

VILLAGE OF WORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2013

Prepared By:

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

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Independent Auditors' 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, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension related schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

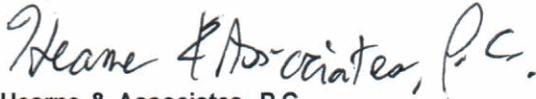
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Worth, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance thereon.

December 16, 2013
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis

April 30, 2013

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, 2013. 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 Position (the "Unrestricted Net Position") 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.

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.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis April 30, 2013

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 23-24). 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 20-22) 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 19). 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 Position

Net Position serves over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$ 7.1 million as of April 30, 2013.

A significant portion of the Village's net position (79%) 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.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis
April 30, 2013

Table 1
Statement of Net Position
As of April 30, 2013

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total Primary</u> |
|--|----------------------|----------------------|----------------------|
| Current Assets | \$ 3,227,881 | \$ 2,143,810 | \$ 5,371,691 |
| Non Current Assets | 10,381,753 | 2,784,739 | 13,166,492 |
| Total Assets | <u>\$ 13,609,634</u> | <u>\$ 4,928,549</u> | <u>\$ 18,538,183</u> |
| Current Liabilities | \$ 1,273,538 | \$ 384,443 | \$ 1,657,981 |
| Non Current Liabilities | 9,467,220 | 307,964 | 9,775,184 |
| Total Liabilities | <u>\$ 10,740,758</u> | <u>\$ 692,407</u> | <u>\$ 11,433,165</u> |
| Net Position: | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 3,174,406 | \$ 2,447,251 | \$ 5,621,657 |
| Restricted | - | 167,148 | 167,148 |
| Unrestricted (Deficit) | (305,530) | 1,621,743 | 1,316,213 |
| Total Net Position | <u>\$ 2,868,876</u> | <u>\$ 4,236,142</u> | <u>\$ 7,105,018</u> |

Statement of Net Position
As of April 30, 2012

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total Primary</u> |
|--|----------------------|----------------------|----------------------|
| Current Assets | \$ 3,030,788 | \$ 1,584,608 | \$ 4,615,396 |
| Non Current Assets | 9,926,750 | 2,856,522 | 12,783,272 |
| Total Assets | <u>\$ 12,957,538</u> | <u>\$ 4,441,130</u> | <u>\$ 17,398,668</u> |
| Current Liabilities | \$ 2,348,878 | \$ 185,874 | \$ 2,534,752 |
| Non Current Liabilities | 8,442,477 | 360,364 | 8,802,841 |
| Total Liabilities | <u>\$ 10,791,355</u> | <u>\$ 546,238</u> | <u>\$ 11,337,593</u> |
| Net Position: | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 2,368,528 | \$ 2,448,549 | \$ 4,817,077 |
| Restricted | - | - | - |
| Unrestricted (Deficit) | (202,345) | 1,446,343 | 1,243,998 |
| Total Net Position | <u>\$ 2,166,183</u> | <u>\$ 3,894,892</u> | <u>\$ 6,061,075</u> |

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

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis

April 30, 2013

The Village's combined net position (which is the Village's equity) increased to \$ 7,105,018 from \$ 6,061,075 as a result of the increase in net position primarily in the Governmental Type Activities. Net position of the Village's governmental activities were \$ 2,868,876. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, were \$ (305,530). The net position of business-type activities increased to \$ 4,236,142 from \$ 3,894,892. The Village can use unrestricted net position 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 Position summary presentation.

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

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 position and increase invested in capital assets, of debt.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position 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 increased by \$ 1,139,514 from the prior year mainly due to a net increase in current assets related to cash and cash equivalents. The Village's liabilities increased by \$ 95,572 mainly due to the change in property taxes deferred.

The Village's total net position increased by \$ 1,043,943. In the prior year the net position increased by \$1,428,165 and can be attributed to several factors. The changes in net position are further analyzed in the next section.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis
April 30, 2013

Changes In Net Position

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

Table 2
Changes In Net Position
For the Fiscal Year Ended April 30, 2013

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total Primary</u> |
|------------------------------------|---------------------|----------------------|----------------------|
| REVENUES | | | |
| Program Revenues | | | |
| Charges for Services | \$ 3,721,049 | \$ 2,534,220 | \$ 6,255,269 |
| Operating Grants and Contributions | 234,058 | - | 234,058 |
| General Revenues | | | |
| Property Taxes | 2,250,870 | - | 2,250,870 |
| Other Taxes | 3,077,147 | - | 3,077,147 |
| Other | 147,971 | 274 | 148,245 |
| Total Revenues | <u>\$ 9,431,095</u> | <u>\$ 2,534,494</u> | <u>\$ 11,965,589</u> |
| EXPENSES | | | |
| General Government | \$ 547,407 | \$ - | \$ 547,407 |
| Building Department | 105,611 | - | 105,611 |
| Boat Launch | 16,647 | - | 16,647 |
| Health Department | 9,000 | - | 9,000 |
| Fire Department | 1,568,711 | - | 1,568,711 |
| Police Department | 3,335,512 | - | 3,335,512 |
| Street and Bridge | 757,749 | - | 757,749 |
| Golf Course | 1,825,971 | - | 1,825,971 |
| Worth Days | 69,673 | - | 69,673 |
| Federal Seizure | 3,378 | - | 3,378 |
| Motor Fuel Tax Project | 182,454 | - | 182,454 |
| Tax Increment Financing | 3,225 | - | 3,225 |
| Interest | 303,064 | - | 303,064 |
| Waterworks & Sewerage | - | 2,097,317 | 2,097,317 |
| Commuter Parking Lot | - | 95,927 | 95,927 |
| Total Expenses | <u>\$ 8,728,402</u> | <u>\$ 2,193,244</u> | <u>\$ 10,921,646</u> |
| Change In Net Position | \$ 702,693 | \$ 341,250 | \$ 1,043,943 |
| Beginning Net Position | <u>2,166,183</u> | <u>3,894,892</u> | <u>6,061,075</u> |
| Ending Net Position | <u>\$ 2,868,876</u> | <u>\$ 4,236,142</u> | <u>\$ 7,105,018</u> |

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis
April 30, 2013

Changes In Net Position
For the Fiscal Year Ended April 30, 2012

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total Primary</u> |
|------------------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Program Revenues | | | |
| Charges for Services | \$ 3,600,093 | \$ 2,439,562 | \$ 6,039,655 |
| Operating Grants and Contributions | 441,280 | 98,990 | 540,270 |
| General Revenues | | | |
| Property Taxes | 2,585,882 | - | 2,585,882 |
| Other Taxes | 2,911,878 | - | 2,911,878 |
| Other | 145,463 | 251 | 145,714 |
| Total Revenues | <u>\$ 9,684,596</u> | <u>\$ 2,538,803</u> | <u>\$ 12,223,399</u> |
| EXPENSES | | | |
| General Government | \$ 529,171 | \$ - | \$ 529,171 |
| Building Department | 117,332 | - | 117,332 |
| Boat Launch | 10,967 | - | 10,967 |
| Health Department | 2,760 | - | 2,760 |
| Fire Department | 1,559,592 | - | 1,559,592 |
| Police Department | 3,343,738 | - | 3,343,738 |
| Street and Bridge | 600,894 | - | 600,894 |
| Golf Course | 1,871,266 | - | 1,871,266 |
| Worth Days | 70,926 | - | 70,926 |
| Federal Seizure | 1,346 | - | 1,346 |
| Motor Fuel Tax Project | 254,720 | - | 254,720 |
| Tax Increment Financing | 6,738 | - | 6,738 |
| Interest | 356,403 | - | 356,403 |
| Waterworks & Sewerage | - | 1,948,757 | 1,948,757 |
| Commuter Parking Lot | - | 120,625 | 120,625 |
| Total Expenses | <u>\$ 8,725,853</u> | <u>\$ 2,069,382</u> | <u>\$ 10,795,235</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers | <u>\$ 12,510</u> | <u>\$ (12,510)</u> | <u>\$ -</u> |
| Change In Net Position | \$ 971,253 | \$ 456,911 | \$ 1,428,164 |
| Beginning Net Position | <u>1,194,930</u> | <u>3,437,981</u> | <u>4,632,911</u> |
| Ending Net Position | <u><u>\$ 2,166,183</u></u> | <u><u>\$ 3,894,892</u></u> | <u><u>\$ 6,061,075</u></u> |

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis
April 30, 2013

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, 2013, revenues from all activities totaled \$ 11,965,589, a 2.1% decrease from 2012. The decreases are mainly in real estate taxes and grants 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. Property taxes are down \$335,012 for the year while charges for services are up \$215,614. Grant revenue decreased \$306,212 from the prior year.

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Management Discussion and Analysis
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Expenses:

The Village's total expenses for all activities for the year ended April 30, 2013 and 2012 were \$ 10,921,646 and \$ 10,795,235, respectively or an increase of \$126,411. The main increases were in the water and sewer fund (\$148,560).

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 they accounted for \$ 4.9 million of the total expenses in 2013 and \$ 4.9 million of the total expenses in 2012. 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, 2013, the governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$ 817,873 compared to \$ 864,091 in 2012. Revenues and other financing sources (uses) were exceeded by expenditures in 2013. This was caused by less revenue as explained above and additional capital expenditures in 2013.

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 2013. 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 | \$ 4,415,073 | \$ 3,481,613 |
| Licenses, Permits, and Fees | 1,092,765 | 943,909 |
| Grants | - | 234,058 |
| Intergovernmental | 1,462,184 | 1,544,889 |
| Fines and Forfeitures | 707,461 | 912,717 |
| Golf Course | 1,955,723 | 1,824,775 |
| Other | 650,378 | 193,420 |
| Fund Transfers | | - |
| Total | <u>\$ 10,283,584</u> | <u>\$ 9,135,381</u> |

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis
April 30, 2013

| <u>General Fund</u> | <u>Original Budget</u> | <u>Actual</u> |
|---------------------------------------|------------------------|---------------------|
| Expenditures and Other Financing Uses | | |
| General Government | \$ 777,594 | \$ 614,492 |
| Building Department | 130,253 | 105,611 |
| Boat Launch | 12,489 | 16,647 |
| Health Department | 7,725 | 9,000 |
| Fire Department | 1,599,719 | 1,568,711 |
| Ambulance & Paramedic Department | - | - |
| Police Department | 3,291,329 | 3,276,130 |
| Street and Bridge | 1,229,899 | 1,209,049 |
| Golf Course | 1,819,500 | 1,719,294 |
| Worth Days | 70,129 | 69,673 |
| Federal Seizure | 6,180 | 3,378 |
| Debt Service | 563,884 | 627,208 |
| Total | <u>\$ 9,508,701</u> | <u>\$ 9,219,193</u> |
| Change In Fund Balance | <u>\$ 774,883</u> | <u>\$ (83,812)</u> |

As shown above the General Fund had a surplus budget of \$ 774,883, while actual results were a \$ 83,812 deficit. There are several factors that attributed to this deficit. General Government was \$163,102 below budgeted expenses. The golf course was \$100,206 below budgeted expenses. Property and other taxes were less than budget expectations by \$931,131 and fines and forfeiture revenues exceeded budgeted amounts by \$ 205,256.

CAPITAL ASSETS

At the end of the fiscal year 2013, the Village had a combined total of capital assets of \$ 13,166,492 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>Net</u> | <u>Balance</u> |
|------------------------------|-----------------------|----------------------------|-----------------------|
| | <u>April 30, 2012</u> | <u>Additions/Deletions</u> | <u>April 30, 2013</u> |
| Land | \$ 3,535,289 | \$ | \$ 3,535,289 |
| Building and Improvements | 3,302,704 | (3,568) | 3,299,136 |
| Waterworks & Sewerage System | 2,494,041 | (42,781) | 2,451,260 |
| Machinery and Equipment | 1,065,515 | 109,184 | 1,174,699 |
| Commuter Parking Lot | 226,157 | (29,001) | 197,156 |
| Infrastructure | 2,159,566 | 349,386 | 2,508,952 |
| Total Capital Assets | <u>\$ 12,783,272</u> | <u>\$ 383,220</u> | <u>\$ 13,166,492</u> |

VILLAGE OF WORTH, ILLINOIS

**Management Discussion and Analysis
April 30, 2013**

DEBT OUTSTANDING

See Note 5 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2013.

Economic Factors

The financial condition of the Federal and State governments continues to have a dramatic effect on the Village of Worth during 2013. 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 position.

The financial markets experienced a rebound 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 \$ 530,345 (Police Pension \$ 301,316 and Fire Pension 229,029) compared to the prior year negative change of (\$ 339,000).

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 Position
April 30, 2013

| | Governmental Activities | Business Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 1,076,375 | \$ 1,883,400 | \$ 2,959,775 |
| Receivables: | | | |
| Property Taxes | 1,258,921 | - | 1,258,921 |
| Other | 596,975 | 244,279 | 841,254 |
| Bond Issue Costs | 181,299 | - | 181,299 |
| Due From Other Funds | 19,611 | 16,130 | 35,741 |
| Prepaid Expenses | 46,298 | - | 46,298 |
| Inventories | 48,402 | - | 48,402 |
| Total Current Assets | <u>\$ 3,227,881</u> | <u>\$ 2,143,809</u> | <u>\$ 5,371,690</u> |
| Noncurrent Assets | | | |
| Capital Assets Not Being Depreciated | \$ 3,487,465 | \$ 47,824 | \$ 3,535,289 |
| Capital Assets Being Depreciated, Net | 6,894,288 | 2,736,915 | 9,631,203 |
| Total Noncurrent Assets | <u>\$ 10,381,753</u> | <u>\$ 2,784,739</u> | <u>\$ 13,166,492</u> |
| Total Assets | <u>\$ 13,609,634</u> | <u>\$ 4,928,548</u> | <u>\$ 18,538,182</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 448,947 | \$ 236,214 | \$ 685,161 |
| Short Term Notes Payable | 70,000 | - | 70,000 |
| Accrued Payroll | 97,815 | 35,329 | 133,144 |
| Accrued Vacation | 192,976 | - | 192,976 |
| Due To Fiduciary Funds | 47,497 | - | 47,497 |
| Deposits | 48,093 | - | 48,093 |
| General Obligation Bonds | 162,080 | - | 162,080 |
| Revenue Bonds | - | 36,024 | 36,024 |
| Alternative Revenue Bonds | 190,000 | - | 190,000 |
| Current Maturities of Capital Lease | - | 13,000 | 13,000 |
| Water Billing Credits | - | 44,264 | 44,264 |
| Due To Other Funds | 16,130 | 19,611 | 35,741 |
| Total Current Liabilities | <u>\$ 1,273,538</u> | <u>\$ 384,442</u> | <u>\$ 1,657,980</u> |
| Long-Term Liabilities, Net of Current Maturities | | | |
| General Obligation Bonds | \$ 690,432 | \$ 301,464 | \$ 991,896 |
| Premium Related to Bonds | 4,835 | - | 4,835 |
| General Obligation Debt Certificates | - | - | - |
| Alternative Revenue Bonds | 6,160,000 | - | 6,160,000 |
| Capital Lease | - | 6,500 | 6,500 |
| Compensated Absences | 198,720 | - | 198,720 |
| Pension Obligations | 1,093,260 | - | 1,093,260 |
| Total Noncurrent Liabilities | <u>\$ 8,147,247</u> | <u>\$ 307,964</u> | <u>\$ 8,455,211</u> |
| Total Liabilities | <u>\$ 9,420,785</u> | <u>\$ 692,406</u> | <u>\$ 10,113,191</u> |

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Activities
Year Ended April 30, 2013

| Functions/Programs | Program Revenues | | | Net (Expense), Revenue and Changes in Net Position | | |
|--|---------------------|----------------------|-----------------------------------|--|--------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contribution | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | |
| General Government | \$ 547,407 | \$ 648,623 | \$ 42,304 | \$ 143,520 | \$ - | \$ 143,520 |
| Building Department | 105,611 | 95,588 | - | (10,023) | - | (10,023) |
| Boat Launch | 16,647 | - | - | (16,647) | - | (16,647) |
| Health Department | 9,000 | 9,873 | - | 873 | - | 873 |
| Fire Department | 1,568,711 | - | - | (1,568,711) | - | (1,568,711) |
| Police Department | 3,335,512 | 912,717 | 13,993 | (2,408,802) | - | (2,408,802) |
| Street and Bridge | 757,749 | 189,825 | 177,761 | (390,163) | - | (390,163) |
| Golf Course | 1,825,971 | 1,824,775 | - | (1,196) | - | (1,196) |
| Worth Days | 69,673 | 39,648 | - | (30,025) | - | (30,025) |
| Federal Seizure | 3,378 | - | - | (3,378) | - | (3,378) |
| Motor Fuel Tax Project | 182,454 | - | - | (182,454) | - | (182,454) |
| Tax Increment Financing | 3,225 | - | - | (3,225) | - | (3,225) |
| Interest | 303,064 | - | - | (303,064) | - | (303,064) |
| Total Governmental Activities | <u>\$ 8,728,402</u> | <u>\$ 3,721,049</u> | <u>\$ 234,058</u> | <u>\$ (4,773,295)</u> | <u>\$ -</u> | <u>\$(4,773,295)</u> |
| Business-Type Activities: | | | | | | |
| Waterworks and Sewerage | \$ 2,097,317 | \$ 2,473,299 | \$ - | \$ - | \$ 375,982 | \$ 375,982 |
| Commuter Parking Lot | 95,927 | 60,921 | - | - | (35,006) | (35,006) |
| Total Business Type Activities | <u>\$ 2,193,244</u> | <u>\$ 2,534,220</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 340,976</u> | <u>\$ 340,976</u> |
| Total | <u>\$10,921,646</u> | <u>\$ 6,255,269</u> | <u>\$ 234,058</u> | <u>\$ (4,773,295)</u> | <u>\$ 340,976</u> | <u>\$(4,432,319)</u> |
| General Revenues | | | | | | |
| Taxes: | | | | | | |
| Property | | | | \$ 2,250,870 | \$ - | \$ 2,250,870 |
| Other | | | | 3,077,147 | | 3,077,147 |
| Interest | | | | 1,451 | 274 | 1,725 |
| Miscellaneous | | | | 146,520 | - | 146,520 |
| Total General Revenues, Contributions, and Transfers | | | | <u>\$ 5,475,988</u> | <u>\$ 274</u> | <u>\$ 5,476,262</u> |
| Change in Net Position | | | | \$ 702,693 | \$ 341,250 | \$ 1,043,943 |
| Net Position May 1, 2012 | | | | <u>2,166,183</u> | <u>3,894,892</u> | <u>6,061,075</u> |
| Net Position April 30, 2013 | | | | <u>\$ 2,868,876</u> | <u>\$4,236,142</u> | <u>\$ 7,105,018</u> |

See the accompanying notes to the financial statements

FUND FINANCIAL STATEMENTS

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2013

| | General Fund | Other Governmental Funds | Total |
|--|---------------------|--------------------------------|---------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 803,051 | \$ 273,323 | \$ 1,076,374 |
| Receivables: | | | |
| Property Taxes | 1,258,921 | - | 1,258,921 |
| Other | 162,460 | - | 162,460 |
| Due From Other Funds | 316,119 | 35,665 | 351,784 |
| Due From Other Government Agencies | 413,569 | 20,946 | 434,515 |
| Prepays | 46,298 | - | 46,298 |
| Inventories | 48,402 | - | 48,402 |
| Total Assets | <u>\$ 3,048,820</u> | <u>\$ 329,934</u> | <u>\$ 3,378,754</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 403,777 | \$ 45,170 | \$ 448,947 |
| Accrued Payroll | 96,836 | 979 | 97,815 |
| Accrued Vacation | 192,976 | - | 192,976 |
| Deposits | 48,093 | - | 48,093 |
| Due To Other Funds | 99,292 | 296,508 | 395,800 |
| Short Term Note Payable | 70,000 | - | 70,000 |
| Total Liabilities | <u>\$ 910,974</u> | <u>\$ 342,657</u> | <u>\$ 1,253,631</u> |
| Deferred Inflows of Resources | | | |
| Deferred Revenues | | | |
| Property Tax | <u>\$ 1,319,973</u> | <u>\$ -</u> | <u>\$ 1,319,973</u> |
| Total Liabilities and Deferred Inflows | <u>\$ 2,230,947</u> | <u>\$ 342,657</u> | <u>\$ 2,573,604</u> |
| Fund Balances | | | |
| Non-Spendable | | | |
| Prepays | \$ 46,298 | \$ - | \$ 46,298 |
| Inventory | 48,402 | - | 48,402 |
| Assigned | | | |
| Special Revenue Funds | - | 308,988 | 308,988 |
| Unassigned | <u>723,173</u> | <u>(321,711)</u> | <u>401,462</u> |
| Total Fund Balances | <u>\$ 817,873</u> | <u>\$ (12,723)</u> | <u>\$ 805,150</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,048,820</u> | <u>\$ 329,934</u> | <u>\$ 3,378,754</u> |

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2013

| | | |
|--|----|------------------|
| Total Fund Balances - Governmental Funds | \$ | 805,150 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not current financial resources; and, therefore, are not reported in the funds. | | 10,381,753 |
| 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: | | |
| General Obligation Bonds | | (852,512) |
| Premium on General Obligation Bonds | | (4,835) |
| Alternate Revenue Bonds | | (6,350,000) |
| Compensated Absences | | (198,719) |
| Pension Obligations | | (1,093,260) |
| Bond Issuance Costs | | <u>181,299</u> |
| Net Position of Governmental Activities | \$ | <u>2,868,876</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, 2013

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Property Taxes | \$ 2,257,624 | \$ (6,754) | \$ 2,250,870 |
| Sales Taxes | 1,223,989 | - | 1,223,989 |
| Grants | 234,058 | - | 234,058 |
| Intergovernmental | 1,544,889 | 308,269 | 1,853,158 |
| Licenses, Permits, and Fees | 943,909 | - | 943,909 |
| Fines and Forfeits | 912,717 | - | 912,717 |
| Charges for Service: | | | |
| Golf Course | 1,824,775 | - | 1,824,775 |
| Other | 39,648 | - | 39,648 |
| Interest | 1,325 | 126 | 1,451 |
| Other | 152,447 | - | 152,447 |
| Total Revenues | <u>\$ 9,135,381</u> | <u>\$ 301,641</u> | <u>\$ 9,437,022</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | \$ 614,492 | \$ - | \$ 614,492 |
| Building Department | 105,611 | - | 105,611 |
| Boat Launch | 16,647 | - | 16,647 |
| Health Department | 9,000 | - | 9,000 |
| Fire Department | 1,568,711 | - | 1,568,711 |
| Police Department | 3,276,130 | - | 3,276,130 |
| Street and Bridge | 1,209,049 | - | 1,209,049 |
| Golf Course | 1,719,294 | - | 1,719,294 |
| Worth Days | 69,673 | - | 69,673 |
| Federal Seizure | 3,378 | - | 3,378 |
| Motor Fuel Tax Project | - | 247,505 | 247,505 |
| Tax Increment Financing | - | 3,225 | 3,225 |
| Principal | 328,743 | 21,441 | 350,184 |
| Interest | 298,465 | 4,599 | 303,064 |
| Total Expenditures | <u>\$ 9,219,193</u> | <u>\$ 276,770</u> | <u>\$ 9,495,963</u> |
| Net Change in Fund Balance | \$ (83,812) | \$ 24,871 | \$ (58,941) |
| Fund Balances: | | | |
| May 1, 2012 | <u>901,685</u> | <u>(37,594)</u> | <u>864,091</u> |
| April 30, 2013 | <u>\$ 817,873</u> | <u>\$ (12,723)</u> | <u>\$ 805,150</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, 2013

Net Change in Fund Balance - Total Governmental Funds \$ (58,941)

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 | \$ 987,960 | |
| Depreciation Expense | <u>(527,030)</u> | |
| | | 460,930 |

The issuance of long-term debt provides current financial resources to governmental funds; however, it has no effect on net position. 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:

| | | |
|-------------------------------------|------------|---------|
| Amortization of bond issuance costs | \$ (9,734) | |
| Amortization of Premium | <u>691</u> | |
| | | (9,043) |

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 Position:

| | | |
|--|----------------|---------|
| General obligation bonds and debt certificates | \$ 160,184 | |
| Alternate revenue bonds | <u>190,000</u> | |
| | | 350,184 |

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:

| | | |
|---|--|-------------------|
| Loss on the disposal of capital assets | | (5,927) |
| Accrued compensated absences | | 11,515 |
| Change in net pension obligation | | <u>(46,025)</u> |
| Change in net position of governmental activities | | <u>\$ 702,693</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Position - Enterprise Funds
April 30, 2013

| | Business-Type Activities | | |
|--|------------------------------------|---------------------------------|-------------------------|
| | Waterworks and Sewerage Fund | Commuter Parking Lot Fund | Total |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 1,767,078 | \$ 116,322 | \$ 1,883,400 |
| Accounts Receivable: | | | |
| Customers | 41,000 | - | 41,000 |
| Other | 203,279 | - | 203,279 |
| Due From Other Funds | - | 16,130 | 16,130 |
| Total Current Assets | <u>\$ 2,011,357</u> | <u>\$ 132,452</u> | <u>\$ 2,143,809</u> |
| Property and Equipment | \$ 8,732,425 | \$ 971,502 | \$ 9,703,927 |
| Less: Accumulated Depreciation | <u>(6,159,153)</u> | <u>(760,035)</u> | <u>(6,919,188)</u> |
| | <u>\$ 2,573,272</u> | <u>\$ 211,467</u> | <u>\$ 2,784,739</u> |
| Total Assets | <u>\$ 4,584,629</u> | <u>\$ 343,919</u> | <u>\$ 4,928,548</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 234,009 | \$ 2,205 | \$ 236,214 |
| Accrued Payroll | 34,217 | 1,112 | 35,329 |
| Current Maturities of Revenue Bonds | 36,024 | - | 36,024 |
| Current Maturities of Capital Lease | 13,000 | - | 13,000 |
| Water Billing Credits | 44,264 | - | 44,264 |
| Due To Other Funds | <u>19,611</u> | <u>-</u> | <u>19,611</u> |
| Total Current Liabilities | <u>\$ 381,125</u> | <u>\$ 3,317</u> | <u>\$ 384,442</u> |
| Long Term Liabilities, Net of Current Maturities | | | |
| Maturities of Revenue Bonds | 301,464 | - | 301,464 |
| Maturities of Capital Lease | <u>6,500</u> | <u>-</u> | <u>6,500</u> |
| Total Liabilities | <u>\$ 689,089</u> | <u>\$ 3,317</u> | <u>\$ 692,406</u> |
| Net Position | | | |
| Invested In Capital Assets, Net of Related Debt | \$ 2,235,784 | \$ 211,467 | \$ 2,447,251 |
| Restricted | 167,148 | - | 167,148 |
| Unrestricted, (Deficit) | <u>1,492,608</u> | <u>129,135</u> | <u>1,621,743</u> |
| Total Net Position | <u>\$ 3,895,540</u> | <u>\$ 340,602</u> | <u>\$ 4,236,142</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position -
Enterprise Funds
Year Ended April 30, 2013

| | Business-Type Activities | | |
|--|------------------------------------|---------------------------------|---------------------|
| | Waterworks and Sewerage Fund | Commuter Parking Lot Fund | Total |
| Operating Revenues: | | | |
| Water and Sewer Charges | \$ 2,472,849 | \$ - | \$ 2,472,849 |
| Commuter Parking Fees | - | 60,921 | 60,921 |
| Other Fees and Charges | 450 | - | 450 |
| Total Operating Revenues | <u>\$ 2,473,299</u> | <u>\$ 60,921</u> | <u>\$ 2,534,220</u> |
| Operating Expenses: | | | |
| Operations | \$ 1,876,094 | \$ 66,926 | \$ 1,943,020 |
| Depreciation and Amortization | 209,709 | 29,001 | 238,710 |
| Total Operating Expenses | <u>\$ 2,085,803</u> | <u>\$ 95,927</u> | <u>\$ 2,181,730</u> |
| Operating Income (Loss) | <u>\$ 387,496</u> | <u>\$ (35,006)</u> | <u>\$ 352,490</u> |
| Nonoperating Revenues (Expenses): | | | |
| Interest Income | \$ 105 | \$ 169 | \$ 274 |
| Interest Expense | (11,518) | - | (11,518) |
| Total Nonoperating Revenues(Expenses) | <u>\$ (11,413)</u> | <u>\$ 169</u> | <u>\$ (11,244)</u> |
| Change In Net Position | \$ 376,083 | \$ (34,837) | \$ 341,246 |
| Net Position: | | | |
| May 1, 2012 | <u>3,519,457</u> | <u>375,439</u> | <u>3,894,896</u> |
| April 30, 2013 | <u>\$ 3,895,540</u> | <u>\$ 340,602</u> | <u>\$ 4,236,142</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2013

| | Business-Type Activities | | |
|--|------------------------------------|---------------------------------|---------------------|
| | Waterworks and Sewerage Fund | Commuter Parking Lot Fund | Total |
| Cash Flows from Operating Activities | | | |
| Cash Received for Services | \$ 2,535,623 | \$ 60,921 | \$ 2,596,544 |
| Payments to Employees | (397,858) | (26,838) | (424,696) |
| Payments to Suppliers | (1,277,026) | (38,938) | (1,315,964) |
| Net Cash Provided by (Used In) Operating Activities | <u>\$ 860,739</u> | <u>\$ (4,855)</u> | <u>\$ 855,884</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Cash Flows from Capital and Related Financing Activities | | | |
| Bond Principal Payments | \$ (37,985) | \$ - | \$ (37,985) |
| Bond Interest Payments | (11,518) | - | (11,518) |
| Capital Lease Payments | (13,000) | - | (13,000) |
| Net Cash (Used in) Capital and Related Financing Activities | <u>\$ (62,503)</u> | <u>\$ -</u> | <u>\$ (62,503)</u> |
| Cash Flows from Investing Activities, | | | |
| Purchase of Property & Equipment | \$ (166,927) | \$ - | \$ (166,927) |
| Interest Received | 105 | 169 | 274 |
| Net cash used in investing activities | <u>\$ (166,822)</u> | <u>\$ 169</u> | <u>\$ (166,653)</u> |
| Net Increase (Decrease) In Cash and Cash Equivalents | \$ 631,414 | \$ (4,686) | \$ 626,728 |
| Cash and Cash Equivalents: | | | |
| May 1, 2012 | <u>1,135,664</u> | <u>121,008</u> | <u>1,256,672</u> |
| April 30, 2013 | <u>\$ 1,767,078</u> | <u>\$ 116,322</u> | <u>\$ 1,883,400</u> |
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities | | | |
| Operating (Loss) | <u>\$ 387,496</u> | <u>\$ (35,006)</u> | <u>\$ 352,490</u> |
| Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities: | | | |
| Depreciation and Amortization | \$ 209,709 | \$ 29,001 | \$ 238,710 |
| Changes In Assets and Liabilities | | | |
| Accounts Receivable | 62,324 | - | 62,324 |
| Accounts Payable and Accruals | 201,210 | 1,150 | 202,360 |
| Total Adjustments | <u>\$ 473,243</u> | <u>\$ 30,151</u> | <u>\$ 503,394</u> |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 860,739</u> | <u>\$ (4,855)</u> | <u>\$ 855,884</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2013

| | Pension Trust | | |
|--|---------------------|--------------------------|----------------------|
| | Police Pension | Firefighters' Pension | Total |
| Assets | | | |
| Cash and Cash Equivalents | \$ 3,706 | \$ 122,007 | \$ 125,713 |
| Investments | 9,581,806 | 2,787,834 | 12,369,640 |
| Accrued Interest Receivable | 22,500 | 12,591 | 35,091 |
| Prepaid Expenses | 7,135 | 3,932 | 11,067 |
| Due From Other Funds | <u>47,497</u> | <u>-</u> | <u>47,497</u> |
| Total Assets | <u>\$ 9,662,644</u> | <u>\$ 2,926,364</u> | <u>\$ 12,589,008</u> |
| Liabilities and Net Position | | | |
| Liabilities | | | |
| Accounts Payable | \$ 7,710 | \$ 685 | \$ 8,395 |
| Net Position Held In Trust For Employees' Benefits | <u>9,654,934</u> | <u>2,925,679</u> | <u>12,580,613</u> |
| Total Liabilities and Net Position | <u>\$ 9,662,644</u> | <u>\$ 2,926,364</u> | <u>\$ 12,589,008</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
April 30, 2013

| | Pension Trust | | Total |
|---|----------------------------|----------------------------|-----------------------------|
| | Police Pension | Firefighters' Pension | |
| Additions | | | |
| Contributions | | | |
| Employer | \$ 543,711 | \$ 178,036 | \$ 721,747 |
| Employee | <u>175,657</u> | <u>16,473</u> | <u>192,130</u> |
| Total Contributions | <u>\$ 719,368</u> | <u>\$ 194,509</u> | <u>\$ 913,877</u> |
| Investment Income | | | |
| Net Appreciation (Decrease) in Fair Value of Investments | \$ 509,541 | \$ 68,276 | \$ 577,817 |
| Interest Income | <u>175,803</u> | <u>142,105</u> | <u>317,908</u> |
| Total Investment Income | <u>\$ 685,344</u> | <u>\$ 210,381</u> | <u>\$ 895,725</u> |
| Investment Expenses | | | |
| Other Investment Expenses | <u>19,285</u> | <u>13,915</u> | <u>33,200</u> |
| Net Investment Gain | <u>\$ 666,059</u> | <u>\$ 196,466</u> | <u>\$ 862,525</u> |
| Total Additions (Reductions) | <u>\$ 1,385,427</u> | <u>\$ 390,975</u> | <u>\$ 1,776,402</u> |
| Deductions, Benefits Taken | \$ 1,050,395 | \$ 133,543 | \$ 1,183,938 |
| Administrative Expenses | <u>33,716</u> | <u>28,403</u> | <u>62,119</u> |
| Total Deductions | <u>\$ 1,084,111</u> | <u>\$ 161,946</u> | <u>\$ 1,246,057</u> |
| Changes in Net Position | <u>\$ 301,316</u> | <u>\$ 229,029</u> | <u>\$ 530,345</u> |
| Net Position Held in Trust for Employee's Benefits | | | |
| May 1, 2012 | <u>9,353,618</u> | <u>2,696,650</u> | <u>12,050,268</u> |
| April 30, 2013 | <u><u>\$ 9,654,934</u></u> | <u><u>\$ 2,925,679</u></u> | <u><u>\$ 12,580,613</u></u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

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 Position 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 Position 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 position** result when constraints placed on net position use, are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling
- 3) Unrestricted net position** consist of net position that does 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, 2013

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.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this basis of accounting and measurement focus, the Village applies all GASB pronouncements.

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewerage enterprise fund is charges to the customers for sales and services. The operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

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 Position 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 position.

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

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Position 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 Position. 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 Position

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

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

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

Beginning with the fiscal year 2012, the Village implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Non-Spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted - amounts that can be used only for specific purposes because of constitutional provisions, charter requirements, or enabling legislation or because constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.

*Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Village (the highest level of decision making authority for the Village). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

*Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Village's adopted policy, only the Village may assign amounts for specific purposes.

*Unassigned - all other spendable amounts; positive amounts that reported only in the general fund.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village's Board of Trustees has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Elimination and Reclassification

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

Use of Estimates

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

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

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 2012 tax levy is intended to finance the expenditures for the year ending April 30, 2013, the entire 2012 tax levy has been reflected as deferred revenue as of April 30, 2014, except for employee pension taxes which are recognized as revenue in the year in which they are received. The 2011 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, 2013. 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 2012 tax levy is as follows:

| | |
|--|-------------------|
| Levy Date | December 18, 2012 |
| Lien Date | January 1, 2012 |
| Tax Bills Mailed (at least 30 days prior to collection deadline) | |
| First Installment Date | March 1, 2013 |
| Second Installment Date | August 1, 2013 |

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

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, 2012 the carrying amount of the Village's deposits was \$ 2,943,705. All of the Village's deposits were insured or collateralized at April 30, 2013.

Investments

As of April 30, 2013, the Village had the following investments and maturities:

| Village Funds | Fair Value | Investment Maturities (in Years) | | | |
|----------------|--------------|----------------------------------|------|------|--------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Illinois Funds | \$ 2,185,213 | \$ 2,185,213 | \$ - | \$ - | \$ - |

| Pension Funds | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|----------------------|----------------------------------|---------------------|---------------------|------------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Cash & Cash Equivalents | \$ 125,713 | \$ 125,713 | \$ - | \$ - | \$ - |
| Money Market Mutual Funds | 308,455 | 308,455 | - | - | - |
| State & Local Obligations | 4,804,487 | 629,709 | 4,169,911 | 29 | 4,838 |
| U.S. Gov't Obligations | 1,153,612 | 493,298 | 501,271 | 159,043 | - |
| Insurance Contracts | 1,540,023 | - | - | 1,540,023 | - |
| Domestic Common Stock | 1,574,101 | 1,574,101 | - | - | - |
| Certificates of Deposit | 651,729 | - | 286,092 | 292,708 | 72,929 |
| Mutual Funds | 2,337,233 | 2,337,233 | - | - | - |
| | <u>\$ 12,495,353</u> | <u>\$ 5,468,509</u> | <u>\$ 4,957,274</u> | <u>\$ 1,991,803</u> | <u>\$ 77,767</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.

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 3. CASH AND INVESTMENTS (continued)

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, 2013, 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.

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, 2013, 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, 2013, is as follows:

| | Balance at April 30, 2012 | Additions | Deletions | Balance at April 30, 2013 |
|--|------------------------------|-------------------|------------------|------------------------------|
| <i>Governmental Activities:</i> | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 3,487,465 | \$ - | \$ - | \$ 3,487,465 |
| Capital Assets Being Depreciated: | | | | |
| Building and Improvements | \$ 6,768,058 | \$ 89,453 | \$ - | \$ 6,857,511 |
| Machinery and Equipment | 4,108,984 | 325,924 | 18,969 | 4,415,939 |
| Infrastructure | 5,892,245 | 572,583 | - | 6,464,828 |
| Total Capital Assets Being Depreciated | <u>\$ 16,769,287</u> | <u>\$ 987,960</u> | <u>\$ 18,969</u> | <u>\$ 17,738,278</u> |
| Less Accumulated Depreciation for: | | | | |
| Building and Improvements | \$ 3,465,352 | \$ 217,044 | \$ - | \$ 3,682,396 |
| Machinery and Equipment | 3,131,967 | 218,035 | 13,039 | 3,336,963 |
| Infrastructure | 3,732,680 | 91,951 | - | 3,824,631 |
| Total Accumulated Depreciation | <u>\$ 10,329,999</u> | <u>\$ 527,030</u> | <u>\$ 13,039</u> | <u>\$ 10,843,990</u> |
| Total Capital Assets Being Depreciated, Net | <u>\$ 6,439,288</u> | <u>\$ 460,930</u> | <u>\$ 5,930</u> | <u>\$ 6,894,288</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 9,926,753</u> | <u>\$ 460,930</u> | <u>\$ 5,930</u> | <u>\$ 10,381,753</u> |

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

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, 2013, is as follows:

| | <u>Balance at April 30, 2012</u> | <u>Additions</u> | <u>Reclass/ Deletions</u> | <u>Balance at April 30, 2013</u> |
|---|--------------------------------------|--------------------|-------------------------------|--------------------------------------|
| <i>Business-Type Activities:</i> | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 47,824 | \$ - | \$ - | \$ 47,824 |
| Capital Assets Being Depreciated: | | | | |
| Waterworks and Sewerage System | \$ 8,194,949 | \$ 166,926 | \$ - | \$ 8,361,875 |
| Machinery and Equipment | 531,511 | - | - | 531,511 |
| Commuter Parking Lot | 762,716 | - | - | 762,716 |
| Total Capital Assets Being Depreciated | <u>\$ 9,489,176</u> | <u>\$ 166,926</u> | <u>\$ -</u> | <u>\$ 9,656,102</u> |
| Less accumulated depreciation for: | | | | |
| Waterworks and Sewerage System | \$ 5,700,907 | \$ 209,709 | \$ - | \$ 5,910,616 |
| Machinery and Equipment | 443,011 | 4,089 | - | 447,100 |
| Commuter Parking Lot | 536,559 | 24,912 | - | 561,471 |
| Total Accumulated Depreciation | <u>\$ 6,680,477</u> | <u>\$ 238,710</u> | <u>\$ -</u> | <u>\$ 6,919,187</u> |
| Total Capital Assets Being Depreciated, Net | <u>\$ 2,808,699</u> | <u>\$ (71,784)</u> | <u>\$ -</u> | <u>\$ 2,736,915</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 2,856,523</u> | <u>\$ (71,784)</u> | <u>\$ -</u> | <u>\$ 2,784,739</u> |

Depreciation was charged to functions/programs as follows:

| | |
|---------------------------|-------------------|
| Governmental Activities: | |
| General government | \$ 93,021 |
| Fire Department | 8,336 |
| Police Department | 202,476 |
| Street and Bridge | 30,989 |
| Golf Course | 142,614 |
| Motor Fuel Tax Project | 49,594 |
| | <u>\$ 527,030</u> |
| Business-type Activities: | |
| Waterworks and Sewerage | \$ 213,798 |
| Commuter Parking Lot | 24,912 |
| | <u>\$ 238,710</u> |

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, 2013:

Debt Description Key:

IC - Installment Contracts

GO Bonds - General Obligation Bonds

ARB - Alternate Revenue Bonds

LOC - Line of Credit

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, 2013

NOTE 5. LONG-TERM OBLIGATIONS (continued)

| | Outstanding Debt as of May 1, 2012 | Additions | Reductions | Refunded | Outstanding Debt as of April 30, 2013 | Due Within One Year |
|----------|--|-------------------|-------------------|-------------|---|---------------------------|
| GO Bonds | \$ 395,000 | \$ - | \$ 95,000 | \$ - | \$ 300,000 | \$ 100,000 |
| ARB | 6,540,000 | - | 190,000 | - | 6,350,000 | 190,000 |
| GO Bonds | 617,696 | - | 65,184 | - | 552,512 | 62,080 |
| Premium | 5,526 | - | 691 | - | 4,835 | - |
| CA | 210,224 | - | 11,504 | - | 198,720 | - |
| PO | 1,047,235 | 46,025 | - | - | 1,093,260 | - |
| LOC | 30,000 | 70,000 | 30,000 | - | 70,000 | - |
| | <u>\$ 8,845,681</u> | <u>\$ 116,025</u> | <u>\$ 392,379</u> | <u>\$ -</u> | <u>\$ 8,569,327</u> | <u>\$ 352,080</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, 2013:

| | Outstanding Debt as of May 1, 2012 | Additions | Reductions | Refunded | Outstanding Debt as of April 30, 2013 | Due Within One Year |
|----------|--|-------------|------------------|-------------|---|---------------------------|
| GO Bonds | \$ 377,304 | \$ - | \$ 39,816 | \$ - | \$ 337,488 | \$ 36,024 |
| Premium | 3,376 | - | 3,376 | - | - | - |
| CL | 32,500 | - | 13,000 | - | 19,500 | 13,000 |
| | <u>\$ 413,180</u> | <u>\$ -</u> | <u>\$ 56,192</u> | <u>\$ -</u> | <u>\$ 356,988</u> | <u>\$ 49,024</u> |

Outstanding debt as of April 30, 2013, 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 \$ 100,000 in 2014, \$ 100,000 in 2015 and 2016 and interest rate of 9% due on January 1 and June 1. This bond is serviced by the Golf Course Fund.

\$ 300,000

Paying Agent: Amalgamated Bank of Chicago

General Obligation Limited Tax Bonds, Series 2012 dated February 8, 2012, with bonds due in annual principal maturities of \$ 100,000 in 2014, \$105,000 in 2015 and 2016, \$ 110,000 in 2017 and 2018, \$ 115,000 in 2019, \$120,000 in 2020, and \$ 125,000 in 2021. This bond is serviced by the General Fund, Water & Sewer Fund, Motor Fuel Tax Fund, and Street & Bridge Fund.

Paying Agent: Amalgamated Bank of Chicago

\$ 890,000

Alternate Revenue Bonds:

General Obligation Refunding Bonds (Alternate Revenue Source) Series 2009 dated April 1, 2009, with bonds due in annual principal maturities of \$ 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.

\$ 6,350,000

Capital Lease:

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

\$ 19,500

Line of Credit: The Village has a \$100,000 line of credit with Billy Casper Golf to cover operating expenditures. The loan is unsecured, interest free and is repaid at the beginning of the golf season.

\$ 70,000

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 5. LONG-TERM OBLIGATIONS (continued)

| | General Obligation Bonds | General Obligation Debt Certificates | Installment Notes | Capital Lease | Alternate Revenue Bonds | Total |
|-------------|--------------------------------|---|----------------------|------------------|-------------------------------|---------------------|
| 2014-2018 | \$ 830,000 | \$ - | \$ - | \$ 19,500 | \$ 1,050,000 | \$ 1,899,500 |
| 2019-2023 | 360,000 | - | - | - | 1,275,000 | 1,635,000 |
| 2024-beyond | - | - | - | - | 4,025,000 | 4,025,000 |
| | <u>\$ 1,190,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,500</u> | <u>\$ 6,350,000</u> | <u>\$ 7,559,500</u> |

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. The 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.

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 2012 was 10.45 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 11.35 percent. 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, 2012, the Village's actual contributions for pension cost for the Regular plan members were \$ 98,632. Its required contribution for calendar year 2012 was \$ 107,126.

Trend Information

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of ARC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|--------------------------------------|--|-----------------------------------|
| 12/31/12 | \$ 107,126 | 92% | \$ - |
| 12/31/11 | \$ 97,522 | 83% | \$ - |
| 12/31/10 | \$ 108,131 | 76% | \$ - |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, 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 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 85.63 percent funded. The actuarial accrued liability for benefits was \$ 4,107,776 and the actuarial value of assets was \$ 3,517,598, resulting in an underfunded actuarial accrued liability (UAAL) of \$590,178. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$ 943,843 and the ratio of the UAAL to the covered payroll was 63 percent.

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 6. EMPLOYEE RETIREMENT PLANS (continued)

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.

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 2012 was 35.79 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, 2012 were as follows:

| | |
|---|----------------------------|
| Annual required contribution | \$ 816,000 |
| Interest on net pension obligation | 58,923 |
| Adjustment to annual requirement contribution | <u>(34,663)</u> |
| Annual pension cost | \$ 840,260 |
| Contributions made | <u>(588,755)</u> |
| Increase in net pension obligation | \$ 251,505 |
| Net pension obligation (asset), beginning of year | <u>841,755</u> |
| Net pension obligation, end of year | <u><u>\$ 1,093,260</u></u> |

The annual contribution for the year ended April 30, 2013, was determined as part of the April 30, 2012 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 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2012 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> |
|---------------------------|---|--|--|-----------------------------------|
| 4/30/12 | \$ 816,000 | \$ 588,755 | 72.2% | \$ 1,093,260 |
| 4/30/11 | \$ * | \$ * | * | \$ * |
| 4/30/10 | \$ * | \$ * | * | \$ * |

*Information not available

Membership in the plan consisted of the following as of April 30, 2012:

| | |
|--|------------------|
| Retirees and beneficiaries receiving benefits | 21 |
| Terminated plan members entitled to but not yet receiving benefits | 1 |
| Active vested plan members | 14 |
| Active nonvested plan members | <u>9</u> |
| Total Members | <u><u>45</u></u> |

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan

As of December, 2008, the Village of Worth (Village) entered into an intergovernmental agreement with the North Palos Fire Protection District (District) whereby the District assumed responsibility for provision of all fire department services to the residents and property owners of the Village. Fire sworn personnel that were participants at the date of the agreement remained eligible for the Village's Firefighters' Pension Plan. The Firefighters' Pension Plan 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. (Since there is no longer payroll owed by the Village to participants, the Village does not owe based on 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, 2012, were as follows:

| | |
|---|--------------------|
| Annual required contribution | \$ 8,131 |
| Interest on net pension obligation | - |
| Adjustment to annual requirement contribution | - |
| Annual pension cost | <u>\$ 8,131</u> |
| Contributions made | <u>(8,131)</u> |
| Increase (decrease) in net pension obligation | \$ - |
| Net pension obligation, beginning of year | <u>-</u> |
| Net pension obligation, end of year | <u><u>\$ -</u></u> |

The annual contribution for the year ended April 30, 2013, was determined as part of the April 30, 2012 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) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2012 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> |
|---------------------------|---|--|--|-----------------------------------|
| 4/30/12 | \$ 8,131 | \$ 8,131 | 100.0% | \$ - |
| 4/30/11 | \$ * | \$ * | * | \$ * |
| 4/30/10 | \$ * | \$ * | * | \$ * |

*Information not available

Membership in the plan consisted of the following as of April 30, 2012:

| | |
|---|-----------------|
| Retirees and beneficiaries receiving benefits | 4 |
| Terminated plan members receiving benefits | 4 |
| Active vested plan members | 0 |
| Active nonvested plan members | 0 |
| Total Members | <u><u>8</u></u> |

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 7. OTHER FINANCIAL DISCLOSURES (FFS LEVEL ONLY)

Individual interfund receivable and payable balances as of April 30, 2013, are as follows:

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|----------------------------------|-------------------|-------------------|
| Major Governmental: | | |
| General: | | |
| Motor Fuel Tax | \$ 296,508 | \$ - |
| Tax Increment Financing | - | 35,665 |
| Water & Sewer | 19,611 | - |
| Commuter Parking Lot | - | 16,130 |
| Police Pension | - | 47,497 |
| | - | - |
| Nonmajor Governmental: | <u>316,119</u> | <u>99,292</u> |
| Motor Fuel Tax: | | |
| General | - | 296,508 |
| Tax Increment Financing District | | |
| General | 35,665 | - |
| Major Business-type: | | |
| Water & Sewer | | 19,611 |
| Commuter Parking Lot: | | |
| General | 16,130 | - |
| Agency: | | |
| Police Pension: | | |
| General | 47,497 | - |
| | - | - |
| Total | <u>\$ 415,411</u> | <u>\$ 415,411</u> |

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

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:

Deficit fund balances of individual funds:

The Motor Fuel Tax Fund has a deficit balance of \$ 321,711 as of April, 30, 2013. The deficit is expected to be funded by future Motor Fuel Taxes.

NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. This statement is effective for the fiscal years beginning after June 15, 2012, with earlier application encouraged.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Village is required to implement the provisions of this Statement for periods beginning after December 31, 2012.

VILLAGE OF WORTH, ILLINOIS
Notes to Basic Financial Statements
April 30, 2013

NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Cont.)

In March 2012, the GASB issued Statement No. 66, Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62 whose objective is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The Village is required to implement the provisions of this Statement for periods beginning after December 31, 2012.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* whose objective is to improve financial reporting for state and local government pension plans. This statement replaces the requirements of GASB Statements Nos. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The Village is required to implement the provision of this Statement for the year ending April 30, 2015.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* whose objective is to change the accounting and financial reporting for state and local governments that provide their employees with pensions. This statement replaces the requirements of GASB Statement Nos. 27 and 50 as they relate to pensions that are provided through pension plans administered as trusts, or equivalent arrangements that meet certain criteria. The Village is required to implement the provisions of this Statement for the year ending April 30, 2016.

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

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 |
|--------------------------------|--|--|--------------------------|--------------------------|---------------------------|--|
| 12/31/2012 | \$ 3,517,598 | \$ 4,107,776 | \$ 590,178 | 85.63% | \$ 943,843 | 62.53% |
| 12/31/2011 | 3,233,764 | 3,622,686 | 388,922 | 89.26% | 848,013 | 45.86% |
| 12/31/2010 | 3,021,531 | 3,547,574 | 526,043 | 85.17% | 956,068 | 55.02% |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$3,617,665.

On a market basis, the funded ratio would be 88.07%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Worth. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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) |
|--------------------------|-------------------------------|---|--------------------|--------------------|---------------------|--|
| 04/30/2012 | \$ 9,401,491 | \$ 19,697,769 | \$ 10,296,278 | 47.73% | \$ 1,644,962 | 625.93% |
| 04/30/2011 | N/A | N/A | N/A | N/A | N/A | N/A |
| 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% |

NOTE: The most recent Actuarial Valuation Report for the Police Pension Fund is as of April 30, 2012.

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) |
|--------------------------|-------------------------------|---|--------------------|--------------------|---------------------|--|
| 04/30/2012 | \$ 2,696,650 | \$ 3,041,067 | \$ 344,417 | 88.67% | \$ - | 0.00 |
| 04/30/2011 | N/A | N/A | N/A | N/A | N/A | N/A |
| 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, 2012.

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|-----------------------------|---------------------------------|---------------------|---|
| Property Taxes | \$ 3,188,755 | \$ 2,257,624 | \$ (931,131) |
| Sales Taxes | 1,226,318 | 1,223,989 | (2,329) |
| Grants | - | 234,058 | 234,058 |
| Intergovernmental | 1,462,184 | 1,544,889 | 82,705 |
| Licenses, Permits, and Fees | 1,092,765 | 943,909 | (148,856) |
| Fines and Forfeits | 707,461 | 912,717 | 205,256 |
| Charges for Service: | | | |
| Golf Course | 1,955,723 | 1,824,775 | (130,948) |
| Other | 72,023 | 39,648 | (32,375) |
| Interest | - | 1,325 | 1,325 |
| Other | <u>578,355</u> | <u>152,447</u> | <u>(425,908)</u> |
| Total Revenues | <u>\$ 10,283,584</u> | <u>\$ 9,135,381</u> | <u>\$ (1,148,203)</u> |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------------|---------------------------------|-----------|---|
| General Government: | | | |
| Village President Salary | \$ 31,776 | \$ 30,553 | \$ (1,223) |
| Liquor Commissioner Salary | 4,635 | 4,933 | 298 |
| Clerk/Collector Salary | 26,246 | 25,149 | (1,097) |
| Trustees Salaries | 40,479 | 36,626 | (3,853) |
| Custodial Wages | - | 6,294 | 6,294 |
| Vacation & Sick Leave | - | 20,206 | 20,206 |
| Unemployment Taxes | 5,150 | 12,568 | 7,418 |
| Insurance Premiums | 6,847 | 10,519 | 3,672 |
| Professional Fees | 34,505 | 24,658 | (9,847) |
| Legal Fees | 80,340 | 76,066 | (4,274) |
| Programming Costs | 14,420 | 9,380 | (5,040) |
| Publication of Legal Notices | 1,957 | 1,057 | (900) |
| Travel Expenses for Village Officials | - | 35 | 35 |
| Grant Expenses | - | 499 | 499 |
| Officials Expenses | 515 | 378 | (137) |
| Employee Expenses | 618 | 1,938 | 1,320 |
| Bank Fees | 278 | 68 | (210) |
| Training Education | 206 | 70 | (136) |
| Education Reimbursements | - | 450 | 450 |
| Professional Memberships | 927 | 5,325 | 4,398 |
| Officials Expense | 1,112 | - | (1,112) |
| Postage | 7,210 | 4,177 | (3,033) |
| Telephone Service | 4,635 | 5,285 | 650 |
| Utilities | 1,854 | 2,906 | 1,052 |
| License Application Expenses | 361 | 131 | (230) |
| Building Maintenance | 32,445 | 24,352 | (8,093) |
| Custodial Services | 2,575 | 1,689 | (886) |
| Machine Purchase Other | 33,990 | 41,935 | 7,945 |
| Repair and Maintenance | 515 | 441 | (74) |
| Public Relations Expense | 206 | 175 | (31) |
| Computer Software | 3,090 | 1,781 | (1,309) |
| Purchase of Office Equipment | 21,115 | 8,166 | (12,949) |
| Computer Purchase | 1,545 | 961 | (584) |
| Equipment Lease | 773 | - | (773) |
| Vehicle Rental | - | 19,998 | 19,998 |
| Maintenance Contracts | 8,240 | 8,926 | 686 |
| Credit Card Charges | 3,863 | 3,009 | (854) |
| Filing Fees | 206 | 72 | (134) |
| Computer Repair and Maintenance | 3,605 | - | (3,605) |
| Office Expense | 3,605 | 5,280 | 1,675 |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|-------------------|---|
| Printing Expense | \$ 16,480 | \$ 11,394 | \$ (5,086) |
| Departmental Supplies | 1,545 | 1,890 | 345 |
| Custodial Expense | 773 | 1,172 | 399 |
| Building Expense | 7,725 | 8,325 | 600 |
| EDC/Beautification | 33,475 | 41,323 | 7,848 |
| DNR Fishing/Hunting | 2,575 | 1,777 | (798) |
| Miscellaneous Expense | 3,018 | 1,442 | (1,576) |
| Energy Lighting Upgrades | - | 49,963 | 49,963 |
| Banner Program | - | 250 | 250 |
| Social Security/Medicare | 7,889 | 30,348 | 22,459 |
| Illinois Municipal Retirement Fund Contributions | 6,579 | (2,889) | (9,468) |
| Liability Insurance | 8,691 | 72,431 | 63,740 |
| Paying Agents Fee | - | 1,010 | 1,010 |
| Transfers Out | 206,000 | - | (206,000) |
| Contingencies/Miscellaneous | 103,000 | - | (103,000) |
| Total General Government | <u>\$ 777,594</u> | <u>\$ 614,492</u> | <u>\$ (163,102)</u> |
| Building Department: | | | |
| Building Commissioner Salary | \$ 21,855 | \$ 20,448 | \$ (1,407) |
| Building Inspector Salary | 28,840 | 18,051 | (10,789) |
| Plumbing Inspector Salary | 3,090 | 1,255 | (1,835) |
| Electrical Inspector Salary | 2,060 | 2,337 | 277 |
| HVAC Inspector Salary | 1,030 | - | (1,030) |
| Clerical Staff Salary | 34,278 | 32,814 | (1,464) |
| Ordinance Officer Salary | 4,738 | 5,261 | 523 |
| Social Security/Medicare | 7,698 | 3,604 | (4,094) |
| Illinois Municipal Retirement Fund Contributions | 6,391 | 6,361 | (30) |
| Insurance Premiums | 14,658 | 3,874 | (10,784) |
| Professional Fees | 1,545 | 1,118 | (427) |
| Printing Expenses | 515 | 60 | (455) |
| Departmental Supplies | 361 | 567 | 206 |
| Telephone Service | 412 | 610 | 198 |
| Training and Education | 515 | 205 | (310) |
| Legal Notices | 155 | - | (155) |
| Legal Expenses | 206 | - | (206) |
| Maintenance - Building | 515 | 259 | (256) |
| Liability Insurance | - | 6,708 | 6,708 |
| Miscellaneous | 1,391 | 2,079 | 688 |
| Total Building Department | <u>\$ 130,253</u> | <u>\$ 105,611</u> | <u>\$ (24,642)</u> |
| Boat Launch Department: | | | |
| Attendant | \$ 1,236 | \$ 1,188 | \$ (48) |
| Social Security/Medicare | - | 185 | 185 |
| Illinois Municipal Retirement Fund Contributions | - | 215 | 215 |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|---------------------|---|
| Telephone | \$ 93 | \$ (6) | \$ (99) |
| Utilities | 3,090 | 2,349 | (741) |
| Maintenance | 4,120 | 5,933 | 1,813 |
| Equipment Rental | 1,133 | 1,389 | 256 |
| Miscellaneous | 1,787 | 3,262 | 1,475 |
| Walking Trail | 1,030 | 2,132 | 1,102 |
| Total Boat Launch Department | <u>\$ 12,489</u> | <u>\$ 16,647</u> | <u>\$ 4,158</u> |
| Health Department: | | | |
| Health Inspector Fees | <u>\$ 7,725</u> | <u>\$ 9,000</u> | <u>\$ 1,275</u> |
| Fire Department: | | | |
| Insurance Premiums | \$ 22,609 | \$ 21,176 | \$ (1,433) |
| Intergovernmental Agreement - Fire Services | <u>1,577,110</u> | <u>1,547,535</u> | <u>(29,575)</u> |
| Total Fire Department | <u>\$ 1,599,719</u> | <u>\$ 1,568,711</u> | <u>\$ (31,008)</u> |
| Police Department: | | | |
| Clerical Salary | \$ 159,388 | \$ 129,796 | \$ (29,592) |
| Chief Salary | 99,593 | 96,761 | (2,832) |
| Deputy Chief | 97,470 | 94,699 | (2,771) |
| Administrative Assistant Salary | 34,278 | 19,455 | (14,823) |
| Sergeants Salary | 503,909 | 492,197 | (11,712) |
| Officers Salary | 1,038,103 | 1,009,462 | (28,641) |
| Court Time Salary | 19,570 | 8,562 | (11,008) |
| Overtime Salary | 134,312 | 147,474 | 13,162 |
| Holiday | 100,562 | 83,468 | (17,094) |
| Custodial Wages | - | 2,033 | 2,033 |
| Sick Pay Benefits | - | 26,143 | 26,143 |
| Hearing Officer | 7,210 | 8,288 | 1,078 |
| Social Security/Medicare | 47,267 | 23,021 | (24,246) |
| Illinois Municipal Retirement Fund Contributions | 7,207 | 8,837 | 1,630 |
| Crossing Guards | 46,350 | 33,019 | (13,331) |
| Clothing Allowance | 19,776 | 17,200 | (2,576) |
| Computer Repair and Maintenance | 2,575 | 761 | (1,814) |
| Professional Fees | 14,420 | 16,317 | 1,897 |
| Central Dispatch | 252,354 | 236,703 | (15,651) |
| Uniforms and Personal Equipment | 8,240 | 2,697 | (5,543) |
| Training Costs | 7,210 | 3,654 | (3,556) |
| General Maintenance | - | 2,760 | 2,760 |
| Education Reimbursement | 10,300 | - | (10,300) |
| Travel | - | 966 | 966 |
| Employee Costs | 412 | 1,119 | 707 |
| Membership and Subscriptions | 5,665 | 5,838 | 173 |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|---------------------------------|---------------------|---|
| Employment Costs | \$ 5,150 | \$ 23,883 | \$ 18,733 |
| Office Supplies | 8,755 | 8,499 | (256) |
| Bank Fees | - | 69 | 69 |
| Departmental Supplies | 7,210 | 8,819 | 1,609 |
| Taxes & Licenses | - | 856 | 856 |
| Filing Fees | - | 210 | 210 |
| Legal Fees | 10,300 | 2,213 | (8,087) |
| Postage | 1,545 | 1,892 | 347 |
| Telephone | 9,785 | 13,563 | 3,778 |
| Computer Software | 2,060 | 2,051 | (9) |
| Maintenance Contracts | 7,622 | 6,383 | (1,239) |
| Utilities | 896 | 1,012 | 116 |
| Custodial Supplies | 4,738 | 3,858 | (880) |
| Prisoner Costs | 1,339 | 1,266 | (73) |
| Radio Purchase and Maintenance | 8,240 | 10,449 | 2,209 |
| Animal Warden Supplies | 1,236 | 1,163 | (73) |
| Computer Repair and Maintenance | 2,575 | 1,125 | (1,450) |
| Office Equipment Purchase | 309 | - | (309) |
| Other Equipment Purchase | 2,575 | 7,380 | 4,805 |
| Computer Purchase | 2,060 | 1,480 | (580) |
| Repair Maintenance Equipment | 1,751 | 3,462 | 1,711 |
| Equipment Rental | - | 1,309 | 1,309 |
| Maintenance - Vehicles | 20,600 | 32,235 | 11,635 |
| Fuel | 28,840 | 33,597 | 4,757 |
| Ammunition | 3,090 | 4,433 | 1,343 |
| Purchase of Vehicles | 185,400 | 176,846 | (8,554) |
| Crime Prevention | 1,030 | 1,393 | 363 |
| Building Maintenance | 10,300 | 5,435 | (4,865) |
| Bullet Proof Vests | 3,296 | - | (3,296) |
| Dental Insurance Premiums | 5,271 | 5,164 | (107) |
| Health Insurance Premiums | 245,935 | 263,492 | 17,557 |
| Life Insurance Premiums | 1,208 | 1,271 | 63 |
| HRA Reimbursements | - | 16,093 | 16,093 |
| Worker's Compensation Insurance | 88,452 | 144,440 | 55,988 |
| Confiscated Cash Expenditure | 515 | 4,248 | 3,733 |
| Miscellaneous | 3,075 | 15,311 | 12,236 |
| Total Police Department | <u>\$ 3,291,329</u> | <u>\$ 3,276,130</u> | <u>\$ (15,199)</u> |
| Street and Bridge: | | | |
| Clerical Salary | \$ 2,966 | \$ - | \$ (2,966) |
| Street and Alley Labor | 163,106 | 181,726 | 18,620 |
| Equipment Labor Wages | 31,873 | - | (31,873) |
| Summer Help | 18,210 | - | (18,210) |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|---------------------|---|
| Vacation, Sick Leave, Overtime | \$ - | \$ (3,148) | \$ (3,148) |
| Social Security/Medicare | 16,820 | 16,680 | (140) |
| Illinois Municipal Retirement Fund Contributions | 23,086 | 20,053 | (3,033) |
| Refuse Pickup | 3,090 | 1,437 | (1,653) |
| Equipment Maintenance | - | 36,294 | 36,294 |
| Professional Fees | 9,270 | 150 | (9,120) |
| Engineering Fees | 41,200 | 69,147 | 27,947 |
| Grant Expenses | 1,030 | - | (1,030) |
| Uniforms and Personal Equipment | 2,348 | 4,031 | 1,683 |
| Employment Costs | 3,399 | 793 | (2,606) |
| Membership and Subscriptions | 103 | 195 | 92 |
| Office Supplies | 309 | 822 | 513 |
| Departmental Supplies | 3,605 | 6,030 | 2,425 |
| Postage | 4,120 | 1,811 | (2,309) |
| Telephone | 4,635 | 4,719 | 84 |
| Utilities | 14,420 | 21,683 | 7,263 |
| Custodial Supplies | 412 | 286 | (126) |
| Material Purchases | 3,090 | - | (3,090) |
| Street Signs | 4,120 | 4,265 | 145 |
| Tree Planting and Removal | 11,330 | 22,400 | 11,070 |
| Materials for Streets and Alleys | 20,600 | 14,244 | (6,356) |
| Maintenance Contracts | 1,545 | 2,277 | 732 |
| Repair Maintenance Equipment | 10,815 | 14,035 | 3,220 |
| Computer Software | 1,030 | - | (1,030) |
| Street Construction | 599,975 | 575,970 | (24,005) |
| Sidewalk Construction | 9,270 | 8,850 | (420) |
| Reimbursed Exp. - Grass Cutting | 2,060 | 2,170 | 110 |
| Radio Purchases and Repairs | 1,030 | - | (1,030) |
| Equipment Rental | 7,725 | 31,755 | 24,030 |
| Maintenance - Vehicles | 8,240 | 12,404 | 4,164 |
| Fuel | 29,870 | 33,650 | 3,780 |
| Health Insurance Premiums | 21,878 | 26,081 | 4,203 |
| Other Insurance Premiums | 85,179 | 23,182 | (61,997) |
| Building Maintenance | 43,945 | 38,847 | (5,098) |
| Machine and Equipment Purchase | 17,459 | 3,364 | (14,095) |
| Hot Patch | 2,575 | 27,373 | 24,798 |
| Broken Asphalt Removal | - | 2,125 | 2,125 |
| Vehicle Rental | - | (220) | (220) |
| Miscellaneous Costs | 4,161 | 3,568 | (593) |
| Total Street and Bridge | <u>\$ 1,229,899</u> | <u>\$ 1,209,049</u> | <u>\$ (20,850)</u> |
| Golf Course Operations: | | | |
| Payroll Expense | \$ 1,538,294 | \$ 707,957 | \$ (830,337) |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|------------------------------|---------------------------------|---------------------|---|
| General Administration | \$ - | \$ 512,945 | \$ 512,945 |
| Course and Grounds | - | 105,809 | 105,809 |
| Food and Beverage | 281,206 | 277,797 | (3,409) |
| Range | - | 71,104 | 71,104 |
| Improvements | - | 43,682 | 43,682 |
| Total Golf Course Operations | <u>\$ 1,819,500</u> | <u>\$ 1,719,294</u> | <u>\$ (100,206)</u> |
| Worth Days: | | | |
| Worth Days Expense | \$ 68,120 | \$ 67,679 | \$ (441) |
| Marketing Expense | 2,009 | 1,994 | (15) |
| Total Worth Days | <u>\$ 70,129</u> | <u>\$ 69,673</u> | <u>\$ (456)</u> |
| Federal Seizure: | | | |
| Equipment Purchase | 1,030 | 2,478 | 1,448 |
| Other Expenses | 5,150 | 900 | (4,250) |
| Total Federal Seizure | <u>\$ 6,180</u> | <u>\$ 3,378</u> | <u>\$ (2,802)</u> |
| Debt Service: | | | |
| Golf Course Principal | \$ 285,000 | \$ 285,000 | \$ - |
| Principal | 44,715 | 43,743 | (972) |
| Interest | 234,169 | 298,465 | 64,296 |
| Total Debt Service | <u>\$ 563,884</u> | <u>\$ 627,208</u> | <u>\$ 63,324</u> |
| Total Expenditures | <u>\$ 9,508,701</u> | <u>\$ 9,219,193</u> | <u>\$ (289,508)</u> |

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Note to the Required Supplementary Information For the Fiscal Year Ended April 30, 2013

I. Stewardship, Compliance, and Accountability

A. Budgetary Information

The General Fund and the Motor Fuel Tax Fund budgets are adopted on a basis of accounting consistent with generally accepted accounting principles.

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 2013, 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, 2013

| | Tax Increment Financing Fund | Motor Fuel Tax Fund | Total Nonmajor Governmental Funds |
|-------------------------------------|---------------------------------------|---------------------------|--|
| Assets | | | |
| Cash and Cash Equivalents | \$ 273,323 | \$ - | \$ 273,323 |
| Receivables | | | |
| Motor Fuel Tax | - | 20,946 | 20,946 |
| Due from Other Funds | 35,665 | - | 35,665 |
| Total Assets | <u>\$ 308,988</u> | <u>\$ 20,946</u> | <u>\$ 329,934</u> |
| Liabilities and Fund Balance | | | |
| Accounts Payable | \$ - | \$ 46,149 | \$ 46,149 |
| Due to Other Funds | - | 296,508 | 296,508 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 342,657</u> | <u>\$ 342,657</u> |
| Fund balance | | | |
| Assigned, Special Revenue Funds | \$ 308,988 | \$ - | \$ 308,988 |
| Unassigned | - | (321,711) | (321,711) |
| Total Liabilities and Fund Balances | <u>\$ 308,988</u> | <u>\$ 20,946</u> | <u>\$ 329,934</u> |

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Revenues, Expenditures and Change in Fund Balance -
 Nonmajor Governmental Funds
 Year Ended April 30, 2013

| | Tax Increment Financing Fund | Motor Fuel Tax Fund | Total Nonmajor Governmental Fund |
|-----------------------------------|---------------------------------------|---------------------------|---|
| Revenues | | | |
| Property Taxes | \$ (6,754) | \$ - | \$ (6,754) |
| Intergovernmental | - | 308,269 | 308,269 |
| Interest | - | 126 | 126 |
| Total Revenues | <u>\$ (6,754)</u> | <u>\$ 308,395</u> | <u>\$ 301,641</u> |
| Expenditures, Current | | | |
| Motor Fuel Tax Project | \$ - | \$ 247,505 | \$ 247,505 |
| Legal Fees | 3,225 | - | 3,225 |
| Debt Service: | | | |
| Principal | - | 21,441 | 21,441 |
| Interest | - | 4,599 | 4,599 |
| Total Expenses | <u>\$ 3,225</u> | <u>\$ 273,545</u> | <u>\$ 276,770</u> |
| Excess revenues or (expenditures) | \$ (9,979) | \$ 34,850 | \$ 24,871 |
| Other Financing Sources | | | |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (9,979)</u> | <u>\$ 34,850</u> | <u>\$ 24,871</u> |
| Fund balance: | | | |
| May 1, 2012 | <u>\$ 318,967</u> | <u>\$ (356,561)</u> | <u>\$ (37,594)</u> |
| April 30, 2013 | <u>\$ 308,988</u> | <u>\$ (321,711)</u> | <u>\$ (12,723)</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, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|-----------------------------------|---------------------------------|-------------------|---|
| Revenues | | | |
| Property Taxes | \$ - | \$ (6,754) | \$ (6,754) |
| Total Revenues | <u>\$ -</u> | <u>\$ (6,754)</u> | <u>\$ (6,754)</u> |
| Expenditures, Current | | | |
| Legal Fees | \$ 5,150 | \$ 3,225 | \$ (1,925) |
| Total Expenses | <u>\$ 5,150</u> | <u>\$ 3,225</u> | <u>\$ (1,925)</u> |
| Excess revenues or (expenditures) | <u>\$ (5,150)</u> | \$ (9,979) | <u>\$ (4,829)</u> |
| Fund balance: | | | |
| May 1, 2012 | | <u>318,967</u> | |
| April 30, 2013 | | <u>\$ 308,988</u> | |

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Motor Fuel Tax Fund
 Year Ended April 30, 2013

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|-----------------------------------|---------------------------------|---------------------|---|
| Revenues | | | |
| Intergovernmental | \$ 267,815 | \$ 308,269 | \$ 40,454 |
| Interest | - | 126 | 126 |
| Total Revenues | <u>\$ 267,815</u> | <u>\$ 308,395</u> | <u>\$ 40,580</u> |
| Expenditures, Current | | | |
| Motor Fuel Tax Project | \$ 319,249 | \$ 247,505 | \$ (71,744) |
| Debt Service: | | | |
| Principal | 28,153 | 21,441 | (6,712) |
| Interest | 5,336 | 4,599 | (737) |
| Total Expenses | <u>\$ 352,738</u> | <u>\$ 273,545</u> | <u>\$ (79,193)</u> |
| Excess revenues or (expenditures) | \$ (84,923) | \$ 34,850 | \$ 119,773 |
| Other Financing Sources | | | |
| Total Other Financing Sources | - | - | - |
| Net Change in Fund Balance | <u>\$ (84,923)</u> | \$ 34,850 | <u>\$ 119,773</u> |
| Fund balance: | | | |
| May 1, 2012 | | <u>(356,561)</u> | |
| April 30, 2013 | | <u>\$ (321,711)</u> | |

STATISTICAL INFORMATION



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**

December 16, 2013

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, 2013, and have issued our report thereon dated December 4, 2013. 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

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed Valuations | <u>\$ 159,158,928</u> | <u>\$ 176,796,155</u> | <u>\$ 216,267,934</u> | <u>\$ 215,773,382</u> | <u>\$ 210,131,229</u> | <u>\$ 186,612,161</u> | <u>\$ 177,472,688</u> |
| Tax Rates: | | | | | | | |
| General | 1.2234 | 1.0356 | 0.8203 | 0.8016 | 1.0225 | 1.0006 | 0.9184 |
| Garbage | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| IMRF | 0.0000 | 0.0000 | 0.0681 | 0.0000 | 0.0000 | 0.0000 | 0.1108 |
| Police Pension | 0.4150 | 0.3125 | 0.2505 | 0.2558 | 0.1538 | 0.1506 | 0.1579 |
| Fire Pension | 0.0054 | 0.0877 | 0.0135 | 0.0649 | 0.0740 | 0.0725 | 0.0758 |
| Debt Service | <u>0.3153</u> | <u>0.2842</u> | <u>0.2326</u> | <u>0.2333</u> | <u>0.0387</u> | <u>0.0387</u> | <u>0.2792</u> |
| Total | <u>1.9591</u> | <u>1.7200</u> | <u>1.3850</u> | <u>1.3556</u> | <u>1.2890</u> | <u>1.2624</u> | <u>1.5421</u> |
| Extended Tax Rate | <u>1.959</u> | <u>1.720</u> | <u>1.385</u> | <u>1.356</u> | <u>1.263</u> | <u>1.268</u> | <u>1.542</u> |
| Tax Extensions: | | | | | | | |
| General | \$ 1,947,148 | \$ 1,830,898 | \$ 1,921,322 | \$ 1,729,546 | \$ 1,867,239 | \$ 1,906,901 | \$ 1,620,400 |
| IMRF | - | - | - | - | - | - | 195,500 |
| Police Pension | 660,509 | 552,487 | 541,751 | 551,948 | 281,037 | 287,000 | 278,663 |
| Fire Pension | 8,605 | 155,000 | 29,428 | 140,036 | 135,293 | 138,000 | 133,730 |
| Debt Service | <u>501,759</u> | <u>502,494</u> | <u>503,072</u> | <u>503,492</u> | <u>72,188</u> | <u>68,750</u> | <u>492,563</u> |
| | \$ 3,118,021 | \$ 3,040,879 | \$ 2,995,573 | \$ 2,925,022 | \$ 2,355,757 | \$ 2,400,651 | \$ 2,720,856 |
| Road and Bridge | <u>22,000</u> |
| Totals | <u>\$ 3,140,021</u> | <u>\$ 3,062,879</u> | <u>\$ 3,017,573</u> | <u>\$ 2,947,022</u> | <u>\$ 2,377,757</u> | <u>\$ 2,422,651</u> | <u>\$ 2,742,856</u> |
| Tax Collections | \$ 1,551,300 | \$ 2,931,098 | \$ 2,938,299 | \$ 2,846,009 | \$ 2,230,067 | \$ 2,120,935 | \$ 2,718,157 |
| Percent Collections | <u>49.40%</u> | <u>95.70%</u> | <u>97.37%</u> | <u>96.57%</u> | <u>93.79%</u> | <u>87.55%</u> | <u>99.10%</u> |

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements
April 30, 2013

| | 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 | | | | |
| | 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>\$ 300,000</u> | <u>\$ 54,000</u> | <u>\$ 354,000</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 | | | | |
| | 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>\$ 6,350,000</u> | <u>\$ 3,747,328</u> | <u>\$ 10,097,328</u> |

VILLAGE OF WORTH, ILLINOIS
 Schedule of Debt Service Requirements
 April 30, 2013

| | Year Ended April 30, | Principal | Interest | Total |
|--|----------------------------|-------------------|-------------------|---------------------|
| General Obligation | | | | |
| Limited Tax Bonds, Series 2012 | | | | |
| Dated February 8, 2012 | | | | |
| Interest payable on December 1 and June 1 at rates between 2.00% and 3.50% | | | | |
| Paying Agent: Amalgamted Bank of Chicago | | | | |
| | 2014 | \$ 100,000 | \$ 25,575 | \$ 125,575 |
| | 2015 | 105,000 | 23,575 | 128,575 |
| | 2016 | 105,000 | 20,950 | 125,950 |
| | 2017 | 110,000 | 18,325 | 128,325 |
| | 2018 | 110,000 | 15,025 | 125,025 |
| | 2019 | 115,000 | 11,725 | 126,725 |
| | 2020 | 120,000 | 8,275 | 128,275 |
| | 2021 | <u>125,000</u> | <u>4,375</u> | <u>129,375</u> |
| | | <u>\$ 890,000</u> | <u>\$ 127,825</u> | <u>\$ 1,017,825</u> |
| Capital Lease | | | | |
| Dated May 1, 2004, | | | | |
| With an average interest rate of 2% | | | | |
| | 2014 | \$ 13,000 | \$ 697 | \$ 13,697 |
| | 2015 | <u>6,500</u> | <u>146</u> | <u>6,646</u> |
| | | <u>\$ 19,500</u> | <u>\$ 843</u> | <u>\$ 20,343</u> |

VILLAGE OF WORTH, ILLINOIS

Information Required By Revenue Bond Ordinance
(Unaudited)
April 30, 2013

Consumer data:

Number of customers:

Water and Sewer Service:

| | |
|-------------|---------------------|
| Residential | 2,576 |
| Commercial | <u>326</u> |
| Total | <u><u>2,902</u></u> |

Sewer Service only:

| | |
|-------------|-----------------|
| Residential | 0 |
| Commercial | <u>2</u> |
| Total | <u><u>2</u></u> |

Percent

Water Usage:

| | | |
|-------------------------------------|--------------------|------------|
| Gallage purchased | 363,655,160 | 100% |
| Gallage billed | <u>277,687,000</u> | <u>76%</u> |
| Gallage lost and/or unaccounted for | 85,968,160 | 24% |

Insurance coverage data:

| | | |
|--|----|------------|
| 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 | | 11,474,100 |
| Property - BPP | | 904,500 |
| Property - Tax Interruption | | 750,000 |
| Contractor's (Mobile) Equipment | | 1,618,709 |
| Flood | | 5,000,000 |
| Earthquake | | 5,000,000 |
| Equipment Breakdown: | | |
| Expediting Equipment | | 12,378,600 |
| Pollution Clean Up and Removal | | 25,000 |
| Liquor | | 1,000,000 |
| Crime: | | |
| Public Employee Dishonesty | | 250,000 |
| Money and Securities (inside premises) | | 250,000 |
| Money and Securities (outside premises) | | 250,000 |
| Forgery or Alteration | | 250,000 |
| Workers' Compensation - Aggregate | | 2,500,000 |
| Workers' Compensation - Each occurrence | | 2,500,000 |