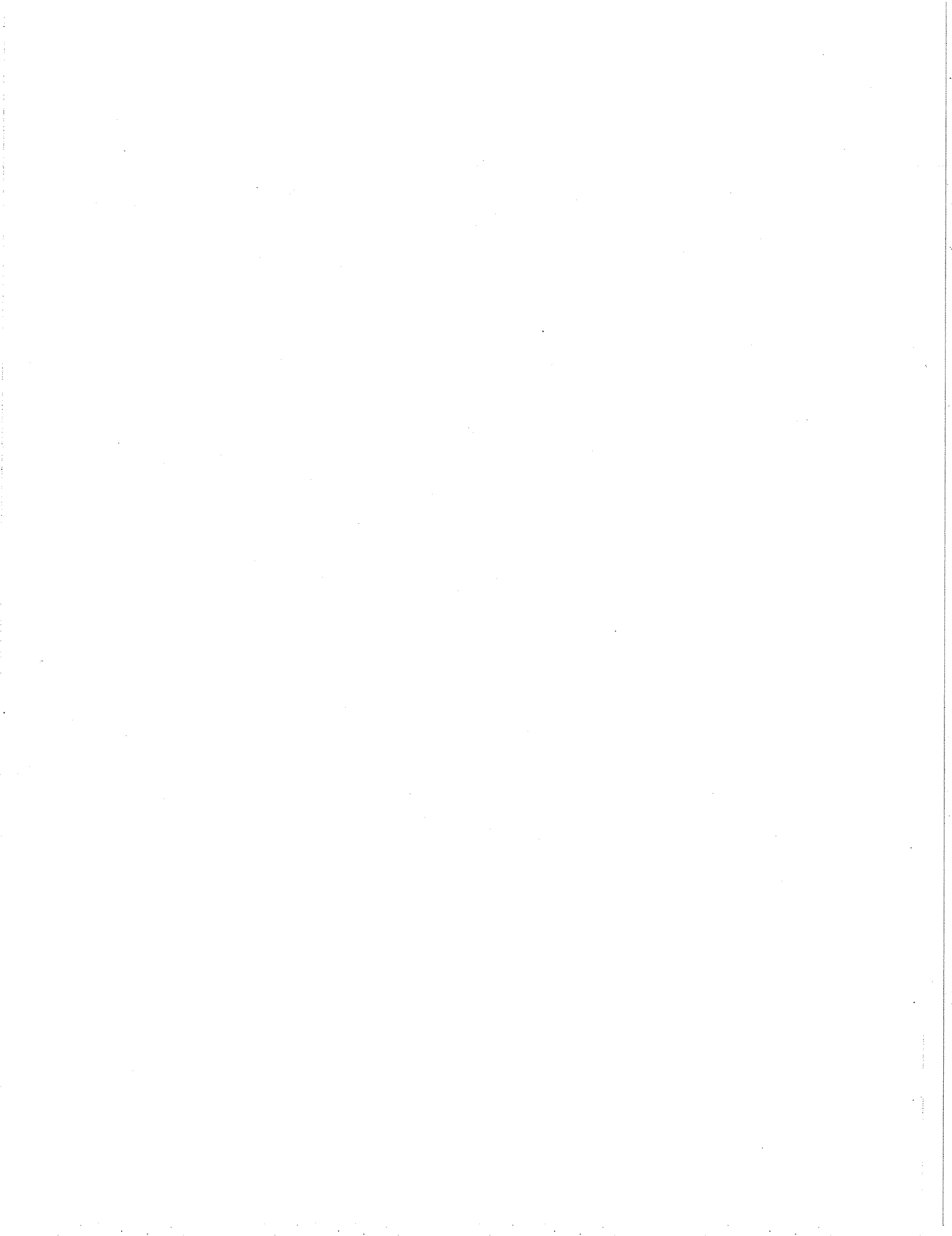


**VILLAGE OF WORTH, ILLINOIS**

**FINANCIAL REPORT**

**APRIL 30, 2002**



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## INDEPENDENT AUDITOR'S REPORT

To the Honorable President and  
Members of the Board of Trustees  
Village of Worth, Illinois

We have audited the accompanying general-purpose financial statements of the Village of Worth, Illinois, as of and for the year ended April 30, 2002. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general-purpose 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 general-purpose 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 opinion.

The general-purpose financial statements referred to above do not include the general fixed assets which should be included in order to conform with accounting principles generally accepted in the United States of America. As described in Note 1 to the financial statements, the Village does not maintain historical cost basis records of its general fixed assets and, therefore, the effect on the financial statements caused by the omission is not known.

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

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to examine adequate records regarding the carrying values of the general fixed assets and the actuarial disclosures required for the Police and Firefighters' Pension Funds, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Worth, Illinois, as of April 30, 2002, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP  
is an independent member  
firm of RSM International,  
an affiliation of independent  
accounting and consulting firms.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Village of Worth, Illinois. Such information, except for the information required by the revenue bond ordinance on pages 56 and 57 which is marked unaudited and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Mokena, Illinois  
July 3, 2002

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VILLAGE OF WORTH, ILLINOIS

COMBINED BALANCE SHEET

ALL FUND TYPES AND THE GENERAL LONG-TERM DEBT ACCOUNT GROUP

April 30, 2002

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Pension Trusts	General Long- Term Debt	
Cash and cash equivalents	\$ 2,164,981	\$ 167,699	\$ -	\$ 172,021	\$ 643,846	\$ -	\$ 3,148,547
Investments	-	-	-	-	9,524,847	-	9,524,847
Receivables:							
Property taxes	850,810	78,524	-	-	-	-	929,334
Accrued interest	-	-	-	-	407,228	-	407,228
Accounts	-	-	-	246,773	-	-	246,773
Other	62,196	-	-	-	-	-	62,196
Due from other govern- mental agencies	375,128	25,412	-	-	-	-	400,540
Due from other funds	272,447	36,681	-	781,482	261,277	-	1,351,887
Inventory	64,645	-	-	-	-	-	64,645
Prepaid expenses	1,217	-	-	-	-	-	1,217
Deferred bond issuance costs	-	-	-	55,247	-	-	55,247
Property and equipment, net of accumulated depreciation	-	-	-	3,997,553	-	-	3,997,553
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	8,812,649	8,812,649
<b>Total assets and other debits</b>	<b>\$ 3,791,424</b>	<b>\$ 308,316</b>	<b>\$ -</b>	<b>\$ 5,253,076</b>	<b>\$ 10,837,198</b>	<b>\$ 8,812,649</b>	<b>\$ 29,002,663</b>



LIABILITIES AND MUNICIPAL EQUITY AND OTHER CREDITS	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Types	Account Group	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Pension Trusts	General Long- Term Debt	
<b>Liabilities</b>							
Accounts payable	\$ 134,503	\$ 12,314	\$ -	\$ 41,298	\$ -	\$ -	\$ 188,115
Accrued payroll	124,152	1,718	3,092	17,030	-	-	145,992
Accrued interest	-	-	-	46,839	-	-	46,839
Accrued sales tax	23,446	-	-	-	-	-	23,446
Insurance claims	56,819	-	-	10,813	-	7,131	74,763
Compensated absences	97,934	-	-	-	-	36,602	134,536
Deposits	23,214	-	-	-	-	-	23,214
Due to other funds	1,073,730	66,737	211,420	-	-	-	1,351,887
Deferred revenue	895,998	78,524	-	-	-	-	974,522
General obligation bonds	-	-	-	-	-	975,000	975,000
Installment notes	-	-	-	-	-	228,916	228,916
Alternate revenue bonds	-	-	-	-	-	7,565,000	7,565,000
Revenue bonds	-	-	-	1,255,000	-	-	1,255,000
<b>Total liabilities</b>	<b>2,429,796</b>	<b>159,293</b>	<b>214,512</b>	<b>1,370,980</b>	<b>-</b>	<b>8,812,649</b>	<b>12,987,230</b>
<b>Municipal Equity and Other Credits</b>							
Contributed capital	-	-	-	2,646,432	-	-	2,646,432
Retained earnings:							
Bond ordinance reserves	-	-	-	405,118	-	-	405,118
Unreserved	-	-	-	830,546	-	-	830,546
Fund balances:							
Reserved for employees pension benefits	-	-	-	-	10,837,198	-	10,837,198
Reserved for inventory	64,645	-	-	-	-	-	64,645
Reserved for prepaids	1,217	-	-	-	-	-	1,217
Unreserved (deficit)	1,295,766	149,023	(214,512)	-	-	-	1,230,277
<b>Total municipal equity and other credits</b>	<b>1,361,628</b>	<b>149,023</b>	<b>(214,512)</b>	<b>3,882,096</b>	<b>10,837,198</b>	<b>-</b>	<b>16,015,433</b>
<b>Total liabilities and municipal equity and other credits</b>	<b>\$ 3,791,424</b>	<b>\$ 308,316</b>	<b>\$ -</b>	<b>\$ 5,253,076</b>	<b>\$ 10,837,198</b>	<b>\$ 8,812,649</b>	<b>\$ 29,002,663</b>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
Year Ended April 30, 2002

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<b>Revenues:</b>					
Property taxes	\$ 1,778,753	\$ 160,512	\$ -	\$ -	\$ 1,939,265
Sales taxes	827,355	-	-	-	827,355
Intergovernmental	930,543	318,346	-	-	1,248,889
Licenses, permits and fees	480,910	-	-	-	480,910
Fines and forfeits	160,254	-	-	-	160,254
Charges for service	2,364,307	-	-	-	2,364,307
Interest	48,911	6,842	-	-	55,753
Other	176,251	2,582	-	-	178,833
<b>Total revenues</b>	<b>6,767,284</b>	<b>488,282</b>	<b>-</b>	<b>-</b>	<b>7,255,566</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	566,332	-	-	-	566,332
Building department	95,828	-	-	-	95,828
Health department	12,917	-	-	-	12,917
Fire department	135,694	-	-	-	135,694
Ambulance and paramedic department	814,934	-	-	-	814,934
Police department	1,955,553	-	-	-	1,955,553
Street and bridge	439,010	-	-	-	439,010
Crossing guard	37,745	-	-	-	37,745
Golf course operations	1,610,932	-	-	-	1,610,932
Insurance	345,987	-	-	-	345,987
Motor fuel tax projects	-	716,444	-	-	716,444
Retirement benefits	-	152,267	-	-	152,267
Senior citizens projects	-	5,380	-	-	5,380
<b>Debt service:</b>					
Principal	128,994	-	35,000	-	163,994
Interest and fees	58,125	-	464,708	-	522,833
Capital outlay	-	-	-	37,264	37,264
<b>Total expenditures</b>	<b>6,202,051</b>	<b>874,091</b>	<b>499,708</b>	<b>37,264</b>	<b>7,613,114</b>
Excess revenues or (expenditures)	565,233	(385,809)	(499,708)	(37,264)	(357,548)
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	499,708	-	499,708
Operating transfers (out)	(499,708)	-	-	-	(499,708)
Excess revenues and other financing sources or (expenditures and other financing uses)	65,525	(385,809)	-	(37,264)	(357,548)
<b>Fund balances (deficits):</b>					
Beginning	1,296,103	534,832	-	(177,248)	1,653,687
Ending	\$ 1,361,628	\$ 149,023	\$ -	\$ (214,512)	\$ 1,296,139

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL AND SPECIAL REVENUE FUND TYPES FOR WHICH BUDGETS WERE ADOPTED  
 Year Ended April 30, 2002

	General		Special Revenue	
	Budget	Actual	Budget	Actual
<b>Revenues:</b>				
Property taxes	\$ 1,262,000	\$ 1,778,753	\$ 145,000	\$ 150,133
Sales taxes	780,000	827,355	-	-
Intergovernmental	1,012,500	930,543	327,500	318,346
Licenses, permits and fees	389,250	480,910	-	-
Fines and forfeits	110,000	160,254	-	-
Charges for services	187,600	2,364,307	-	-
Interest	85,000	48,911	35,000	6,842
Other	74,000	176,251	-	-
<b>Total revenues</b>	<b>3,900,350</b>	<b>6,767,284</b>	<b>507,500</b>	<b>475,321</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	728,750	566,332	-	-
Building department	88,300	95,828	-	-
Health department	8,600	12,917	-	-
Fire department	505,600	135,694	-	-
Ambulance and paramedic department	735,700	814,934	-	-
Police department	1,882,970	1,955,553	-	-
Street and bridge	615,806	439,010	-	-
Crossing guard	40,000	37,745	-	-
Golf course	-	1,610,932	-	-
Insurance	265,000	345,987	-	-
Motor fuel tax projects	-	-	441,000	716,444
Retirement benefits	-	-	182,000	152,267
<b>Debt service:</b>				
Principal	-	128,994	-	-
Interest and fees	-	58,125	-	-
<b>Total expenditures</b>	<b>4,870,726</b>	<b>6,202,051</b>	<b>623,000</b>	<b>868,711</b>
Excess revenues or (expenditures)	(970,376)	565,233	(115,500)	(393,390)
<b>Other financing sources (uses):</b>				
Operating transfers (out)	-	(499,708)	-	-
Excess revenues and other financing sources or (expenditures and other financing uses)	<u>\$ (970,376)</u>	<u>65,525</u>	<u>\$ (115,500)</u>	<u>(393,390)</u>
<b>Fund balances:</b>				
Beginning		<u>1,296,103</u>		<u>456,655</u>
Ending		<u>\$ 1,361,628</u>		<u>\$ 63,265</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS  
ALL ENTERPRISE FUNDS  
Year Ended April 30, 2002

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Operating revenues:	
Water and sewer charges	\$ 1,508,993
Commuter parking fees	68,545
Other fees and charges	20,901
<b>Total operating revenues</b>	<u>1,598,439</u>
Operating expenses:	
Waterworks and sewerage	1,144,142
Commuter parking lot	28,265
Depreciation	214,029
<b>Total operating expenses</b>	<u>1,386,436</u>
<b>Operating income</b>	212,003
Nonoperating income (expense):	
Interest income	669
Interest expense	(60,230)
Bond issuance costs	(801)
<b>Net income</b>	<u>151,641</u>
Retained earnings:	
Beginning	<u>1,084,023</u>
Ending	<u>\$ 1,235,664</u>

See Notes to Financial Statements.

**VILLAGE OF WORTH, ILLINOIS**

**STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS  
Year Ended April 30, 2002**

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Cash Flows From Operating Activities	
Operating income	\$ 212,003
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	214,029
Change in assets and liabilities:	
Decrease in receivables	12,774
Increase in accounts payable	(22,091)
Increase in accrued payroll	611
Increase in accrued insurance claims payable	4,833
<b>Net cash provided by operating activities</b>	<u>422,159</u>
Cash Flows From Noncapital Financing Activities	
Decrease in amounts due from other funds	<u>(781,482)</u>
Cash Flows From Capital and Related Financing Activities	
Payment of revenue bonds	(225,000)
Purchase of property and equipment	(75,742)
Interest and fees paid	(50,279)
<b>Net cash (used in) capital and related financing activities</b>	<u>(351,021)</u>
Cash Flows From Investing Activities	
Interest received	<u>669</u>
<b>Net (decrease) in cash and cash equivalents</b>	(709,675)
Cash and cash equivalents, May 1, 2001	<u>881,696</u>
Cash and cash equivalents, April 30, 2002	<u>\$ 172,021</u>

See Notes to Financial Statements.

VILLAGE OF WORTH, ILLINOIS

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS  
Year Ended April 30, 2002

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<b>Additions</b>	
Contributions:	
Employer	\$ 170,793
Plan members	151,937
<b>Total contributions</b>	<u>322,730</u>
Investment income:	
Net appreciation in fair value of investments	136,745
Interest	64,240
<b>Net investment income</b>	<u>200,985</u>
<b>Total additions</b>	<u>523,715</u>
<b>Deductions</b>	
Benefits	500,726
Administrative expenses	56,385
<b>Total deductions</b>	<u>557,111</u>
<b>Net (decrease)</b>	(33,396)
Net assets held in trust for employees pension benefits:	
Beginning	<u>10,870,594</u>
Ending	<u>\$ 10,837,198</u>

See Notes to Financial Statements.

## VILLAGE OF WORTH, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Financial Reporting Entity and Summary of Significant Accounting Policies**

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

Financial Reporting Entity: Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on this criteria, there are no potential component units whose financial data should be combined with and included in the general-purpose financial statements of the Village, nor is the Village considered to be a potential component unit of any other governmental unit.

Description of Funds and Account Groups: The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups are combined and summarized in these financial statements as follows:

Governmental Fund Types: Governmental funds are funds through which most of the Village's governmental functions are financed. The acquisition, use and balances of the Village's expendable financial resources, except those accounted for in the proprietary funds, are accounted for in the governmental funds. The measurement focus is on determination of financial position and changes in financial position. The following are the Village's governmental funds.

General Fund - is the general operating fund of the Village and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the revenues derived from specific sources. These resources are utilized to finance expenditures legally restricted for specified purposes.

Debt Service Funds - are used to account for the accumulation of resources for, and the payment of principal, interest and related costs of general long-term debt.

Capital Projects Funds - are used to account for resources used for the acquisition or construction of major capital facilities.

Proprietary Fund Types: Proprietary funds account for the Village's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The enterprise funds are the proprietary fund types of the Village.

# VILLAGE OF WORTH, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

---

### Note 1. Financial Reporting Entity and Summary of Significant Accounting Policies (continued)

Enterprise Funds - are used to account for the financing and operations of self-supporting activities of the Village which render services of a commercial nature on a user-charge basis to the general public.

Fiduciary Fund Types: Fiduciary funds are used to account for assets held by the Village in a trustee capacity. The following are the Village's fiduciary fund types:

Pension Trust Funds - are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

Account Group: The account group is not a fund but is to be used to establish accounting control and accountability for the Village's outstanding general long-term debt which is to be financed through the governmental funds. The account group is as follows:

General Long-term Debt Account Group - is used to establish accounting control over the long-term debt of the Village which is expected to be financed from operations of the governmental funds.

#### Basis of Accounting

Modified Accrual Basis of Accounting: All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenue items not considered available are recorded as deferred revenue and are recognized as revenue at the time they become available.

Property taxes that have been levied and are due and collected within the fiscal year or collected within sixty days after year-end are considered available and are therefore recognized as revenue. Sales taxes, income taxes and motor fuel taxes are considered to be measurable when they have been collected by the intermediary collecting governments and are recognized as revenue at that time.

Fines and fees, licenses and permits and miscellaneous revenues are recognized as revenue when received in cash as they are generally not objectively measurable until that time.

Expenditures are recognized when the liability is incurred, except for principal and interest on long-term debt which is recognized when due.



# VILLAGE OF WORTH, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

---

### Note 1. Financial Reporting Entity and Summary of Significant Accounting Policies (continued)

Accrual Basis of Accounting: The enterprise and pension trust funds are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Unbilled service receivables are accrued and reported at year-end.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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

Property and Equipment: Property and equipment used in governmental fund operations (general fixed assets) are accounted for as expenditures of the governmental funds when purchased. The Village does not maintain adequate historical cost records of these assets and, therefore, the acquisition cost of those assets is not capitalized in a general fixed assets account group as required by generally accepted accounting principles.

Property and equipment associated with the enterprise funds are capitalized in the fund in which they are utilized. All purchased or constructed property and equipment are valued at cost, while those assets which have been donated are valued at their estimated fair value as of the date received as a donation.

Depreciation of all exhaustible property and equipment is reported in the enterprise funds. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings and Water and Sewer System	40 Years
Improvements and Parking Lot	20 Years
Equipment	3-15 Years

Compensated Absences: Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. Sick time for employees accumulates at a rate of eight hours per month, contingent on the employee working at least one hundred hours per month. These hours may accumulate up to a maximum of 400 hours; however, these hours do not vest.

The governmental funds and enterprise funds record vacation pay as an expenditure in the year it is earned to the extent it is paid or is expected to be paid with available financial resources, otherwise the liability is accounted for in the general long-term debt account group.

Proprietary Activity Accounting and Financial Reporting: In accounting for and reporting its proprietary activities, the Village has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

## VILLAGE OF WORTH, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Financial Reporting Entity and Summary of Significant Accounting Policies (continued)

Property Taxes: The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attached as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1 of the following year, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village. A provision has been made to reduce the property taxes receivable to the estimated amount to be collected based on historical collection experience.

Total Columns: Total columns on the general-purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### Note 2. Budgets

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

- a) The Village Treasurer submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general and certain special revenue funds. Formal budgetary integration is not employed for debt service and capital projects funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
- e) Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- f) Budgetary authority lapses at the year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
- h) Budgeted amounts are as originally adopted, with the exceptions of Board approved transfers which were not material in relation to the budget taken as a whole.

# VILLAGE OF WORTH, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Budgets (continued)

The Village did not adopt a budget for the Garbage and Senior Citizens Funds, special revenue funds. A reconciliation of the revenues and expenditures of all special revenue funds with the amounts for those funds for which budgets have been adopted is as follows:

	Revenues	Expenditures
Amount reported for all special revenue funds	\$ 488,282	\$ 874,091
Less unbudgeted funds	12,961	5,380
Amounts reported for those funds for which budgets have been adopted	<u>\$ 475,321</u>	<u>\$ 868,711</u>

During the year ended April 30, 2002, the Village overexpended the budgets of the following funds:

Fund	Budget	Actual Expenditures
General	\$ 4,870,726	\$ 6,202,051
Motor fuel tax, special revenue	441,000	716,444

### Note 3. Cash and Investments

The Village is authorized to make deposits in commercial banks and savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in other investments as allowed by Illinois Compiled Statutes.

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

Deposits: As of April 30, 2002, the carrying amount of the Village's deposits with financial institutions totaled \$1,955,934 with bank balances of \$2,040,556. Of the bank balances, \$2,009,804 was covered by federal depository insurance or collateralized with securities held by the Village or its agent in the Village's name and \$30,752 was uncollateralized.

Investments: The Village's investments are categorized below to give an indication of the level of risk assumed by the Village as of April 30, 2002. Category 1 includes securities that are insured or registered or the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered securities which are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered securities which are held by the counterparty or its trust department or agent but not in the Village's name.

**VILLAGE OF WORTH, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Cash and Investments (continued)**

	Carrying Amount			Total
	Category			
	1	2	3	
U.S. government securities	\$ 5,486,805	\$ -	\$ -	\$ 5,486,805
State and local governmental obligations	37,098	-	-	37,098
	<u>\$ 5,523,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,523,903</u>
Investments not subject to categorization:				
Insurance contracts				48,771
Illinois Funds				1,707,043
Mutual funds				3,437,743
				<u>\$ 10,717,460</u>

The above deposits of \$1,955,934 and investments of \$10,717,460 totaling \$12,673,394 are reported in the financial statements as follows:

Cash and cash equivalents	\$ 3,148,547
Investments	9,524,847
<b>Total</b>	<u>\$ 12,673,394</u>

**Note 4. Property and Equipment**

The composition of the property and equipment of the enterprise funds as of April 30, 2002 is as follows:

	Commuter Parking Lot	Waterworks and Sewerage	Total
Land	\$ -	\$ 47,824	\$ 47,824
Commuter parking lot	762,716	-	762,716
Waterworks and sewerage system	-	7,209,093	7,209,093
Equipment	184,251	234,309	418,560
	<u>946,967</u>	<u>7,491,226</u>	<u>8,438,193</u>
Less accumulated depreciation	378,272	4,062,368	4,440,640
	<u>\$ 568,695</u>	<u>\$ 3,428,858</u>	<u>\$ 3,997,553</u>

**VILLAGE OF WORTH, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Long-Term Debt**

The following is a summary of the long-term debt transactions of the Village for the year ended April 30, 2002:

	General Obligation Bonds	Installment Notes	Alternate Revenue Bonds	Compensated Absences	Revenue Bonds	Insurance Claims	Total
Balance, May 1, 2001	\$ 1,015,000	\$ 317,910	\$ 7,600,000	\$ 21,985	\$ 1,480,000	\$ 8,753	\$ 10,443,648
Changes in compensated absences	-	-	-	14,617	-	-	14,617
Changes in insurance claims	-	-	-	-	-	(1,622)	(1,622)
Debt retired	40,000	88,994	35,000	-	225,000	-	388,994
Balance, April 30, 2002	\$ 975,000	\$ 228,916	\$ 7,565,000	\$ 36,602	\$ 1,255,000	\$ 7,131	\$ 10,067,649

Details of the long-term debt as of April 30, 2002 are as follows:

General Obligation Bond:

General Obligation Working Cash Bonds, Series 1994 dated January 16, 1995 with bonds due in annual principal maturities of \$40,000 in 2003, \$45,000 in 2004 and 2005, \$50,000 in 2006, \$55,000 in 2007 and 2008, \$60,000 in 2009 and \$65,000 in 2010. Interest at rates between 4.30% and 7.00% due on June 1 and December 1. *Int on 6/1 P+I on 12/1*

\$ 415,000

General Obligation Limited Tax Bonds, Series 1999B dated May 1, 1999 with bonds due in annual principal maturities of \$80,000 in 2011, \$85,000 in 2012, \$95,000 in 2013, and \$100,000 in 2014, 2015 and 2016 and interest at a rate of 9% due on January 1 and June 1.

560,000

\$ 975,000

**VILLAGE OF WORTH, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 5. Long-Term Debt (continued)**

Installment Notes:

Installment note dated April 29, 1999 for the purchase of various golf equipment is due in annual payments of \$54,596 including principal and interest at a rate of approximately 5.0% on October 19 of each year through 2003. \$ 101,935

Installment note dated April 29, 1999 for the purchase of an ambulance is due in semiannual payments of \$11,198 including principal and interest at a rate of approximately 5.5% on May 16 and November 16 of each year through 2004. 61,523

Installment note dated March 12, 1999 for the purchase of various lawn equipment is due in annual payments of \$14,455 including principal and interest at a rate of approximately 5.5% on July 15 of each year through 2003. 27,742

Installment note dated March 3, 2000 for the purchase of a mower is due in semi annual payments of \$6,880 including principal and interest at a rate of approximately 6.3% on September 3 and March 3 of each year through 2005. 37,716

\$ 228,916

Alternate Revenue Bonds:

General Obligation Bond (Golf Course Alternate Revenue Source), Series 1996 dated October 1, 1996 with bonds due in annual principal maturities of \$100,000 in 2003, \$200,000 in 2004, \$200,000 in 2005, \$285,000 in 2006, \$325,000 in 2007 and \$390,000 in 2008. Interest is at rates between 5.4% and 9.0%. The Village has pledged revenues from the Golf Course Fund operations to fund the repayment of the alternate revenue bonds. \$ 1,500,000

General Obligation Refunding Bonds (Alternate Revenue Source) Series 1999A dated May 1, 1999 with bonds due in annual principal maturities of \$35,000 in 2003 and 2004, \$40,000 in 2005, 2006 and 2007, \$45,000 in 2008, \$505,000 in 2009, \$560,000 in 2010, \$620,000 in 2011, \$685,000 in 2012, \$755,000 in 2013, \$820,000 in 2014, \$905,000 in 2015, and \$980,000 in 2016. Interest at rates between 3.6% and 4.8% due on January 1 and June 1. 6,065,000

\$ 7,565,000

**VILLAGE OF WORTH, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Long-Term Debt (continued)**

Revenue Bonds:

1994 Water and Sewer Refunding Bonds dated November 1, 1994 with bonds due in principal maturities of \$5,000 beginning in 2003 through 2006, \$50,000 in 2007 and \$185,000 in 2008. Interest at 6.35% is due on May 1 and September 1. The Village has pledged revenues from the Waterworks and Sewerage Fund operations for the repayment of these revenue bonds. \$ 255,000

Water and Sewer Revenue Bonds, Series 1998A dated April 28, 1998 with bonds due in annual principal maturities of \$220,000 in 2003, \$120,000 in 2004, and \$110,000 in 2005. Interest is at rates between 3.9% and 4.35%. The Village has pledged revenues from the Waterworks and Sewerage Fund operations for the repayment of these revenue bonds. 340,000

Water and Sewer Revenue Bonds, Series 1998B dated April 28, 1998 with bonds due in annual principal maturities of \$120,000 in 2003, \$120,000 in 2004, \$145,000 in 2005, \$155,000 in 2006, and \$120,000 in 2007. Interest is at rates between 5.75% and 6.3%. The Village has pledged revenues from the Waterworks and Sewerage Fund operations for the repayment of these revenue bonds. 660,000

\$ 1,255,000

The revenue bond ordinances require that certain monies held in the Waterworks and Sewerage Fund be segregated and restricted in reserve accounts in the priority indicated by the order of the following:

Reserve Account	Amount	Nature of Authorized Expenditures
a) Bond and interest	Sufficient amount to pay the current bond and interest maturities	Payment of principal and interest on bonds
b) Bond reserve	Sufficient amount to pay the maximum annual debt service	Payment of principal and interest on bonds
c) Depreciation	\$1,500/month until funded to the extent of 3% of the net value of the system	Payment of the cost of extraordinary maintenance, necessary repairs and replacements or contingencies of the system or the payment of principal or interest of bonds in order to prevent a default on said bonds

**VILLAGE OF WORTH, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Long-Term Debt (continued)**

As of April 30, 2002, the Village has accumulated \$405,118 of assets in these restricted reserve accounts.

The future annual debt service requirements on the outstanding debt, other than compensated absences and insurance claims of \$36,602 and \$7,131, respectively and including interest of \$4,501,640, are as follows:

	General Obligation Bonds/Notes	Installment Notes	Alternate Revenue Bonds	Revenue Bonds	Total
2003	\$ 117,812	\$ 105,207	\$ 547,495	\$ 300,450	\$ 1,070,964
2004 - 2008	596,800	141,360	3,388,248	1,162,987	5,289,395
2009 - 2013	628,250	-	4,214,531	-	4,842,781
2014	354,000	-	2,968,416	-	3,322,416
	<u>\$ 1,696,862</u>	<u>\$ 246,567</u>	<u>\$ 11,118,690</u>	<u>\$ 1,463,437</u>	<u>\$ 14,525,556</u>

Legal Debt Margin: The Village, as a non-home rule municipality, is subject to the statutory debt limit of 8.625% of equalized assessed valuation as set forth in the following schedule.

2001 Estimated Assessed valuation	<u>\$122,137,629</u>
Statutory debt Limitation (8.625% of assessed valuation)	\$ 10,534,371
Less amount of debt applicable to debt limitation, General obligation debt	<u>1,203,916</u>
Estimated Legal debt margin	<u>\$ 9,330,455</u>