

**VILLAGE OF WORTH, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2010

Prepared By:

**HEARNE & ASSOCIATES, P.C.**  
Certified Public Accountants &  
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# VILLAGE OF WORTH, ILLINOIS

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### **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, 2010, 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.

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, 2010, 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 3-12), pension related schedules (pages 42-43) and budgetary schedule (page 44-50) 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 are presented for the 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 page 61 which is 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.



**April 18, 2011**  
**Mokena, IL**

**Hearne & Associates, P.C.**  
**Certified Public Accountants**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

## **VILLAGE OF WORTH, ILLINOIS**

### **Management Discussion and Analysis April 30, 2010**

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 13).

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

The management of the Village of Worth offers readers of the Village's Financial Statements, this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2010. This correspondence is intended to serve as an introduction to the Village's basic financial statements, which comprise three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### **Government-Wide Financial Statements**

The government-wide financial statements (see pages 13-15) 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 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 15) 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 to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, 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.

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2010

The Governmental Funds (see pages 16-19) presentation is presented on a source 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 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 24-25). While these Funds represent trust responsibilities of the government, these assets are restricted on purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 21-23) 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 17 and 20). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as, capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

#### **Infrastructure Assets**

The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) 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.

#### **Government-Wide Financial Statements**

##### **Statement of Net Assets**

Net assets serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$ 3.9 million as of April 30, 2010.

**VILLAGE OF WORTH, ILLINOIS**

**Management Discussion and Analysis  
April 30, 2010**

A significant portion of the Village's net assets (122%) 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 are 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 are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1  
Statement of Net Assets  
As of April 30, 2010**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
Current Assets	\$ 3,131,163	\$ 1,193,807	\$ 4,324,970
Non Current Assets	10,010,254	3,263,267	13,273,521
Total Assets	<u>\$ 13,141,417</u>	<u>\$ 4,457,074</u>	<u>\$ 17,598,491</u>
Current Liabilities	\$ 3,302,372	\$ 951,027	\$ 4,253,399
Non Current Liabilities	8,835,783	472,096	9,307,879
Total Liabilities	<u>\$ 12,138,155</u>	<u>\$ 1,423,123</u>	<u>\$ 13,561,278</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 1,926,586	\$ 2,782,732	\$ 4,709,318
Unrestricted (Deficit)	(923,324)	251,219	(672,105)
Total Net Assets	<u>\$ 1,003,262</u>	<u>\$ 3,033,951</u>	<u>\$ 4,037,213</u>

**Statement of Net Assets  
As of April 30, 2009**

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
Current Assets	\$ 3,303,008	\$ 796,701	\$ 4,099,709
Non Current Assets	10,332,149	3,474,458	13,806,607
Total Assets	<u>\$ 13,635,157</u>	<u>\$ 4,271,159</u>	<u>\$ 17,906,316</u>
Current Liabilities	\$ 2,507,960	\$ 938,231	\$ 3,446,191
Non Current Liabilities	9,220,757	538,489	9,759,246
Total Liabilities	<u>\$ 11,728,717</u>	<u>\$ 1,476,720</u>	<u>\$ 13,205,437</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 1,946,264	\$ 2,940,530	\$ 4,886,794
Unrestricted (Deficit)	(39,824)	(146,091)	(185,915)
Total Net Assets	<u>\$ 1,906,440</u>	<u>\$ 2,794,439</u>	<u>\$ 4,700,879</u>

For more detailed information see the Statement of Net Assets (page 13-14).

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2010

The Village's combined net assets (which is the Village's equity) decreased to \$ 4,037,213 from \$ 4,700,879 as a result of the decrease in net assets primarily in the Governmental Activities. Net assets of the Village's governmental activities were \$ 1,003,262. 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 \$ (923,324). The net assets of business-type activities increased to \$ 3,033,951 from \$ 2,794,439. 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 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 assets decreased by \$308,000 from the prior year mainly due to a net decrease in noncurrent assets related to depreciation. The Village's liabilities increased by \$356,000 mainly from a liability for amounts owed to North Palos Fire Protection District as of April 30, 2010.

The Village's total net assets decreased \$ 664,000. In the prior year the net assets decreased by \$ 1.7 million and can be attributed to several factors. The changes in net assets are further analyzed in the next section.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2010

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, 2010

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 3,626,371	\$ 2,206,265	\$ 5,832,636
Operating Grants and Contributions	91,681	-	91,681
General Revenues			
Property Taxes	1,993,602	-	1,993,602
Other Taxes	2,464,210	-	2,464,210
Other	215,356	1,885	217,241
Total Revenues	<u>\$ 8,391,220</u>	<u>\$ 2,208,150</u>	<u>\$ 10,599,370</u>
<b>EXPENSES</b>			
General Government	\$ 666,313	\$ -	\$ 666,313
Building Department	131,933	-	131,933
Boat Launch	11,767	-	11,767
Health Department	6,600	-	6,600
Fire Department	796,054	-	796,054
Ambulance & Paramedic Department	772,995	-	772,995
Police Department	3,420,715	-	3,420,715
Street and Bridge	737,356	-	737,356
Golf Course	1,792,279	-	1,792,279
Worth Days	111,148	-	111,148
Federal Seizure	16,916	-	16,916
Motor Fuel Tax Project	500,212	-	500,212
Tax Increment Financing	6,787	-	6,787
Interest	323,326	-	323,326
Waterworks & Sewerage	-	1,877,143	1,877,143
Commuter Parking Lot	-	91,495	91,495
Total Expenses	<u>\$ 9,294,401</u>	<u>\$ 1,968,638</u>	<u>\$ 11,263,039</u>
Change In Net Assets	\$ (903,181)	\$ 239,512	\$ (663,669)
Beginning Net Assets	<u>1,906,443</u>	<u>2,794,439</u>	<u>4,700,882</u>
Ending Net Assets	<u>\$ 1,003,262</u>	<u>\$ 3,033,951</u>	<u>\$ 4,037,213</u>

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2010

Changes In Net Assets  
For the Fiscal Year Ended April 30, 2009

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 4,104,648	\$ 1,933,028	\$ 6,037,676
Operating Grants and Contributions	264,637	-	264,637
General Revenues			
Property Taxes	1,808,732	-	1,808,732
Other Taxes	2,548,751	-	2,548,751
Other	27,615	176,642	204,257
Total Revenues	<u>\$ 8,754,383</u>	<u>\$ 2,109,670</u>	<u>\$ 10,864,053</u>
<b>EXPENSES</b>			
General Government	\$ 858,492	\$ -	\$ 858,492
Building Department	105,786	-	105,786
Boat Launch	11,702	-	11,702
Health Department	6,660	-	6,660
Fire Department	860,445	-	860,445
Ambulance & Paramedic Department	1,330,704	-	1,330,704
Police Department	3,620,692	-	3,620,692
Street and Bridge	525,466	-	525,466
Golf Course	2,021,815	-	2,021,815
Worth Days	77,531	-	77,531
Federal Seizure	8,084	-	8,084
Motor Fuel Tax Project	657,771	-	657,771
Interest	391,796	-	391,796
Waterworks & Sewerage	-	1,992,205	1,992,205
Commuter Parking Lot	-	120,221	120,221
Total Expenses	<u>\$ 10,476,944</u>	<u>\$ 2,112,426</u>	<u>\$ 12,589,370</u>
Change In Net Assets	\$ (1,722,561)	\$ (2,756)	\$ (1,725,317)
Beginning Net Assets	3,681,679	2,897,099	6,578,778
Prior Period Adjustment	<u>(52,678)</u>	<u>(99,904)</u>	<u>(152,582)</u>
Ending Net Assets	<u>\$ 1,906,440</u>	<u>\$ 2,794,439</u>	<u>\$ 4,700,879</u>

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2010

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, 2010, revenues from all activities totaled \$ 10,599,370, a 2% decrease from 2009. The decreases are mainly in the grants and charges for services received by the Village. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services it provides.

**VILLAGE OF WORTH, ILLINOIS**  
**Management Discussion and Analysis**  
**April 30, 2010**

*Expenses:*

The Village's total expenses for all activities for the year ended April 30, 2010 and 2009 were \$ 11,263,039 and \$ 12,589,370, respectively or a decrease of \$1,326,331. The main decreases were in the Fire/Paramedic Departments (\$622,000). This is due to cost savings and also one-time expenditures in 2009 as the Village transferred these departments. Additionally, decreases were realized from the Golf Course (\$229,000); Motor Fuel Tax (\$158,000); General Government (\$ 192,000); and Water & Sewer (\$ 115,000)

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 95% of the total Public Works activities. The remaining public works activities relate to the maintaining of Village streets and storm sewers.

Public safety expenses relate to the operations of the Police Department, Fire Department, and Ambulance Department and they accounted for \$ 5.0 million of the total expenses in 2010 and \$ 5.8 million of the total expenses in 2009. 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.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

**Governmental Funds**

At April 30, 2010, the governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$ 128,153 compared to \$ 1,034,981 in 2009. Expenses exceeded revenues and other financing sources (uses) in 2010.

**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 2010. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

**Table 3**  
**General Fund Budgetary Highlights**

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources		
Taxes	\$ 2,695,828	\$ 2,634,320
Licenses, Permits, and Fees	964,200	1,001,929
Intergovernmental	1,487,632	1,389,966
Fines and Forfeitures	757,700	723,064
Golf Course	915,206	1,779,313
Other	537,252	428,959
Total	<u>\$ 7,357,818</u>	<u>\$ 7,957,551</u>

**VILLAGE OF WORTH, ILLINOIS**  
**Management Discussion and Analysis**  
**April 30, 2010**

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Expenditures and Other Financing Uses		
General Government	\$ 450,412	\$ 633,944
Building Department	136,734	131,933
Boat Launch	-	11,767
Health Department	-	6,600
Fire Department	737,491	787,254
Ambulance & Paramedic Department	805,162	772,995
Police Department	3,363,051	3,211,353
Street and Bridge	763,758	841,513
Golf Course	613,176	1,692,202
Worth Days	141,475	111,148
Federal Seizure	20,000	39,644
Debt Service	668,634	1,097,626
Total	<u>\$ 7,699,893</u>	<u>\$ 9,337,979</u>
Change In Fund Balance	<u>\$ (342,075)</u>	<u>\$ (1,380,428)</u>

As shown above the General Fund had a deficit budget of \$ (342,075), while actual results were a \$ (1,380,428) deficit. There are several factors that attributed to this deficit. The golf course did not meet the expected net increase budgeted by a net amount of \$215,000; other revenues did not realize the budget amount by \$260,000; debt service exceeded budget by \$429,000; and general government exceeded budget by \$184,000.

**CAPITAL ASSETS**

At the end of the fiscal year 2010, the Village had a combined total of capital assets of \$ 13,273,521 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).

**Table 4**  
**Total Capital Assets at Year End**  
**Net of Depreciation**

	<u>Balance</u> <u>April 30, 2009</u>	<u>Net</u>	<u>Balance</u> <u>April 30, 2010</u>
Land	\$ 3,535,289	\$ -	\$ 3,535,289
Building and Improvements	3,692,096	(204,991)	3,487,105
Waterworks & Sewerage System	3,214,229	(317,402)	2,896,827
Machinery and Equipment	1,260,399	(7,356)	1,253,043
Commuter Parking Lot Infrastructure	285,251	(377)	284,874
	<u>1,819,343</u>	<u>(2,960)</u>	<u>1,816,383</u>
Total Capital Assets	<u>\$ 13,806,607</u>	<u>\$ (533,086)</u>	<u>\$ 13,273,521</u>

**DEBT OUTSTANDING**

**VILLAGE OF WORTH, ILLINOIS**  
**Management Discussion and Analysis**  
**April 30, 2010**

See Note 6 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2010.

**Economic Factors**

The financial condition of the Federal and State governments continues to have a dramatic effect on the Village of Worth during 2010. 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 continue to need to look internally and consider increasing other revenue sources and/or reduce expenditures so that it can increase its available funds and net assets.

The financial markets made a recovery during the fiscal year. This positive impact had an effect on the results of the Village's pension funds. Overall, the pension trusts had a positive net change in the amount of \$ 936,000 (Police Pension - \$ 809,000 and Fire Pension - \$ 127,000) compared to the prior year deficit change of \$ (1,230,000).

**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 the Treasurer, Village of Worth, 7112 West 111th Street, Worth, Illinois 60482.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT - WIDE FINANCIAL STATEMENTS**

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets  
April 30, 2010

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 159,927	\$ 920,705	\$ 1,080,632
Receivables:			
Property Taxes	1,307,811	-	1,307,811
Other	602,661	248,459	851,120
Bond Issue Costs	200,207	-	200,207
Due From Other Funds	780,983	16,130	797,113
Prepaid Expenses	37,956	8,513	46,469
Inventories	41,618	-	41,618
Total Current Assets	<u>\$ 3,131,163</u>	<u>\$ 1,193,807</u>	<u>\$ 4,324,970</u>
<b>Noncurrent Assets</b>			
Capital Assets Not Being Depreciated	\$ 3,487,465	\$ 47,824	\$ 3,535,289
Capital Assets Being Depreciated, Net	6,522,789	3,215,443	9,738,232
Total Noncurrent Assets	<u>\$ 10,010,254</u>	<u>\$ 3,263,267</u>	<u>\$ 13,273,521</u>
Total Assets	<u>\$ 13,141,417</u>	<u>\$ 4,457,074</u>	<u>\$ 17,598,491</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,154,985	\$ 80,274	\$ 1,235,259
Accrued Payroll	81,602	22,831	104,433
Accrued Vacation	175,959	-	175,959
Due To Fiduciary Funds	47,497	-	47,497
Deferred Revenue	1,317,770	-	1,317,770
Deposits	8,859	-	8,859
Tax Anticipation Warrant	100,000	-	100,000
Installment Contracts	42,536	-	42,536
General Obligation Bonds	80,000	-	80,000
Revenue Bonds	-	53,939	53,939
General Obligation Debt Certificates	97,034	-	97,034
Alternative Revenue Bonds	180,000	-	180,000
Capital Lease	-	13,000	13,000
Due To Other Funds	16,130	780,983	797,113
Total Current Liabilities	<u>\$ 3,302,372</u>	<u>\$ 951,027</u>	<u>\$ 4,253,399</u>
<b>Long-Term Liabilities, Net of Current Maturities</b>			
Installment Contracts	\$ 49,097	\$ -	\$ 49,097
General Obligation Bonds	480,000	-	480,000
Revenue Bonds	-	426,596	426,596
General Obligation Debt Certificates	430,001	-	430,001
Alternative Revenue Bonds	6,725,000	-	6,725,000
Capital Lease	-	45,500	45,500
Compensated Absences	104,450	-	104,450
Pension Obligations	1,047,235	-	1,047,235
Total Noncurrent Liabilities	<u>\$ 8,835,783</u>	<u>\$ 472,096</u>	<u>\$ 9,307,879</u>
Total Liabilities	<u>\$ 12,138,155</u>	<u>\$ 1,423,123</u>	<u>\$ 13,561,278</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets  
April 30, 2010

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>Net Assets</b>			
Invested In Capital Assets, Net of Related Debt	\$ 1,926,586	\$ 2,782,732	\$ 4,709,318
Unrestricted, (Deficit)	<u>(923,324)</u>	<u>251,219</u>	<u>(672,105)</u>
Total Net Assets	<u>\$ 1,003,262</u>	<u>\$ 3,033,951</u>	<u>\$ 4,037,213</u>
 Total Liabilities and Net Assets	 <u>\$ 13,141,417</u>	 <u>\$ 4,457,074</u>	 <u>\$ 17,598,491</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Activities  
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contribution	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities:</b>						
General Government	\$ 666,313	\$ 649,654	\$ 67,123	\$ 50,464	\$ -	\$ 50,464
Building Department	131,933	139,848	-	7,915	-	7,915
Boat Launch	11,767	-	-	(11,767)	-	(11,767)
Health Department	6,600	7,500	-	900	-	900
Fire Department	796,054	-	-	(796,054)	-	(796,054)
Ambulance and Paramedic Department	772,995	10,659	-	(762,336)	-	(762,336)
Police Department	3,420,715	723,064	-	(2,697,651)	-	(2,697,651)
Street and Bridge	737,356	229,948	6,163	(501,245)	-	(501,245)
Golf Course	1,792,279	1,779,313	-	(12,966)	-	(12,966)
Worth Days	111,148	86,385	13,420	(11,343)	-	(11,343)
Federal Seizure	16,916	-	-	(16,916)	-	(16,916)
Motor Fuel Tax Project	500,212	-	4,975	(495,237)	-	(495,237)
Tax Increment Financing	6,787	-	-	(6,787)	-	(6,787)
Interest	323,326	-	-	(323,326)	-	(323,326)
Total Governmental Activities	<u>\$ 9,294,401</u>	<u>\$ 3,626,371</u>	<u>\$ 91,681</u>	<u>\$ (5,576,349)</u>	<u>\$ -</u>	<u>\$(5,576,349)</u>
<b>Business-Type Activities:</b>						
Waterworks and Sewerage	\$ 1,877,143	\$ 2,156,330	\$ -	\$ -	\$ 279,187	\$ 279,187
Commuter Parking Lot	91,495	49,935	-	-	(41,560)	(41,560)
Total Business Type Activities	<u>\$ 1,968,638</u>	<u>\$ 2,206,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,627</u>	<u>\$ 237,627</u>
<b>Total</b>	<u><b>\$11,263,039</b></u>	<u><b>\$ 5,832,636</b></u>	<u><b>\$ 91,681</b></u>	<u><b>\$ (5,576,349)</b></u>	<u><b>\$ 237,627</b></u>	<u><b>\$(5,338,722)</b></u>
<b>General Revenues</b>						
<b>Taxes:</b>						
Property				\$ 1,993,602	\$ -	\$ 1,993,602
Other				2,464,210		2,464,210
Interest				2,355	1,885	4,240
Miscellaneous				213,001	-	213,001
Total General Revenues, Contributions, and Transfers				<u>\$ 4,673,168</u>	<u>\$ 1,885</u>	<u>\$ 4,675,053</u>
Change in Net Assets				\$ (903,181)	\$ 239,512	\$ (663,669)
Net Assets May 1, 2009				<u>1,906,443</u>	<u>2,794,439</u>	<u>4,700,882</u>
Net Assets April 30, 2010				<u>\$ 1,003,262</u>	<u>\$3,033,951</u>	<u>\$ 4,037,213</u>

See the accompanying notes to the financial statements

## **FUND FINANCIAL STATEMENTS**

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds  
April 30, 2010

	General Fund	Other Governmental Funds	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 212,694	\$ (52,767)	\$ 159,927
Receivables:			
Property Taxes	1,307,811	-	1,307,811
Other	56,463	23,960	80,423
Due From Other Funds	1,077,491	35,665	1,113,156
Due From Other Government Agencies	522,237	-	522,237
Prepays	37,956	-	37,956
Inventories	41,618	-	41,618
Total Assets	<u>\$ 3,256,270</u>	<u>\$ 6,858</u>	<u>\$ 3,263,128</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 1,135,859	\$ 19,126	\$ 1,154,985
Accrued Payroll	81,602	-	81,602
Accrued Vacation	175,959	-	175,959
Deferred Revenue	1,317,770	-	1,317,770
Deposits	8,859	-	8,859
Due To Other Funds	99,292	296,508	395,800
Total Liabilities	<u>\$ 2,819,341</u>	<u>\$ 315,634</u>	<u>\$ 3,134,975</u>
<b>Fund Balances</b>			
Reserved For:			
Prepays	\$ 37,956	\$ -	\$ 37,956
Inventory	41,618	-	41,618
Unreserved:			
General Fund	357,355	-	357,355
Special Revenue Funds	-	(308,776)	(308,776)
Total Fund Balances	<u>436,929</u>	<u>(308,776)</u>	<u>128,153</u>
Total Liabilities and Fund Balances	<u>\$ 3,256,270</u>	<u>\$ 6,858</u>	<u>\$ 3,263,128</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2010

Total Fund Balances - Governmental Funds	\$ 128,153
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.	10,010,255
Some liabilities reported in the Statement of Activities do not require the use of current financial resources; and, therefore, are not reported in governmental funds. These activities consist of:	
Tax Anticipation Warrants	(100,000)
Installment Contracts	(91,633)
General Obligation Bonds	(560,000)
General Obligation Debt Certificates	(527,035)
Alternate Revenue Bonds	(6,905,000)
Compensated Absences	(104,450)
Pension Obligations	(1,047,235)
Bond Issuance Costs	<u>200,207</u>
Net Assets of Governmental Activities	<u>\$ 1,003,262</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended April 30, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 1,841,175	\$ 152,427	\$ 1,993,602
Sales Taxes	793,145	-	793,145
Intergovernmental	1,389,966	281,099	1,671,065
Licenses, Permits, and Fees	1,001,929	-	1,001,929
Fines and Forfeits	723,064	-	723,064
Charges for Service:			
Golf Course	1,779,313	-	1,779,313
Other	114,565	-	114,565
Interest	2,212	143	2,355
Other	312,182	-	312,182
Total Revenues	<u>\$ 7,957,551</u>	<u>\$ 433,669</u>	<u>\$ 8,391,220</u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 598,279	\$ -	\$ 598,279
Building Department	131,933	-	131,933
Boat Launch	11,767	-	11,767
Health Department	6,600	-	6,600
Fire Department	787,254	-	787,254
Ambulance and Paramedic Department	772,995	-	772,995
Police Department	3,211,353	-	3,211,353
Street and Bridge	841,513	-	841,513
Golf Course	1,692,202	-	1,692,202
Worth Days	111,148	-	111,148
Federal Seizure	39,644	-	39,644
Motor Fuel Tax Project	-	450,950	450,950
Tax Increment Financing	-	6,787	6,787
Golf Course Principal	250,000	-	250,000
Other Principal	533,550	28,750	562,300
Golf Course Interest	295,716	-	295,716
Other Interest	18,360	9,250	27,610
Total Expenditures	<u>\$ 9,302,314</u>	<u>\$ 495,737</u>	<u>\$ 9,798,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,344,763)	\$ (62,068)	\$ (1,406,831)
Debt Certificate Proceeds	500,000	-	500,000
Issuance of Refunding Debt	-	-	-
Payment of Refunded Bond Debt	-	-	-
Bond Issuance Costs	-	-	-
Refunding Debt Loss	-	-	-
Net Changes in Fund Balances	<u>\$ (844,763)</u>	<u>\$ (62,068)</u>	<u>\$ (906,831)</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended April 30, 2010

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Transfers	(35,665)	35,665	-
<b>Fund Balances:</b>			
May 1, 2009	<u>1,317,357</u>	<u>(282,373)</u>	<u>1,034,984</u>
April 30, 2010	<u>\$ 436,929</u>	<u>\$ (308,776)</u>	<u>\$ 128,153</u>

See the accompanying notes to the 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, 2010

Net Change in Fund Balance - Total Governmental Funds \$ (906,831)

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	\$ 210,310	
Depreciation Expense	<u>(532,205)</u>	(321,895)

The issuance of long-term debt provides current financial resources to governmental funds; however, it has no effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is summarized as follows:

Proceeds from debt issued	(500,000)	
Amortization of bond issuance costs	<u>(8,705)</u>	(508,705)

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:

Tax Anticipation Warrant	400,000	
Installment contracts	41,550	
General obligation bonds and debt certificates	162,300	
Alternate revenue bonds	<u>250,000</u>	853,850

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued compensated absences	<u>(19,600)</u>	<u>(19,600)</u>
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Change in net assets of governmental activities		<u>\$ (903,181)</u>
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See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets - Enterprise Funds  
April 30, 2010

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 686,031	\$ 234,674	\$ 920,705
Accounts Receivable:			
Customers	71,573	-	71,573
Other	176,886	-	176,886
Prepaid Insurance	8,513	-	8,513
Due From Other Funds	-	16,130	16,130
Total Current Assets	<u>\$ 943,003</u>	<u>\$ 250,804</u>	<u>\$ 1,193,807</u>
Property and Equipment	\$ 8,436,195	\$ 971,502	\$ 9,407,697
Less: Accumulated Depreciation	<u>(5,471,399)</u>	<u>(673,031)</u>	<u>(6,144,430)</u>
	<u>\$ 2,964,796</u>	<u>\$ 298,471</u>	<u>\$ 3,263,267</u>
Total Assets	<u>\$ 3,907,799</u>	<u>\$ 549,275</u>	<u>\$ 4,457,074</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 78,123	\$ 2,151	\$ 80,274
Accrued Payroll	21,934	897	22,831
Current Maturities of Revenue Bonds	53,939	-	53,939
Current Maturities of Capital Lease	13,000	-	13,000
Due To Other Funds	780,983	-	780,983
Total Current Liabilities	<u>\$ 947,979</u>	<u>\$ 3,048</u>	<u>\$ 951,027</u>
Long Term Liabilities, Net of Current Maturities			
Maturities of Revenue Bonds	\$ 426,596	\$ -	\$ 426,596
Maturities of Capital Lease	45,500	-	45,500
Total Liabilities	<u>\$ 1,420,075</u>	<u>\$ 3,048</u>	<u>\$ 1,423,123</u>
<b>Net Assets</b>			
Invested In Capital Assets, Net of Related Debt	\$ 2,484,261	\$ 298,471	\$ 2,782,732
Unrestricted, (Deficit)	<u>3,463</u>	<u>247,756</u>	<u>251,219</u>
Total Net Assets	<u>\$ 2,487,724</u>	<u>\$ 546,227</u>	<u>\$ 3,033,951</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets -  
Enterprise Funds  
Year Ended April 30, 2010

	<u>Business-Type Activities</u>		
	<u>Waterworks and Sewerage Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Water and Sewer Charges	\$ 2,144,407	\$ -	\$ 2,144,407
Commuter Parking Fees	(3)	49,935	49,932
Other Fees and Charges	11,926	-	11,926
Total Operating Revenues	<u>\$ 2,156,330</u>	<u>\$ 49,935</u>	<u>\$ 2,206,265</u>
<b>Operating Expenses:</b>			
Operations	\$ 1,676,581	\$ 64,538	\$ 1,741,119
Depreciation and Amortization	181,094	26,957	208,051
Total Operating Expenses	<u>\$ 1,857,675</u>	<u>\$ 91,495</u>	<u>\$ 1,949,170</u>
Operating Income (Loss)	<u>\$ 298,655</u>	<u>\$ (41,560)</u>	<u>\$ 257,095</u>
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	\$ -	\$ 1,885	\$ 1,885
Interest Expense	<u>(19,468)</u>	<u>-</u>	<u>(19,468)</u>
Income (Loss) Before Transfers	<u>\$ 279,187</u>	<u>\$ (39,675)</u>	<u>\$ 239,512</u>
Change In Net Assets	\$ 279,187	\$ (39,675)	\$ 239,512
<b>Net Assets:</b>			
May 1, 2009	<u>\$ 2,208,537</u>	<u>\$ 585,905</u>	<u>\$ 2,794,442</u>
April 30, 2010	<u>\$ 2,487,724</u>	<u>\$ 546,230</u>	<u>\$ 3,033,954</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2010

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received for Services	\$ 2,087,770	\$ 49,935	\$ 2,137,705
Payments to Employees	(439,445)	(25,357)	(464,802)
Payments to Suppliers	(1,169,254)	(37,877)	(1,207,131)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 479,071</u>	<u>\$ (13,299)</u>	<u>\$ 465,772</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
(Increases) Decreases In Due (To) From Other Funds	\$ (2,209)	\$ -	\$ (2,209)
Net Cash Provided by Noncapital Financing Activities	<u>\$ (2,209)</u>	<u>\$ -</u>	<u>\$ (2,209)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Bond Principal Payments	\$ (53,396)	\$ -	\$ (53,396)
Bond Interest Payments	(19,468)	-	(19,468)
Capital Lease Payments	(13,000)	-	(13,000)
Net Cash (Used in) Capital and Related Financing Activities	<u>\$ (85,864)</u>	<u>\$ -</u>	<u>\$ (85,864)</u>
<b>Cash Flows from Investing Activities,</b>			
Purchase of Property & Equipment	\$ -	\$ (24,535)	\$ (24,535)
Interest Received	-	1,885	1,885
Net cash used in investing activities	<u>\$ -</u>	<u>\$ (22,650)</u>	<u>\$ (22,650)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	\$ 390,998	\$ (35,949)	\$ 355,049
<b>Cash and Cash Equivalents:</b>			
May 1, 2009	<u>295,033</u>	<u>270,623</u>	<u>565,656</u>
April 30, 2010	<u>\$ 686,031</u>	<u>\$ 234,674</u>	<u>\$ 920,705</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating (Loss)	\$ 298,655	\$ (41,560)	\$ 257,095
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	181,094	26,957	208,051
Loss on Disposal of Equipment	27,678	-	27,678
Changes In Assets and Liabilities			
Accounts Receivable	(68,560)	-	(68,560)
Prepaid Insurance	26,509	-	26,509
Accounts Payable and Accruals	13,695	1,304	14,999
Total Adjustments	<u>\$ 180,416</u>	<u>\$ 28,261</u>	<u>\$ 208,677</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 479,071</u>	<u>\$ (13,299)</u>	<u>\$ 465,772</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2010

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,134	\$ 14,919	\$ 18,053
Investments	9,159,108	2,625,387	11,784,495
Accrued Interest Receivable	46,832	5,110	51,942
Prepaid Expenses	3,026	160	3,186
Due From Other Funds	47,497	-	47,497
Total Assets	<u>\$ 9,259,597</u>	<u>\$ 2,645,576</u>	<u>\$ 11,905,173</u>
<b>Liabilities and Net Assets</b>			
Liabilities			
Accounts Payable	\$ 7,534	\$ 13,862	\$ 21,396
Net Assets Held In Trust For Employees' Benefits	<u>9,252,063</u>	<u>2,631,714</u>	<u>11,883,777</u>
Total Liabilities and Net Assets	<u>\$ 9,259,597</u>	<u>\$ 2,645,576</u>	<u>\$ 11,905,173</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2010

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions			
Employer	\$ 576,140	\$ 184,996	\$ 761,136
Employee	<u>161,110</u>	<u>8,924</u>	<u>170,034</u>
Total Contributions	<u>\$ 737,250</u>	<u>\$ 193,920</u>	<u>\$ 931,170</u>
<b>Investment Income</b>			
Net Appreciation (Decrease) in Fair Value of Investments	\$ 773,159	\$ 73,364	\$ 846,523
Interest Income	<u>195,595</u>	<u>24,824</u>	<u>220,419</u>
Total Investment Income	<u>\$ 968,754</u>	<u>\$ 98,188</u>	<u>\$ 1,066,942</u>
<b>Investment Expenses</b>			
Other Investment Expenses	<u>\$ 25,432</u>	<u>\$ 1,289</u>	<u>\$ 26,721</u>
Total Investment Expenses	<u>\$ 25,432</u>	<u>\$ 1,289</u>	<u>\$ 26,721</u>
Net Investment Gain	<u>\$ 943,322</u>	<u>\$ 96,899</u>	<u>\$ 1,040,221</u>
Total Additions (Reductions)	<u>\$ 1,680,572</u>	<u>\$ 290,819</u>	<u>\$ 1,971,391</u>
Deductions, Benefits Taken	\$ 850,417	\$ 137,579	\$ 987,996
Administrative Expenses	<u>21,497</u>	<u>25,846</u>	<u>47,343</u>
Total Deductions	<u>\$ 871,914</u>	<u>\$ 163,425</u>	<u>\$ 1,035,339</u>
Changes in Net Assets	<u>\$ 808,658</u>	<u>\$ 127,394</u>	<u>\$ 936,052</u>
<b>Net Assets Held in Trust for Employee's</b>			
May 1, 2009	<u>\$ 8,443,405</u>	<u>\$ 2,504,320</u>	<u>\$ 10,947,725</u>
April 30, 2010	<u><u>\$ 9,252,063</u></u>	<u><u>\$ 2,631,714</u></u>	<u><u>\$ 11,883,777</u></u>

See the accompanying notes to the financial statements

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**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 Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity 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:

- 1) 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.
- 2) 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.
- 3) Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general 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.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 fiduciary capacity on behalf of certain public safety employees.

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

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, 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.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

*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, except for insurance contracts, which are carried at contract value, which approximates 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.

**Other Assets**

In government funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

**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 government funds.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

	<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 accumulate 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.

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. For other long-term obligations, only the portion expected to be financed with available financial resources is reported as a fund liability of a government fund.

**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;

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 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.

**NOTE 2. PROPERTY TAXES**

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Village Board. Property taxes are recognized as a receivable at the time they are levied. In the governmental funds, since the 2009 tax levy is intended to finance the expenditures for the year ending April 30, 2011, the entire 2009 tax levy has been reflected as deferred revenue as of April 30, 2010, except for employee pension taxes which are recognized as revenue in the year in which they are received. The 2008 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2010. A reduction of collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected.

The property tax calendar for the 2009 tax levy is as follows:

Levy Date	December 28, 2009
Lien Date	January 1, 2009
Tax Bills Mailed (at least 30 days prior to collection deadline)	
First Installment Date	March 1, 2010
Second Installment Date	September 1, 2010

Property taxes are billed and collected by the County Treasurer of Cook County, Illinois.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 3. CASH AND INVESTMENTS**

*Deposits*

*Custodial Credit Risk* - Deposits - Custodial credit risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2010 the carrying amount of the Village's deposits was \$ 752,050. All of the Village's deposits were insured or collateralized at April 30, 2010.

*Investments*

As of April 30, 2010, the Village had the following investments and maturities:

<b>Village Funds</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>
Illinois Funds	\$ 328,571	\$ 328,571	\$ -	\$ -	\$ -

  

<b>Pension Funds</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>
U.S. Treasury Notes	\$ 998,012	\$ 597,328	\$ 368,989	\$ 31,695	\$ -
U.S. Agencies - FHLB	682,111	-	682,111	-	-
U.S. Agencies - FHLMC	688,922	305,765	383,157	-	-
U.S. Agencies - FNMA	350,345	200,250	150,095	-	-
U.S. Agencies - GNMA	6,370	-	-	-	6,370
U.S. Agencies - TVA	281,612	239,973	10,548	31,091	-
Certificates of Deposit	4,090,498	680,000	3,380,498	30,000	-
Stock and MMA Mutual Funds	4,134,042	4,134,042	-	-	-
	<u>\$ 11,231,912</u>	<u>\$ 6,157,358</u>	<u>\$ 4,975,398</u>	<u>\$ 92,786</u>	<u>\$ 6,370</u>

The Illinois Funds are shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

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

*Interest Rate Risk* - The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. As of April 30, 2010, the Village's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds were not rated. The Village's investment policy does not address credit risk.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 3. CASH AND INVESTMENTS (continued)**

*Concentration of Credit Risk* - The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. As of April 30, 2010, the Village is in compliance with their investment policy.

*Custodial Credit Risk* - For an investment, this is the risk, that in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes, U.S. agency securities, and insurance contracts are held by the Village's agent in the Village's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

**NOTE 4. CAPITAL ASSETS**

A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2010, is as follows:

	Balance at April 30, 2009	Additions	Deletions	Balance at April 30, 2010
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,487,465	\$ -	\$ -	\$ 3,487,465
				-
Capital Assets Being Depreciated:				
Building and Improvements	6,535,652	-	-	6,535,652
Machinery and Equipment	3,767,929	127,497	-	3,895,426
Infrastructure	5,293,454	82,813	-	5,376,267
Total Capital Assets Being Depreciated	15,597,035	210,310	-	15,807,345
Less Accumulated Depreciation for:				
Building and Improvements	2,843,556	204,991	-	3,048,547
Machinery and Equipment	2,434,684	241,441	-	2,676,125
Infrastructure	3,474,111	85,773	-	3,559,884
Total Accumulated Depreciation	8,752,351	532,205	-	9,284,556
Total Capital Assets Being Depreciated, Net	6,844,684	(321,895)	-	6,522,789
Governmental Activities Capital Assets, Net	\$ 10,332,149	\$ (321,895)	\$ -	\$ 10,010,254

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 4. CAPITAL ASSETS (continued)**

A summary of changes in the capital assets for business-type activities of the Village for the year ended April 30, 2010, is as follows:

	Balance at April 30, 2009	Additions	Reclass/ Deletions	Balance at April 30, 2010
<i>Business-Type Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 47,824	\$ -	\$ -	\$ 47,824
Capital Assets Being Depreciated:				
Waterworks and Sewerage System	8,094,438	-	28,791	8,065,647
Machinery and Equipment	506,976	-	-	506,976
Commuter Parking Lot	762,716	24,535	-	787,251
Total Capital Assets Being Depreciated	9,364,130	24,535	28,791	9,359,874
Less accumulated depreciation for:				
Waterworks and Sewerage System	4,880,209	155,742	(132,808)	5,168,759
Machinery and Equipment	579,822	27,397	133,985	473,234
Commuter Parking Lot	477,465	24,912	-	502,377
Total Accumulated Depreciation	5,937,496	208,051	1,177	6,144,370
Total Capital Assets Being Depreciated, Net	3,426,634	(183,516)	27,614	3,215,504
Business-Type Activities Capital Assets, Net	\$ 3,474,458	\$ (183,516)	\$ 27,614	\$ 3,263,328

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 92,366
Fire Department	8,800
Police Department	209,362
Street and Bridge	30,788
Golf Course	141,627
Motor Fuel Tax Project	49,262
	\$ 532,205
Business-type Activities:	
Waterworks and Sewerage	\$ 181,094
Commuter Parking Lot	26,957
	\$ 208,051

**NOTE 5. 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, 2010:

Debt Description Key:

IC - Installment Contracts  
GO Bonds - General Obligation Bonds  
ARB - Alternate Revenue Bonds

GO Debt - General Obligation Debt  
CA - Compensated Absences  
PO - Pension Obligations

RB - Revenue Bonds  
CL - Capital Lease  
TAW - Tax Anticipation  
Warrant

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 5. LONG-TERM OBLIGATIONS (continued)**

	Outstanding Debt as of May 1, 2009	Additions	Reductions	Refunded	Outstanding Debt as of April 30, 2010	Due Within One Year
IC	\$ 133,183	\$ -	\$ 41,550	\$ -	\$ 91,633	\$ 42,536
GO Bonds	625,000	-	65,000	-	560,000	80,000
ARB	7,155,000	-	250,000	-	6,905,000	180,000
GO Debt	624,335	-	97,300	-	527,035	97,034
TAW	-	500,000	400,000	-	100,000	100,000
CA	84,850	19,600	-	-	104,450	-
PO	1,047,235	-	-	-	1,047,235	-
	<u>\$ 9,669,603</u>	<u>\$ 519,600</u>	<u>\$ 853,850</u>	<u>\$ -</u>	<u>\$ 9,335,353</u>	<u>\$ 499,570</u>

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2010:

	Outstanding Debt as of May 1, 2009	Additions	Reductions	Refunded	Outstanding Debt as of April 30, 2010	Due Within One Year
GO Debt	\$ 533,928	\$ -	\$ 53,393	\$ -	\$ 480,535	\$ 53,939
CL	71,500	-	13,000	-	58,500	13,000
	<u>\$ 605,428</u>	<u>\$ -</u>	<u>\$ 66,393</u>	<u>\$ -</u>	<u>\$ 539,035</u>	<u>\$ 66,939</u>

Outstanding debt as of April 30, 2009, consists of the following:

*General Obligation Bonds:*

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 rate of 9% due on January 1 and June 1. This bond is serviced by the Golf Course Fund.

\$ 560,000

Paying Agent: Amalgamated Bank of Chicago

*General Obligation Debt Certificates:*

2004 General Obligation Debt Certificates dated January 26, 2004, with bonds due in principal maturities of \$ 82,143 in 2007 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. (Private Bank)

\$ 739,286

2006 General Obligation Debt Certificates dated March 8, 2007, with principal due March 8, 2008, and interest due quarterly. This debt certificate is to be serviced from the General Fund. (Private Bank).

260,000

2006 General Obligation Debt Certificates issued during 2006 with principal maturities of \$ 7,036 in 2007, \$ 7,507 in 2008, \$ 8,010 in 2009, \$ 8,546 in 2010, and \$ 8,292 in 2011. This debt certificate is to be serviced from the Street and Bridge Fund. (Private Bank)

8,284

\$ 1,007,570

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 5. LONG-TERM OBLIGATIONS (continued)**

*Installment Notes:*

Installment note dated November 2006, for the purchase of golf carts, is due in annual payments of \$ 7,291 each year through 2012. This note is serviced by the Golf Course Fund.	\$ 83,353
Installment note dated November 2006, for the purchase of golf course equipment, is due in monthly payments from June through November of \$ 207 each year through 2012. This note is serviced by the Golf Course Fund.	2,284
Installment note dated November 2006, for the purchase of golf course equipment, is due in monthly payments from June through November of \$ 207 each year through 2012. This note is serviced by the Golf Course Fund.	2,284
Installment note dated November 2006, for the purchase of golf course equipment, is due in monthly payments from May through October of \$ 336 each year through 2012. This note is serviced by the Golf Course Fund.	3,712
	\$ 91,633

*Alternate Revenue Bonds:*

General Obligation Refunding Bonds (Alternate Revenue Source) Series 2009 dated April 1, 2009, with bonds due in annual principal maturities of \$ 250,000 in 2010, \$ 180,000 in 2011, \$ 185,000 in 2012, \$ 190,000 in 2013, \$ 195,000 in 2014. The balance of the principal maturities schedule is in the Debt Service requirements section of this report. Interest at rates between 3.0% and 5.0% due on January 1 and July 1. This bond is serviced by the Golf Course Fund.	\$ <u>6,905,000</u>
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*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.	\$ <u>58,500</u>
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*Tax Anticipation Warrant:*

On February 11, 2010, the Village issued \$ 500,000 of Tax Anticipation Warrants in anticipation of taxes levied for the year 2009. The rate on these warrants is 4.0% with a maturity date of June 15, 2010.	\$ <u>100,000</u>
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The future annual debt service requirements on the outstanding debt, other than compensated absences of \$ 104,450; net pension obligation of \$ 1,047,235; tax anticipation warrant of \$ 100,000 and including interest of \$ 5,011,902, are as follows:

	General Obligation Bonds	General Obligation Debt Certificates	Installment Notes	Capital Lease	Alternate Revenue Bonds	Total
2011-2015	\$ 634,150	\$ 828,570	\$ 99,580	\$ 64,136	\$ 2,392,080	\$ 4,018,516
2016-2020	109,000	364,643	-	-	2,401,880	2,875,523
2021-beyond	-	-	-	-	6,740,566	6,740,566
	\$ 743,150	\$ 1,193,213	\$ 99,580	\$ 64,136	\$ 11,534,526	\$ 13,634,605

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 6. EMPLOYEE RETIREMENT PLANS**

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

*Illinois Municipal Retirement Fund*

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

**Funding Policy.** As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.85 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement rate is set by statute.

**Annual Pension Cost.** For the year ending December 31, 2009, Your Village's annual pension cost of \$ 89,398 for the Regular plan was equal to your employer's required and actual contributions.

*Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 89,398	100%	\$ -
12/31/08	\$ 88,383	100%	-
12/31/07	\$ 85,421	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included: (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. Your employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 23 years.

**Funded Status and Funding Progress.** As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 81.75 percent funded. The actuarial accrued liability for benefits was \$ 3,428,196 and the actuarial value of assets was \$ 2,802,394, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 625,802. The covered payroll (annual payroll of active employees covered by the plan) was \$ 1,138,833 and the ratio of the UAAL to the covered payroll was 55 percent. In conjunction with the December 2009, actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 6. EMPLOYEE RETIREMENT PLANS (continued)**

*Police Pension Plan*

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan 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 percent of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2009 was 39 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.

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

Annual required contribution	\$ 556,296
Interest on net pension obligation	-
Adjustment to annual requirement contribution	-
Annual pension cost	<u>556,296</u>
Contributions made	<u>(273,468)</u>
Increase in net pension obligation	282,828
Net pension obligation (asset), beginning of year	<u>(1,756)</u>
Net pension obligation, end of year	<u>\$ 281,072</u>

The annual contribution for the year ended April 30, 2009, was determined as part of the April 30, 2008 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included: (a) 7.0% investment rate of return; (b) projected salary increases of 5.5% (depending on age); (c) 2.5% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2.5%. 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, 2009 was 29 years.

*Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contributions Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/10	\$ *	\$ *	*	\$ *
4/30/09	\$ 556,296	\$ 273,468	49	\$ 281,072
4/30/08	\$ *	\$ *	*	\$ *

\*Information not available

Membership in the plan consisted of the following as of April 30, 2009:

Retirees and beneficiaries receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	13
Active nonvested plan members	<u>12</u>
<b>Total Members</b>	<u><u>44</u></u>

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 6. 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 9.455 percent 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, 2008 was 28 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.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2008, were as follows:

Annual required contribution	\$ 200,000
Interest on net pension obligation	44,387
Adjustment to annual requirement contribution	<u>(29,042)</u>
Annual pension cost	215,345
Contributions made	<u>(41,110)</u>
Increase (decrease) in net pension obligation	174,235
Net pension obligation, beginning of year	<u>591,828</u>
Net pension obligation, end of year	<u><u>\$ 766,063</u></u>

The annual contribution for the year ended April 30, 2008, was determined as part of the April 30, 2007 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included: (a) 7.0% investment rate of return; (b) projected salary increases of 5.5%; (c) 2.5% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2.5%. 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, 2007 was 29 years.

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contributions Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/08	\$ *	\$ *	*	\$ *
4/30/07	\$ *	\$ *	*	\$ *
4/30/06	\$ 215,345	\$ 41,110	19	\$ 766,063

\*Information not available

Membership in the plan consisted of the following as of April 30, 2007:

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	4
Active nonvested plan members	8
<b>Total Members</b>	<u><u>14</u></u>

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 7. OTHER FINANCIAL DISCLOSURES (FFS LEVEL ONLY)**

Individual interfund receivable and payable balances as of April 30, 2010, are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Major Governmental:		
General:		
Motor Fuel Tax	\$ 296,508	\$ -
Waterworks and Sewerage	780,983	-
Tax Increment Financing	-	35,665
Commuter Parking Lot	-	16,130
Agency	-	47,497
Nonmajor Governmental:	<u>1,077,491</u>	<u>99,292</u>
Motor Fuel Tax:		
General	-	296,508
Tax Increment Financing District		
General	35,665	-
Major Business-type:		
Waterworks and Sewerage:		
General	-	780,983
Commuter Parking Lot:		
General	16,130	-
Agency:		
Police Pension:		
General	47,497	-
<b>Total</b>	<u>\$ 1,176,783</u>	<u>\$ 1,176,783</u>

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

Interfund transfers during the year ended April 30, 2010 consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental:		
General	\$ -	\$ 35,664
TIF Fund	35,664	-
<b>Total</b>	<u>\$ 35,664</u>	<u>\$ 35,664</u>

Transfers within the reporting entity are substantially for subsidizing operating functions of other funds.

**NOTE 8. Other Fund Disclosures**

Generally accepted accounting principles require disclosure, as part of the Combined Statements - Overview of certain information concerning individual funds including:

A. Excesses of Expenditures over appropriations in individual funds.

The General Fund expenditures of \$ 9,337,979 exceeded the budgeted expenditures of \$ 7,699,893 by \$ 1,638,086.

B. Deficit fund balances of individual funds:

The Motor Fuel Tax Fund has a deficit balance of \$ 176,171 as of April, 30, 2010. The deficit is expected to be funded by future Motor Fuel Taxes.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2010**

**NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

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

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, issued November 2007. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they present for other investments reported at fair value.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the Village beginning with its year ending April 30, 2011. This statements addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

**NOTE 10. RISK MANAGEMENT**

In the current fiscal year, the Village purchased insurance for various risks of loss due to torts, thefts, damage and errors and omissions, injuries to employees and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the current year.

Previously, the Village participated in the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool managed by the Illinois Municipal League. The Village paid an annual premium to IMLRMA for workers compensation insurance, and for all common liability and property coverage. There had not been any reductions in the Village's insurance coverage during the prior fiscal year. Settlements did not exceed insurance coverage for the prior three fiscal years. Premiums had been displayed as expenditures in appropriate funds.

**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)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c)
12/31/2009	\$ 2,802,394	\$ 3,428,196	\$ 625,802	81.75	\$ 1,138,833	54.95
12/31/2008	2,684,216	3,242,430	558,214	82.78	1,106,171	50.46
12/31/2007	3,020,375	2,938,955	(81,420)	102.77	1,090,951	0.00

See accompanying notes to required supplementary information

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 as a Percentage of Covered Payroll (b-a)/c)
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	\$ 10,845,491	\$17,158,773	\$ 6,313,282	63.21	\$1,543,003	409.16
04/30/2008	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: The most recent Actuarial Valuation Report for the Police Pension Fund is as of April 30, 2009

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
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2008	\$ 2,345,001	\$ 3,558,262	\$ 1,213,261	65.90	\$ 714,510	169.80

NOTE: The most recent Actuarial Valuation Report for the Fire Pension Fund is as of April 30, 2008

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Property Taxes	\$ 1,891,828	\$ 1,841,175	\$ (50,653)
Sales Taxes	804,000	793,145	(10,855)
Intergovernmental	1,487,632	1,389,966	(97,666)
Licenses, Permits, and Fees	964,200	1,001,929	37,729
Fines and Forfeits	757,700	723,064	(34,636)
Charges for Service:			
Golf Course	915,206	1,779,313	864,107
Other	391,031	114,565	(276,466)
Interest	14,150	2,212	(11,938)
Other	129,875	312,182	182,307
Total Revenues	<u>\$ 7,355,622</u>	<u>\$ 7,957,551</u>	<u>\$ 601,929</u>

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>General Government:</b>			
Village President Salary	\$ 30,850	\$ 31,011	\$ 161
Liquor Commissioner Salary	4,500	5,002	502
Clerk/Collector Salary	24,040	25,513	1,473
Trustees Salaries	39,300	39,300	-
Unemployment Taxes	3,090	18,398	15,308
Insurance Premiums	11,803	52,280	40,477
Professional Fees	17,510	6,847	(10,663)
Legal Fees	62,315	120,825	58,510
Programming Costs	5,665	303	(5,362)
TIF Expenses	5,150	(2,001)	(7,151)
Publication of Legal Notices	2,266	539	(1,727)
Travel Expenses for Village Officials	2,678	80	(2,598)
Officials Expenses	2,884	879	(2,005)
Employee Expenses	2,060	138	(1,922)
Hotel Occupancy	8,446	8,382	(64)
Bank Fees	206	1,516	1,310
Employment Expenses	309	-	(309)
Training Education	2,060	173	(1,887)
Professional Memberships	6,283	22,847	16,564
Officials Expense	386	190	(196)
Postage	5,356	3,257	(2,099)
Telephone Service	5,665	5,444	(221)
Utilities	3,090	1,381	(1,709)
License Application Expenses	927	(2,692)	(3,619)
Building Maintenance	14,420	3,947	(10,473)
Custodial Services	10,300	2,647	(7,653)
Repair and Maintenance	1,030	700	(330)
Public Relations Expense	258	118	(140)
Computer Software	1,648	1,381	(267)
Paper Yard bags	1,803	30	(1,773)
Salt Purchase	-	221	221
Purchase of Office Equipment	7,725	5,377	(2,348)
Computer Purchase	8,240	3,098	(5,142)
Equipment Lease	258	206	(52)
Maintenance Contracts	6,440	7,181	741
PATSE Transportation Services	824	-	(824)
Senior Citizen Commission	1,442	637	(805)
Other Senior Expenses	-	2,295	2,295
Credit Card Charges	2,266	3,458	1,192
Filing Fees	258	805	547

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Computer Repair and Maintenance	\$ 4,635	\$ 15,600	\$ 10,965
Office Expense	6,695	6,208	(487)
Printing Expense	8,240	9,865	1,625
Departmental Supplies	-	1,683	1,683
Custodial Expense	1,339	1,274	(65)
Building Expense	9,270	6,832	(2,438)
EDC/Beautification	42,848	21,395	(21,453)
Administrative Expenses	258	-	(258)
Village Events Expense	1,545	1,177	(368)
DNR Fishing/Hunting	2,575	2,920	345
Miscellaneous Expense	2,318	1,600	(718)
Write Off Expense	773	-	(773)
Social Security/Medicare	7,733	5,244	(2,489)
Illinois Municipal Retirement Fund Contributions	7,450	7,518	68
Auditing Fees	18,540	25,011	6,471
Liability Insurance	31,412	115,239	83,827
Paying Agents Fee	-	5,000	5,000
Transfer Out	-	35,665	35,665
Contingencies/Miscellaneous	1,030	-	(1,030)
Total General Government	<u>\$ 450,412</u>	<u>\$ 633,944</u>	<u>\$ 183,532</u>
<b>Building Department:</b>			
Building Commissioner Salary	\$ 29,120	\$ 22,007	\$ (7,113)
Building Inspector Salary	32,000	29,622	(2,378)
Plumbing Inspector Salary	3,000	3,013	13
Electrical Inspector Salary	4,000	714	(3,286)
HVAC Inspector Salary	3,000	1,811	(1,189)
Clerical Staff Salary	20,000	28,184	8,184
Ordinance Officer Salary	3,600	8,289	4,689
Social Security/Medicare	7,912	5,799	(2,113)
Illinois Municipal Retirement Fund Contributions	4,382	4,170	(212)
Insurance Premiums	-	9,409	9,409
Professional Fees	8,755	1,400	(7,355)
Hearing Officer	1,545	508	(1,037)
Engineering Fees	4,120	-	(4,120)
Printing Expenses	515	470	(45)
Departmental Supplies	309	197	(112)
Telephone Service	309	521	212
Training and Education	515	570	55
Legal Notices	1,030	31	(999)
Legal Expenses	4,635	2,664	(1,971)
Maintenance - Equipment	206	688	482
Maintenance - Building	1,030	500	(530)

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Liability Insurance	\$ 4,897	\$ 10,194	\$ 5,297
Miscellaneous	1,854	1,172	(682)
Total Building Department	<u>\$ 136,734</u>	<u>\$ 131,933</u>	<u>\$ (4,801)</u>
<b>Boat Launch Department:</b>			
Attendant	\$ -	\$ 1,987	\$ 1,987
Telephone	-	144	144
Utilities	-	3,862	3,862
Maintenance	-	289	289
Equipment Rental	-	1,166	1,166
Miscellaneous	-	4,094	4,094
Walking Trail	-	225	225
Total Boat Launch Department	<u>\$ -</u>	<u>\$ 11,767</u>	<u>\$ 11,767</u>
<b>Health Department:</b>			
Health Inspector Fees	\$ -	\$ 6,600	\$ 6,600
<b>Fire Department:</b>			
Insurance Premiums	\$ -	\$ 35,676	\$ 35,676
Intergovernmental Agreement - Fire Services	737,491	751,578	14,087
Total Fire Department	<u>\$ 737,491</u>	<u>\$ 787,254</u>	<u>\$ 49,763</u>
<b>Paramedic Department:</b>			
Overtime Salary	\$ -	\$ 350	\$ 350
Paramedics	67,671	81,618	13,947
Medical Insurance Premiums	-	10,894	10,894
Worker's Compensation Insurance	-	(74,712)	(74,712)
Para OT Straight	-	3,267	3,267
Intergovernmental Agreement - Fire Services	737,491	751,578	14,087
Total Paramedic Department	<u>\$ 805,162</u>	<u>\$ 772,995</u>	<u>\$ (32,167)</u>
<b>Police Department:</b>			
Clerical Salary	\$ 142,249	\$ 133,177	\$ (9,072)
Chief Salary	81,151	83,547	2,396
Lieutenant Salary	162,466	163,641	1,175
Administrative Assistant Salary	27,123	28,694	1,571
Sergeants Salary	308,228	160,907	(147,321)
Officers Salary	1,124,018	1,270,442	146,424
Court Time Salary	20,131	7,992	(12,139)
Overtime Salary	133,045	99,020	(34,025)
Holiday	94,494	76,278	(18,216)
Emergency Police	15,000	9,270	(5,730)
Golf Course Security	\$ 4,000	\$ 2,365	\$ (1,635)

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Hearing Officer	6,300	-	(6,300)
Social Security/Medicare	166,402	46,962	(119,440)
Illinois Municipal Retirement Fund Contributions	-	7,387	7,387
Crossing Guards	51,840	48,131	(3,709)
Management Fees	300	325	25
Clothing Allowance	18,400	18,100	(300)
Computer Repair and Maintenance	2,000	1,847	(153)
Other Legal Fees	-	-	-
Professional Fees	8,500	10,084	1,584
Central Dispatch	240,000	219,787	(20,213)
Uniforms and Personal Equipment	8,000	8,243	243
Training Costs	6,060	3,731	(2,329)
Travel	300	69	(231)
Employee Costs	300	416	116
Membership and Subscriptions	5,500	7,109	1,609
Employment Costs	10,000	5,263	(4,737)
Office Supplies	8,500	9,361	861
Bank Fees	-	116	116
Departmental Supplies	8,000	7,861	(139)
Legal Fees	3,500	27,368	23,868
Postage	1,500	1,654	154
Telephone	12,000	17,782	5,782
Computer Software	1,000	864	(136)
Maintenance Contracts	4,300	4,874	574
Utilities	-	937	937
Custodial Supplies	2,500	5,651	3,151
Prisoner Costs	1,100	1,524	424
Radio Purchase and Maintenance	2,000	1,863	(137)
Animal Warden Supplies	1,200	897	(303)
Computer Repair and Maintenance	1,000	673	(327)
Office Equipment Purchase	700	331	(369)
Furniture Purchase	1,500	1,191	(309)
Other Equipment Purchase	2,500	2,458	(42)
Computer Purchase	2,000	1,979	(21)
Repair Maintenance Equipment	2,500	704	(1,796)
Equipment Rental	200	206	6
Maintenance - Vehicles	26,000	46,644	20,644
Fuel	20,000	32,700	12,700
Ammunition	4,000	2,874	(1,126)
Purchase of Vehicles	70,000	31,705	(38,295)
Crime Prevention	1,500	1,485	(15)
Building Maintenance	\$ 7,100	\$ 6,515	\$ (585)

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Bullet Proof Vests	3,500	4,713	1,213
Dental Insurance Premiums	3,187	3,457	270
Health Insurance Premiums	326,859	354,125	27,266
Life Insurance Premiums	1,275	1,634	359
Worker's Compensation Insurance	191,623	212,278	20,655
Confiscated Cash Expenditure	5,000	1,984	(3,016)
Miscellaneous	5,700	4,333	(1,367)
Contribution to Police Pension Fund	5,500	5,825	325
Total Police Department	<u>\$ 3,363,051</u>	<u>\$ 3,211,353</u>	<u>\$ (151,698)</u>
<b>Street and Bridge:</b>			
Clerical Salary	\$ 12,952	\$ 5,897	\$ (7,055)
Street and Alley Labor	185,531	223,150	37,619
Equipment Labor Wages	29,735	-	(29,735)
Social Security/Medicare	18,492	20,924	2,432
Illinois Municipal Retirement Fund Contributions	18,976	19,841	865
Refuse Pickup	4,120	810	(3,310)
Equipment Maintenance	-	27,565	27,565
Professional Fees	5,150	2,157	(2,993)
Engineering Fees	33,990	89,040	55,050
Grant Expenses	2,060	-	(2,060)
Uniforms and Personal Equipment	5,150	2,478	(2,672)
Employment Costs	1,288	621	(667)
Membership and Subscriptions	258	-	(258)
Office Supplies	258	247	(11)
Departmental Supplies	6,695	5,966	(729)
Postage	3,863	4,623	760
Telephone	6,180	4,727	(1,453)
Utilities	29,355	24,482	(4,873)
Custodial Supplies	412	293	(119)
Material Purchases	20,600	3,330	(17,270)
Street Signs	3,605	2,898	(707)
Tree Planting and Removal	13,390	11,004	(2,386)
Materials for Streets and Alleys	2,575	20,117	17,542
Maintenance Contracts	1,236	1,144	(92)
Repair Maintenance Equipment	14,420	18,763	4,343
Computer Software	-	6,500	6,500
Street Construction	77,900	131,635	53,735
Sidewalk Construction	13,390	895	(12,495)
Radio Purchases and Repairs	1,030	-	(1,030)
Equipment Rental	7,725	3,377	(4,348)
Maintenance - Vehicles	15,450	12,139	(3,311)
Fuel	\$ 25,750	\$ 31,875	\$ 6,125

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Health Insurance Premiums	7,797	51,104	43,307
Other Insurance Premiums	12,408	27,052	14,644
Building Maintenance	61,800	3,068	(58,732)
Machine and Equipment Purchase	5,253	1,694	(3,559)
Walking Trail	13,509	3,998	(9,511)
Hot Patch	-	614	614
Vehicle Purchases	92,700	73,372	(19,328)
Vehicle Rental	4,635	-	(4,635)
Miscellaneous Costs	4,120	4,113	(7)
Total Street and Bridge	<u>\$ 763,758</u>	<u>\$ 841,513</u>	<u>\$ 77,755</u>
<b>Golf Course Operations:</b>			
Payroll Expense	\$ 354,945	\$ 759,753	\$ 404,808
General Administration	-	431,604	431,604
Course and Grounds	258,231	220,672	(37,559)
Cart	-	51,646	51,646
Pro Shop	-	3,746	3,746
Food and Beverage	-	216,291	216,291
Range	-	7,210	7,210
Improvements	-	1,280	1,280
Total Golf Course Operations	<u>\$ 613,176</u>	<u>\$ 1,692,202</u>	<u>\$ 1,079,026</u>
<b>Worth Days:</b>			
Worth Days Expense	\$ 66,705	\$ 108,449	\$ 41,744
Marketing Expense	74,770	2,699	(72,071)
Total Worth Days	<u>\$ 141,475</u>	<u>\$ 111,148</u>	<u>\$ (30,327)</u>
<b>Federal Seizure:</b>			
Computer Purchase	\$ -	\$ 12,058	\$ 12,058
Equipment Purchase	-	4,858	4,858
Vehicle Purchase	-	22,728	22,728
Other Expenses	20,000	-	(20,000)
Total Federal Seizure:	<u>\$ 20,000</u>	<u>\$ 39,644</u>	<u>\$ 19,644</u>
<b>Debt Service:</b>			
Golf Course Principal	\$ 348,972	\$ 250,000	\$ (98,972)
Other Principal	73,802	533,550	459,748
Golf Course Interest	223,114	295,716	72,602
Other Interest	22,746	18,360	(4,386)
Total Debt Service	<u>\$ 668,634</u>	<u>\$ 1,097,626</u>	<u>\$ 428,992</u>
Total Expenditures	<u>\$ 7,699,893</u>	<u>\$ 9,337,979</u>	<u>\$ 1,638,086</u>

See accompanying notes to required supplementary information

## VILLAGE OF WORTH, ILLINOIS

### Note to the Required Supplementary Information

#### **Note 1. Budgetary Basis of Accounting**

The General Fund and the Motor Fuel Tax Fund budgets are adopted on a basis of accounting consistent with generally accepted accounting principles. For the year ended April 30, 2010, actual expenditures exceeded budgeted expenditures.

#### **Note 2. Budgets**

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

1. The Village treasurer submits to the Village Board, a proposed operating budget for the fiscal year. With the help of the budget, the Village prepares the Appropriation Ordinance.
2. A public hearing is conducted to obtain taxpayer comments on the appropriation ordinance. Within the first quarter of the fiscal year, the Appropriation Ordinance is legally enacted by the board action.
3. Appropriation ordinances for the General Fund, Certain Special Revenue Funds, and all Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles.
4. Budgets/Appropriation authority lapses at year-end.
5. State law requires that expenditures may not exceed appropriation. Transfers may be made between line items, departments and funds. the level of legal control is considered the Appropriations Ordinance.
6. Budgeted amounts are originally adopted, or as amended. During fiscal 2010, no supplemental budgetary appropriations were made.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

VILLAGE OF WORTH, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2010

	Tax Increment Financing Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 147,364	\$ (200,131)	\$ (52,767)
Receivables			
Motor Fuel Tax	-	23,960	23,960
Due from Other Funds	<u>35,665</u>	<u>-</u>	<u>35,665</u>
Total Assets	<u>\$ 183,029</u>	<u>\$ (176,171)</u>	<u>\$ 6,858</u>
<b>Liabilities and Fund Balance</b>			
Accounts Payable	\$ 1,724	\$ 17,402	\$ 19,126
Due to Other Funds	<u>-</u>	<u>296,508</u>	<u>296,508</u>
Total Liabilities	<u>\$ 1,724</u>	<u>\$ 313,910</u>	<u>\$ 315,634</u>
<b>Fund balance</b>			
Special Revenue Funds	<u>\$ 181,305</u>	<u>\$ (490,081)</u>	<u>\$ (308,776)</u>
Total Liabilities and Fund Balances	<u>\$ 183,029</u>	<u>\$ (176,171)</u>	<u>\$ 6,858</u>

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Revenues, Expenditures and Change in Fund Balance -  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2010

	Tax Increment Financing Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Fund
<b>Revenues</b>			
Property Taxes	\$ 152,427	\$ -	\$ 152,427
Intergovernmental	-	281,099	281,099
Interest	-	143	143
Transfer In	<u>35,666</u>	<u>-</u>	<u>35,666</u>
Total Revenues	<u>\$ 188,093</u>	<u>\$ 281,242</u>	<u>\$ 469,335</u>
<b>Expenditures, Current</b>			
Motor Fuel Tax Project	\$ -	\$ 450,950	\$ 450,950
Legal Fees	6,788	-	6,788
Debt Service:			
Principal	-	28,750	28,750
Interest	-	<u>9,250</u>	<u>9,250</u>
Total Expenses	<u>\$ 6,788</u>	<u>\$ 488,950</u>	<u>\$ 495,738</u>
Excess revenues or (expenditures)	\$ 181,305	\$ (207,708)	\$ (26,403)
Fund balance:			
May 1, 2009	<u>\$ -</u>	<u>\$ (282,373)</u>	<u>\$ (282,373)</u>
April 30, 2010	<u>\$ 181,305</u>	<u>\$ (490,081)</u>	<u>\$ (308,776)</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 Tax Increment Financing Fund  
 Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$ -	\$ 152,427	\$ 152,427
Transfer In	-	35,666	35,666
Total Revenues	<u>\$ -</u>	<u>\$ 188,093</u>	<u>\$ 188,093</u>
<b>Expenditures, Current</b>			
Legal Fees	\$ -	\$ 6,788	\$ 6,788
Total Expenses	<u>\$ -</u>	<u>\$ 6,788</u>	<u>\$ 6,788</u>
Excess revenues or (expenditures)	<u>\$ -</u>	<u>\$ 181,305</u>	<u>\$ 181,305</u>
Fund balance:			
April 30, 2010		<u>\$ 181,305</u>	

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 Motor Fuel Tax  
 Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 332,060	\$ 281,099	\$ (50,961)
Interest	-	143	143
Total Revenues	<u>\$ 332,060</u>	<u>\$ 281,242</u>	<u>\$ (50,818)</u>
<b>Expenditures, Current</b>			
Motor Fuel Tax Project	\$ 311,982	\$ 450,950	\$ 138,968
Debt Service:			
Principal	29,429	28,750	(679)
Interest	9,469	9,250	(219)
Total Expenses	<u>\$ 350,880</u>	<u>\$ 488,950</u>	<u>\$ 138,070</u>
Excess revenues or (expenditures)	<u>\$ (18,820)</u>	\$ (207,708)	<u>\$ (188,888)</u>
Fund balance:			
May 1, 2009		<u>\$ (282,373)</u>	
April 30, 2010		<u>\$ (490,081)</u>	

## **SUPPLEMENTAL INFORMATION**



HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (Ret'd)  
Phillip M. Hearne, CPA  
Rebecca L. Heintz, CPA

Anthony M. Scott, CPA  
John C. Williams, CPA, MST  
Matthew R. Truschka

**REPORT ON COMPLIANCE WITH THE PROVISIONS OF  
SUBSECTION (Q) OF SECTION 11-74.4-3 OF THE ILLINOIS  
TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

April 18, 2011

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

We have audited the basic financial statements of the Village of Worth, Illinois as of and for the year ended April 30, 2010 and have issued our report thereon dated April 18, 2011. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Village's Tax Increment Financing Redevelopment Project and Plan.

Our audit was made 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Village of Worth, Illinois' management is responsible for the Village's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the Village's compliance with the State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicated that for the items tested, the Village of Worth, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Sincerely,

Hearne & Associates, P.C.  
Certified Public Accountants

VILLAGE OF WORTH, ILLINOIS

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

	Tax Year						
	2009	2008	2007	2006	2005	2004	2003
Assessed Valuations	<u>\$ 215,773,382</u>	<u>\$ 210,131,229</u>	<u>\$186,612,161</u>	<u>\$177,472,688</u>	<u>\$176,436,473</u>	<u>\$154,099,262</u>	<u>\$151,601,636</u>
Tax Rates:							
General	0.8396	1.0225	1.0006	0.9184	0.8694	0.9900	1.0041
Garbage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
IMRF	0.0000	0.0000	0.0000	0.1108	0.1133	0.1007	0.1000
Police Pension	0.2264	0.1538	0.1506	0.1579	0.1265	0.1434	0.1551
Fire Pension	0.0792	0.0740	0.0725	0.0758	0.1139	0.1087	0.0776
Debt Service	<u>0.0348</u>	<u>0.0387</u>	<u>0.0387</u>	<u>0.2792</u>	<u>0.2740</u>	<u>0.0472</u>	<u>0.0465</u>
Total	<u>1.1800</u>	<u>1.2890</u>	<u>1.2624</u>	<u>1.5421</u>	<u>1.4971</u>	<u>1.3900</u>	<u>1.3833</u>
Extended Tax Rate	<u>1.180</u>	<u>1.263</u>	<u>1.268</u>	<u>1.542</u>	<u>1.497</u>	<u>1.390</u>	<u>1.383</u>
Tax Extensions:							
General	\$ 1,741,800	\$ 1,867,239	\$ 1,906,901	\$ 1,620,400	\$ 1,533,945	\$ 1,525,642	\$ 1,522,238
IMRF	-	-	-	195,500	199,902	155,177	151,601
Police Pension	475,734	281,037	287,000	278,663	223,192	220,978	235,134
Fire Pension	166,444	135,293	138,000	133,730	200,837	169,046	117,642
Debt Service	<u>73,028</u>	<u>72,188</u>	<u>68,750</u>	<u>492,563</u>	<u>483,407</u>	<u>72,752</u>	<u>70,455</u>
	\$ 2,457,006	\$ 2,355,757	\$ 2,400,651	\$ 2,720,856	\$ 2,641,283	\$ 2,143,595	\$ 2,097,070
Road and Bridge	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Totals	<u>\$ 2,479,006</u>	<u>\$ 2,377,757</u>	<u>\$ 2,422,651</u>	<u>\$ 2,742,856</u>	<u>\$ 2,663,283</u>	<u>\$ 2,165,595</u>	<u>\$ 2,119,070</u>
Tax Collections	\$ 1,251,114	\$ 2,193,442	\$ 2,120,935	\$ 2,718,157	\$ 2,579,515	\$ 2,132,901	\$ 2,090,067
Percent Collections	<u>50.47%</u>	<u>92.25%</u>	<u>87.55%</u>	<u>99.10%</u>	<u>96.85%</u>	<u>98.49%</u>	<u>98.63%</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2010

	Year Ended April 30,	Principal	Interest	Total
General Obligation Limited Tax Bonds, Series 1999B Dated May 1, 1999, Interest payable on January 1 and June 1 at a rate of 9.00% Paying Agent: The Depository 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	<u>100,000</u>	<u>9,000</u>	<u>109,000</u>
		<u>\$ 560,000</u>	<u>\$ 183,150</u>	<u>\$ 743,150</u>
General Obligation Refunding Bonds (Alternate Revenue Source) Series 2009: Dated April 1, 2009, Interest payable on January 1 and July 1 at rates between 3.00% and 5.00 Paying Agent: Amalgamated Bank of Chicago				
	2011	\$ 180,000	\$ 299,516	\$ 479,516
	2012	185,000	294,116	479,116
	2013	190,000	288,566	478,566
	2014	195,000	282,866	477,866
	2015	200,000	277,016	477,016
	2016	210,000	270,016	480,016
	2017	220,000	262,666	482,666
	2018	225,000	253,866	478,866
	2019	235,000	244,866	479,866
	2020	245,000	235,466	480,466
	2021	255,000	225,972	480,972
	2022	265,000	215,772	480,772
	2023	275,000	205,172	480,172
	2024	290,000	193,486	483,486
	2025	300,000	180,798	480,798
	2026	315,000	167,298	482,298
	2027	330,000	152,728	482,728
	2028	345,000	137,218	482,218
	2029	360,000	120,832	480,832
	2030	380,000	103,282	483,282
	2031	395,000	84,756	479,756
	2032	415,000	65,500	480,500
	2033	435,000	44,750	479,750
	2034	<u>460,000</u>	<u>23,002</u>	<u>483,002</u>
		<u>\$ 6,905,000</u>	<u>\$ 4,629,526</u>	<u>\$11,534,526</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2010

	Year Ended April 30,	Principal	Interest	Total
General Obligation Debt Certificates Dated January 26, 2004, Interest payable on January 26 and July 26 at rates between 1.85% and 4.90 Paying Agent: Founders Bank				
	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	82,142	3,019	85,161
		<u>\$ 739,286</u>	<u>\$ 150,712</u>	<u>\$ 889,998</u>
General Obligation Debt Certificates Dated March 8, 2006, Interest payable quarterly				
	2011	\$ 60,000	\$ 13,857	\$ 73,857
	2012	60,000	9,585	69,585
	2013	60,000	7,039	67,039
	2014	60,000	3,630	63,630
	2015	20,000	547	20,547
		<u>\$ 260,000</u>	<u>\$ 34,658</u>	<u>\$ 294,658</u>
General Obligation Debt Certificates Series 2006				
	2011	<u>\$ 8,284</u>	<u>\$ 273</u>	<u>\$ 8,557</u>
		<u>\$ 8,284</u>	<u>\$ 273</u>	<u>\$ 8,557</u>
Installment Note Dated November 2006, Principal and interest payable on May through October of each year at a rate of approximately 6.5%				
	2011	\$ 40,326	\$ 4,965	\$ 45,291
	2012	43,027	2,264	45,291
	2013	-	-	-
		<u>\$ 83,353</u>	<u>\$ 7,229</u>	<u>\$ 90,582</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2010

	Year Ended April 30,	Principal	Interest	Total
Installment Note				
Dated November 2006,				
Principal and interest payable on				
June through November of each year				
at a rate of approximately 6.5%				
	2011	\$ 1,105	\$ 136	\$ 1,241
	2012	1,179	62	1,241
	2013	-	-	-
		<u>\$ 2,284</u>	<u>\$ 198</u>	<u>\$ 2,482</u>
Installment Note				
Dated November 2006,				
Principal and Interest payable on				
May through October of each year				
at a rate of approximately 6.5%				
	2011	\$ 1,105	\$ 136	\$ 1,241
	2012	1,179	62	1,241
	2013	-	-	-
		<u>\$ 2,284</u>	<u>\$ 198</u>	<u>\$ 2,482</u>
Installment Note				
Dated November 2006,				
Principal and Interest payable on				
May through October of each year				
at a rate of approximately 6.5%				
	2011	\$ 1,796	\$ 221	\$ 2,017
	2012	1,916	101	2,017
		<u>\$ 3,712</u>	<u>\$ 322</u>	<u>\$ 4,034</u>
Capital Lease				
Dated May 1, 2004,				
With an average interest rate of 2%				
	2011	\$ 13,000	\$ 1,966	\$ 14,966
	2012	13,000	1,646	14,646
	2013	13,000	1,181	14,181
	2014	13,000	697	13,697
	2015	6,500	146	6,646
		<u>\$ 58,500</u>	<u>\$ 5,636</u>	<u>\$ 64,136</u>

VILLAGE OF WORTH, ILLINOIS

Information Required By Revenue Bond Ordinance  
(Unaudited)  
April 30, 2010

Consumer data:

Number of customers:

Water and Sewer Service:

Residential	2,463
Commercial	<u>147</u>
Total	<u><u>2,610</u></u>

Sewer Service only:

Residential	3
Commercial	<u>2</u>
Total	<u><u>5</u></u>

Percent

Water Usage:

Gallage purchased	365,219,000	100%
Gallage billed	<u>304,001,000</u>	<u>83%</u>
Gallage lost and/or unaccounted for	61,218,000	17%

Insurance coverage

Umbrella	\$ 9,000,000
Law Enforcement Liability - Each wrongful act	1,000,000
General Liability - Each occurrence	1,000,000
Public Officials Liability - Each wrongful act	1,000,000
Public Officials Liability - Aggregate	3,000,000
Auto Liability - Each accident	1,000,000
Property - Building	11,269,119
Property - BPP	869,555
Property - Tax Interruption	751,000
Contractor's (Mobile) Equipment	1,338,210
Flood	5,000,000
Earthquake	5,000,000
Equipment Breakdown:	
Expediting Equipment	12,889,674
Pollution Clean Up and Removal	100,000
Liquor	1,000,000
Crime:	
Public Employee Dishonesty	500,000
Money and Securities (inside premises)	500,000
Money and Securities (outside premises)	500,000
Forgery or Alteration	500,000
Workers' Compensation - Aggregate	2,500,000
Workers' Compensation - Each occurrence	2,500,000