,760
Other accrued expenses	65,963	981
Due to other funds	3,002,289	2,530,906
Deferred revenue:		
Property taxes	2,358,229	2,296,305
Other	7,782	4,282
	<u>5,871,957</u>	<u>5,051,234</u>
Total liabilities	<u>5,871,957</u>	<u>5,051,234</u>
<b>FUND BALANCES</b>		
Reserved for prepaid expenses	85,514	88,549
Unreserved - undesignated	5,204,355	4,427,457
	<u>5,289,869</u>	<u>4,516,006</u>
Total fund balances	<u>5,289,869</u>	<u>4,516,006</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 11,161,826</u>	<u>\$ 9,567,240</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**GENERAL FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Taxes:		
Property tax	\$ 4,178,952	\$ 4,183,990
Sales tax	5,851,120	5,782,732
State income tax	1,963,010	1,795,492
Mini-warehouse tax	97,861	92,165
Hotel/motel tax	256,060	224,715
Replacement tax	336,093	335,056
Transfer tax	650,148	557,461
	<hr/>	<hr/>
Total taxes	13,333,244	12,971,611
Miscellaneous revenue:		
Flea market fees	61,027	61,271
Miscellaneous income	305,060	183,610
Police seizure income	6,926	-
Damage to Village property - insurance reimbursements	36,006	11,205
Sale of Village property	22,829	14,125
Miscellaneous fees	753,227	626,188
Cable TV franchise fees	192,425	174,117
Boat launch fee	25,691	35,742
	<hr/>	<hr/>
Total miscellaneous revenue	1,403,191	1,106,258
Police and court fines	278,204	261,190
Licenses and permits	530,744	420,435
Grants	121,984	103,062
Charges for services	72,996	69,749
Interest	121,571	58,277
	<hr/>	<hr/>
	1,125,499	912,713
	<hr/>	<hr/>
Total revenues	15,861,934	14,990,582
<b>EXPENDITURES</b>		
General government:		
Administrative	529,696	925,661
Planning commission	2,401	3,413
Police and fire commission	34,373	7,594
Social Security and IMRF	330,310	359,072
Finance department	412,874	249,030
Village clerk department	283,586	291,328
Village hall department	209,443	175,873
	<hr/>	<hr/>
Total general government	1,802,683	2,011,971

**VILLAGE OF ALSIP, ILLINOIS**  
**GENERAL FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>EXPENDITURES (Continued)</b>		
Public safety:		
Civil defense	9,354	11,531
Fire department	3,092,622	2,576,158
Fire department ambulance service	1,354,667	1,538,924
Police department	4,929,706	4,624,539
	<hr/>	<hr/>
Total public safety	9,386,349	8,751,152
	<hr/>	<hr/>
Building department	196,115	183,201
Health and environmental control	829,839	780,274
Insurance	2,780,120	2,104,497
Boat launch	28,161	29,341
Debt service	192,690	147,473
	<hr/>	<hr/>
	4,026,925	3,244,786
	<hr/>	<hr/>
Total expenditures	15,215,957	14,007,909
	<hr/>	<hr/>
Excess of revenues over expenditures	645,977	982,673
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES</b>		
Loan proceeds	-	190,130
Operating transfers in	127,886	186,824
	<hr/>	<hr/>
Total other financing sources	127,886	376,954
	<hr/>	<hr/>
Excess of revenues and other financing sources over expenditures	773,863	1,359,627
	<hr/>	<hr/>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	4,516,006	3,156,379
	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 5,289,869</u>	<u>\$ 4,516,006</u>

**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE STATEMENT OF EXPENDITURES  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>GENERAL GOVERNMENT</b>		
<b>Administrative Department:</b>		
Salary - mayor	\$ 85,340	\$ 82,000
Salary - administrative assistant	-	2,434
Salary - secretary	41,155	38,994
Compensation - trustees	68,026	65,700
Retiree sick time buy out	-	73,970
Hotel/motel tax	81,093	76,378
Economic development	463	4,648
Membership and dues	5,802	1,563
Legal retainer	13,000	10,000
Legal fees - other	156,230	309,839
Engineer fees	-	5,095
Auditor fees	-	21,965
Contingent expenses	31,043	29,594
Newsletter expense	6,475	9,143
Employee travel	362	6,783
Office expense	1,557	-
Beautification	15,316	-
Refunds	-	45
Other expense	23,834	16,056
	<u>529,696</u>	<u>754,207</u>
Total administrative department		
<b>Planning Commission:</b>		
Staff expense	974	1,260
Secretarial services	1,125	1,838
Contingent expense	302	315
	<u>2,401</u>	<u>3,413</u>
Total planning commission		
<b>Police and Fire Commission:</b>		
Secretarial services	550	550
Legal fees	233	-
Examinations	29,449	5,175
Staff expense	2,050	1,455
Office supplies	324	375
Printing and publications	1,767	39
	<u>34,373</u>	<u>7,594</u>
Total police and fire commission		

**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE STATEMENT OF EXPENDITURES  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Social Security and IMRF:</b>		
Social Security and IMRF	316,209	348,720
Unemployment insurance	14,101	10,352
	330,310	359,072
 <b>Finance Department:</b>		
Salary - finance director, treasurer and accountant	175,777	149,176
Salary - computer operator	74,241	71,570
Payroll service and administrator	36,116	45,138
Purchase computer equipment	5,428	17,273
Computer forms and supplies	5,992	10,999
Computer maintenance	48,079	71,612
Office supplies	1,664	642
Repair - office equipment	-	656
Accounting service	60,615	52,222
Contingent expense	4,336	806
Office equipment	626	390
	412,874	420,484
 <b>Village Clerk Department:</b>		
Salary - village clerk	14,625	13,900
Salary - recording secretary	2,800	6,332
Salaries - clerical	143,113	147,763
Telephone expense	80,768	72,226
Postage expense	12,320	15,310
Contingent expense	4,591	4,930
Legal advertising	5,818	4,023
Codification	5,385	10,637
Decals and tags	759	723
Repair - office equipment	-	240
Equipment purchases	1,785	1,535
Equipment rental	6,437	7,598
Office supplies	4,202	3,307
Printing	983	2,804
	283,586	291,328

**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE STATEMENT OF EXPENDITURES  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Village Hall Department:</b>		
Salary - wages	43,300	40,759
Salary - custodian	68,217	64,884
Maintain village hall	71,853	17,147
Contract repair and utilities	13,467	22,371
Purchase new equipment	-	26,299
Cleaning supplies	12,286	4,314
Contingent expense	320	99
	209,443	175,873
Total village hall department	209,443	175,873
Total General Government	1,802,683	2,011,971
 <b>PUBLIC SAFETY</b>		
<b>Civil Defense:</b>		
Salary - director	8,067	8,000
Director's expense	237	350
Repair - warning systems	1,050	1,050
Contingent expense	-	51
Purchase new equipment	-	2,080
	9,354	11,531
Total civil defense	9,354	11,531
 <b>Fire Department:</b>		
Salaries - all firemen	1,400,339	1,253,484
Volunteers, paid calls, and overtime	220,170	165,259
Holiday pay	16,049	28,470
Salaries - incentive pay	23,754	18,782
Retirement buyout	-	22,555
Publications and membership	5,111	5,008
Repair - fire trucks	48,681	56,950
Repair - radio equipment	2,357	4,641
Maintenance - fire stations	28,828	13,164
Utilities - fire stations	3,325	4,430
Fire prevention expense	3,246	3,486
Contingent expense	1,358	3,542
Purchase fire equipment	30,319	32,809
Purchase radio equipment	437,555	12,887
Education reimbursement	9,340	14,083
Gasoline and oil	17,618	20,872
Clothing allowance	13,146	8,843
Training materials	624	833
Physical examinations	15,748	11,473
Copy machine rental	662	630

**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE STATEMENT OF EXPENDITURES  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Fire Department: (Continued)</b>		
Photo supplies	385	237
Office supplies	10,159	15,594
FEMA grant expenditures	-	55,314
State grant expenditures	8,154	-
Firemen's pension contribution	795,694	822,812
	3,092,622	2,576,158
<b>Total fire department</b>		
<b>Fire Department Ambulance Service:</b>		
Salaries - ambulance personnel	1,187,762	1,272,122
Holiday pay	17,363	15,529
Repairs - ambulance	23,374	21,552
Maintenance - stations	23,276	19,328
Contingent expense	608	972
Purchase ambulance	-	110,130
Ambulance supplies	16,858	29,270
Gasoline and oil	10,315	243
Clothing allowance	36,951	36,643
Office supplies	2,234	3,631
Collection fees	35,926	29,504
	1,354,667	1,538,924
<b>Total fire department ambulance service</b>		
<b>Police Department:</b>		
Salaries - policemen	2,622,500	2,572,191
Salaries - clerical	125,344	113,123
Salaries - communications	368,774	361,312
Salaries - overtime	143,560	143,833
Salaries - crossing guards	22,620	22,163
Salaries - municipal court	10,200	7,450
Purchase equipment	94	2,702
Holiday pay	53,091	44,711
Impoundments	1,438	1,781
Clothing allowance	63,301	24,134
Recording equipment lease	2,418	2,826
Purchase vehicles	118,810	79,374
Miscellaneous vehicle equipment	26,048	4,001
Equipment poundmasters and traffic safety	10,179	-
Computer purchase	165	-
Purchase office furniture	3,449	2,862
Photo supplies and rental	6,817	3,328
Gasoline and oil	100,682	97,458
Firearms and ammunition	9,157	9,445
Investigative aids	13,129	10,899
Training	16,789	16,886
Crime prevention	6,619	3,384

**VILLAGE OF ALSIP, ILLINOIS**  
**GENERAL FUND**  
**COMPARATIVE STATEMENT OF EXPENDITURES**  
**For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Police Department: (Continued)</b>		
Vehicle maintenance	75,938	45,417
Radio equipment repair and maintenance contract	174,681	122,002
Repair - office equipment	1,325	451
Contingent expense	14,651	23,245
Publications, membership and dues	7,054	3,125
Prisoner food/care	2,167	1,984
Physical examination fee	5,873	5,895
Accreditation expense	-	5,209
Office supplies	11,474	13,395
Police pension contribution	911,359	879,953
	4,929,706	4,624,539
Total police department	4,929,706	4,624,539
Total Public Safety	9,386,349	8,751,152
<b>Building Department:</b>		
Salary - commissioner	72,079	73,284
Salaries - clerical	78,289	73,177
Salaries - building inspectors	8,496	11,000
Salaries - electrical inspectors	2,283	3,938
Salaries - plumbing inspectors	4,605	2,263
Outside inspection fee	2,835	2,970
Repair and maintenance	1,052	293
Contingent expense	1,224	1,249
Equipment rental - pagers	-	95
Research, testing, and plan review	22,376	10,771
Office equipment and supplies	2,876	4,161
	196,115	183,201
Total building department	196,115	183,201
<b>Health and Environmental Control Department:</b>		
Salary - commissioner	18,240	2,220
Part-time inspector/office assistant	28,825	18,399
Dues and memberships	255	150
Refuse contract	777,749	755,204
Rodent control contract	2,640	2,726
Equipment maintenance	858	554
Contingent expense	1,237	768
Wildlife animal control	-	250
Supplies	35	3
	829,839	780,274
Total health and environmental control department	829,839	780,274



**VILLAGE OF ALSIP, ILLINOIS  
GENERAL FUND  
COMPARATIVE STATEMENT OF EXPENDITURES  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Insurance Department:</b>		
General liability	17,006	14,011
Liability - public official and police	81,664	99,902
Comprehensive general, automobile, umbrella and workmen's compensation	634,819	583,332
Group health and life	2,493,455	2,165,805
Contingent expense	252	1,022
Reimbursements from other funds	(447,076)	(759,575)
	2,780,120	2,104,497
<b>Boat Launch:</b>		
Salary - wages	24,262	25,655
Utilities	1,834	2,381
Supplies	273	134
Grounds and maintenance	1,034	839
Telephone expense	449	-
Contingent expense	99	-
Physicals	210	332
	28,161	29,341
<b>Debt Service</b>	192,690	147,473
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 15,215,957</b>	<b>\$ 14,007,909</b>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
April 30, 2007  
With Comparative Totals at April 30, 2006**

	<u>Road and Bridge</u>	<u>9-1-1 Emergency Telephone</u>	<u>Special Tax Allocation</u>	<u>Motor Fuel Tax</u>	<u>Insurance</u>	<u>Foreign Fire Insurance Tax</u>	<u>Totals</u>	
							<u>2007</u>	<u>2006</u>
<b>ASSETS</b>								
Temporary cash investments	\$ 15,329	\$ 192,262	\$ 343,145	\$ 659,004	\$ 23,013	\$ 19,956	\$ 1,252,709	\$ 851,458
Restricted temporary cash investments	-	-	-	-	749,731	-	749,731	557,989
Receivables (net of allowance for uncollectibles):								
Taxes	119,720	-	465,574	-	-	-	585,294	525,836
Other	35,000	-	-	46,869	-	-	81,869	45,216
Due from other funds	-	90,944	183,004	265,343	177,694	-	716,985	680,550
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 170,049</u>	<u>\$ 283,206</u>	<u>\$ 991,723</u>	<u>\$ 971,216</u>	<u>\$ 950,438</u>	<u>\$ 19,956</u>	<u>\$ 3,386,588</u>	<u>\$ 2,661,049</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>								
Liabilities:								
Accounts payable	\$ 123,246	\$ -	\$ -	\$ 773	\$ -	\$ -	\$ 124,019	\$ 88,108
Other accrued expenses	1,891	-	-	-	291,772	-	293,663	383,382
Deferred property tax revenue	119,720	-	465,575	-	-	-	585,295	525,837
Due to other funds	2,209,380	-	211,159	-	-	-	2,420,539	2,010,921
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	2,454,237	-	676,734	773	291,772	-	3,423,516	3,008,248
Fund balances (deficit):								
Reserved for insurance	-	-	-	-	744,862	-	744,862	558,013
Unreserved - undesignated	(2,284,188)	283,206	314,989	970,443	(86,196)	19,956	(781,790)	(905,212)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances (deficit)	(2,284,188)	283,206	314,989	970,443	658,666	19,956	(36,928)	(347,199)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 170,049</u>	<u>\$ 283,206</u>	<u>\$ 991,723</u>	<u>\$ 971,216</u>	<u>\$ 950,438</u>	<u>\$ 19,956</u>	<u>\$ 3,386,588</u>	<u>\$ 2,661,049</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<u>Road and Bridge</u>	<u>9-1-1 Emergency Telephone</u>	<u>Special Tax Allocation</u>	<u>Motor Fuel Tax</u>	<u>Insurance</u>	<u>Foreign Fire Insurance Tax</u>	<u>Totals</u>	
							<u>2007</u>	<u>2006</u>
<b>REVENUES</b>								
Taxes	\$ 675,547	\$ -	\$ 801,779	\$ 585,362	\$ -	\$ 35,572	\$ 2,098,260	\$ 1,993,893
Licenses and permits	360,522	144,927	-	-	-	-	505,449	413,659
Investment income:								
Interest	1,208	7,939	19,098	24,031	25,578	166	78,020	39,116
Miscellaneous	153,052	-	-	41,335	2,551,820	-	2,746,207	2,303,480
Total revenues	<u>1,190,329</u>	<u>152,866</u>	<u>820,877</u>	<u>650,728</u>	<u>2,577,398</u>	<u>35,738</u>	<u>5,427,936</u>	<u>4,750,148</u>
<b>EXPENDITURES</b>								
Public safety	-	157,258	-	-	-	36,607	193,865	121,964
Self insurance	-	-	-	-	2,297,792	-	2,297,792	2,282,349
Highways and streets	1,525,448	-	-	173,621	-	-	1,699,069	1,996,293
Drainage and storm sewers	28,295	-	-	-	-	-	28,295	51,047
Forestry maintenance	55,607	-	-	-	-	-	55,607	72,963
Miscellaneous	-	-	921	-	-	-	921	929
Debt service	19,405	-	-	-	-	-	19,405	3,234
Total expenditures	<u>1,628,755</u>	<u>157,258</u>	<u>921</u>	<u>173,621</u>	<u>2,297,792</u>	<u>36,607</u>	<u>4,294,954</u>	<u>4,528,779</u>
Excess (deficiency) of revenues over expenditures	<u>(438,426)</u>	<u>(4,392)</u>	<u>819,956</u>	<u>477,107</u>	<u>279,606</u>	<u>(869)</u>	<u>1,132,982</u>	<u>221,369</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	39,778	-	-	39,778	54,870
Operating transfers out	(39,778)	(47,100)	(736,094)	(145,227)	-	-	(968,199)	(884,394)
Total other financing sources (uses)	<u>(39,778)</u>	<u>(47,100)</u>	<u>(736,094)</u>	<u>(105,449)</u>	<u>-</u>	<u>-</u>	<u>(928,421)</u>	<u>(829,524)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(478,204)</u>	<u>(51,492)</u>	<u>83,862</u>	<u>371,658</u>	<u>279,606</u>	<u>(869)</u>	<u>204,561</u>	<u>(608,155)</u>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>(1,805,984)</u>	<u>334,698</u>	<u>231,127</u>	<u>493,075</u>	<u>379,060</u>	<u>20,825</u>	<u>(347,199)</u>	<u>260,956</u>
Residual equity transfer in	-	-	-	105,710	-	-	105,710	-
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ (2,284,188)</u>	<u>\$ 283,206</u>	<u>\$ 314,989</u>	<u>\$ 970,443</u>	<u>\$ 658,666</u>	<u>\$ 19,956</u>	<u>\$ (36,928)</u>	<u>\$ (347,199)</u>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
ROAD AND BRIDGE FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Temporary cash investment	\$ 15,329	\$ 61,832
Receivable (net of allowance for uncollectibles):		
Taxes	119,720	91,337
Other	35,000	-
Due from other funds	-	21,000
<b>TOTAL ASSETS</b>	<b>\$ 170,049</b>	<b>\$ 174,169</b>

**LIABILITIES AND FUND DEFICIT**

**LIABILITIES**

Accounts payable	\$ 123,246	\$ 82,987
Other accrued expenses	1,891	6,067
Deferred property tax revenue	119,720	91,337
Due to other funds	2,209,380	1,799,762
Total liabilities	2,454,237	1,980,153

**FUND DEFICIT**

Unreserved - undesignated	(2,284,188)	(1,805,984)
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<b>TOTAL LIABILITIES AND FUND DEFICIT</b>	<b>\$ 170,049</b>	<b>\$ 174,169</b>
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**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
ROAD AND BRIDGE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND DEFICIT  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Property taxes	\$ 116,752	\$ 87,699
Replacement tax	14,241	11,180
Fuel use tax	544,554	556,313
Vehicle license	360,522	351,587
Garage fees	42,000	42,000
Waste transfer fee	14,459	15,143
Property rental	42,850	7,800
Sale of Village property	4,085	8,973
Miscellaneous income	49,658	6,845
Interest income	1,208	2,434
	<hr/>	<hr/>
Total revenues	1,190,329	1,089,974
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Street department:		
Salary - superintendent	77,136	74,067
Wages	371,284	350,083
Engineering fees	12,107	1,309
Professional fees	3,000	-
Garage security system	1,522	1,462
Purchase new equipment and trucks	29,366	7,248
Postage	-	5,000
Uniforms	3,444	3,000
Purchase street signs	13,967	4,724
Resurface and repair streets	559,942	279,111
Sidewalk repair and maintenance	49,878	40,731
Purchase salt	49,209	57,502
Village vehicle stickers	774	2,907
Gasoline and oil	30,697	24,327
Equipment and repair	18,751	17,488
Equipment maintenance	14,897	63,923
Purchase radio communication	8,547	-
Garage maintenance and supplies	96,982	56,501
Utilities	10,779	14,392
Energy charge - street lights	35,040	34,852
Insurance and administration	-	312,500
Social Security and IMRF	89,554	87,932
Unemployment insurance	7,051	5,176
Contingent expense	1,651	1,584
Dumping charges	14,690	14,015
Office supplies	2,809	2,134
Training	1,166	190
Refunds	469	392
Equipment rental - pagers	2,012	1,150
Cleaning supplies	13,909	13,925
Physicals	872	1,076
JULIE charges	1,352	1,532
Chemicals	2,591	1,880
	<hr/>	<hr/>
Total street department	1,525,448	1,482,113
	<hr/>	<hr/>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
ROAD AND BRIDGE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND DEFICIT  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>EXPENDITURES (Continued)</b>		
Drainage and storm sewers:		
Wages	25,307	13,864
Supplies	1,434	372
Maintenance - storm sewers	549	2,569
Contingent expense	1,005	3,322
Drainage project	-	171
Engineering fees	-	30,749
	<hr/>	<hr/>
Total drainage and storm sewers	28,295	51,047
	<hr/>	<hr/>
Forestry maintenance:		
Wages	43,914	58,746
Equipment purchase	2,014	3,047
Equipment maintenance	1,056	405
Forestry maintenance	8,088	9,962
Training	300	198
Equipment repairs	235	605
	<hr/>	<hr/>
Total forestry maintenance	55,607	72,963
	<hr/>	<hr/>
Debt service	19,405	3,234
	<hr/>	<hr/>
Total expenditures	1,628,755	1,609,357
	<hr/>	<hr/>
Deficiency of revenues over expenditures	(438,426)	(519,383)
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES</b>		
Loan proceeds	-	54,870
Operating transfers out	(39,778)	-
	<hr/>	<hr/>
Deficiency of revenues and other financing sources over expenditures	(478,204)	(464,513)
	<hr/>	<hr/>
<b>FUND DEFICIT, BEGINNING OF YEAR</b>	(1,805,984)	(1,341,471)
	<hr/>	<hr/>
<b>FUND DEFICIT, END OF YEAR</b>	<u>\$ (2,284,188)</u>	<u>\$ (1,805,984)</u>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
9-1-1 EMERGENCY TELEPHONE FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Temporary cash investment	\$ 192,262	\$ 243,737
Receivable (net of allowance for uncollectibles):		
Other	-	17
Due from other funds	90,944	90,944
	<u>90,944</u>	<u>90,944</u>
<b>TOTAL ASSETS</b>	<u>\$ 283,206</u>	<u>\$ 334,698</u>

**LIABILITIES AND FUND BALANCE**

**FUND BALANCE**

Unreserved - undesignated	\$ 283,206	\$ 334,698
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 283,206</u>	<u>\$ 334,698</u>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
9-1-1 EMERGENCY TELEPHONE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Surcharge fees	\$ 144,927	\$ 62,072
Interest income	7,939	5,260
Miscellaneous income	-	73,000
	152,866	140,332
Total revenues		
 <b>EXPENDITURES</b>		
Telephone charges	9,510	8,378
Equipment purchases	125,160	37,436
Maintenance	22,588	17,855
Travel	-	375
	157,258	64,044
Total expenditures		
Excess (deficiency) of revenues over expenditures	(4,392)	76,288
 <b>OTHER FINANCING USES</b>		
Operating transfers out	(47,100)	(47,100)
Excess (deficiency) of revenues over expenditures and other financing uses	(51,492)	29,188
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	334,698	305,510
 <b>FUND BALANCE, END OF YEAR</b>	\$ 283,206	\$ 334,698



**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
SPECIAL TAX ALLOCATION FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Temporary cash investment	\$ 343,145	\$ 340,314
Receivable (net of allowance for uncollectibles):		
Taxes	465,574	434,499
Due from other funds	<u>183,004</u>	<u>101,973</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 991,723</u></u>	<u><u>\$ 876,786</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Deferred property tax revenue	\$ 465,575	\$ 434,500
Due to other funds	<u>211,159</u>	<u>211,159</u>
Total liabilities	676,734	645,659

**FUND BALANCE**

Unreserved - undesignated	<u>314,989</u>	<u>231,127</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 991,723</u></u>	<u><u>\$ 876,786</u></u>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
SPECIAL TAX ALLOCATION FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Property taxes	\$ 801,779	\$ 732,391
Investment income:		
Interest income	19,098	9,347
Total revenues	820,877	741,738
 <b>EXPENDITURES</b>		
Bank fees	921	-
Contingencies	-	929
Excess of revenues over expenditures	819,956	740,809
 <b>OTHER FINANCING USES</b>		
Operating transfers out	(736,094)	(693,273)
Excess of revenues over expenditures and other financing uses	83,862	47,536
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	231,127	183,591
 <b>FUND BALANCE, END OF YEAR</b>	\$ 314,989	\$ 231,127

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
MOTOR FUEL TAX FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>ASSETS</b>		
Temporary cash investment	\$ 659,004	\$ 164,058
Receivables:		
Allotments from State of Illinois	46,869	45,199
Due from other funds	<u>265,343</u>	<u>288,939</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 971,216</u></u>	<u><u>\$ 498,196</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 773	\$ 5,121
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**FUND BALANCE**

Unreserved - undesignated	<u>970,443</u>	<u>493,075</u>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 971,216</u></u>	<u><u>\$ 498,196</u></u>
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**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
MOTOR FUEL TAX FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
State allotments	\$ 585,362	\$ 570,545
Interest income	24,031	7,328
State reimbursements	-	16,378
Miscellaneous income	41,335	-
	<hr/>	<hr/>
Total revenues	650,728	594,251
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
General maintenance	53,724	59,994
Road maintenance	119,897	454,186
	<hr/>	<hr/>
Total expenditures	173,621	514,180
	<hr/>	<hr/>
Excess of revenues over expenditures	477,107	80,071
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	39,778	-
Operating transfers out	(145,227)	(144,021)
	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	371,658	(63,950)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	493,075	557,025
Residual equity transfer in	105,710	-
	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 970,443</u>	<u>\$ 493,075</u>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
INSURANCE FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>ASSETS</b>		
Temporary cash investments	\$ 23,013	\$ 20,692
Restricted temporary cash investment	749,731	557,989
Due from other funds	<u>177,694</u>	<u>177,694</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 950,438</u></u>	<u><u>\$ 756,375</u></u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accrued medical claims	<u>\$ 291,772</u>	<u>\$ 377,315</u>
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**FUND BALANCES**

Reserved for insurance	744,862	558,013
Unreserved - undesignated (deficit)	<u>(86,196)</u>	<u>(178,953)</u>
Total fund balances	<u>658,666</u>	<u>379,060</u>

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 950,438</u></u>	<u><u>\$ 756,375</u></u>
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**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
INSURANCE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Premium income	\$ 2,551,820	\$ 2,133,341
Interest income	25,578	14,516
	2,577,398	2,147,857
Total revenues	2,577,398	2,147,857
<b>EXPENDITURES</b>		
Claims paid, administrative and insurance costs	2,297,792	2,282,349
Excess (deficiency) of revenues over expenditures	279,606	(134,492)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	379,060	513,552
<b>FUND BALANCE, END OF YEAR</b>	\$ 658,666	\$ 379,060

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
FOREIGN FIRE INSURANCE TAX FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Temporary cash investment	\$ 19,956	\$ 20,825
<b>TOTAL ASSETS</b>	<b>\$ 19,956</b>	<b>\$ 20,825</b>

**LIABILITIES AND FUND BALANCE**

<b>FUND BALANCE</b>		
Unreserved - undesignated	\$ 19,956	\$ 20,825
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 19,956</b>	<b>\$ 20,825</b>

**VILLAGE OF ALSIP, ILLINOIS  
SPECIAL REVENUE FUNDS  
FOREIGN FIRE INSURANCE TAX FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Foreign fire insurance tax	\$ 35,572	\$ 35,765
Interest income	166	231
	<u>35,738</u>	<u>35,996</u>
 <b>EXPENDITURES</b>		
Clothing allowance	2,656	-
Ambulance supplies	7,578	-
Furniture and fixtures	5,599	-
Equipment and supplies	19,312	47,986
Public education materials	193	869
Contingent expense	1,269	9,065
	<u>36,607</u>	<u>57,920</u>
Total expenditures		
Deficiency of revenues over expenditures	(869)	(21,924)
 <b>FUND BALANCE, BEGINNING OF YEAR</b>		
	<u>20,825</u>	<u>42,749</u>
 <b>FUND BALANCE, END OF YEAR</b>		
	<u>\$ 19,956</u>	<u>\$ 20,825</u>



**VILLAGE OF ALSIP, ILLINOIS  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ -	\$ -
Temporary cash investment	3,466,341	2,714,629
Receivable (net of allowance for uncollectibles):		
Taxes	757,004	749,894
Due from other funds	<u>3,037,105</u>	<u>1,709,466</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 7,260,450</u></u>	 <u><u>\$ 5,173,989</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Deferred property tax revenues	\$ 757,004	\$ 749,894
Intergovernmental liability	<u>141,896</u>	<u>141,896</u>
Total liabilities	898,900	891,790

**FUND BALANCE**

Reserved for debt service	<u>6,361,550</u>	<u>4,282,199</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u><u>\$ 7,260,450</u></u>	 <u><u>\$ 5,173,989</u></u>

**VILLAGE OF ALSIP, ILLINOIS  
DEBT SERVICE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Taxes	\$ 1,429,863	\$ 1,458,162
Investment income:		
Interest	45,197	31,651
Dividends	50,830	25,623
Miscellaneous	-	60
	<hr/>	<hr/>
Total revenues	1,525,890	1,515,496
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Debt service:		
Principal retirement	1,719,281	1,599,654
Interest and fiscal charges	753,169	901,257
Contingencies	4,600	8,628
Miscellaneous	5,392	-
	<hr/>	<hr/>
Total expenditures	2,482,442	2,509,539
	<hr/>	<hr/>
Deficiency of revenues over expenditures	(956,552)	(994,043)
<b>OTHER FINANCING SOURCES (USES)</b>		
Refunding bonds issued, net of bond issue cost and underwriter's discount	-	5,393,381
Operating transfers in	1,156,779	1,059,208
Operating transfers out	(127,886)	(116,512)
Payment to refunded bond escrow agent	-	(5,389,979)
	<hr/>	<hr/>
Total other financing sources (uses)	1,028,893	946,098
	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	72,341	(47,945)
<b>FUND BALANCE, BEGINNING OF YEAR</b>		
	4,282,199	4,151,779
Residual equity transfers in	<hr/>	<hr/>
	2,007,010	178,365
	<hr/>	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 6,361,550</u>	<u>\$ 4,282,199</u>

**VILLAGE OF ALSIP, ILLINOIS  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Temporary cash investments	\$ 108,176	\$ 639,861
Due from other funds	<u>26,483</u>	<u>1,781,549</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 134,659</u></u>	<u><u>\$ 2,421,410</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ -	\$ 600
Due to other funds	<u>-</u>	<u>175,433</u>
Total liabilities	-	176,033

**FUND BALANCE**

Reserved for project costs	<u>134,659</u>	<u>2,245,377</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 134,659</u></u>	<u><u>\$ 2,421,410</u></u>

**VILLAGE OF ALSIP, ILLINOIS  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>		
Interest income	\$ 2,002	\$ 4,589
<b>EXPENDITURES</b>		
Construction	-	-
Engineering	-	-
Contingencies	-	3,000
Equipment	-	20,920
Total expenditures	-	23,920
Excess (deficiency) of revenues over expenditures	2,002	(19,331)
<b>FUND BALANCE, BEGINNING OF YEAR</b>		
Residual equity transfer out	(2,112,720)	(178,365)
<b>FUND BALANCE, END OF YEAR</b>		
	\$ 134,659	\$ 2,245,377

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**April 30, 2007**  
**With Comparative Totals at April 30, 2006**

**ASSETS**

	<b>Waterworks and Sewerage</b>	<b>Senior Citizen Complex</b>	<b>Totals</b>	
			<b>2007</b>	<b>2006</b>
<b>CURRENT ASSETS</b>				
Cash	\$ 100	\$ -	\$ 100	\$ 100
Temporary cash investments	396,240	513,476	909,716	1,319,001
Receivables (net of allowance for uncollectibles):				
Account customers	213,546	-	213,546	208,251
Estimated unbilled water and sewer charges	431,357	-	431,357	451,890
Prepaid expense/insurance	2,292	6,690	8,982	3,836
Due from other funds	202,460	184,290	386,750	152,656
Total current assets	1,245,995	704,456	1,950,451	2,135,734
<b>RESTRICTED ASSETS</b>				
Temporary cash investments	30,860	1,462,479	1,493,339	1,315,383
<b>FIXED ASSETS</b>				
Property, building and equipment - net	15,437,153	15,311,509	30,748,662	20,751,938
<b>OTHER ASSETS</b>				
Bond issuance costs	-	50,905	50,905	61,813
Deposits	-	155,174	155,174	149,012
Total other assets	-	206,079	206,079	210,825
 <b>TOTAL ASSETS</b>	 <b>\$ 16,714,008</b>	 <b>\$ 17,684,523</b>	 <b>\$ 34,398,531</b>	 <b>\$ 24,413,880</b>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**April 30, 2007**  
**With Comparative Totals at April 30, 2006**

**LIABILITIES AND FUND EQUITIES**

	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>				
Accounts payable	\$ 439,597	\$ 62,933	\$ 502,530	\$ 449,214
Other accrued expenses	1,386,636	-	1,386,636	7,367
Current portion of note payable	84,843	-	84,843	80,347
Current portion of general obligation bonds	64,875	857,965	922,840	913,170
Due to other funds	-	1,278,863	1,278,863	1,725,973
Security deposits	-	322,190	322,190	323,215
Utility overpayments	614	-	614	-
Accrued interest payable	8,560	76,690	85,250	97,226
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities (payable from current assets)	1,985,125	2,598,641	4,583,766	3,596,512
	<hr/>	<hr/>	<hr/>	<hr/>
<b>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>				
Deposits	30,860	-	30,860	31,944
	<hr/>	<hr/>	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>				
Compensated absences payable	11,575	-	11,575	10,988
Long-term portion of note payable	135,097	-	135,097	219,779
General obligation bonds (net of unamortized discount and loss from extinguishment of debt)	272,475	6,558,014	6,830,489	7,689,155
	<hr/>	<hr/>	<hr/>	<hr/>
Total long-term liabilities	419,147	6,558,014	6,977,161	7,919,922
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	2,435,132	9,156,655	11,591,787	11,548,378
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND EQUITIES</b>				
Retained earnings:				
Unreserved	14,278,876	8,527,868	22,806,744	12,865,502
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<u>\$ 16,714,008</u>	<u>\$ 17,684,523</u>	<u>\$ 34,398,531</u>	<u>\$ 24,413,880</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND EQUITIES**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<b>Waterworks and Sewerage</b>	<b>Senior Citizen Complex</b>	<b>Totals</b>	
			<b><u>2007</u></b>	<b><u>2006</u></b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,824,502	\$ -	\$ 5,824,502	\$ 6,015,230
Rental income	-	3,724,000	3,724,000	3,638,585
Other income	43,809	54,366	98,175	94,118
	<u>5,868,311</u>	<u>3,778,366</u>	<u>9,646,677</u>	<u>9,747,933</u>
Total operating revenues				
<b>OPERATING EXPENSES</b>				
Water department	5,066,392	-	5,066,392	5,435,550
Sewer department	115,648	-	115,648	135,183
Senior citizen complex	-	1,905,497	1,905,497	1,853,071
	<u>5,182,040</u>	<u>1,905,497</u>	<u>7,087,537</u>	<u>7,423,804</u>
Total operating expenses				
Operating income before depreciation	686,271	1,872,869	2,559,140	2,324,129
<b>DEPRECIATION</b>				
Operating income (loss)	<u>(12,321)</u>	<u>1,293,064</u>	<u>1,280,743</u>	<u>1,328,096</u>
<b>NON-OPERATING REVENUES (EXPENSES) AND TRANSFERS</b>				
Amortization of bond issuance costs	-	(10,908)	(10,908)	(10,908)
Amortization of underwriter's discount	-	(1,344)	(1,344)	(1,344)
Note and bond interest and fiscal charges	(33,045)	(430,648)	(463,693)	(501,769)
Operating transfers out	(228,358)	-	(228,358)	(245,126)
Interest Income	8,812	46,604	55,416	29,383
	<u>(252,591)</u>	<u>(396,296)</u>	<u>(648,887)</u>	<u>(729,764)</u>
Total non-operating revenues (expenses) and transfers				
<b>NET INCOME (LOSS)</b>	(264,912)	896,768	631,856	598,332
<b>FUND EQUITIES, BEGINNING OF YEAR</b>				
	5,234,402	7,631,100	12,865,502	12,267,170
Change in accounting principle	<u>9,309,386</u>	<u>-</u>	<u>9,309,386</u>	<u>-</u>
<b>FUND EQUITIES, END OF YEAR</b>	<u>\$14,278,876</u>	<u>\$ 8,527,868</u>	<u>\$ 22,806,744</u>	<u>\$ 12,865,502</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<u>Waterworks and Sewerage</u>	<u>Senior Citizen Complex</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (12,321)	\$ 1,293,064	\$ 1,280,743	\$ 1,328,096
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	698,592	579,805	1,278,397	996,033
Effects of changes in operating assets and liabilities:				
Receivables - account customers	(5,295)	-	(5,295)	(42,448)
Receivables - unbilled charges	20,533	-	20,533	9,023
Receivables - other	-	-	-	18,000
Due from other funds	(164,400)	(69,694)	(234,094)	654,215
Prepaid insurance/expense	(2,292)	(2,854)	(5,146)	256
Utility overpayment	614	-	614	-
Deposits	-	(6,162)	(6,162)	(12,898)
Accounts payable	24,189	29,127	53,316	(80,446)
Due to other funds	(21,000)	(426,110)	(447,110)	(188,867)
Other accrued expenses	(6,715)	-	(6,715)	558
Security deposits	-	(1,025)	(1,025)	12,015
Restricted liabilities	(1,084)	-	(1,084)	294
Compensated absences	587	-	587	1,848
	<u>531,408</u>	<u>1,396,151</u>	<u>1,927,559</u>	<u>2,695,679</u>
Net cash provided by operating activities				
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Operating transfers out	<u>(228,358)</u>	<u>-</u>	<u>(228,358)</u>	<u>(245,126)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and building and building improvements	(175,670)	(405,565)	(581,235)	(470,503)
Principal payments on note payable	(80,186)	-	(80,186)	(76,010)
Principal payments on bonds payable	(60,550)	(852,620)	(913,170)	(875,346)
Interest paid on notes and bonds	<u>(33,045)</u>	<u>(378,310)</u>	<u>(411,355)</u>	<u>(448,737)</u>
	<u>(349,451)</u>	<u>(1,636,495)</u>	<u>(1,985,946)</u>	<u>(1,870,596)</u>
Net cash used in capital and related financing activities				



**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<b>Waterworks and Sewerage</b>	<b>Senior Citizen Complex</b>	<b>Totals</b>	
			<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Earnings on investments	8,812	46,604	55,416	19,043
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY CASH INVESTMENTS</b>	(37,589)	(193,740)	(231,329)	599,000
<b>CASH AND TEMPORARY CASH INVESTMENTS, BEGINNING OF YEAR</b>	464,789	2,169,695	2,634,484	2,111,196
<b>CASH AND TEMPORARY CASH INVESTMENTS, END OF YEAR</b>	\$ 427,200	\$ 1,975,955	\$ 2,403,155	\$ 2,710,196

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**WATERWORKS AND SEWERAGE FUND**  
**COMPARATIVE BALANCE SHEET**  
**April 30, 2007 and 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 100	\$ 100
Temporary cash investments	396,240	432,745
Receivables (net of allowance for uncollectibles):		
Account customers	213,546	208,251
Estimated unbilled water and sewer charges	431,357	451,890
Prepaid expense	2,292	-
Due from other funds	<u>202,460</u>	<u>38,060</u>
Total current assets	1,245,995	1,131,046
<b>RESTRICTED ASSETS</b>		
Temporary cash investments	30,860	31,944
<b>PROPERTY, BUILDING AND EQUIPMENT - NET</b>	<u>15,437,153</u>	<u>5,266,189</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,714,008</u>	<u>\$ 6,429,179</u>

**VILLAGE OF ALSIP, ILLINOIS  
ENTERPRISE FUNDS  
WATERWORKS AND SEWERAGE FUND  
COMPARATIVE BALANCE SHEET  
April 30, 2007 and 2006**

**LIABILITIES AND FUND EQUITY**

	<u>2007</u>	<u>2006</u>
<b>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>		
Accounts payable	\$ 439,597	\$ 415,408
Accrued interest payable	8,560	10,044
Other accrued expenses	1,386,636	7,367
Utility overpayments	614	-
Due to other fund	-	21,000
Current portion of general obligation bonds	64,875	60,550
Current portion of note payable	84,843	80,347
	<u>1,985,125</u>	<u>594,716</u>
 <b>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>		
Deposits	<u>30,860</u>	<u>31,944</u>
 <b>LONG-TERM LIABILITIES</b>		
Compensated absences payable	11,575	10,988
Notes payable	135,097	219,779
General obligation bonds (net of unamortized discount)	272,475	337,350
	<u>419,147</u>	<u>568,117</u>
Total long-term liabilities	<u>419,147</u>	<u>568,117</u>
Total liabilities	<u>2,435,132</u>	<u>1,194,777</u>
 <b>FUND EQUITY</b>		
Contributed capital	480,831	480,831
Retained earnings:		
Unreserved	13,798,045	4,753,571
	<u>14,278,876</u>	<u>5,234,402</u>
Total fund equity	<u>14,278,876</u>	<u>5,234,402</u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 16,714,008</u>	<u>\$ 6,429,179</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**WATERWORKS AND SEWERAGE FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND EQUITY**  
**For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>OPERATING REVENUES</b>		
Charges for services:		
Water	\$ 5,221,694	\$ 5,522,303
Sewer	333,300	352,487
Tapping fees	217,731	82,497
Fines and penalties	51,777	57,943
Grant	-	-
Other income	43,809	52,264
	<hr/>	<hr/>
Total operating revenues	5,868,311	6,067,494
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Water department	5,066,392	5,435,550
Sewer department	115,648	135,183
	<hr/>	<hr/>
Total operating expenses	5,182,040	5,570,733
	<hr/>	<hr/>
Operating income before depreciation	686,271	496,761
	<hr/>	<hr/>
<b>DEPRECIATION</b>	698,592	437,471
	<hr/>	<hr/>
Operating income (loss)	(12,321)	59,290
	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
<b>AND TRANSFERS</b>		
Note and bond interest and fiscal charges	(33,045)	(40,188)
Operating transfers out	(228,358)	(185,126)
Interest income	8,812	3,581
	<hr/>	<hr/>
Total non-operating revenues (expenses) and transfers	(252,591)	(221,733)
	<hr/>	<hr/>
<b>NET LOSS</b>	(264,912)	(162,443)
	<hr/>	<hr/>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	5,234,402	5,396,845
Change in accounting principle	9,309,386	-
	<hr/>	<hr/>
<b>FUND EQUITY, END OF YEAR</b>	<u>\$ 14,278,876</u>	<u>\$ 5,234,402</u>

**VILLAGE OF ALSIP, ILLINOIS  
ENTERPRISE FUNDS  
WATERWORKS AND SEWERAGE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (12,321)	\$ 59,290
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	698,592	437,471
Effects of changes in operating assets and liabilities:		
Receivables - account customers	(5,295)	(42,448)
Receivables - unbilled charges	20,533	9,023
Receivables - other	-	18,000
Due from other funds	(164,400)	524,248
Accounts payable	24,189	(114,178)
Prepaid expense	(2,292)	
Utility overpayment	614	-
Other accrued expenses	(6,715)	558
Due to other funds	(21,000)	21,000
Compensated absences payable	587	1,848
Restricted liabilities	(1,084)	294
	<u>531,408</u>	<u>915,106</u>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Operating transfers out	<u>(228,358)</u>	<u>(185,126)</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(175,670)	(380,074)
Principal payments on note payable	(80,186)	(76,010)
Principal payments on bond payable	(60,550)	(60,550)
Interest paid on notes and bonds	(33,045)	(40,188)
	<u>(349,451)</u>	<u>(556,822)</u>

**VILLAGE OF ALSIP, ILLINOIS  
ENTERPRISE FUNDS  
WATERWORKS AND SEWERAGE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	<u>8,812</u>	<u>3,581</u>
 <b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY CASH INVESTMENTS</b>	 (37,589)	 176,739
 <b>CASH AND TEMPORARY CASH INVESTMENTS, BEGINNING OF YEAR</b>	 <u>464,789</u>	 <u>288,050</u>
 <b>CASH AND TEMPORARY CASH INVESTMENTS, END OF YEAR</b>	 <u><u>\$ 427,200</u></u>	 <u><u>\$ 464,789</u></u>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**WATERWORKS AND SEWERAGE FUND**  
**COMPARATIVE STATEMENT OF OPERATING EXPENSES**  
**For the Years Ended April 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>WATER DEPARTMENT</b>		
Salary - commissioner	\$ 75,068	\$ 73,210
Salary - clerical	34,312	32,955
Wages - meter readers	14,637	15,738
Wages - general labor	204,284	193,865
Engineering fees	8,246	13,350
Audit fees	10,000	10,000
Tools and equipment	1,964	1,843
Purchase - office equipment	415	-
Purchase - new equipment	39,264	13,864
Purchase - meters	10,656	32,954
Purchase - radio equipment	-	198
Purchase - computer	1,784	-
Postage	-	1,432
Repairs - equipment	9,521	7,452
Restoration (main breaks)	90,901	149,549
Maintenance water system	344,850	567,829
Utilities	188,524	177,481
Water tap-ons	63,279	64,814
Construction new meter mains	4,950	39,817
Purchase - water	3,544,173	3,607,811
Social Security and IMRF	72,399	63,505
Insurance and administrative expense	254,161	258,251
Contingent expense	10,462	13,355
Water system expense	14,726	25,994
Building and grounds maintenance	34,906	43,394
Pager service	3,536	3,572
Office supplies	1,535	2,507
Water sampling fees	2,902	4,658
Purchase chlorine	2,083	1,705
Gasoline and oil	5,593	1,636
Water billing charges	15,634	12,811
Dues and memberships	1,627	-
	<hr/>	<hr/>
Total water department	5,066,392	5,435,550
	<hr/>	<hr/>
<b>SEWER DEPARTMENT</b>		
Salary - clerical	43,495	52,979
Wages - general labor	42,613	49,981
Purchase - new equipment	1,091	5,350
Material and supplies	3,852	3,122
Repair - equipment	3,000	2,117
Maintenance - sanitary sewers	7,762	12,588
Pager service	-	147
Contingent expense	-	160
Uniforms	1,835	1,539
Garage rentals	12,000	7,200
	<hr/>	<hr/>
Total sewer department	115,648	135,183
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 5,182,040</u>	<u>\$ 5,570,733</u>

**VILLAGE OF ALSIP, ILLINOIS  
ENTERPRISE FUNDS  
SENIOR CITIZEN COMPLEX FUND  
COMBINING BALANCE SHEET  
April 30, 2007 and 2006**

**ASSETS**

	<u>Heritage I</u>	<u>Heritage II</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>CURRENT ASSETS</b>				
Temporary cash investments	\$ -	\$ 513,476	\$ 513,476	\$ 886,256
Due from other funds	-	184,290	184,290	114,596
Prepaid insurance	1,181	5,509	6,690	3,836
	<u>1,181</u>	<u>703,275</u>	<u>704,456</u>	<u>1,004,688</u>
Total current assets				
	<u>1,181</u>	<u>703,275</u>	<u>704,456</u>	<u>1,004,688</u>
<b>RESTRICTED ASSETS</b>				
Temporary cash investments	-	1,462,479	1,462,479	1,283,439
	<u>-</u>	<u>1,462,479</u>	<u>1,462,479</u>	<u>1,283,439</u>
<b>PROPERTY, BUILDING AND EQUIPMENT - NET</b>	6,301,269	9,010,240	15,311,509	15,485,749
	<u>6,301,269</u>	<u>9,010,240</u>	<u>15,311,509</u>	<u>15,485,749</u>
<b>OTHER ASSETS</b>				
Bond issuance costs	-	50,905	50,905	61,813
Deposit	154,174	1,000	155,174	149,012
	<u>154,174</u>	<u>1,000</u>	<u>155,174</u>	<u>149,012</u>
Total other assets	<u>154,174</u>	<u>51,905</u>	<u>206,079</u>	<u>210,825</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,456,624</u>	<u>\$ 11,227,899</u>	<u>\$ 17,684,523</u>	<u>\$ 17,984,701</u>

**LIABILITIES AND FUND EQUITIES**

<b>CURRENT LIABILITIES</b>				
Accrued interest payable	\$ 30,914	\$ 45,776	\$ 76,690	\$ 87,182
Accounts payable	-	62,933	62,933	33,806
Current portion of general obligation bonds	99,600	758,365	857,965	852,620
Due to other funds	1,278,863	-	1,278,863	1,704,973
Security deposits	107,865	214,325	322,190	323,215
	<u>1,517,242</u>	<u>1,081,399</u>	<u>2,598,641</u>	<u>3,001,796</u>
Total current liabilities				
	<u>1,517,242</u>	<u>1,081,399</u>	<u>2,598,641</u>	<u>3,001,796</u>
<b>LONG-TERM LIABILITIES</b>				
General obligation bonds (net of unamortized discount and loss from extinguishment of debt)	2,177,920	4,380,094	6,558,014	7,351,805
	<u>2,177,920</u>	<u>4,380,094</u>	<u>6,558,014</u>	<u>7,351,805</u>
Total liabilities	<u>3,695,162</u>	<u>5,461,493</u>	<u>9,156,655</u>	<u>10,353,601</u>
<b>FUND EQUITIES</b>				
Retained earnings - unreserved	2,761,462	5,766,406	8,527,868	7,631,100
	<u>2,761,462</u>	<u>5,766,406</u>	<u>8,527,868</u>	<u>7,631,100</u>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<u>\$ 6,456,624</u>	<u>\$ 11,227,899</u>	<u>\$ 17,684,523</u>	<u>\$ 17,984,701</u>



**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**SENIOR CITIZEN COMPLEX FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<u>Heritage I</u>	<u>Heritage II</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>OPERATING REVENUES</b>				
Rental income	\$ 1,219,197	\$ 2,504,803	\$ 3,724,000	\$ 3,638,585
Other income	21,463	32,903	54,366	41,854
	<u>1,240,660</u>	<u>2,537,706</u>	<u>3,778,366</u>	<u>3,680,439</u>
<b>OPERATING EXPENSES</b>	<u>667,933</u>	<u>1,237,564</u>	<u>1,905,497</u>	<u>1,853,071</u>
Operating income before depreciation	572,727	1,300,142	1,872,869	1,827,368
<b>DEPRECIATION</b>	<u>212,647</u>	<u>367,158</u>	<u>579,805</u>	<u>558,562</u>
Operating income	<u>360,080</u>	<u>932,984</u>	<u>1,293,064</u>	<u>1,268,806</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
<b>AND TRANSFERS</b>				
Amortization of bond issuance costs	-	(10,908)	(10,908)	(10,908)
Amortization of underwriters' discount	-	(1,344)	(1,344)	(1,344)
Operating transfers out	-	-	-	(60,000)
Bond interest	(94,188)	(336,460)	(430,648)	(461,581)
Interest	-	46,604	46,604	25,802
	<u>(94,188)</u>	<u>(302,108)</u>	<u>(396,296)</u>	<u>(508,031)</u>
Total non-operating revenues (expenses) and transfers	<u>(94,188)</u>	<u>(302,108)</u>	<u>(396,296)</u>	<u>(508,031)</u>
<b>NET INCOME</b>	265,892	630,876	896,768	760,775
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>2,495,570</u>	<u>5,135,530</u>	<u>7,631,100</u>	<u>6,870,325</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ 2,761,462</u>	<u>\$ 5,766,406</u>	<u>\$ 8,527,868</u>	<u>\$ 7,631,100</u>

**VILLAGE OF ALSIP, ILLINOIS  
ENTERPRISE FUNDS  
SENIOR CITIZEN COMPLEX FUND  
COMBINING STATEMENT OF CASH FLOWS  
April 30, 2007  
With Comparative Totals for the Year Ended April 30, 2006**

	<u>Heritage I</u>	<u>Heritage II</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 360,080	\$ 932,984	\$ 1,293,064	\$ 1,268,806
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	212,647	367,158	579,805	558,562
Effects of changes in operating assets and liabilities:				
Due from other funds	56,774	(126,468)	(69,694)	129,967
Prepaid insurance	40	(2,894)	(2,854)	256
Deposits	(6,629)	467	(6,162)	(12,898)
Accounts payable	(2,428)	31,555	29,127	33,732
Security deposits	1,345	(2,370)	(1,025)	12,015
Due to other funds	(414,811)	(11,299)	(426,110)	(209,867)
Net cash provided by operating activities	<u>207,018</u>	<u>1,189,133</u>	<u>1,396,151</u>	<u>1,780,573</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of property and building and building improvements	(15,876)	(389,689)	(405,565)	(90,429)
Principal payments on bonds payable	(96,280)	(756,340)	(852,620)	(814,796)
Interest paid on bonds	(94,862)	(283,448)	(378,310)	(408,549)
Net cash used in capital and related financing activities	<u>(207,018)</u>	<u>(1,429,477)</u>	<u>(1,636,495)</u>	<u>(1,313,774)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Earnings on investments	<u>-</u>	<u>46,604</u>	<u>46,604</u>	<u>25,802</u>
<b>NET INCREASE (DECREASE) IN TEMPORARY CASH INVESTMENTS</b>	<u>-</u>	<u>(193,740)</u>	<u>(193,740)</u>	<u>432,601</u>
<b>TEMPORARY CASH INVESTMENTS, BEGINNING OF YEAR</b>	<u>-</u>	<u>2,169,695</u>	<u>2,169,695</u>	<u>1,737,094</u>
<b>TEMPORARY CASH INVESTMENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,975,955</u>	<u>\$ 1,975,955</u>	<u>\$ 2,169,695</u>

**VILLAGE OF ALSIP, ILLINOIS**  
**ENTERPRISE FUNDS**  
**SENIOR CITIZEN COMPLEX FUND**  
**COMBINING STATEMENT OF OPERATING EXPENSES**  
**For the Year Ended April 30, 2007**  
**With Comparative Totals for the Year Ended April 30, 2006**

	<u>Heritage I</u>	<u>Heritage II</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
Salaries	\$ 138,975	\$ 400,895	\$ 539,870	\$ 506,234
Audit fee	-	3,500	3,500	5,100
Repairs and maintenance	138,338	222,754	361,092	254,725
Management fee	73,152	124,213	197,365	217,815
Decorating	11,600	37,064	48,664	35,114
Office supplies	4,695	120	4,815	2,761
Telephone	1,289	-	1,289	4,641
Utilities	143,635	244,921	388,556	489,416
Insurance	90,136	55,331	145,467	140,715
Scavenger	12,281	32,957	45,238	42,932
Pest control	3,941	6,995	10,936	10,349
Contingent expense	7,994	22,078	30,072	14,758
Payroll taxes	11,496	-	11,496	30,205
Legal Fees	-	450	450	-
Union health/pension	28,912	86,284	115,196	97,684
Membership and dues	-	-	-	119
Other employee benefits	1,489	2	1,491	503
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 667,933</u>	<u>\$ 1,237,564</u>	<u>\$ 1,905,497</u>	<u>\$ 1,853,071</u>

**VILLAGE OF ALSIP, ILLINOIS  
TRUST FUNDS  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF PLAN NET ASSETS  
April 30, 2007  
With Comparative Totals at April 30, 2006**

	<u>Pension Trust</u>		<u>Totals</u>	
	<u>Police Pension</u>	<u>Firemens' Pension</u>	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 876,248	\$ 1,056,021	\$ 1,932,269	\$ 1,710,813
Receivables:				
Contributions	538,761	422,957	961,718	925,202
Accrued interest	179,752	108,644	288,396	189,777
Due from other funds	190,220	-	190,220	28,043
Investments, at fair value:				
U.S. Government securities	7,016,011	7,100,889	14,116,900	13,984,883
Mutual funds	4,515,077	4,256,180	8,771,257	7,284,471
Stocks	2,037,446	1,838,139	3,875,585	3,563,744
Insurance contracts	-	1,000,520	1,000,520	1,141,342
Total assets	<u>15,353,515</u>	<u>15,783,350</u>	<u>31,136,865</u>	<u>28,828,275</u>
<b>LIABILITIES</b>				
Accrued liabilities	24,348	27,246	51,594	231
Deferred contributions	538,761	422,957	961,718	925,202
Due to other funds	-	80,013	80,013	9,489
Total liabilities	<u>563,109</u>	<u>530,216</u>	<u>1,093,325</u>	<u>934,922</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 14,790,406</u>	<u>\$ 15,253,134</u>	<u>\$ 30,043,540</u>	<u>\$ 27,893,353</u>

**VILLAGE OF ALSIP, ILLINOIS  
TRUST FUNDS  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
For the Year Ended April 30, 2007  
With Comparative Totals for the Year Ended April 30, 2006**

	<b>Police Pension Fund</b>	<b>Firemens' Pension Fund</b>	<b>Total</b>	
			<b><u>2007</u></b>	<b><u>2006</u></b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 911,359	\$ 795,694	\$ 1,707,053	\$ 1,702,765
Employee	243,984	307,898	551,882	560,220
Total contributions	<u>1,155,343</u>	<u>1,103,592</u>	<u>2,258,935</u>	<u>2,262,985</u>
Investment income:				
Net appreciation in fair value of investments	725,691	711,620	1,437,311	1,070,597
Dividends	128,917	93,804	222,721	171,265
Interest	338,146	342,069	680,215	625,610
Miscellaneous income	64,117	-	64,117	-
	<u>1,256,871</u>	<u>1,147,493</u>	<u>2,404,364</u>	<u>1,867,472</u>
Less investment expense	<u>67,260</u>	<u>68,935</u>	<u>136,195</u>	<u>115,145</u>
Net investment income	<u>1,189,611</u>	<u>1,078,558</u>	<u>2,268,169</u>	<u>1,752,327</u>
Total additions	<u>2,344,954</u>	<u>2,182,150</u>	<u>4,527,104</u>	<u>4,015,312</u>
<b>DEDUCTIONS</b>				
Retirement benefits	1,502,771	194,046	1,696,817	1,533,864
Duty disability benefits	27,444	435,393	462,837	452,082
Surviving spouse benefits	12,000	162,120	174,120	160,735
Miscellaneous	42,688	455	43,143	12,254
Total deductions	<u>1,584,903</u>	<u>792,014</u>	<u>2,376,917</u>	<u>2,158,935</u>
<b>NET INCREASE</b>	760,051	1,390,136	2,150,187	1,856,377
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>14,030,355</u>	<u>13,862,998</u>	<u>27,893,353</u>	<u>26,036,976</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</b>	<u>\$ 14,790,406</u>	<u>\$ 15,253,134</u>	<u>\$ 30,043,540</u>	<u>\$ 27,893,353</u>

**VILLAGE OF ALSIP, ILLINOIS  
SCHEDULE OF INSURANCE COVERAGE  
April 30, 2007**

(Unaudited)

<b><u>Insurance Company</u></b>	<b><u>Policy Number</u></b>	<b><u>Coverage Dates</u></b>	<b><u>Type of Coverage</u></b>	<b><u>Description</u></b>	<b><u>Limit Amounts</u></b>
Scottsdale	WAI0000285	05/01/06-07	Automobile liability	Liability, uninsured motorist physical damage - comprehensive and collision	\$1,000,000
Scottsdale	PKI0001117	05/01/06-07	Professional liability insurance	Law enforcement officers and public officials	Multiple Coverages
Scottsdale	PES00004613	05/01/06-07	Property and general liability	Comprehensive premises, products contractual insurance, property damage, personal injury, ambulance attendants	Multiple Coverages
Scottsdale and American Alternative	UMS0019725 VFIS-CU-5008904	05/01/06-07	Excess liability - umbrella	Bodily injury and property damage, includes civil rights	\$10,000,000
American Alternative	VFIS-TRI-0400398	05/01/06-07	Package Policy		Multiple Coverages
IPRF	AGC-1F58-IL	12/15/06-07	Workmen's Compensation		\$2,500,000
Travelers	103199571	08/03/05-08	Firefighters' Pension Fund Bond	Errors and omissions	\$500,000
Travelers	103062011	02/20/07-08	Blanket Employee Crime Bond		\$250,000
Travelers	8BZ103199575BCM	08/03/05-08	Police Pension Fund Bond	Errors and omissions	\$500,000
AIG Life	229-4085	05/01/06-07	Specific/Aggregate Health		Various

**VILLAGE OF ALSIP, ILLINOIS  
SCHEDULE OF INSURANCE COVERAGE  
April 30, 2007**

(Unaudited)

<u>Insurance Company</u>	<u>Policy Number</u>	<u>Coverage Dates</u>	<u>Type of Coverage</u>	<u>Description</u>	<u>Limit Amounts</u>
AutoOwners	6760466307571	05/9/06-07	Public Official Bond - Mayor Patrick Kitching	Errors and omissions	\$150,000
AutoOwners	6760466307776	05/9/06-07	Public Official Bond – Deborah Venhuizen	Errors and omissions	\$150,000
AutoOwners	6760466307570	05/9/06-07	Public Official Bond – Gregory Palumbo	Errors and omissions	\$150,000
Liberty Mutual	285025029	01/30/07-08	Public Official Bond – Elizabeth Gonzales	Errors and omissions	\$150,000
Safeco	6400805	12/20/06-07	Public Official Bond – Sharon McDowell	Errors and omissions	\$150,000
Safeco	6233277	08/05/06-07	IL Notary Public Bond – Deborah Venhuizen	Errors and omissions	\$5,000
Safeco	6233260	04/04/05-09	IL Notary Public Bond – Judith DeLuise	Errors and omissions	\$5,000
Safeco	6233249	04/14/04-08	IL Notary Public Bond - Violet Regan	Errors and omissions	\$5,000
Safeco	6233247	03/28/04-08	IL Notary Public Bond – Sharon Szynalski	Errors and Omissions	\$5,000
Safeco	6233278	10/28/05-09	IL Notary Public Bond – Lucille Kwiatkowski	Errors and Omissions	\$5,000
Safeco	6118973	05/14/03-07	IL Notary Public Bond – Joyce Welch	Errors and omissions	\$5,000
Safeco	6396092	07/18/06-10	IL Notary Public Bond – Susan Bruesch	Errors and omissions	\$5,000
Safeco	6396098	03/20/07-11	IL Notary Public Bond – Elizabeth Gonzalez	Errors and omissions	\$5,000
Reliance Standard	GL137122	05/01/06-07	Life insurance		Various
Reliance Standard	VAR202787	05/01/06-07	Accidental Death & Dismemberment		Various

TABLE 2

**VILLAGE OF ALSIP**  
**PROPERTY TAX LEVIES AND COLLECTIONS EXTENDED BY FUNDS**  
**AND ASSESSED VALUATION**  
**April 30, 2007**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Assessed valuation</b>	\$ 579,014,358	\$ 572,026,913	\$ 599,532,642	\$ 687,386,575	\$ 680,364,001
<b>Tax rates:</b>					
General	.3432	.4532	.4051	.3639	.3758
Police pension	.1046	.1101	.1457	.1269	.1470
Fire pension	.1176	.1256	.1331	.1212	.1154
Road and bridge	.0889	.0000	.0000	.0000	.0089
Debt service	.2003	.2759	.2195	.1922	.1967
Total - All Funds	<u>.8546</u>	<u>.9648</u>	<u>.9034</u>	<u>.8042</u>	<u>.8438</u>
<b>Tax levies:</b>					
General	\$ 1,987,900	\$ 2,670,394	\$ 2,501,474	\$ 2,576,519	\$ 2,633,799
Police pension	605,434	648,541	899,533	898,675	1,030,000
Fire pension	680,804	739,989	821,671	863,964	808,606
Road and bridge	515,000	-	-	-	60,255
Debt service	1,159,649	1,578,136	1,315,938	1,318,305	1,338,228
Total - All Funds	<u>\$ 4,948,787</u>	<u>\$ 5,637,060</u>	<u>\$ 5,538,616</u>	<u>\$ 5,657,463</u>	<u>\$ 5,870,888</u>
<b>Collections:</b>					
General	\$ 1,962,448	\$ 2,508,584	\$ 2,434,615	\$ 1,137,968	\$ 1,168,327
Police pension	546,757	618,915	856,573	396,917	456,897
Fire pension	658,818	709,149	781,430	381,586	358,689
Road and bridge	498,309	-	-	-	26,728
Debt service	1,122,064	1,490,547	1,269,484	582,254	593,624
Total - All Funds	<u>\$ 4,788,396</u>	<u>\$ 5,327,195</u>	<u>\$ 5,342,102</u>	<u>\$ 2,498,725</u>	<u>\$ 2,604,265</u>
Percentage of levies collected	<u>96.8%</u>	<u>94.5%</u>	<u>96.5%</u>	<u>44.2%</u>	<u>44.4%</u>
Township levies	<u>\$ 112,908</u>	<u>\$ 111,545</u>	<u>\$ 116,909</u>	<u>\$ 134,040</u>	<u>\$ 134,040</u>
Collections	<u>\$ 78,670</u>	<u>\$ 70,469</u>	<u>\$ 89,204</u>	<u>\$ 38,682</u>	<u>\$ 42,071</u>
Percentage of collections	<u>69.7%</u>	<u>63.2%</u>	<u>76.3%</u>	<u>28.9%</u>	<u>31.4%</u>
Special service areas levies	<u>\$ 170,372</u>	<u>\$ 170,151</u>	<u>\$ 169,505</u>	<u>\$ 169,449</u>	<u>\$ 168,896</u>
Collections	<u>\$ 170,448</u>	<u>\$ 170,160</u>	<u>\$ 169,589</u>	<u>\$ 84,760</u>	<u>\$ 84,730</u>
Percentage of collections	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>50.0%</u>	<u>50.2%</u>
Tax increment levies	<u>\$ 574,934</u>	<u>\$ 697,470</u>	<u>\$ 722,610</u>	<u>\$ 790,971</u>	<u>\$ 830,520</u>
Collections	<u>\$ 660,042</u>	<u>\$ 676,826</u>	<u>\$ 706,176</u>	<u>\$ 332,742</u>	<u>\$ 340,029</u>
Percentage of collections	<u>114.8%</u>	<u>97.0%</u>	<u>97.7%</u>	<u>42.1%</u>	<u>40.9%</u>



**VILLAGE OF ALSIP, ILLINOIS  
LEGAL DEBT MARGIN  
April 30, 2007**

		<b>Tax Year <u>2006</u></b>
<b>Assessed valuation</b>		<u><u>\$ 680,364,001</u></u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 58,681,395
<b>Total debt:</b>		
General obligation debt:		
Notes payable	\$ 366,364	
Bonds payable	<u>24,426,774</u>	
	<u>24,793,138</u>	
Deductions:		
Amount available for repayment of general obligation bonds	<u>6,361,550</u>	
	<u>6,361,550</u>	<u>18,431,588</u>
<b>Legal debt margin</b>		<u><u>\$ 40,249,807</u></u>

**REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH THE REQUIREMENTS  
OF THE STATE OF ILLINOIS PUBLIC ACT 85-1142  
SUBSECTION (Q) OF SECTION 11-74.4-3  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the State of Illinois Public Act 85-1142,  
Subsection (q) of Section 11-74.4-3**

To the Honorable Mayor and Trustees  
Village of Alsip, Illinois

We have audited the basic financial statements of the Village of Alsip, as of and for the year ended April 30, 2007 and have issued our report thereon dated October 25, 2007. 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.

Compliance with laws, regulations, contracts and grants applicable to the Village of Alsip is the responsibility of the Village's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Special Tax Allocation Special Revenue Fund including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Special Tax Allocation Special Revenue Fund complied, in all material respects, with the provisions referred to in the preceding paragraph.

This report is intended solely for the information and use of the mayor and trustees, management and certain state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Oak Brook, Illinois  
October 25, 2007