

# McGladrey & Pullen

Certified Public Accountants

## Village of Worth, Illinois

Financial Report

Year Ended April 30, 2005



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### Financial Section (Continued)

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable Members of the Village Council  
Village of Worth, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Worth, Illinois, as of and for the year ended April 30, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Worth, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1 to the basic financial statements, in fiscal year 2005 the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Also, as described in Note 12 to the basic financial statements, certain beginning balances in the Police Pension Trust Fund have been restated for a prior period error in the fair value of investments.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Worth, Illinois, as of April 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

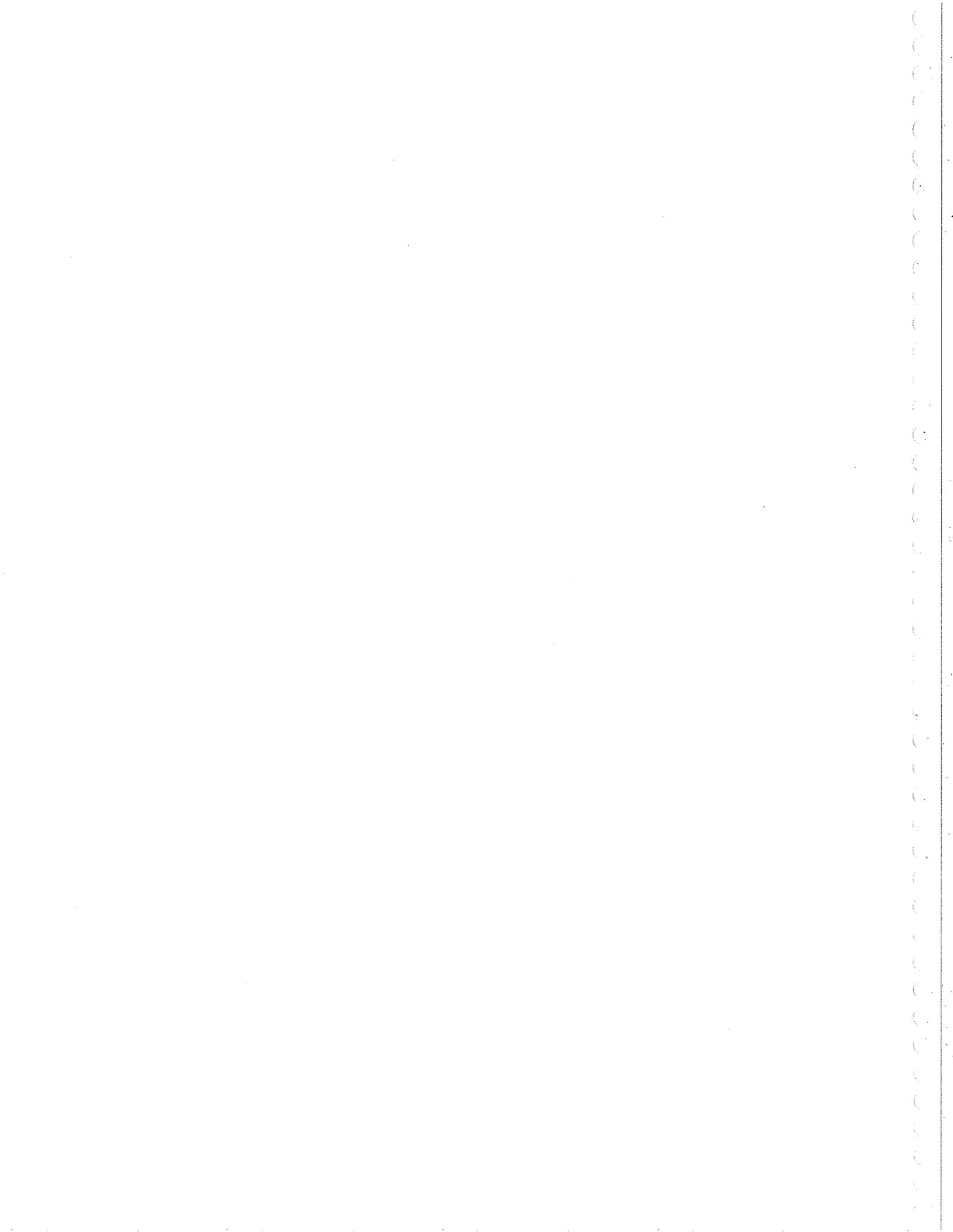
The required supplemental information which includes management's discussion and analysis (pages 3 - 10), pension related schedules (pages 45 - 47) and budgetary schedule (page 48 - 57) is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Worth, Illinois. The combining fund financial statements and other schedules listed in the table of contents as supplemental data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information, except for the information required by bond revenue ordinance on pages 66 and 67 which are marked unaudited and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
November 11, 2005

**Required Supplemental Information**



**Management Discussion and Analysis (MD&A)**



## Village of Worth, Illinois

### Management's Discussion and Analysis

April 30, 2005

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The Village of Worth's (the "Village") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 11). Please note that this is the Village of Worth's first MD&A.

#### Using the Financial Section of this Comprehensive Annual Report

For the past 20 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and for the first time the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

#### Government-Wide Financial Statements

The government-wide financial statements (see pages 11-12) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement, for the first time, combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 12) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, parks and administration. Shared state sales, local utility and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Waterworks and Sewerage and the Commuter Parking Lot), where the fee for service typically covers all or most of the cost of operation, including depreciation.

#### Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model's) fund types.

The Governmental Funds (see pages 13-16) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 20-21). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

**Management's Discussion and Analysis (Continued)**

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While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 17-19) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 14 and 16). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide financial statements).

**Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets be valued and reported within the Governmental column of the Government-wide Financial Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

**Financial Analysis of the Village as a Whole**

In accordance with GASB Statement No. 34, the Village is not required to restate prior periods for the purpose of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of Government-wide information will be presented.

**Government-Wide Financial Statements**

**Statement of Net Assets**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$4.8 million as of April 30, 2005.

A significant portion of the Village's net assets (93.1%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Worth, Illinois

Management's Discussion and Analysis (Continued)

Table 1  
Statement of Net Assets  
As of April 30, 2005  
(in millions)

	Governmental Activities	Business-Type Activities	Total Primary Government
Current Assets	\$ 3.1	\$1.0	\$4.1
Non Current Assets	<u>10.2</u>	<u>4.2</u>	<u>14.4</u>
Total Assets	13.3	5.2	18.5
Current Liabilities	3.2	0.3	3.5
Non Current Liabilities	<u>9.0</u>	<u>1.2</u>	<u>10.2</u>
Total Liabilities	12.2	1.5	13.7
Net Assets:			
Invested in Capital Assets, Net of Related Debt	1.1	3.4	4.5
Restricted	0.6	-	0.6
Unrestricted	<u>(0.6)</u>	<u>0.3</u>	<u>(0.3)</u>
Total Net Assets	<u>\$1.1</u>	<u>\$3.7</u>	<u>\$4.8</u>

For more detailed information see the Statement of Net Assets (page 11).

The Village's combined net assets (which is the Village's equity) decreased to \$4.8 million from \$5.2 million as a result of the decrease in net assets primarily in the Business-Type Activities. Net assets of the Village's governmental activities were \$1.1 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were \$(0.6) million. The net assets of business-type activities decreased to \$3.7 million from \$3.9 million. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system.

**Normal Impacts**

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

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

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

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

**Spending of Non-borrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Reduction of Capital Assets through Depreciation** – which will reduce capital assets and invested in capital assets, net of debt.

**Current Year Impacts**

The Village's total net assets decreased \$.4 million and can be attributed to several factors. The Village incurred an increase in general government expenses of approximately \$.2 million over 2004. Also, the police department expenses increased by approximately \$.2 million over 2004.

Village of Worth, Illinois

Management's Discussion and Analysis (Continued)

Changes in Net Assets

The following chart compares the revenue and expenses for the current fiscal year.

Table 2  
Changes in Net Assets

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$3.3	\$1.6	\$4.9
Operating Grants & Contributions	0.2	-	0.2
General Revenues			
Property Taxes	2.1	-	2.1
Other Taxes	2.4	-	2.4
Transfers	-	-	-
Other	<u>0.3</u>	<u>-</u>	<u>0.3</u>
Total Revenues	8.3	1.6	9.9
<b>EXPENSES</b>			
General Government	1.6	-	1.6
Building Department	0.1	-	0.1
Boat Launch	-	-	-
Health Department	-	-	-
Fire Department	0.3	-	0.3
Ambulance and Paramedic Department	0.9	-	0.9
Police Department	2.6	-	2.6
Street and Bridge	0.4	-	0.4
Crossing Guard	-	-	-
Golf Course	1.6	-	1.6
Worth Days	0.1	-	0.1
Motor Fuel Tax Project	0.3	-	0.3
Senior Citizens	-	-	-
Interest	0.5	-	0.5
Waterworks and Sewerage	-	1.8	1.8
Commuter Parking Lot	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
Total Expenses	8.4	1.9	10.3
CHANGE IN NET ASSETS	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.4)</u>
ENDING NET ASSETS	<u>\$1.1</u>	<u>\$3.7</u>	<u>\$4.8</u>

2005 Governmental Activities Revenue



2005 Governmental Activities Expenses



## Village of Worth, Illinois

### Management's Discussion and Analysis (Continued)

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

#### Normal Impacts

##### *Revenues:*

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

**Increase/Decrease in Village Board approved rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

##### *Expenses:*

**Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80% of the Village's operating costs.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

#### Current Year Impacts

##### *Revenues:*

For the fiscal year ended April 30, 2005, revenues from all activities totaled \$9.95 million. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services we provide.

Even though the Village increased its property tax in 2005 compared to previous years, we saw an increase in the equalized assessed valuation (EAV) to \$154.1 million an increase of 1.6%.

State per capita revenues took a major hit in 2005 as a result of our floundering economy. State income taxes were down almost \$85 million. Only \$.8 million was received from this major revenue source.

Licenses, permits and fees revenue increased from \$.6 million in 2004 to \$1.0 million in 2005, a 67% increase.

As part of the new GASB Statement No. 34 disclosures, the Village added \$3.9 million in capital infrastructure assets to its net assets in 2005. Infrastructure assets include roads, bridges, rights-of-way, storm sewers and retention and detention ponds.

## Village of Worth, Illinois

### Management's Discussion and Analysis (Continued)

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#### *Expenses:*

The Village's total expenses for all activities for the year ended April 30, 2005 were \$10.3 million. The Village provides Lake Michigan water to its residents by purchasing its water supply from the City of Chicago. The waterworks and sewerage accounted for 80% of the total Public Works activities. The remaining public works activities relate to the maintaining of Village streets and storm sewers.

Public safety expenses related to the operations of the Police Department accounted for \$2.6 million of the total expenses. Personnel costs including pension benefits accounted for 65% of this total. The Village has an authorized strength of 27 sworn personnel. The patrol officers are members of the Illinois Fraternal Order of Police Labor Chapter 143. The fiscal year was the second year of a three-year contract.

The cost of providing employee benefits continued to increase. The most significant increases were in Workmen's Compensation claims, which the Village self-insures. The Village also incurred a significant increase in employee pension benefits.

### Financial Analysis Of The Village's Funds

#### **Governmental Funds**

At April 30, 2005, the governmental funds (as presented on the balance sheet on page 13) reported a combined fund balance of \$0.9 million. Revenues exceeded expenditures and other financing sources (uses) in 2005 by \$.7 million.

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

At the first Village Board meeting in May, the Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in fiscal year 2005. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Village of Worth, Illinois

Management's Discussion and Analysis (Continued)

**Table 3**  
**General Fund Budgetary Highlights**  
(in millions)

General Fund	Original Budget	Actual
Revenues and Other Financing Sources		
Taxes	\$2.9	\$2.8
Licenses, permits and fees	0.7	1.0
Intergovernmental	1.7	1.3
Fines and forfeitures	0.1	0.2
Golf course	2.1	1.9
Other	0.9	0.8
Other financing sources	<u>0.0</u>	<u>0.7</u>
<b>Total</b>	<b>8.4</b>	<b>8.7</b>
Expenditures and Other Financing Uses		
General Government	1.6	1.6
Building Department	0.1	0.1
Boat Launch	0.0	0.0
Health Department	0.0	0.0
Fire Department	0.8	0.3
Ambulance and Paramedic Department	0.9	0.8
Police Department	2.5	2.4
Street and Bridge	0.4	0.4
Crossing Guard	0.0	0.0
Golf Course	1.4	1.5
Worth Days	0.0	0.1
Debt Service	<u>0.7</u>	<u>0.9</u>
<b>Total</b>	<b><u>8.4</u></b>	<b><u>8.1</u></b>
Change in Fund Balance	<u>\$ -</u>	<u>\$0.6</u>

As shown above the General Fund had a balanced budget, while actual results were a \$0.6 million surplus. There are several factors that attributed to this Surplus. The public safety budget does not include a budgeted expenditure for police pension contributions, which amounted to approximately \$.2 million.

**Capital Assets**

At the end of the fiscal Year 2005, the Village had a combined total of capital assets of \$14.4 million (after accumulated depreciation of \$12.0 million) invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net decrease (including additions and deletions) of \$0.6 million.

Village of Worth, Illinois

Management's Discussion and Analysis (Continued)

**Table 4**  
**Total Capital Assets at Year End**  
**Net of Depreciation**  
**(in millions)**

	<b>Balance 4/30/04</b>	<b>Net Additions/Deletions</b>	<b>Balance 4/30/05</b>
Land	\$3.8	\$0.0	\$3.8
Building and Improvements	6.3	0.0	6.3
Waterworks and Sewerage system	7.2	0.8	8.0
Machinery & Equipment	3.5	0.1	3.6
Commuter Parking Lot	0.8	0.0	0.8
Infrastructure	3.9	0.0	3.9
Construction in Progress	<u>0.3</u>	<u>(0.3)</u>	<u>0.0</u>
Total Capital Assets	<u>\$25.8</u>	<u>\$0.7</u>	<u>\$26.4</u>

**Debt Outstanding**

The Village entered into various small debt certificates and a capital lease during 2005 amounting to \$.9 million and retired debt amounting to \$.7 million.

**Economic Factors**

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Worth during 2005 and is expected to continue into 2006. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

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

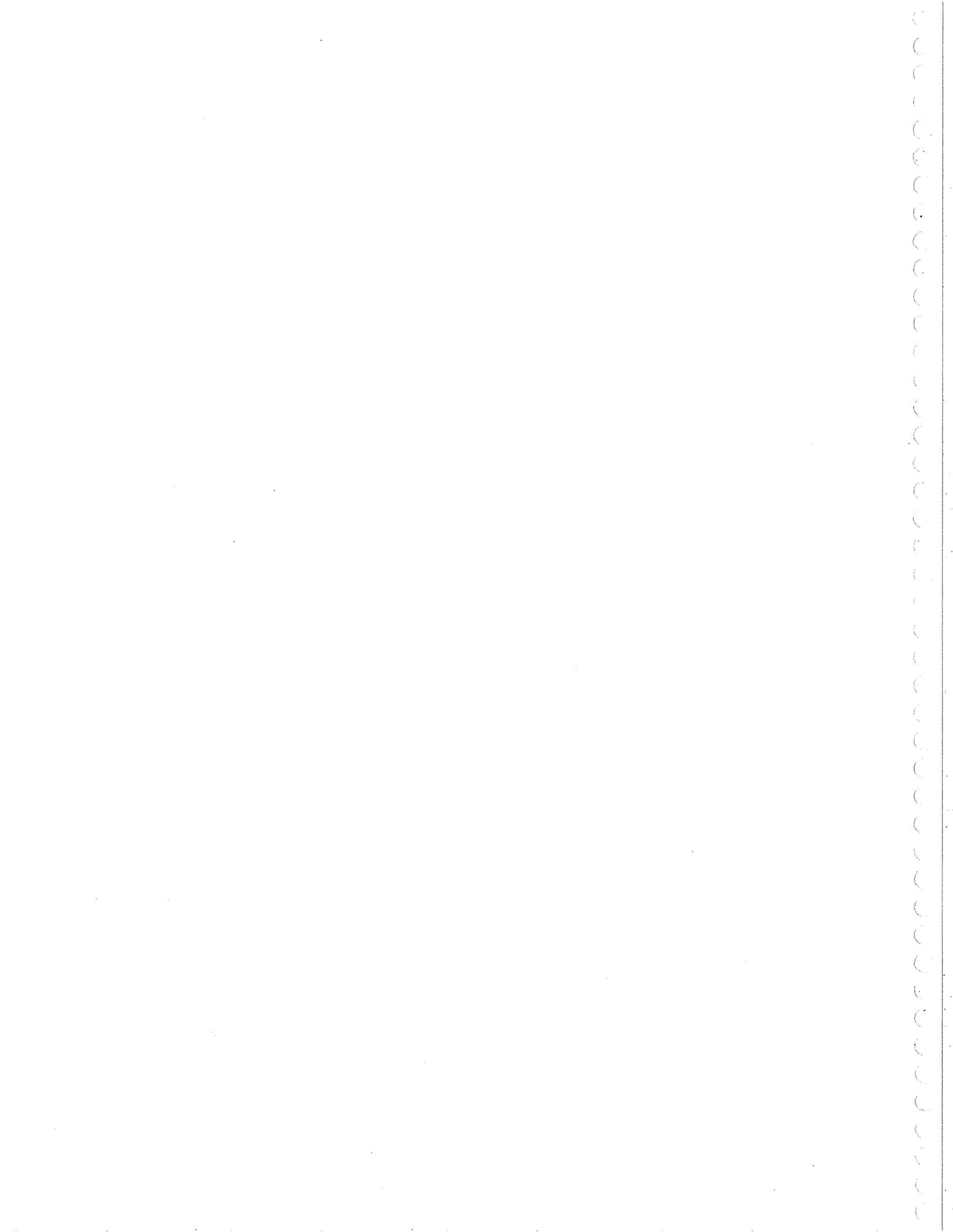
**Contacting The Village's Financial Management**

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

**Basic Financial Statements**



**Government – Wide Financial Statements (GWFS)**



Village of Worth, Illinois

Statement of Net Assets  
April 30, 2005

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 1,369,223	\$ 535,337	\$ 1,904,560
Receivables:			
Property taxes	1,119,272	-	1,119,272
Other	108,707	199,297	308,004
Due from other governmental agencies	396,862	-	396,862
Prepaid expenses	39,284	6,638	45,922
Inventories	90,316	-	90,316
Interfund balance	-	194,087	194,087
<b>Total current assets</b>	<b>3,123,664</b>	<b>935,359</b>	<b>4,059,023</b>
Noncurrent			
Unamortized bond costs and discounts	-	22,991	22,991
Capital assets not being depreciated	3,781,982	47,824	3,829,806
Capital assets being depreciated, net	6,441,535	4,169,863	10,611,398
<b>Total noncurrent assets</b>	<b>10,223,517</b>	<b>4,240,678</b>	<b>14,464,195</b>
<b>Total assets</b>	<b>\$ 13,347,181</b>	<b>\$ 5,176,037</b>	<b>\$ 18,523,218</b>
<b>Liabilities and Net Assets</b>			
Current			
Accounts payable	\$ 147,042	\$ 98,622	\$ 245,664
Accrued payroll	115,435	7,400	122,835
Accrued interest	-	23,290	23,290
Accrued vacation	159,263	-	159,263
Accrued insurance claims	30,785	2,240	33,025
Interfund balance	484,357	-	484,357
Deferred revenue	1,215,637	-	1,215,637
Deposits	57,550	-	57,550
Installment contracts	115,275	-	115,275
General obligation bonds	50,000	-	50,000
General obligation debt certificates	28,571	53,572	82,143
General obligation note	500,000	-	500,000
Alternate revenue bonds	325,000	-	325,000
Revenue bonds	-	160,000	160,000
Capital lease	-	6,500	6,500
<b>Total current liabilities</b>	<b>3,228,915</b>	<b>351,624</b>	<b>3,580,539</b>
Noncurrent			
Installment contracts	318,741	-	318,741
General obligation bonds	795,000	-	795,000
General obligation debt certificates	371,429	696,428	1,067,857
Alternate revenue bonds	6,870,000	-	6,870,000
Revenue bonds	-	355,000	355,000
Capital lease	-	112,000	112,000
Compensated absences	30,425	-	30,425
Pension obligations	579,275	-	579,275
<b>Total noncurrent liabilities</b>	<b>8,964,870</b>	<b>1,163,428</b>	<b>10,128,298</b>
<b>Total liabilities</b>	<b>12,193,785</b>	<b>1,515,052</b>	<b>13,708,837</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	1,134,501	3,349,187	4,483,688
Restricted for other purposes	581,925	-	581,925
Unrestricted (deficit)	(563,030)	311,798	(251,232)
<b>Total net assets</b>	<b>1,153,396</b>	<b>3,660,985</b>	<b>4,814,381</b>
<b>Total liabilities and net assets</b>	<b>\$ 13,347,181</b>	<b>\$ 5,176,037</b>	<b>\$ 18,523,218</b>

See Notes to Basic Financial Statements.

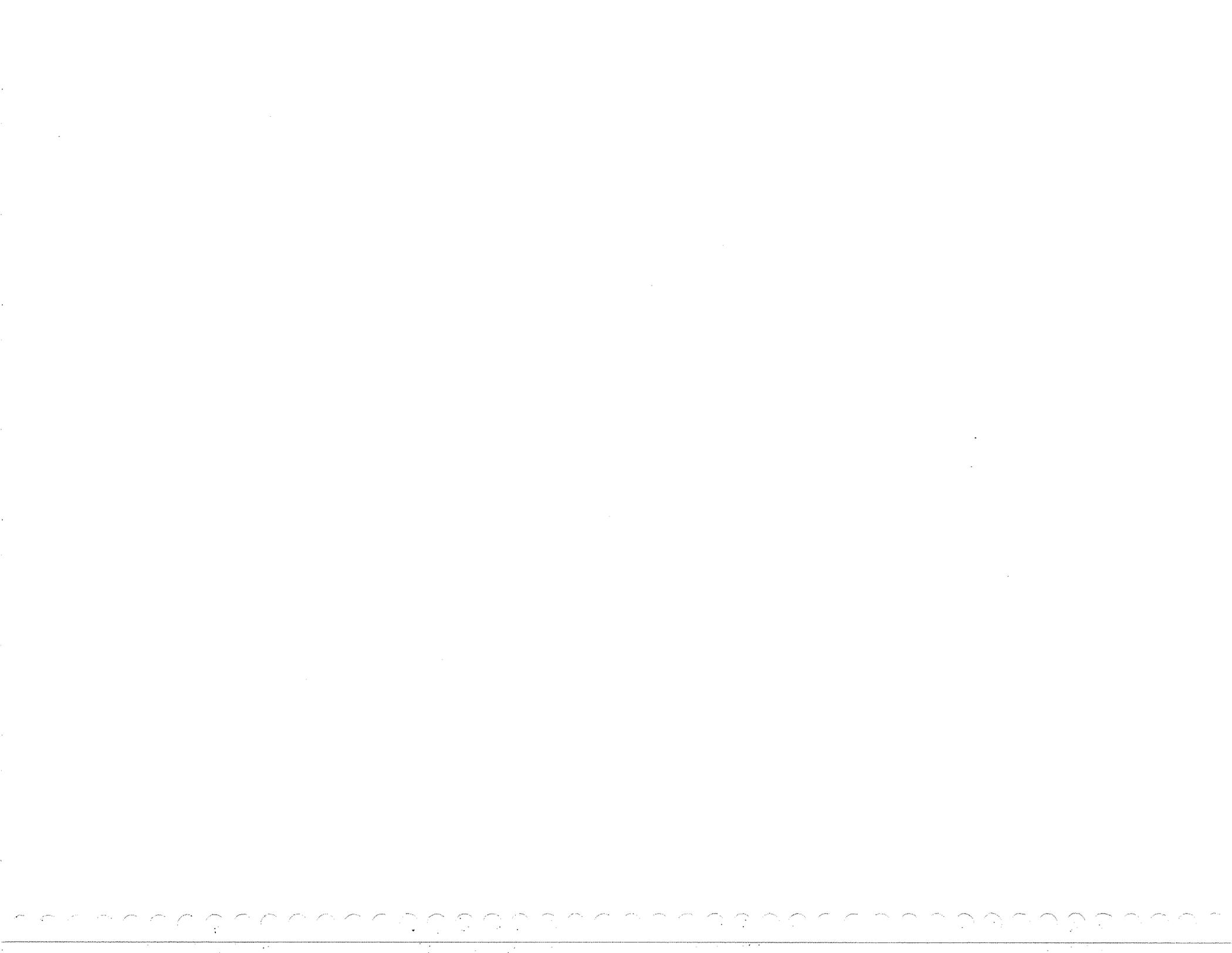
Village of Worth, Illinois

Statement of Activities  
Year Ended April 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 1,646,952	\$ 919,390	\$ 69,952	\$ (657,610)	\$ -	\$ (657,610)
Building department	124,299	117,020	-	(7,279)	-	(7,279)
Boat launch	16,258	-	-	(16,258)	-	(16,258)
Health department	5,905	-	-	(5,905)	-	(5,905)
Fire department	285,172	-	105,000	(180,172)	-	(180,172)
Ambulance and paramedic department	882,250	167,263	-	(714,987)	-	(714,987)
Police department	2,576,605	165,307	-	(2,411,298)	-	(2,411,298)
Street and bridge	448,565	-	-	(448,565)	-	(448,565)
Crossing guard	43,756	-	-	(43,756)	-	(43,756)
Golf course	1,605,071	1,934,333	-	329,262	-	329,262
Worth days	43,874	61,874	-	18,000	-	18,000
Motor fuel tax project	243,347	-	-	(243,347)	-	(243,347)
Senior citizens	5,484	-	-	(5,484)	-	(5,484)
Interest	475,218	-	-	(475,218)	-	(475,218)
Total governmental activities	8,402,754	3,365,187	174,952	(4,862,615)	-	(4,862,615)
<b>Business-type activities:</b>						
Waterworks and sewerage	1,811,640	1,536,155	-	-	(275,485)	(275,485)
Commuter parking lot	85,865	60,036	-	-	(25,829)	(25,829)
Total business-type activities	1,897,505	1,596,191	-	-	(301,314)	(301,314)
<b>Total</b>	<b>\$ 10,300,259</b>	<b>\$ 4,961,378</b>	<b>\$ 174,952</b>	<b>(4,862,615)</b>	<b>(301,314)</b>	<b>(5,163,929)</b>
<b>General revenues</b>						
<b>Taxes:</b>						
Property				2,097,948	-	2,097,948
Other				2,371,643	-	2,371,643
Interest				19,556	2,914	22,470
Miscellaneous				305,505	20,067	325,572
Total general revenues, contributions and transfers				4,794,652	22,981	4,817,633
Change in net assets				(67,963)	(278,333)	(346,296)
<b>Net assets:</b>						
May 1, 2004 (Note 12)				1,221,359	3,939,318	5,160,677
April 30, 2005				\$ 1,153,396	\$ 3,660,985	\$ 4,814,381

See Notes to Basic Financial Statements.

**Fund Financial Statements (FFS)**



Village of Worth, Illinois

Balance Sheet - Governmental Funds  
April 30, 2005

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 613,813	\$ 755,410	\$ -	\$ 1,369,223
Receivables:				
Property taxes	1,119,272	-	-	1,119,272
Other	108,707	-	-	108,707
Due from other funds	351,905	-	-	351,905
Due from other governmental agencies	370,634	26,228	-	396,862
Prepays	39,284	-	-	39,284
Inventories	90,316	-	-	90,316
<b>Total assets</b>	<b>\$ 2,693,931</b>	<b>\$ 781,638</b>	<b>\$ -</b>	<b>\$ 3,475,569</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 130,841	\$ 15,474	\$ 727	\$ 147,042
Accrued payroll	114,944	491	-	115,435
Accrued vacation	159,263	-	-	159,263
Accrued insurance claims	30,785	-	-	30,785
Deferred revenue	1,215,637	-	-	1,215,637
Deposits	57,550	-	-	57,550
Due to other funds	484,357	10,941	340,964	836,262
<b>Total liabilities</b>	<b>2,193,377</b>	<b>26,906</b>	<b>341,691</b>	<b>2,561,974</b>
<b>Fund Balances</b>				
Reserved for:				
Prepays	39,284	-	-	39,284
Inventory	90,316	-	-	90,316
Unreserved (deficits):				
General fund	370,954	-	-	370,954
Special revenue funds	-	754,732	(18,104)	736,628
Capital projects funds	-	-	(323,587)	(323,587)
	500,554	754,732	(341,691)	913,595
<b>Total liabilities and fund balances</b>	<b>\$ 2,693,931</b>	<b>\$ 781,638</b>	<b>\$ -</b>	<b>\$ 3,475,569</b>

See Notes to Financial Statements.

Village of Worth, Illinois

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2005

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Total fund balances - governmental funds	\$	913,595
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds		
		10,223,517
Some liabilities reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:		
These activities consist of:		
Installment contracts		(434,016)
General obligation bonds		(845,000)
General obligation note		(500,000)
General obligation debt certificates		(400,000)
Alternate revenue bonds		(7,195,000)
Compensated absences		(30,425)
Pension obligations		(579,275)
		<hr/>
Net assets of governmental activities	\$	<u>1,153,396</u>

See Notes to Basic Financial Statements.

Village of Worth, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended April 30, 2005

	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 2,097,948	\$ -	\$ -	\$ 2,097,948
Sales taxes	736,914	-	-	736,914
Intergovernmental	1,307,986	366,743	-	1,674,729
Licenses, permits, and fees	1,027,495	-	-	1,027,495
Fines and forfeits	165,307	-	-	165,307
Charges for service:				
Golf course	1,934,333	-	-	1,934,333
Other	238,052	-	-	238,052
Interest	11,943	7,613	-	19,556
Other	438,701	-	1,756	440,457
<b>Total revenues</b>	<b>7,958,679</b>	<b>374,356</b>	<b>1,756</b>	<b>8,334,791</b>
<b>Expenditures:</b>				
Current:				
General government	1,564,176	-	-	1,564,176
Building department	124,299	-	-	124,299
Boat launch	16,258	-	-	16,258
Health department	5,905	-	-	5,905
Fire department	270,839	-	-	270,839
Ambulance and paramedic department	837,908	-	-	837,908
Police department	2,447,105	-	-	2,447,105
Street and bridge	426,020	-	-	426,020
Crossing guard	43,756	-	-	43,756
Golf course	1,524,400	-	-	1,524,400
Worth days	43,874	-	-	43,874
Motor fuel tax project	-	231,116	-	231,116
Senior citizens	-	-	5,484	5,484
Capital projects	-	-	7,466	7,466
Debt service:				
Golf course principal	258,662	-	-	258,662
Other principal	80,490	-	-	80,490
Golf course interest	434,248	-	-	434,248
Other interest	40,970	-	-	40,970
<b>Total expenditures</b>	<b>8,118,910</b>	<b>231,116</b>	<b>12,950</b>	<b>8,362,976</b>
Excess (deficiency) of revenues over (under) expenditures	(160,231)	143,240	(11,194)	(28,185)
Other financing sources (uses):				
Bond issue proceeds	740,000	-	-	740,000
Net changes in fund balances	579,769	143,240	(11,194)	711,815
Fund balances:				
May 1, 2004	(79,215)	611,492	(330,497)	201,780
April 30, 2005	\$ 500,554	\$ 754,732	\$ (341,691)	\$ 913,595

See Notes to Financial Statements.

Village of Worth, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended April 30, 2005

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Net change in fund balances—total governmental funds	\$	711,815
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$	41,432	
Depreciation expense		(420,362)	(378,930)

Some capital additions were financed through the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from:

General obligation note	(500,000)
Alternative revenue bonds	(240,000)
Installment contract	(90,000)

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

Installment contracts	144,152
General obligation bonds	45,000
Alternate revenue bonds	240,000

Change in net assets of governmental activities	\$	(67,963)
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See Notes to Basic Financial Statements.

Village of Worth, Illinois

Statement of Net Assets - Enterprise Funds  
April 30, 2005

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 332,757	\$ 202,580	\$ 535,337
Accounts receivable:			
Customers	57,636	-	57,636
Unbilled services	139,297	-	139,297
Other	2,364	-	2,364
Prepaid insurance	6,638	-	6,638
Due from other funds	60,756	133,331	194,087
<b>Total current assets</b>	<b>599,448</b>	<b>335,911</b>	<b>935,359</b>
Deferred bond issuance costs	22,991	-	22,991
Property and equipment	8,357,161	946,967	9,304,128
Less: Accumulated depreciation	4,567,390	519,051	5,086,441
	3,789,771	427,916	4,217,687
<b>Total assets</b>	<b>4,412,210</b>	<b>763,827</b>	<b>5,176,037</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	98,019	603	98,622
Accrued payroll	7,007	393	7,400
Accrued interest	23,290	-	23,290
Insurance claims	2,240	-	2,240
Current maturities of revenue bonds	160,000	-	160,000
Current maturities of debt certificates	53,572	-	53,572
Current maturities of capital lease	6,500	-	6,500
<b>Total current liabilities</b>	<b>350,628</b>	<b>996</b>	<b>351,624</b>
Long term Liabilities, net of current maturities			
Maturities of revenue bonds	355,000	-	355,000
Maturities of debt certificates	696,428	-	696,428
Maturities of capital lease	112,000	-	112,000
<b>Total liabilities</b>	<b>1,514,056</b>	<b>996</b>	<b>1,515,052</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	2,921,271	427,916	3,349,187
Unrestricted, (deficit)	(23,117)	334,915	311,798
<b>Total net assets</b>	<b>\$ 2,898,154</b>	<b>\$ 762,831</b>	<b>\$ 3,660,985</b>

See Notes to Financial Statements.

Village of Worth, Illinois

Statement of Revenues, Expenses, and Changes in Net Assets -  
Enterprise Funds  
Year Ended April 30, 2005

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Operating revenues:			
Water and sewer charges	\$ 1,536,155	\$ -	\$ 1,536,155
Commuter parking fees	-	60,036	60,036
Other fees and charges	19,067	1,000	20,067
<b>Total operating revenues</b>	<b>1,555,222</b>	<b>61,036</b>	<b>1,616,258</b>
Operating expenses:			
Operations	1,562,843	45,445	1,608,288
Depreciation and amortization	186,811	40,420	227,231
<b>Total operating expenses</b>	<b>1,749,654</b>	<b>85,865</b>	<b>1,835,519</b>
<b>Operating (loss)</b>	<b>(194,432)</b>	<b>(24,829)</b>	<b>(219,261)</b>
Nonoperating revenues (expenses):			
Interest income	1,361	1,553	2,914
Interest expense	(61,986)	-	(61,986)
<b>Change in net assets</b>	<b>(255,057)</b>	<b>(23,276)</b>	<b>(278,333)</b>
Net assets:			
May 1, 2004	3,153,211	786,107	3,939,318
April 30, 2005	\$ 2,898,154	\$ 762,831	\$ 3,660,985

See Notes to Financial Statements.

Village of Worth, Illinois

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2005

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received for services	\$ 1,585,409	\$ 61,036	\$ 1,646,445
Payments to employees	(365,537)	(18,173)	(383,710)
Payments to suppliers	(1,208,192)	(26,530)	(1,234,722)
Net cash provided by (used in) operating activities	11,680	16,333	28,013
<b>Cash Flows from Noncapital Financing Activities</b>			
Decreases in due from other funds	152,680	5,635	158,315
Net cash provided by noncapital financing activities	152,680	5,635	158,315
<b>Cash Flows from Capital and Related Financing Activities</b>			
Additions to property and equipment	(505,000)	-	(505,000)
Bond principal payments	(260,000)	-	(260,000)
Bond interest payments	(61,986)	-	(61,986)
Capital lease additions	125,000	-	125,000
Capital lease payments	(6,500)	-	(6,500)
Net cash (used in) capital and related financing activities	(708,486)	-	(708,486)
<b>Cash Flows from Investing Activities</b>			
Interest received	1,361	1,553	2,914
Net increase (decrease) in cash and cash equivalents	(542,765)	23,521	(519,244)
<b>Cash and cash equivalents:</b>			
May 1, 2004	875,522	179,059	1,054,581
April 30, 2005	\$ 332,757	\$ 202,580	\$ 535,337
<b>Reconciliation of operating (loss) to net cash provided by (used in) operating activities</b>			
Operating (loss)	\$ (194,432)	\$ (24,829)	\$ (219,261)
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>			
Depreciation and amortization	186,811	40,420	227,231
Changes in assets and liabilities			
Accounts receivable	30,187	-	30,187
Accounts payable	(10,886)	603	(10,283)
Accrued payroll	-	139	139
Total adjustments	206,112	41,162	247,274
Net cash provided by operating activities	\$ 11,680	\$ 16,333	\$ 28,013

See Notes to Financial Statements.

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Village of Worth, Illinois

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2005

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>Assets</b>			
Cash and cash equivalents	\$ 130,388	\$ 137,693	\$ 268,081
Investments	9,244,827	1,323,639	10,568,466
Accrued interest receivable	75,639	-	75,639
Due from other funds	130,157	160,113	290,270
<b>Total assets</b>	<b>\$ 9,581,011</b>	<b>\$ 1,621,445</b>	<b>\$ 11,202,456</b>
<b>Liabilities and net assets</b>			
Liabilities			
Accounts payable	\$ -	\$ 1,580	\$ 1,580
Net assets held in trust for employees' benefits	9,581,011	1,619,865	11,200,876
<b>Total liabilities and net assets</b>	<b>\$ 9,581,011</b>	<b>\$ 1,621,445</b>	<b>\$ 11,202,456</b>

See Notes to Financial Statements.

Village of Worth, Illinois

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2005

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>Additions</b>			
Contributions:			
Employer	\$ 225,192	\$ 138,473	\$ 363,665
Employee	119,928	59,990	179,918
Total contributions	<u>345,120</u>	<u>198,463</u>	<u>543,583</u>
Investment income:			
Net appreciation in fair value of investments	237,831	76,028	313,859
Interest	93,346	10,562	103,908
Total investment income	<u>331,177</u>	<u>86,590</u>	<u>417,767</u>
Less investment expense	<u>27,776</u>	<u>2,164</u>	<u>29,940</u>
Net investment gain	<u>303,401</u>	<u>84,426</u>	<u>387,827</u>
Total additions	648,521	282,889	931,410
Deductions, benefits			
Administrative expenses	716,467	117,408	833,875
Total deductions	<u>5,511</u>	<u>17,707</u>	<u>23,218</u>
	<u>721,978</u>	<u>135,115</u>	<u>857,093</u>
Changes in net assets	(73,457)	147,774	74,317
Net assets held in trust for employee's benefits:			
May 1, 2004 (Note 12)	<u>9,654,468</u>	<u>1,472,091</u>	<u>11,126,559</u>
April 30, 2005	<u>\$ 9,581,011</u>	<u>\$ 1,619,865</u>	<u>\$ 11,200,876</u>

See Notes to Financial Statements.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

##### Nature of Activities

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

The accounting policies of the Village of Worth conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### *Financial Reporting Entity*

Accounting principles generally accepted in the United States of America require the reporting entity to include (1) the primary government, (2) organizations for which the primary government is financially accountable for, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria there are no potential component units which should be included with the Village's general purpose financial statements nor is the Village considered to be a potential component unit of any other government.

##### *Government-wide and Fund Financial Statements*

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

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

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

##### ***Government-wide and Fund Financial Statements (continued)***

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

***Fund Financial Statements:*** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, and Motor Fuel Tax Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds – Waterworks and Sewerage Fund and Commuter Parking Lot Fund.

The Village administers the following major governmental funds:

***General Fund*** – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

***Motor Fuel Tax Fund*** – This Fund is used to account for revenue sources that are legally restricted for road maintenance projects.

The Village administers the following major proprietary funds:

***Waterworks and Sewerage Fund*** – Accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

***Commuter Parking Lot Fund*** – Accounts for the provision of the Commuter Parking Lot services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

##### ***Measurement Focus and Basis of Accounting and Financial Statement Presentation***

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

**Village of Worth, Illinois**

**Notes to Basic Financial Statements**

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

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

**Cash and cash equivalents**

For purposes of reporting cash flows, all highly liquid investments (including restricted amounts) with original maturities of three months or less when purchased are considered to be cash and cash equivalents.

**Investments**

Investments are stated at fair value.

**Interfund Receivables, Payables, and Activity**

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Prepaid items**

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

**Capital Assets**

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system, furniture and fixtures, vehicles, and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Village of Worth, Illinois

**Notes to Basic Financial Statements**

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

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

**Capital Assets (continued)**

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

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	15 - 40 years
Waterworks and Sewerage system	10 - 50 years
Machinery and equipment	5 - 20 years
Infrastructure	40 years

**Deferred Revenue**

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

**Compensated Absences**

It is the Village's policy to permit employees to accumulated earned but unused vacation benefits. All vacation is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is recorded in the governmental funds only if they have matured, as a result of employee resignations or retirements.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Items such as premiums, discounts, bond issuance costs and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

**Village of Worth, Illinois**

**Notes to Basic Financial Statements**

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

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

**Long-Term Obligations (continued)**

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Restricted Net Assets**

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

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.

**Fund Balance Reserves or Designations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

**Elimination and Reclassification**

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

##### New Accounting Pronouncements

Effective May 1, 2004, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the Village's financial statements. They require new information and restructure much of the information that the Village has presented in the past.

Effective May 1, 2004, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds financial statement note disclosures.

Effective May 1, 2004, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

#### 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 accounting principles generally accepted in the United States of America (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.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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#### Note 3. Property Taxes

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

Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. A reduction for collection losses based on historical collection experience has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue.

#### Note 4. Cash and Investments

The Village's investment policy is to establish cash management and investment guidelines for Village Officials responsible for the stewardship of public funds. The Village has established specific objectives to meet its guidelines.

The Village deposits and invests all its monies in investments allowed by state statutes. The statutes authorize the Village 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, the Illinois Funds and the Illinois Metropolitan Investment Fund. 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, 2005, the carrying amount of the Village's deposits was \$1,362,155 with the bank balances of \$1,602,746. Of this amount, \$492,757 was covered by federal depository insurance and \$1,109,989 was collateralized with securities held by the Village or its agent in the Village's name.

Village of Worth, Illinois

Notes to Basic Financial Statements

**Note 4. Cash and Investments (continued)**

Investments: The Village's investment in U.S. government securities is categorized below to give an indication of the level of risk assumed by the Village at year-end. 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 with the securities held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered securities with the securities held by the counterparty, or its trust department or by its agent but not in the Village's name.

	Carrying Amount			Total
	Category			
	1	2	3	
U.S. government securities	\$ 6,981,315	\$ -	\$ -	\$ 6,981,315
State and local governmental obligations	38,824	-	-	38,824
	<u>\$ 7,020,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,020,139</u>
Investments not subject to risk categorization:				
Illinois Funds				810,486
Mutual funds				<u>3,548,327</u>
				<u>\$ 11,378,952</u>

The above deposits of \$1,362,155 and investments of \$11,378,952 totaling \$12,741,107 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 1,904,560
Fiduciary Funds:	
Cash and cash equivalents	268,081
Investments	<u>10,568,466</u>
<b>Total</b>	<u>\$ 12,741,107</u>

Village of Worth, Illinois

Notes to Basic Financial Statements

**Note 5. Capital Assets**

A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2005 is as follows:

	Balance at April 30, 2004	Additions	Deletions	Balance at April 30, 2005
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,781,982	\$ -	\$ -	\$ 3,781,982
Capital assets being depreciated:				
Building and Improvements	6,291,401	-	-	6,291,401
Machinery and equipment	3,057,396	41,432	-	3,098,828
Infrastructure	3,916,374	-	-	3,916,374
Total capital assets being depreciated	13,265,171	41,432	-	13,306,603
Less accumulated depreciation for:				
Building and Improvements	(1,844,296)	(199,024)	-	(2,043,320)
Machinery and equipment	(1,325,108)	(193,099)	-	(1,518,207)
Infrastructure	(3,275,302)	(28,239)	-	(3,303,541)
Total accumulated depreciation	(6,444,706)	(420,362)	-	(6,865,068)
Total capital assets being depreciated, net	6,820,465	(378,930)	-	6,441,535
Governmental activities Capital assets, net	\$ 10,602,447	\$ (378,930)	\$ -	\$ 10,223,517

Village of Worth, Illinois

Notes to Basic Financial Statements

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

A summary of changes in the capital assets for business-type activities of the Village for the year ended April 30, 2005 is as follows:

	Balance at April 30, 2004	Additions	Deletions	Balance at April 30, 2005
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 47,824	\$ -	\$ -	\$ 47,824
Construction in progress	346,441	(346,441)	-	-
Total capital assets not being depreciated	394,265	(346,441)	-	47,824
Capital assets being depreciated:				
Waterworks and sewerage system	7,209,091	851,441	-	8,060,532
Machinery and equipment	433,056	-	-	433,056
Commuter parking lot	762,716	-	-	762,716
Total capital assets being depreciated	8,404,863	851,441	-	9,256,304
Less accumulated depreciation for:				
Waterworks and sewerage system	(4,217,216)	(168,671)	-	(4,385,887)
Machinery and equipment	(317,309)	(22,896)	-	(340,205)
Commuter parking lot	(335,437)	(24,912)	-	(360,349)
Total accumulated depreciation	(4,869,962)	(216,479)	-	(5,086,441)
Total capital assets being depreciated, net	3,534,901	634,962	-	4,169,863
Business-type activities				
Capital assets, net	\$ 3,929,166	\$ 288,521	\$ -	\$ 4,217,687

**Village of Worth, Illinois**

**Notes to Basic Financial Statements**

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

Depreciation was charged to functions/programs as follows:

Governmental activities:

General government	\$	90,052
Fire department		15,593
Ambulance and paramedic department		48,240
Police department		140,884
Street and bridge		24,527
Golf course		87,762
Motor fuel tax project		13,306
	<u>\$</u>	<u>420,362</u>

Business-type activities

Waterworks and sewerage	\$	186,811
Commuter parking lot		40,420
	<u>\$</u>	<u>227,231</u>

**Note 6. Long-Term Obligations**

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2005:

	Outstanding Debt as of May 1, 2004	Additions	Reductions	Outstanding Debt as of April 30, 2005	Due within one year
Installment contracts	\$ 488,168	\$ 90,000	\$ 144,152	\$ 434,016	\$ 115,275
General obligation bonds	890,000	-	45,000	845,000	50,000
General obligation note	-	500,000	-	500,000	500,000
Alternate revenue bonds	7,195,000	240,000	240,000	7,195,000	325,000
General obligation debt certificates	400,000	-	-	400,000	28,571
Compensated absences	30,425	-	-	30,425	-
Pension obligations	579,275	-	-	579,275	-
	<u>\$ 9,582,868</u>	<u>\$ 830,000</u>	<u>\$ 429,152</u>	<u>\$ 9,983,716</u>	<u>\$ 1,018,846</u>

Village of Worth, Illinois

Notes to Basic Financial Statements

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

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2005:

	Outstanding Debt as of May 1, 2004	Additions	Reductions	Outstanding Debt as of April 30, 2005	Due within one year
Revenue bonds	\$ 775,000	\$ -	\$ 260,000	\$ 515,000	\$ 160,000
General obligation debt certificates	750,000	-	-	750,000	53,572
Capital lease	-	125,000	6,500	118,500	6,500
	<u>\$ 1,525,000</u>	<u>\$ 125,000</u>	<u>\$ 266,500</u>	<u>\$ 1,383,500</u>	<u>\$ 220,072</u>

Outstanding debt as of April 30, 2005, consists of the following:

General Obligation Bond:

General Obligation Working Cash Bonds, Series 1994 dated January 16, 1995 with bonds due in annual principal maturities of \$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. This bond is serviced by the Village's General Fund.

\$ 285,000

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. This bond is serviced by the Golf Course Fund.

560,000

\$ 845,000

General Obligation Debt Certificates:

2004 General Obligation Debt Certificates dated January 26, 2004 with bonds due in principal maturities of \$82,143 in 2006 through 2018, and \$82,141 in 2019. Interest between 1.85% and 4.90% is due on January 26 and July 26. \$400,000 general government and \$750,000 enterprise fund. \$400,000 of this debt certificate is to be serviced from the General Fund and \$750,000 is to be serviced from the Water and Sewer Fund.

\$ 1,150,000

General Obligation Note:

2005 General Obligation Note dated March 8, 2005 with a final maturity on March 8, 2006. Interest, which was 3.6% as of April 30, 2005, will be paid quarterly at a variable rate. This note is serviced by the General Fund.

\$ 500,000

Village of Worth, Illinois

Notes to Basic Financial Statements

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

Installment Notes:

Installment note dated February 5, 2003 for the purchase of a dump truck is due in semiannual payments of \$7,566 including principal and interest at a rate of approximately 3% on October 1 and April 1 of each year through 2007. This note is serviced by the Street and Bridge Fund.	\$ 29,154
Installment note dated March 1, 2004 for the purchase of golf carts is due in monthly payments (May through October) of \$7,150 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	117,622
Installment note dated March 1, 2004 for the purchase of a workhorse cart is due in monthly payments (May through October) of \$298 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	4,903
Installment note dated March 1, 2004 for the purchase of a workhorse carts is due in monthly payments (May through October) of \$186 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	3,066
Installment note dated March 1, 2004 for the purchase of two groundskeeping golf carts is due in monthly payments (May through October) of \$321 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	5,283
Installment note dated March 1, 2004 for the purchase of the GPS system for golf carts is due in monthly payments (May through October) of \$10,100 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	166,395
Installment note dated June 1, 2004 for the purchase of a groundskeeping mower is due in monthly payments (June through November) of \$1,068 including principal and interest at a rate of approximately 5% each year through 2008. This note is serviced by the Golf Course Fund.	17,593
Installment note dated November 19, 2003 for the purchase of an ambulance is due in one payment of \$90,000 on November 19, 2005. The interest is at a rate of 2% and is due on November 19, 2005. This note is serviced by the Golf Course Fund.	<u>90,000</u>
	<u>\$ 434,016</u>

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

##### 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 \$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. This bond is serviced by the Golf Course Fund.

\$ 1,000,000

Golf Course and Recreational Facility Alternate Revenue Refunding Bonds, Series 2004 dated December 27, 2004 with Bonds due in principal maturity of \$240,000 in 2010, with a 3.9% interest rate. The Village has pledged revenues from the Golf Course Fund operations to fund the repayment of the alternate revenue bonds. This bond is serviced by the Golf Course Fund.

240,000

General Obligation Refunding Bonds (Alternate Revenue Source) Series 1999A dated May 1, 1999 with bonds due in annual principal maturities of \$40,000 in 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. This bond is serviced by the Golf Course Fund.

5,955,000

\$ 7,195,000

##### Revenue Bonds:

1994 Water and Sewer Refunding Bonds dated November 1, 1994 with bonds due in principal maturities of \$5,000 in 2004 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. This bond is serviced by the Water and Sewer Fund.

\$ 240,000

Water and Sewer Revenue Bonds, Series 1998B dated April 28, 1998 with bonds due in annual principal maturities of \$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. This bond is serviced by the Water and Sewer Fund.

275,000

\$ 515,000

##### Capital Lease:

Capital lease dated May 1, 2004 for the purchase of truck mounted high pressure cleaner is due in annual installments of \$6,500. Interest is at an average rate of 2%. This lease is serviced by the Water and Sewer Fund.

\$ 118,500

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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

The future annual debt service requirements on the outstanding debt, other than compensated absences of \$30,425 and net pension obligation of \$579,275 and including interest of \$3,272,820, are as follows:

	General Obligation Bonds/Notes	General Obligation Debt Certificates	Installment Notes	Alternate Revenue Bonds	Revenue Bonds	Total
2006	\$ 119,688	\$ 624,991	\$ 230,539	\$ 697,396	\$ 187,485	\$ 1,860,099
2007 - 2011	608,800	549,659	287,478	4,099,800	377,989	5,923,726
2012 - 2016	612,750	512,623	39,150	4,763,549	-	5,928,072
2017 and beyond	-	267,559	50,880	-	-	318,439
	<u>\$ 1,341,238</u>	<u>\$ 1,954,832</u>	<u>\$ 608,047</u>	<u>\$ 9,560,745</u>	<u>\$ 565,474</u>	<u>\$ 14,030,336</u>

#### Note 7. Prior-Year Defeasance of Debt

The Village has defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2005, \$6,135,000 of bonds outstanding are considered defeased.

#### Note 8. Employee Retirement Plans

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

##### Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF 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 financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2005 was 5.64 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 10 years.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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#### Note 8. Employee Retirement Plans (continued)

For April 30, 2005, the Village's annual pension cost of \$56,423 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

#### Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	
4/30/05	\$ 56,423	100	%
4/30/04	36,711	100	
4/30/03	32,366	100	

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 experience study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

#### **Police Pension Plan**

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2005 was 15.20 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Village of Worth, Illinois

Notes to Basic Financial Statements

**Note 8. Employee Retirement Plans (continued)**

The Village's annual pension cost and net pension asset to the Plan for the year ended April 30, 2005 were as follows:

Annual required contribution	\$ 159,427
Interest on net pension obligation	-
Adjustment to annual requirement contribution	-
Annual pension cost	<u>159,427</u>
Contributions made	<u>159,427</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the year ended April 30, 2005, was determined as part of the April 30, 2004, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5.5%, (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2004, was 29 years.

Trend Information

Fiscal Year Ending	Annual Required Contribution (ARC)	Annual Contributions Made	Percentage of ARC Contributed	Net Pension Obligation
4/30/04	\$ 159,427	\$ 159,427	100	\$ -
4/30/03	*	*	*	*

\* Information not available

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

Retirees and beneficiaries receiving benefits	17
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	10
Active nonvested plan members	<u>11</u>
<b>Total members</b>	<u><u>40</u></u>

Village of Worth, Illinois

Notes to Basic Financial Statements

Note 8. Employee Retirement Plans (continued)

Firefighters' Pension Plan

Fire-sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand-alone report.

Covered employees are required to contribute 8.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2005, was 13.60% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2005, were as follows:

Annual required contribution	\$ 200,000
Interest on net pension obligation	34,301
Adjustment to annual requirement contribution	<u>(20,129)</u>
Annual pension cost	214,172
Contributions made	<u>92,243</u>
Increase in net pension obligation	121,929
Net pension obligation, beginning of year	<u>457,346</u>
Net pension obligation, end of year	<u>\$ 579,275</u>

The required contribution for the year ended April 30, 2005, was determined as part of the April 30, 2004, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5.5%, and (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2004, was 29 years.

Fiscal Year Ending	Annual Required Contribution (ARC)	Annual Contributions Made	Percentage of ARC Contributed	Net Pension Obligation
4/30/04	\$ 214,172	\$ 92,243	100	\$ 579,275
4/30/03	*	*	*	*

\* Information not available

Village of Worth, Illinois

Notes to Basic Financial Statements

**Note 8. Employee Retirement Plans (continued)**

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

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	5
Active nonvested plan members	8
	8
<b>Total members</b>	<b>13</b>

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

Individual interfund receivable and payable balances as of April 30, 2005, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental:		
General:		
Motor Fuel Tax	\$ 10,941	\$ -
Waterworks and Sewerage	-	60,756
Commuter Parking Lot	-	133,331
Nonmajor Governmental	340,964	-
Agency	-	290,270
	351,905	484,357
Motor Fuel Tax:		
General	-	10,941
Major Business-type,		
Waterworks and Sewerage,		
General	60,756	-
Commuter Parking Lot,		
General	133,331	-
	194,087	-
Nonmajor Governmental,		
Senior Citizen,		
General	-	17,714
Boat Ramp,		
General	-	158,258
Recreational Facility,		
General	-	164,992
	-	340,964
Agency,		
Fire Pension,		
General	160,113	-
Police Pension,		
General	130,157	-
	290,270	-
<b>Total</b>	<b>\$ 836,262</b>	<b>\$ 836,262</b>

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

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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#### Note 10. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The Village is self-insured for workers' compensation, general liability and property coverages. Purchased insurance policies limit the aggregate claims the Village may potentially pay as follows:

General liability	\$1,500,000 each occurrence
Property	\$50,000 per occurrence
Workers' compensation	\$1,500,000 each occurrence

Claims paid have not exceeded policy coverage limits in any of the preceding three years.

As of April 30, 2005, all known claims and an estimate of those claims incurred but not reported have been recorded. The estimate was based upon a review of the Village historical data and information provided by an independent claims administrator of claims filed.

Changes in the aggregate claims payable for the year ended April 30, 2005 and 2004 were as follows:

	2005	2004
Claims liability, beginning of year	\$ 31,277	\$ 108,404
Incurred claims and changes in estimates	494,995	788,470
Claim payments	(499,387)	(865,597)
Claims liability, end of year	<u>\$ 26,885</u>	<u>\$ 31,277</u>

In March of 2005, the Village changed from being self insured for employee health and accident claims to a policy with Blue Cross and Blue Shield.

#### Note 11. Nursing Home Revenue Bonds

The Village issued nursing home revenue bonds to provide financial assistance in a previous year to a private sector entity for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loan. Upon payment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the Village nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of April 30, 2005, there was \$24,205,000 of bonds outstanding.

Village of Worth, Illinois

Notes to Basic Financial Statements

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**Note 12. Restatement**

Governmental Activities

The beginning net assets amount reported in the government-wide Statement of Activities (GWFS) has been restated to reflect the changes required by the transition to GASB No. 34 from the fund balance amount reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (FFS) as follows:

Fund balance, April 30, 2004	
General	\$ (79,215)
Motor fuel tax	611,492
Other governmental funds	(330,497)
	<u>201,780</u>
New standard adjustments:	
Capital assets, net	10,602,447
Long-term liabilities	(9,582,868)
	<u>(9,582,868)</u>
Governmental activities net assets, April 30, 2004	<u><u>\$ 1,221,359</u></u>

Police Pension Trust Fund Activities

The beginning net assets have been restated to reflect adjustments made to appreciation in fair value of investments. As a result of a prior year asset statement error the Village decreased beginning net assets and increased current year appreciation in fair value of investments. Management determined that a material amount of assets were incorrectly included in the prior year asset statement. The effect of the restatement is as follows:

Net Assets, April 30, 2004, as previously reported	\$ 10,559,332
Less: Prior period overstatement of asset	904,864
Net Assets, April 30, 2004, as restated	<u><u>\$ 9,654,468</u></u>

If the asset statement had been reported properly in previous years, net appreciation in fair value of investments would have decreased by approximately \$904,000 in the Police Pension Trust Fund.

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

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, which amends certain provisions of Statement No. 3. The Village is required to implement this statement for the year ending April 30, 2006. Management has not determined the impact this statement will have on the financial position and results of operations of the Village.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, will be effective for the Village beginning with its year ending April 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner. Management has not determined the impact this statement will have on the financial position and results of operations of the Village.

## Village of Worth, Illinois

### Notes to Basic Financial Statements

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#### **Note 13. Pronouncement Issued But Not Yet Adopted (continued)**

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, will be effective for the Village beginning with its year ending April 30, 2007. This statement requires that limitations on the use of net assets imposed by legislation be reported as restricted net assets. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 47, *Accounting for Termination Benefits*, will be effective for the Village in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of the statement should be implemented simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, this Statement will be effective for the Village beginning with its year ending April 30, 2007. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

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**Required Supplemental Information**



Village of Worth, Illinois

Illinois Municipal Retirement Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2004	\$ 2,544,502	\$ 2,381,685	\$ (162,817)	106.84 %	\$ 1,059,046	(15.37) %
12/31/2003	2,432,490	2,096,789	(335,701)	116.01	951,021	(35.30)
12/31/2002	2,255,898	1,907,054	(348,844)	118.29	978,738	(35.64)
12/31/2001	2,113,750	1,681,036	(432,714)	125.74	860,108	(50.31)
12/31/2000	1,927,025	1,565,580	(361,445)	123.09	840,412	(43.01)
12/31/1999	1,743,887	1,536,810	(207,077)	113.47	832,632	(24.87)

Village of Worth, Illinois

Police Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL is a Percentage of Covered Payroll ((b-a)/c)
04/30/2004	\$ 10,917,260	\$ 12,496,567	\$ 1,579,307	87.36	\$ 1,048,628	150.61
04/30/2003	N/A	N/A	N/A	N/A	N/A	N/A

Village of Worth, Illinois

Fire Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/04	\$ 1,472,092	\$ 2,264,537	\$ 792,445	0.65	\$ 678,122	116.86
4/30/03	N/A	N/A	N/A	N/A	N/A	N/A

Village of Worth, Illinois

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2005

	Original and Final Budget	Actual
Property taxes	\$ 2,100,000	\$ 2,097,948
Sales taxes	800,000	736,914
Intergovernmental	1,724,500	1,307,986
Licenses, permits and fees	718,200	1,027,495
Fines and forfeits	139,000	165,307
Charges for service:		
Golf course	2,115,000	1,934,333
Other	-	238,052
Interest	16,500	11,943
Other	932,200	438,701
<b>Total Revenues</b>	<b>\$ 8,545,400</b>	<b>\$ 7,958,679</b>

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2005

	Original and Final Budget	Actual
General Government:		
Village president salary	\$ 13,000	\$ 12,421
Liquor commissioner salary	5,000	4,290
Clerk/collector salary	42,900	22,414
Trustees salaries	32,400	32,400
Life insurance premiums	570,000	680,984
Legal fees	125,000	168,882
Programming costs	11,000	12,931
Publication of legal notices	3,500	810
Travel expenses for village officials	2,000	2,974
Reimbursed office expenses of village officials	3,000	1,476
Reimbursed office expenses of employees	1,000	783
Employment expenses	1,500	-
Training education	2,500	1,771
Professional memberships	5,000	16,398
Payroll software fee	-	3,922
Office supplies - administrative offices	12,000	11,271
Postage	15,000	13,264
Telephone service	15,000	14,936
Utilities	-	1,792
Office supplies - other departments	3,000	1,697
Office cleaning and custodial supplies	3,000	5,661
Building maintenance	5,000	2,108
Custodial services	8,000	861
Community relations expense	10,000	210
Economic development commission	10,000	1,930
Purchase of office equipment	10,000	368
Purchase of furniture	1,500	1,195
Purchase of other capital items	5,000	2,701
Maintenance contracts	12,000	3,086
Maintenance expenses	3,000	1,795
Senior citizen commission	1,000	46
Recreation services	40,000	445
Transportation services	35,000	-
Foreign fire insurance premiums	5,000	4,787
Social security / Medicare	110,000	59,968
(continued)		

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Illinois municipal retirement fund contributions	\$ 50,000	\$ 50,557
Auditing fees	40,000	35,459
Liability insurance	370,000	374,348
Contingencies / miscellaneous	10,000	13,235
<b>Total general government</b>	<b>1,591,300</b>	<b>1,564,176</b>
Building Department:		
Building commissioner salary	23,000	23,706
Building inspector salary	16,000	30,477
Plumbing inspector salary	3,000	2,230
Electrical inspector salary	5,000	7,153
HVAC inspector salary	3,000	680
Clerical staff salary	28,000	35,465
Ordinance officer salary	-	10,281
Professional fees	-	1,266
Hearing officer	-	1,844
Engineering fees	-	5,602
Officials costs	3,000	942
Court appearance costs	1,000	-
Printing expenses	-	1,050
Departmental supplies	5,000	224
Telephone service	500	24
Building maintenance	500	200
Contingencies	10,000	-
Training and education	-	528
Legal notices	-	1,190
Miscellaneous	-	1,437
<b>Total building department</b>	<b>98,000</b>	<b>124,299</b>
(continued)		

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Boat Launch Department:		
Attendant	\$ -	\$ 1,389
Telephone	-	251
Utilities	-	4,720
Maintenance	-	2,513
Equipment rental	-	1,251
Walking trail	-	4,319
Engineering fees	-	1,815
<b>Total boat launch department</b>	-	16,258
Health Department:		
Salary of health inspector	1,000	1,000
Health inspector fees	5,000	4,905
Department expenses	2,000	-
Training expense	500	-
<b>Total health department</b>	8,500	5,905
Fire Department:		
Fire chief salary	36,000	34,575
Legal fees	-	5,333
Central dispatch	25,000	17,510
Uniforms and personal equipment	10,000	8,305
Training costs	8,000	2,191
Travel	1,000	228
Officials costs	2,000	182
Employment costs	8,000	3,708
Membership and subscriptions	5,000	4,144
Departmental supplies	2,500	2,260
Postage	100	111
Telephone	6,000	4,725
Utilities	6,000	7,207
Custodial supplies	2,000	474
Fire prevention materials	3,000	1,433
Radio purchase and maintenance	10,000	2,464
(continued)		

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Furniture purchase	\$ 1,000	\$ -
Other equipment purchase	25,000	-
Maintenance - Equipment	3,500	8,413
Equipment rental	1,000	-
Vehicle maintenance	8,000	-
Fuel	18,000	18,295
Building maintenance	9,000	1,659
Vehicle purchase	400,000	2,683
Purchase of equipment	40,000	-
Hazardous material	5,000	5,000
Custodial expenses	1,000	478
Employer pension contribution	134,000	139,461
<b>Total fire department</b>	<b>770,100</b>	<b>270,839</b>
Paramedic Department:		
Chief salary	36,000	30,922
Overtime salary	115,000	70,909
Holiday	32,000	27,852
EMS coordinator	2,200	1,957
Shift commander/lieutenant	11,000	-
Paramedics	600,000	630,346
Professional fees	20,000	14,890
Medical fees	5,000	552
Central dispatch	20,000	17,510
Computer repair and maintenance	-	248
Uniforms and personal equipment	3,000	4,259
Training costs	5,000	790
Travel costs	1,000	-
Officials costs	1,000	-
Memberships and subscriptions	1,000	-
Maintenance contract	1,000	-
(continued)		

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Office supplies	\$ 1,000	\$ 707
Departmental supplies	1,500	1,402
Telephone	5,000	4,296
Custodial supplies	2,000	448
Medical supplies	5,000	6,929
Furniture purchase	1,000	-
Other equipment purchase	1,000	603
Maintenance expense	1,000	4,222
Paramedic equipment purchase	10,000	-
Maintenance costs vehicles	5,000	-
Fuel	20,000	18,295
Utilities	500	-
Office equipment	1,000	-
Building maintenance	4,000	143
Miscellaneous	1,000	628
Other legal fees	10,000	-
Postage	500	-
<b>Total paramedic department</b>	<b>922,700</b>	<b>837,908</b>
 Police Department:		
Clerical salary	140,000	115,664
Chief salary	72,000	70,896
Administrative assistant salary	30,000	23,597
Sergeants salary	315,000	312,628
Officers salary	920,000	905,921
Court time salary	18,000	10,395
Overtime salary	153,000	109,299
Holiday	52,000	52,130
Emergency police	16,000	17,389
Temporary Director of public safety	-	13,705
Animal warden	2,000	-
Golf course security	2,000	215
Other legal fees	10,000	131,410
Professional fees	10,000	5,940
Central dispatch	220,000	185,100
Uniforms and personal equipment	17,000	23,693
Training costs	8,000	7,410
Travel	1,000	1,037
(continued)		

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Employee costs	\$ 1,000	\$ 283
Membership and subscriptions	5,000	3,080
Employment costs	16,000	12,085
Office supplies	6,000	5,896
Departmental supplies	10,000	9,656
Postage	1,000	3,579
Telephone	16,000	14,501
Utilities	-	2,915
Custodial supplies	1,000	981
Prisoner costs	1,000	538
Radio purchase and maintenance	2,000	1,300
Animal warden supplies	3,000	2,909
Computer repair and maintenance	2,000	1,968
Office equipment purchase	1,500	2,314
Furniture purchase	1,500	858
Other equipment purchase	15,000	15,282
Maintenance costs - Equipment	3,000	1,293
Equipment rental	-	122
Maintenance - Vehicles	28,000	42,162
Fuel	20,000	15,087
Ammunition	7,000	-
Purchase of vehicles	53,000	47,452
Crime prevention	2,500	-
Custodial costs	12,000	8,501
Building maintenance	3,000	1,289
Bullet proof vests	3,000	1,845
Equipment rental	2,000	-
Confiscated cash expenditures	-	37,003
Miscellaneous	50,000	2,002
Contribution to police pension fund	243,000	225,775
<b>Total police department</b>	<b>2,494,500</b>	<b>2,447,105</b>

(continued)

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Street and Bridge:		
Clerical salary	\$ 11,000	\$ 2,258
Chipper labor	25,000	16,405
Street and alley labor	75,000	178,326
Drainage	15,000	10,208
Weed cutting	11,000	4,801
Walking trail	2,000	417
Signs	5,000	8,642
Refuse pickup	10,000	7,969
Leaf vacuum labor	35,000	13,238
Tree trim	3,000	746
Equipment maintenance	28,000	20,412
Culverts labor	2,000	-
Professional fees	1,000	119
Engineering fees	5,000	3,036
Uniforms and personal equipment	6,000	7,938
Employment costs	1,500	689
Membership and subscriptions	1,500	98
Office supplies	1,000	660
Departmental supplies	8,000	8,551
Telephone	7,000	5,221
Utilities	23,000	25,304
Custodial supplies	1,000	580
Material purchases	12,000	11,796
Street signs	3,000	2,200
Tree planting and removal	8,000	11,835
Materials for streets and alleys	4,000	-
Maintenance contracts	4,000	1,195
Maintenance	20,000	15,143
Equipment rental	22,000	22,951
Vehicle purchase	-	3,600
Maintenance - Vehicles	20,000	10,820
Fuel	20,000	18,295
Insurance premiums	2,500	925
Building maintenance	5,000	2,199
Training expense	1,000	-
Hot patch	5,000	3,069
Employee costs	1,000	-
Miscellaneous costs	-	6,374
<b>Total street and bridge</b>	<b>404,500</b>	<b>426,020</b>

(continued)

Village of Worth, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2005

	Original and Final Budget	Actual
Crossing Guard:		
Crossing guard salary	\$ 47,000	\$ 43,756
Golf course operations:		
Payroll expense	750,000	707,174
General administration	175,000	251,721
Course and grounds	210,000	198,525
Cart	120,000	117,102
Pro shop	10,000	67,369
Food and beverage	20,000	137,537
Range	15,000	9,678
Improvements	100,000	35,294
<b>Total golf course operations</b>	<b>1,400,000</b>	<b>1,524,400</b>
Worth Days:		
Worth days expense	-	43,874
Debt Service:		
Golf course principal	670,000	258,662
Other principal	-	80,490
Golf course interest	-	434,248
Other interest	-	40,970
	<b>670,000</b>	<b>814,370</b>
<b>Total expenditures</b>	<b>\$ 8,406,600</b>	<b>\$ 8,118,910</b>

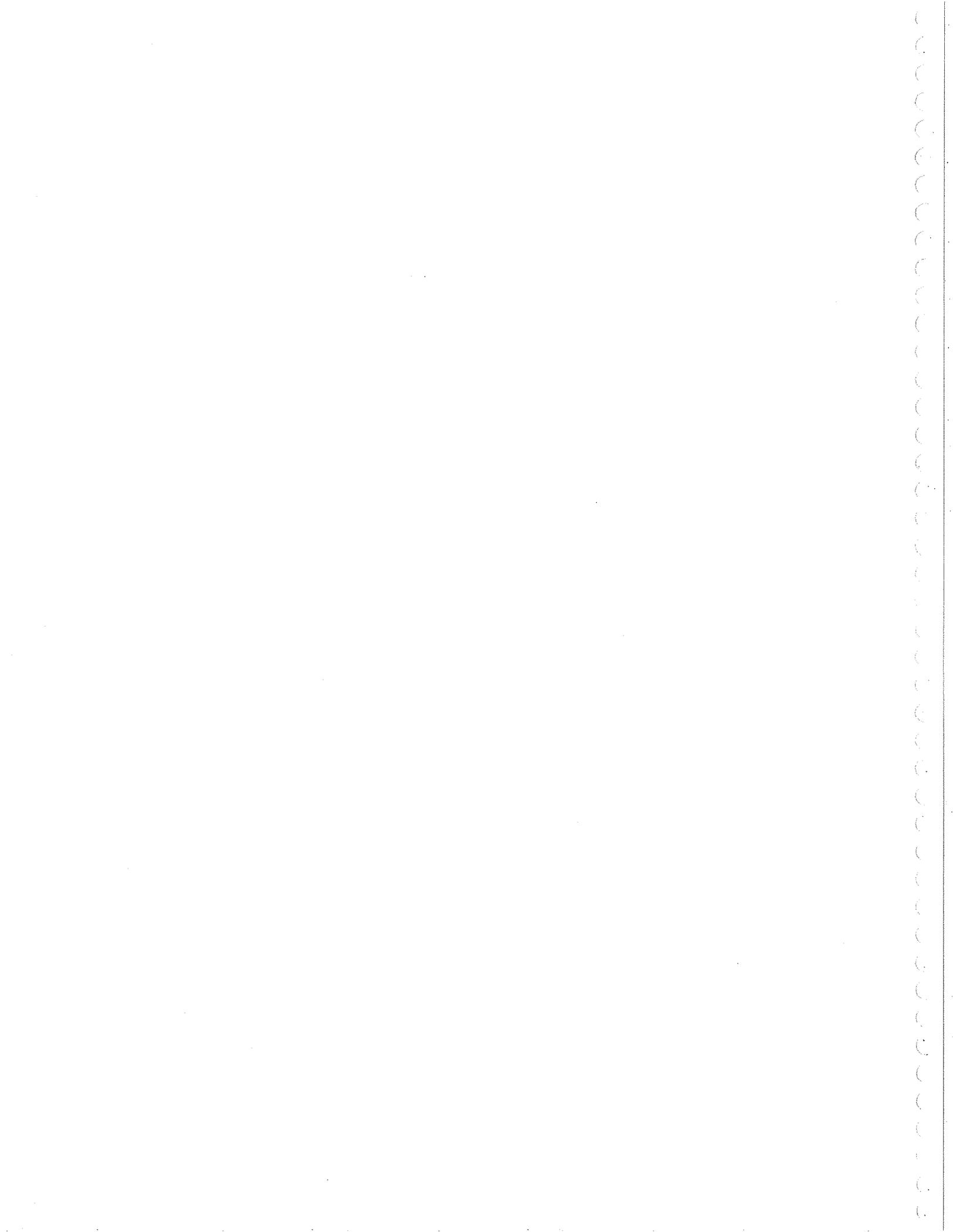
Village of Worth, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Motor Fuel Tax  
Year Ended April 30, 2005

	Original and Final Budget	Actual
Revenues:		
Intergovernmental	\$ 316,000	\$ 366,743
Interest	-	7,613
Total revenues	<u>316,000</u>	<u>374,356</u>
Expenditures, current, motor fuel tax project	<u>529,500</u>	<u>231,116</u>
Excess revenues or (expenditures)	<u>\$ (213,500)</u>	143,240
Fund balance:		
May 1, 2004		<u>611,492</u>
April 20, 2005		<u>\$ 754,732</u>

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**Supplemental Information**



**Nonmajor Governmental Funds**



Village of Worth, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2005

	Special Revenue Senior Citizen Fund	Boat Ramp Fund	Capital Projects Recreational Facility Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Total assets	\$ -	\$ -	\$ -	\$ -
<b>Liabilities</b>				
Accounts payable	\$ 390	\$ -	\$ 337	\$ 727
Due to other funds	17,714	158,258	164,992	340,964
Total liabilities	18,104	158,258	165,329	341,691
<b>Fund Balances</b>				
Unreserved (deficits)	(18,104)	(158,258)	(165,329)	(341,691)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -

Village of Worth, Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended April 30, 2005

	Special Revenue Senior Citizen Fund	Boat Ramp Fund	Capital Projects Recreational Facility Fund	Total Nonmajor Governmental Funds
Revenues:				
Other	\$ 1,756	\$ -	\$ -	\$ 1,756
Expenditures, current:				
Senior citizens projects	5,484	-	-	5,484
Capital projects	-	-	7,466	7,466
Total expenditures	5,484	-	7,466	12,950
Change in fund balance	(3,728)	-	(7,466)	(11,194)
Fund Balances (deficit):				
May 1, 2004	(14,376)	(158,258)	(157,863)	(330,497)
April 30, 2005	\$ (18,104)	\$ (158,258)	\$ (165,329)	\$ (341,691)

Village of Worth, Illinois

Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Tax Year					
	2004	2003	2002	2001	2000	1999
Assessed Valuations	\$ 154,099,262	\$ 151,601,636	\$ 152,886,719	\$ 127,285,512	\$ 122,137,629	\$ 125,822,177
Tax Rates:						
General	0.9900	1.0041	1.0358	1.2160	1.2093	1.1281
Garbage	0.0000	0.0000	0.0070	0.0081	0.0081	0.0120
IMRF	0.1007	0.1000	0.1011	0.1180	0.1176	0.1141
Police Pension	0.1434	0.1551	0.0662	0.0773	0.0770	0.0720
Fire Pension	0.1087	0.0776	0.0488	0.0570	0.0567	0.0560
Debt Service	0.0472	0.0465	0.0480	0.0556	0.0600	0.0000
<b>Total</b>	<b>1.3900</b>	<b>1.3833</b>	<b>1.3069</b>	<b>1.5320</b>	<b>1.5287</b>	<b>1.3822</b>
<b>Extended Tax Rate</b>	<b>1.391</b>	<b>1.384</b>	<b>1.307</b>	<b>1.532</b>	<b>1.529</b>	<b>1.382</b>
Tax Extensions:						
General	\$ 1,525,642	\$ 1,522,238	\$ 1,583,596	\$ 1,546,150	\$ 1,478,228	\$ 1,452,198
Garbage	-	-	10,702	10,308	10,300	15,450
IMRF	155,177	151,601	154,568	150,573	149,350	146,775
Police Pension	220,978	235,134	101,211	98,376	97,850	92,700
Fire Pension	169,046	117,642	74,608	72,514	72,100	72,100
Debt Service	72,752	70,455	73,409	70,784	73,304	-
	2,143,595	2,097,070	1,998,094	1,948,705	1,881,132	1,779,223
Road and Bridge	22,000	22,000	22,000	22,000	22,000	22,000
<b>Totals</b>	<b>\$ 2,165,595</b>	<b>\$ 2,119,070</b>	<b>\$ 2,020,094</b>	<b>\$ 1,970,705</b>	<b>\$ 1,903,132</b>	<b>\$ 1,801,223</b>
Tax collections	\$ 979,106	\$ 2,060,460	\$ 1,976,417	\$ 1,929,237	\$ 1,889,760	\$ 1,746,211
Percent collections	45.21%	97.23%	97.84%	97.90%	99.30%	96.95%

Village of Worth, Illinois

Debt Service Requirements  
April 30, 2005

	Year Ended April 30,	Principal	Interest	Total
General Obligation Working Cash Bonds,				
Series 1994:	2006	\$ 50,000	\$ 19,288	\$ 69,288
Dated January 16, 1995	2007	55,000	16,038	71,038
Interest payable on June	2008	55,000	12,462	67,462
and December 1 at rates	2009	60,000	8,750	68,750
between 4.30% and 7.00%	2010	65,000	4,550	69,550
Paying Agent: Founders Bank				
		<u>\$ 285,000</u>	<u>\$ 61,088</u>	<u>\$ 346,088</u>

General Obligation Limited Tax Bonds,				
Series 1999B:	2006	\$ -	\$ 50,400	\$ 50,400
Dated May 1, 1999	2007	-	50,400	50,400
Interest payable on January 1	2008	-	50,400	50,400
and June 1 at a rate of 9.00%	2009	-	50,400	50,400
Paying Agent: The Depository	2010	-	50,400	50,400
Trust Company	2011	80,000	50,400	130,400
	2012	85,000	43,200	128,200
	2013	95,000	35,550	130,550
	2014	100,000	27,000	127,000
	2015	100,000	18,000	118,000
	2016	100,000	9,000	109,000
		<u>\$ 560,000</u>	<u>\$ 435,150</u>	<u>\$ 995,150</u>

(continued)

Village of Worth, Illinois

Debt Service Requirements (Continued)  
April 30, 2005

	Year Ended April 30,	Principal	Interest	Total
<b>Installment Note:</b>				
Dated February 5, 2003	2006	\$ 14,574	\$ 558	\$ 15,132
Principal and Interest payable on March 1 and October 1 of each year at a rate of approximately 3%	2007	14,580	552	15,132
		<u>\$ 29,154</u>	<u>\$ 1,110</u>	<u>\$ 30,264</u>
<b>Installment Note:</b>				
Dated March 1, 2004	2006	\$ 37,236	\$ 5,664	\$ 42,900
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	39,174	3,726	42,900
	2008	41,212	1,668	42,880
		<u>\$ 117,622</u>	<u>\$ 11,058</u>	<u>\$ 128,680</u>
<b>Installment Note:</b>				
Dated March 1, 2004	2006	\$ 1,552	\$ 236	\$ 1,788
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	1,633	155	1,788
	2008	1,718	70	1,788
		<u>\$ 4,903</u>	<u>\$ 461</u>	<u>\$ 5,364</u>
<b>Installment Note:</b>				
Dated March 1, 2004	2006	\$ 972	\$ 144	\$ 1,116
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	1,021	95	1,116
	2008	1,073	43	1,116
		<u>\$ 3,066</u>	<u>\$ 282</u>	<u>\$ 3,348</u>
<b>Installment Note:</b>				
Dated March 1, 2004	2006	\$ 1,673	\$ 253	\$ 1,926
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	1,759	167	1,926
	2008	1,851	75	1,926
		<u>\$ 5,283</u>	<u>\$ 495</u>	<u>\$ 5,778</u>
<b>Installment Note:</b>				
Dated March 1, 2004	2006	\$ 52,722	\$ 7,878	\$ 60,600
Principal and Interest payable on May through October of each year at a rate of approximately 5%	2007	55,419	5,181	60,600
	2008	58,254	2,837	61,091
		<u>\$ 166,395</u>	<u>\$ 15,896</u>	<u>\$ 182,291</u>

(continued)

Village of Worth, Illinois

Debt Service Requirements (Continued)  
April 30, 2005

	Year Ended April 30,	Principal	Interest	Total
<b>Installment Note:</b>				
Dated June 1, 2003	2006	\$ 5,574	\$ 833	\$ 6,407
Principal and Interest payable on	2007	5,860	548	6,408
June through November of each year	2008	6,159	248	6,407
at a rate of approximately 5%				
		<u>\$ 17,593</u>	<u>\$ 1,629</u>	<u>\$ 19,222</u>
<b>Installment Note:</b>				
Dated November 19, 2003	2006	\$ 90,000	\$ 1,800	\$ 91,800
Principal and Interest payable on				
November 19, 2005 at a rate of 2%				
<b>Capital Lease:</b>				
Dated May 1, 2004	2006	\$ 6,500	\$ 2,370	\$ 8,870
With an average interest rate of 2%	2007	6,500	2,240	8,740
	2008	6,500	2,110	8,610
	2009	6,500	1,980	8,480
	2010	6,500	1,850	8,350
	2011	6,500	1,720	8,220
	2012	6,500	1,590	8,090
	2013	6,500	1,460	7,960
	2014	6,500	1,330	7,830
	2015	6,500	1,200	7,700
	2016	6,500	1,070	7,570
	2017	6,500	940	7,440
	2018	6,500	810	7,310
	2019	6,500	680	7,180
	2020	6,500	550	7,050
	2021	6,500	420	6,920
	2022	6,500	290	6,790
	2023	6,500	160	6,660
	2024	1,500	30	1,530
		<u>\$ 118,500</u>	<u>\$ 22,800</u>	<u>\$ 141,300</u>
<b>Alternate Revenue Bonds:</b>				
General Obligation Bonds (Alternate	2006	\$ 285,000	\$ 90,001	\$ 375,001
Revenue Source), Series 1996:	2007	325,000	64,351	389,351
Dated October 1, 1996	2008	390,000	35,101	425,101
Interest payable on June 1				
and December 1 at rates				
between 5.40% and 9.00%				
Paying Agent: Amalgamated Bank				
of Chicago				
		<u>\$ 1,000,000</u>	<u>\$ 189,453</u>	<u>\$ 1,189,453</u>

(continued)

Village of Worth, Illinois

Debt Service Requirements (Continued)  
April 30, 2005

	Year Ended April 30,	Principal	Interest	Total
<b>General Obligation Refunding Bonds</b>				
(Alternate Revenue Source)	2006	\$ 40,000	\$ 273,035	\$ 313,035
Series 1999A:	2007	40,000	271,335	311,335
Dated May 1, 1999	2008	45,000	269,615	314,615
Interest payable on January 1	2009	505,000	267,658	772,658
and June 1 at rates	2010	560,000	245,690	805,690
between 3.60% and 4.80%	2011	620,000	221,050	841,050
Paying Agent: Depository Trust	2012	685,000	193,150	878,150
Company	2013	755,000	161,983	916,983
	2014	820,000	127,253	947,253
	2015	905,000	89,123	994,123
	2016	980,000	47,040	1,027,040
		<u>\$ 5,955,000</u>	<u>\$ 2,166,932</u>	<u>\$ 8,121,932</u>
General Obligation Refunding Bonds	2011	<u>\$ 240,000</u>	<u>\$ 9,360</u>	<u>\$ 249,360</u>
(Alternate Revenue Source)				
Series 2005				
Variable interest rate payable on January 1, 2010				
(3.9% at April 30, 2005)				
<b>General Obligation Debt Certificates</b>				
Dated January 26, 2004	2006	\$ 82,143	\$ 24,848	\$ 106,991
Interest payable on January 26	2007	82,143	27,230	109,373
and July 26 at rates	2008	82,143	28,473	110,616
between 1.85% and 4.90%	2009	82,143	29,140	111,283
Paying Agent: Founders Bank	2010	82,143	26,429	108,572
	2011	82,143	27,672	109,815
	2012	82,143	25,146	107,289
	2013	82,143	23,010	105,153
	2014	82,143	21,254	103,397
	2015	82,143	17,558	99,701
	2016	82,143	14,940	97,083
	2017	82,143	11,069	93,212
	2018	82,143	7,044	89,187
	2019	82,141	3,019	85,160
		<u>\$ 1,150,000</u>	<u>\$ 286,832</u>	<u>\$ 1,436,832</u>
Dated March 8, 2005	2006	<u>\$ 500,000</u>	<u>\$ 18,000</u>	<u>\$ 518,000</u>
Interest payable quarterly				
and principal on March 8, 2006				
Variable interest rate				
(3.6% at April 30, 2005)				

(continued)

Village of Worth, Illinois

Debt Service Requirements (Continued)  
April 30, 2005

	Year Ended April 30,	Principal	Interest	Total
Revenue Bonds:				
1994 Water and Sewer Refunding Bonds	2006	\$ 5,000	\$ 15,081	\$ 20,081
Dated November 1, 1994	2007	50,000	13,335	63,335
Interest payable on May 1 and November 1 at a rate of 6.35%	2008	185,000	5,874	190,874
Paying Agent: Founders Bank		<u>\$ 240,000</u>	<u>\$ 34,290</u>	<u>\$ 274,290</u>
Revenue Bonds:				
Water and Sewer Revenue Bonds, Series 1998B:	2006	\$ 155,000	\$ 12,404	\$ 167,404
Dated April 28, 1998	2007	120,000	3,780	123,780
Interest payable on May 1 and November 1 at rates between 5.75% and 6.30%		<u>\$ 275,000</u>	<u>\$ 16,184</u>	<u>\$ 291,184</u>
Paying Agent: American National Bank				

**Village of Worth, Illinois**

**Information Required By Revenue Bond Ordinance**

**(Unaudited)**

**April 30, 2005**

Consumer data:

Number of customers:

Water and sewer service:

Residential	2,426
Commercial	342

**Total**

Sewer service only:

Residential	2
Commercial	3

**Total**

Water usage:

		<u>Percent</u>
Gallage purchased	360,267	100 %
Gallage billed	324,160	90 %
<b>Gallage lost and/or unaccounted for</b>	<u>36,107</u>	<u>10 %</u>

Insurance coverage data:

Employee Benefits Plan Liability - Each claim	\$ 8,000,000
Law Enforcement Liability - Each wrongful act	8,000,000
Paramedic Liability - Each occurrence	8,000,000
General Liability - Each occurrence	8,000,000
Public Officials Liability - Each wrongful act	2,500,000
Public Officials Liability - Aggregate	8,000,000
Pollution Liability - Aggregate	4,000,000

(continued)

Village of Worth, Illinois

Information Required By Revenue Bond Ordinance (Continued)

(Unaudited)

April 30, 2005

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Insurance coverage data: (continued)

Auto Liability - Each accident	\$	8,000,000
Property		9,688,770
Extra Expense		50,000
Contractor's (Mobile) Equipment		389,260
Valuable Papers		50,000
Flood		5,000,000
Earthquake		5,000,000
Equipment Breakdown:		
Expediting Equipment		25,000
Pollution Clean Up and Removal		250,000
Liquor		1,000,000
Crime:		
Public Employee Dishonesty		50,000
Money and Securities (inside premises)		50,000
Money and Securities (outside premises)		50,000
Forgery or Alteration		50,000
Workers' Compensation - Aggregate		Statutory
Workers' Compensation - Each occurrence		Statutory

