

**VILLAGE OF WORTH, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2015

Prepared By:

**HEARNE & ASSOCIATES, P.C.**  
Certified Public Accountants &  
Business Consultants

# VILLAGE OF WORTH, ILLINOIS

## Table of Contents

|  |       |
|--|-------|
| <b>Independent Auditors' Report</b>  | 1-2   |
| <b>Required Supplementary Information</b>  |       |
| Management's Discussion and Analysis   | 3-12  |
| <b>Financial Statements</b>  |       |
| Government-Wide Financial Statements   |       |
| Statement of Net Position  | 13    |
| Statement of Activities  | 14    |
| Fund Financial Statements  |       |
| Balance Sheet - Governmental Funds   | 15    |
| Reconciliation of the Balance Sheet - Governmental Funds to the<br>Statement of Net Position   | 16    |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances - Governmental Funds  | 17    |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities | 18    |
| Statement of Net Position - Enterprise Funds   | 19    |
| Statement of Revenues, Expenses and Changes in<br>Net Position - Enterprise Funds  | 20    |
| Statement of Cash Flows - Enterprise Funds   | 21    |
| Statement of Fiduciary Net Position - Pension Trust Funds  | 22    |
| Statement of Changes in Fiduciary Net Position - Pension Trust Funds   | 23    |
| Notes to the Basic Financial Statements  | 24-48 |
| <b>Required Supplementary Information</b>  |       |
| Schedule of Funding Progress:  |       |
| Illinois Municipal Retirement Fund   | 49    |
| Police Pension Fund  | 50    |
| Fire Pension Fund  | 51    |
| Schedule of Employer Contributions   | 52    |
| Schedule of Changes in the Employer's Net Pension Liability and Related Ratios:  |       |
| Police Pension Fund  | 53    |
| Fire Pension Fund  | 54    |
| Schedule of Investment Returns   | 55    |
| Schedule of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual - General Fund   | 56    |
| Schedule of General Fund Expenditures - Budget and Actual  | 57-62 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -<br>Budget and Actual - Motor Fuel Tax Fund                              | 63    |
| Schedule of Revenues, Expenditures and Changes in Fund Balance -<br>Budget and Actual - Tax Increment Financing Fund                               | 64    |
| Note to the Required Supplementary Information   | 65    |

**VILLAGE OF WORTH, ILLINOIS**

**Table of Contents**

**Other Schedules**

|  |    |
|--|----|
| Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections | 66 |
| Schedule of Debt Service Requirements  | 67 |
| Information Required by Revenue Bond Ordinance (Unaudited)                     | 68 |

**Other Report**

|  |    |
|--|----|
| Independent Auditors' Report on Compliance with the Provisions of Subsection (Q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act | 69 |
|--|----|



**HEARNE & ASSOCIATES, P.C.**  
.....  
Certified Public Accountants & Business Consultants

---

David J. Hearne, Jr., CPA (1928-2014) Founder  
Phillip M. Hearne, CPA  
Anthony M. Scott, CPA  
John C. Williams, CPA, MST

Elizabeth R. Shields, CPA, MBA  
Matthew R. Truschka  
Jessica L. Leonard

**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, 2015, 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.

**Auditors' 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 Village'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 Village'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, 2015, 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.

## **Change in Accounting Principle**

The Village adopted the GASB Statement No. 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to the financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

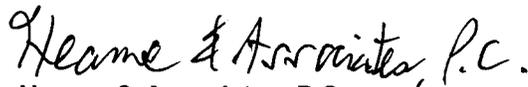
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part 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 other schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other schedules have 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 on them.

**December 22, 2015**  
**Mokena, IL**

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF WORTH, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

The Village of Worth's (the "Village") Management's 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, 2015. 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 13-14) 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 14) 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 Fund, rather than (the previous model's) fund types.

The Governmental Funds' (see pages 15-18) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of 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's Discussion and Analysis April 30, 2015

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 22-23). 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 total column on the Enterprise Funds Financial Statements (see pages 19-21) 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 16 and 18). 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 \$7.6 million as of April 30, 2015.

A significant portion of the Village's net position (81%) 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's Discussion and Analysis**  
**April 30, 2015**

**Table 1**  
**Condensed Statement of Net Position**  
**As of April 30, 2015**

|                               | Governmental<br>Activities | Business-Type<br>Activities | Total Primary<br>Government |
|-------------------------------|----------------------------|-----------------------------|-----------------------------|
| Current Assets                | \$ 3,642,292               | \$ 2,832,170                | \$ 6,474,462                |
| Non Current Assets            | 10,513,463                 | 2,491,544                   | 13,005,007                  |
| Total Assets                  | <u>14,155,755</u>          | <u>5,323,714</u>            | <u>19,479,469</u>           |
| Current Liabilities           | 967,276                    | 399,987                     | 1,367,263                   |
| Non Current Liabilities       | 9,155,905                  | 219,936                     | 9,375,841                   |
| Total Liabilities             | <u>10,123,181</u>          | <u>619,923</u>              | <u>10,743,104</u>           |
| Deferred Inflows of Resources | <u>1,104,817</u>           | -                           | <u>1,104,817</u>            |
| Net Position:                 |                            |                             |                             |
| Net Investment in Capital     | 3,924,227                  | 2,231,792                   | 6,156,019                   |
| Restricted                    | 310,484                    | 499,112                     | 809,596                     |
| Unrestricted                  | <u>(1,306,954)</u>         | <u>1,972,887</u>            | <u>665,933</u>              |
| Total Net Position            | <u>\$ 2,927,757</u>        | <u>\$ 4,703,791</u>         | <u>\$ 7,631,548</u>         |

**Condensed Statement of Net Position**  
**As of April 30, 2014**

|                               | Governmental<br>Activities | Business-Type<br>Activities | Total Primary<br>Government |
|-------------------------------|----------------------------|-----------------------------|-----------------------------|
| Current Assets                | \$ 3,411,896               | \$ 2,597,755                | \$ 6,009,651                |
| Non Current Assets            | 10,764,689                 | 2,679,969                   | 13,444,658                  |
| Total Assets                  | <u>14,176,585</u>          | <u>5,277,724</u>            | <u>19,454,309</u>           |
| Current Liabilities           | 990,084                    | 525,509                     | 1,515,593                   |
| Non Current Liabilities       | 9,090,820                  | 259,752                     | 9,350,572                   |
| Total Liabilities             | <u>10,080,904</u>          | <u>785,261</u>              | <u>10,866,165</u>           |
| Deferred Inflows of Resources | <u>1,171,563</u>           | -                           | <u>1,171,563</u>            |
| Net Position:                 |                            |                             |                             |
| Net Investment in Capital     | 3,758,385                  | 2,380,401                   | 6,138,786                   |
| Restricted                    | 284,643                    | 343,204                     | 627,847                     |
| Unrestricted                  | <u>(1,118,910)</u>         | <u>1,768,858</u>            | <u>649,948</u>              |
| Total Net Position            | <u>\$ 2,924,118</u>        | <u>\$ 4,492,463</u>         | <u>\$ 7,416,581</u>         |

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

## VILLAGE OF WORTH, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

The Village's combined net position (which is the Village's equity) increased to \$7,631,548 from \$7,416,581 as a result of the increase in net position primarily in the Business-type Activities. Net position of the Village's governmental activities was \$2,924,118. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was \$(1,306,954). The net position of business-type activities increased to \$4,703,791 from \$4,492,463. 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 in capital assets and an increase in related net debt which will not change the net investment in capital assets.

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 net investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase the net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets.

#### **CURRENT YEAR IMPACTS**

The Village's total assets increased by \$25,160 from the prior year mainly due to a net increase in current assets related to cash and cash equivalents. The Village's liabilities decreased by \$123,061 mainly due to the payment of debt. The Village's deferred inflows of resources decreased by \$66,746 due to the decrease in the property tax levy.

The Village's total net position increased by \$214,967. In the prior year the net position increased by \$1,128,667. The changes in net position are further analyzed in the next section.

#### **Changes In Net Position**

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

**VILLAGE OF WORTH, ILLINOIS**  
**Management's Discussion and Analysis**  
**April 30, 2015**

**Condensed Statement of Activities**  
**As of April 30, 2015**

|                                     | Governmental<br>Activities | Business-Type<br>Activities | Total Primary<br>Government |
|-------------------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>REVENUES</b>                     |                            |                             |                             |
| Program Revenues:                   |                            |                             |                             |
| Charges for Services                | \$ 3,096,708               | \$ 2,650,785                | \$ 5,747,493                |
| Operating Grants and Contributions  | 500                        | -                           | 500                         |
| Capital Grants and Contributions    | 315,460                    | -                           | 315,460                     |
| General Revenues:                   |                            |                             | -                           |
| Property Taxes                      | 2,210,477                  | -                           | 2,210,477                   |
| Sales Taxes                         | 1,242,975                  | -                           | 1,242,975                   |
| Income Taxes                        | 1,106,522                  | -                           | 1,106,522                   |
| Other Taxes                         | 1,566,726                  | -                           | 1,566,726                   |
| Other General Revenues              | 73,186                     | 724                         | 73,910                      |
| Total Revenues                      | 9,612,554                  | 2,651,509                   | 12,264,063                  |
| <b>EXPENSES</b>                     |                            |                             |                             |
| General Government                  | 945,065                    | -                           | 945,065                     |
| Building Department                 | 138,651                    | -                           | 138,651                     |
| Boat Launch                         | 6,207                      | -                           | 6,207                       |
| Health Department                   | 2,700                      | -                           | 2,700                       |
| Fire Department                     | 1,626,952                  | -                           | 1,626,952                   |
| Police Department                   | 3,391,889                  | -                           | 3,391,889                   |
| Street and Bridge                   | 1,217,828                  | -                           | 1,217,828                   |
| Golf Course                         | 1,584,335                  | -                           | 1,584,335                   |
| Worth Days                          | 6,942                      | -                           | 6,942                       |
| Federal Seizure                     | 9,104                      | -                           | 9,104                       |
| Motor Fuel Tax                      | 334,430                    | -                           | 334,430                     |
| Tax Increment Financing             | 27,079                     | -                           | 27,079                      |
| Interest                            | 317,733                    | -                           | 317,733                     |
| Waterworks and Sewerage             | -                          | 2,370,499                   | 2,370,499                   |
| Commuter Parking Lot                | -                          | 69,682                      | 69,682                      |
| Total Expenses                      | 9,608,915                  | 2,440,181                   | 12,049,096                  |
| Change in Net Position              | 3,639                      | 211,328                     | 214,967                     |
| Beginning Net Position, as restated | 2,924,118                  | 4,492,463                   | 7,416,581                   |
| Ending Net Position                 | \$ 2,927,757               | \$ 4,703,791                | \$ 7,631,548                |

**VILLAGE OF WORTH, ILLINOIS**  
**Management's Discussion and Analysis**  
**April 30, 2015**

**Condensed Statement of Activities**  
**As of April 30, 2014**

|                                     | Governmental<br>Activities | Business-Type<br>Activities | Total Primary<br>Government |
|-------------------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>REVENUES</b>                     |                            |                             |                             |
| Program Revenues:                   |                            |                             |                             |
| Charges for Services                | \$ 3,304,160               | \$ 2,559,227                | \$ 5,863,387                |
| Operating Grants and Contributions  | 792                        | 37,473                      | 38,265                      |
| Capital Grants and Contributions    | 352,901                    | -                           | 352,901                     |
| General Revenues:                   |                            |                             | -                           |
| Property Taxes                      | 2,431,128                  | -                           | 2,431,128                   |
| Sales Taxes                         | 1,247,848                  | -                           | 1,247,848                   |
| Income Taxes                        | 1,051,346                  | -                           | 1,051,346                   |
| Other Taxes                         | 1,329,702                  | -                           | 1,329,702                   |
| Other General Revenues              | 94,338                     | 483                         | 94,821                      |
| Total Revenues                      | 9,812,215                  | 2,597,183                   | 12,409,398                  |
| <b>EXPENSES</b>                     |                            |                             |                             |
| General Government                  | 584,288                    | -                           | 584,288                     |
| Building Department                 | 109,115                    | -                           | 109,115                     |
| Boat Launch                         | 10,790                     | -                           | 10,790                      |
| Health Department                   | 6,060                      | -                           | 6,060                       |
| Fire Department                     | 1,584,003                  | -                           | 1,584,003                   |
| Police Department                   | 3,383,963                  | -                           | 3,383,963                   |
| Street and Bridge                   | 563,626                    | -                           | 563,626                     |
| Golf Course                         | 1,716,329                  | -                           | 1,716,329                   |
| Worth Days                          | 139,186                    | -                           | 139,186                     |
| Federal Seizure                     | 19,838                     | -                           | 19,838                      |
| Motor Fuel Tax                      | 373,719                    | -                           | 373,719                     |
| Tax Increment Financing             | 30,514                     | -                           | 30,514                      |
| Interest                            | 324,185                    | -                           | 324,185                     |
| Waterworks and Sewerage             | -                          | 2,290,512                   | 2,290,512                   |
| Commuter Parking Lot                | -                          | 144,603                     | 144,603                     |
| Total Expenses                      | 8,845,616                  | 2,435,115                   | 11,280,731                  |
| Change in Net Position              | 966,599                    | 162,068                     | 1,128,667                   |
| Beginning Net Position, as restated | 2,777,275                  | 4,236,142                   | 7,013,417                   |
| Prior Period Adjustments            | (819,756)                  | 94,253                      | (725,503)                   |
| Ending Net Position                 | \$ 2,924,118               | \$ 4,492,463                | \$ 7,416,581                |

**VILLAGE OF WORTH, ILLINOIS**  
**Management's Discussion and Analysis**  
**April 30, 2015**

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, 2015, revenues from all activities totaled \$12,264,063, a 1% decrease from 2014. The decreases are mainly in real estate taxes and golf course revenues 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 \$220,651 for the year and charges for services are down \$115,894. Grant revenue also decreased \$75,206 from the prior year.

*Expenses:*

The Village's total expenses for all activities for the year ended April 30, 2015 and 2014 were \$12,049,096 and \$11,280,731, respectively or an increase of \$768,365. The main increases were in the governmental activities due primarily to the increase in the net pension obligation.

**VILLAGE OF WORTH, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2015**

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 about \$5 million of the total expenses in 2015 and 2014. 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, 2015, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$1,723,897 compared to \$1,386,626 in 2014. This \$337,271 increase was primarily due to an decrease in capital outlay and golf course expenditures.

**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 2015. 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>Original and<br/>Final Budget</u> | <u>Actual</u>       |
|--|--------------------------------------|---------------------|
| Revenues                                     |                                      |                     |
| Property Taxes                               | \$ 2,380,712                         | \$ 2,157,557        |
| Other Taxes & Intergovernmental              | 3,461,278                            | 3,821,010           |
| Licenses, Permits, Fees, Fines & Forfeitures | 1,233,558                            | 1,614,931           |
| Golf Course                                  | 1,841,285                            | 1,481,777           |
| Other  | 329,734                              | 46,143              |
| Total  | <u>\$ 9,246,567</u>                  | <u>\$ 9,121,418</u> |
| Expenditures                                 |                                      |                     |
| General Government & Building                | \$ 645,640                           | \$ 508,879          |
| Boat Launch, Health, & Worth Days            | 47,705                               | 15,849              |
| Public Safety & Federal Seizure              | 5,063,779                            | 4,889,057           |
| Street & Bridge                              | 1,468,473                            | 1,168,517           |
| Golf Course                                  | 1,714,678                            | 1,368,059           |
| Capital Outlay                               | 195,350                              | 253,363             |
| Debt Service                                 | 532,188                              | 707,855             |
| Total  | <u>\$ 9,667,813</u>                  | <u>\$ 8,911,579</u> |

**VILLAGE OF WORTH, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2015**

As shown in Table 3, the General Fund had a deficit budget of \$421,246, while actual results were a \$209,839 surplus. There are several factors that attributed to this. Street and Bridge and the Golf Course were below budgeted expenses by \$299,956 and \$346,919, respectively. Intergovernmental revenues and licenses, permits, fees, fines and forfeitures were greater than budget expectations by \$359,752 and \$381,373, respectively.

**CAPITAL ASSETS**

At the end of the fiscal year 2015, the Village had a combined total of capital assets of \$13,005,008 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). Additional information can be found in Note 4 of the Notes to the Basic Financial Statements.

**Table 4  
Change in Capital Assets  
Net of Depreciation**

|  | Balance<br>April 30, 2014 | Net Additions/<br>Deletions | Balance<br>April 30, 2015 |
|--|---------------------------|-----------------------------|---------------------------|
| Governmental Activities:                       |                           |                             |                           |
| Land   | \$ 3,781,982              | \$ -                        | \$ 3,781,982              |
| Buildings and Improvements                     | 2,957,272                 | (197,934)                   | 2,759,338                 |
| Machinery and Equipment                        | 754,590                   | 55,500                      | 810,090                   |
| Infrastructure                                 | 3,270,845                 | (108,792)                   | 3,162,053                 |
| Total Capital Assets, Governmental Activities  | <u>\$ 10,764,689</u>      | <u>\$ (251,226)</u>         | <u>\$ 10,513,463</u>      |
| Business-Type Activities:                      |                           |                             |                           |
| Land   | \$ 47,824                 | \$ -                        | \$ 47,824                 |
| Waterworks and Sewerage System                 | 2,326,304                 | (174,107)                   | 2,152,197                 |
| Machinery and Equipment                        | 128,140                   | (6,336)                     | 121,804                   |
| Commuter Parking Lot                           | 177,701                   | (7,981)                     | 169,720                   |
| Total Capital Assets, Business-Type Activities | <u>\$ 2,679,969</u>       | <u>\$ (188,424)</u>         | <u>\$ 2,491,545</u>       |

**DEBT OUTSTANDING**

The Village has total outstanding bonded debt of \$6,744,144. There were no new bond issuances in the current year. See Note 5 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2015.

**Table 5  
Changes in Long-Term Debt**

|                                 | April 30, 2014<br>As Restated | Issuances/<br>Deletions | April 30, 2015      |
|---------------------------------|-------------------------------|-------------------------|---------------------|
| Governmental Activities:        |                               |                         |                     |
| Bonds                           | \$ 6,849,576                  | \$ (365,875)            | \$ 6,483,701        |
| Capital Lease                   | 156,728                       | (51,193)                | 105,535             |
| Compensated Absences            | 1,321,453                     | 149,451                 | 1,470,904           |
| Net Pension Obligation          | 1,123,248                     | 399,929                 | 1,523,177           |
| Line of Credit                  | 75,000                        | (25,000)                | 50,000              |
| Total Governmental Activities   | <u>\$ 9,526,005</u>           | <u>\$ 107,312</u>       | <u>\$ 9,633,317</u> |
| Business-Type Activities: Bonds | <u>\$ 299,568</u>             | <u>\$ (39,816)</u>      | <u>\$ 259,752</u>   |

## **VILLAGE OF WORTH, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

#### **Economic Factors**

The financial condition of the Federal and State governments continues to have a dramatic effect on the Village of Worth during 2015. 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 mild gain 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 \$242,762 (Police Pension \$255,124 and Fire Pension \$(12,362)).

#### **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, 2015

|  | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|--|----------------------------|-----------------------------|---------------------|
| <b>Assets</b>  |                            |                             |                     |
| Current Assets   |                            |                             |                     |
| Cash and Cash Equivalents  | \$ 1,548,486               | \$ 2,568,797                | \$ 4,117,283        |
| Receivables:   |                            |                             |                     |
| Property Taxes   | 1,104,817                  | -                           | 1,104,817           |
| Other  | 886,519                    | 261,803                     | 1,148,322           |
| Prepaid Expenses   | 63,455                     | 1,570                       | 65,025              |
| Inventories  | 39,015                     | -                           | 39,015              |
| Total Current Assets   | <u>3,642,292</u>           | <u>2,832,170</u>            | <u>6,474,462</u>    |
| Noncurrent Assets  |                            |                             |                     |
| Capital Assets Not Being Depreciated                                   | 3,781,982                  | 47,824                      | 3,829,806           |
| Capital Assets Being Depreciated, Net                                  | 6,731,481                  | 2,443,720                   | 9,175,201           |
| Total Noncurrent Assets  | <u>10,513,463</u>          | <u>2,491,544</u>            | <u>13,005,007</u>   |
| Total Assets   | <u>14,155,755</u>          | <u>5,323,714</u>            | <u>19,479,469</u>   |
| <b>Liabilities, Deferred Inflows of Resources<br/>and Net Position</b> |                            |                             |                     |
| Liabilities  |                            |                             |                     |
| Current Liabilities  |                            |                             |                     |
| Accounts Payable   | 265,208                    | 328,357                     | 593,565             |
| Accrued Payroll & Liabilities  | 64,453                     | 31,814                      | 96,267              |
| Unearned Revenue   | 72,527                     | -                           | 72,527              |
| Pension Contribution Payable   | 47,497                     | -                           | 47,497              |
| Deposits   | 40,179                     | -                           | 40,179              |
| Long-Term Obligations, Due within One Year:                            |                            |                             |                     |
| Capital Lease  | 52,228                     | -                           | 52,228              |
| General Obligation Bonds   | 165,184                    | -                           | 165,184             |
| Revenue Bonds  | -                          | 39,816                      | 39,816              |
| Alternative Revenue Bonds  | 210,000                    | -                           | 210,000             |
| Short-Term Notes Payable   | 50,000                     | -                           | 50,000              |
| Total Current Liabilities  | <u>967,276</u>             | <u>399,987</u>              | <u>1,367,263</u>    |
| Long-Term Obligations, Due in more than One Year:                      |                            |                             |                     |
| Capital Lease  | 53,307                     | -                           | 53,307              |
| General Obligation Bonds   | 363,517                    | 219,936                     | 583,453             |
| Alternative Revenue Bonds  | 5,745,000                  | -                           | 5,745,000           |
| Compensated Absences   | 1,470,904                  | -                           | 1,470,904           |
| Pension Obligations  | 1,523,177                  | -                           | 1,523,177           |
| Total Noncurrent Liabilities   | <u>9,155,905</u>           | <u>219,936</u>              | <u>9,375,841</u>    |
| Total Liabilities  | <u>10,123,181</u>          | <u>619,923</u>              | <u>10,743,104</u>   |
| Deferred Inflows of Resources  |                            |                             |                     |
| Property Tax   | 1,104,817                  | -                           | 1,104,817           |
| Net Position   |                            |                             |                     |
| Net Investment in Capital Assets                                       | 3,924,227                  | 2,231,792                   | 6,156,019           |
| Restricted for:  |                            |                             |                     |
| Tax Increment Financing  | 310,484                    | -                           | 310,484             |
| Water Reserves   | -                          | 499,112                     | 499,112             |
| Unrestricted   | (1,306,954)                | 1,972,887                   | 665,933             |
| Total Net Position   | <u>\$ 2,927,757</u>        | <u>\$ 4,703,791</u>         | <u>\$ 7,631,548</u> |

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Activities  
Year Ended April 30, 2015

| Functions/Programs                          | Expenses             | Program Revenues        |  |  | Net (Expense), Revenue<br>and Changes in Net Position |                             |                     |
|---|----------------------|-------------------------|--|--|---|-----------------------------|---------------------|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Governmental<br>Activities                            | Business-Type<br>Activities | Total               |
| Governmental activities:                    |                      |                         |  |  |   |                             |                     |
| General Government                          | \$ 945,065           | \$ 185,216              | \$ 500                                   | \$ -                                   | \$ (759,349)  | \$ -                        | \$ (759,349)        |
| Building Department                         | 138,651              | 139,569                 | -  | -                                      | 918   | -                           | 918                 |
| Boat Launch                                 | 6,207                | 18,332                  | -  | -                                      | 12,125  | -                           | 12,125              |
| Health Department                           | 2,700                | 6,313                   | -  | -                                      | 3,613   | -                           | 3,613               |
| Fire Department                             | 1,626,952            | -                       | -  | -                                      | (1,626,952)   | -                           | (1,626,952)         |
| Police Department                           | 3,391,889            | 1,081,752               | -  | -                                      | (2,310,137)   | -                           | (2,310,137)         |
| Street and Bridge                           | 1,217,828            | 183,749                 | -  | 315,460                                | (718,619)   | -                           | (718,619)           |
| Golf Course                                 | 1,584,335            | 1,481,777               | -  | -                                      | (102,558)   | -                           | (102,558)           |
| Worth Days                                  | 6,942                | -                       | -  | -                                      | (6,942)   | -                           | (6,942)             |
| Federal Seizure                             | 9,104                | -                       | -  | -                                      | (9,104)   | -                           | (9,104)             |
| Motor Fuel Tax Project                      | 334,430              | -                       | -  | -                                      | (334,430)   | -                           | (334,430)           |
| Tax Increment Financing                     | 27,079               | -                       | -  | -                                      | (27,079)  | -                           | (27,079)            |
| Interest                                    | 317,733              | -                       | -  | -                                      | (317,733)   | -                           | (317,733)           |
| Total Governmental Activities               | <u>9,608,915</u>     | <u>3,096,708</u>        | <u>500</u>                               | <u>315,460</u>                         | <u>(6,196,247)</u>                                    | <u>-</u>                    | <u>(6,196,247)</u>  |
| Business-Type Activities:                   |                      |                         |  |  |   |                             |                     |
| Waterworks and Sewerage                     | 2,370,499            | 2,590,895               | -  | -                                      | -   | 220,396                     | 220,396             |
| Commuter Parking Lot                        | 69,682               | 59,890                  | -  | -                                      | -   | (9,792)                     | (9,792)             |
| Total Business-Type Activities              | <u>2,440,181</u>     | <u>2,650,785</u>        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>  | <u>210,604</u>              | <u>210,604</u>      |
| Total                                       | <u>\$ 12,049,096</u> | <u>\$ 5,747,493</u>     | <u>\$ 500</u>                            | <u>\$ 315,460</u>                      | <u>(6,196,247)</u>                                    | <u>210,604</u>              | <u>(5,985,643)</u>  |
| General Revenues                            |                      |                         |  |  |   |                             |                     |
| Taxes:                                      |                      |                         |  |  |   |                             |                     |
| Property                                    |                      |                         |  |  | 2,210,477   | -                           | 2,210,477           |
| Sales                                       |                      |                         |  |  | 1,242,975   | -                           | 1,242,975           |
| Income                                      |                      |                         |  |  | 1,106,522   | -                           | 1,106,522           |
| Other                                       |                      |                         |  |  | 1,566,726   | -                           | 1,566,726           |
| Interest                                    |                      |                         |  |  | 446   | 724                         | 1,170               |
| Miscellaneous                               |                      |                         |  |  | 45,740  | -                           | 45,740              |
| Net Gain (Loss) from Disposal               |                      |                         |  |  | 27,000  | -                           | 27,000              |
| Total General Revenues                      |                      |                         |  |  | <u>6,199,886</u>                                      | <u>724</u>                  | <u>6,200,610</u>    |
| Change in Net Position                      |                      |                         |  |  | 3,639   | 211,328                     | 214,967             |
| Net Position Beginning of Year, as restated |                      |                         |  |  | <u>2,924,118</u>                                      | <u>4,492,463</u>            | <u>7,416,581</u>    |
| Net Position End of Year                    |                      |                         |  |  | <u>\$ 2,927,757</u>                                   | <u>\$ 4,703,791</u>         | <u>\$ 7,631,548</u> |

See the accompanying notes to the financial statements

## **FUND FINANCIAL STATEMENTS**

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds  
April 30, 2015

|  | General<br>Fund     | Motor Fuel Tax<br>Fund | Tax<br>Incremental<br>Financing<br>Fund | Total               |
|--|---------------------|------------------------|---|---------------------|
| <b>Assets</b>  |                     |                        |   |                     |
| Current Assets   |                     |                        |   |                     |
| Cash and Cash Equivalents  | \$ 1,238,002        | \$ -                   | \$ 310,484                              | \$ 1,548,486        |
| Receivables:   |                     |                        |   |                     |
| Property Taxes   | 1,104,817           | -                      | -                                       | 1,104,817           |
| Other  | 93,353              | -                      | -                                       | 93,353              |
| Due From Other Funds   | 297,476             | -                      | -                                       | 297,476             |
| Due From Other Government Agencies   | 768,073             | 25,093                 | -                                       | 793,166             |
| Prepays  | 63,455              | -                      | -                                       | 63,455              |
| Inventories  | 39,015              | -                      | -                                       | 39,015              |
| Total Assets   | <u>\$ 3,604,191</u> | <u>\$ 25,093</u>       | <u>\$ 310,484</u>                       | <u>\$ 3,939,768</u> |
| <b>Liabilities</b>   |                     |                        |   |                     |
| Current Liabilities  |                     |                        |   |                     |
| Accounts Payable   | \$ 254,524          | \$ 10,684              | \$ -                                    | \$ 265,208          |
| Pension Contribution Payable   | 47,497              | -                      | -                                       | 47,497              |
| Accrued Payroll & Related Liabilities  | 64,283              | 170                    | -                                       | 64,453              |
| Unearned Revenue   | 72,527              | -                      | -                                       | 72,527              |
| Deposits   | 40,179              | -                      | -                                       | 40,179              |
| Due To Other Funds   | -                   | 297,476                | -                                       | 297,476             |
| Short-Term Note Payable  | 50,000              | -                      | -                                       | 50,000              |
| Total Liabilities  | <u>529,010</u>      | <u>308,330</u>         | <u>-</u>                                | <u>837,340</u>      |
| <b>Deferred Inflows of Resources</b>   |                     |                        |   |                     |
| Deferred Revenues  |                     |                        |   |                     |
| Unavailable State Income Taxes   | 273,714             | -                      | -                                       | 273,714             |
| Unavailable Property Taxes   | 1,104,817           | -                      | -                                       | 1,104,817           |
| Total Deferred Inflows of Resources  | <u>1,378,531</u>    | <u>-</u>               | <u>-</u>                                | <u>1,378,531</u>    |
| <b>Fund Balances (Deficits)</b>  |                     |                        |   |                     |
| Non-Spendable  |                     |                        |   |                     |
| Prepays  | 63,455              | -                      | -                                       | 63,455              |
| Inventory  | 39,015              | -                      | -                                       | 39,015              |
| Restricted for:  |                     |                        |   |                     |
| Tax Increment Financing  | -                   | -                      | 310,484                                 | 310,484             |
| Unassigned   | 1,594,180           | (283,237)              | -                                       | 1,310,943           |
| Total Fund Balances (Deficits)   | <u>1,696,650</u>    | <u>(283,237)</u>       | <u>310,484</u>                          | <u>1,723,897</u>    |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances (Deficits) | <u>\$ 3,604,191</u> | <u>\$ 25,093</u>       | <u>\$ 310,484</u>                       | <u>\$ 3,939,768</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
April 30, 2015

|  |                     |
|--|---------------------|
| Total Fund Balances - Governmental Funds   | \$ 1,723,897        |
| 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.   | 10,513,463          |
| Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds:   |                     |
| Sales Tax Receivable   | 273,714             |
| 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: |                     |
| Leases Payable   | (105,535)           |
| General Obligation Bonds   | (525,248)           |
| Premium on General Obligation Bonds  | (3,453)             |
| Alternate Revenue Bonds  | (5,955,000)         |
| Compensated Absences   | (1,470,904)         |
| Pension Obligations  | <u>(1,523,177)</u>  |
| Net Position of Governmental Activities  | <u>\$ 2,927,757</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended April 30, 2015

|  | General Fund        | Motor Fuel Tax Fund | Tax Incremental Financing Fund | Total Governmental Funds |
|--|---------------------|---------------------|--------------------------------|--------------------------|
| <b>Revenues:</b>   |                     |                     |                                |                          |
| Property Taxes   | \$ 2,157,557        | \$ -                | \$ 52,920                      | \$ 2,210,477             |
| Sales Taxes  | 1,242,975           | -                   | -                              | 1,242,975                |
| Grants   | 315,960             | -                   | -                              | 315,960                  |
| Intergovernmental  | 2,262,075           | 361,267             | -                              | 2,623,342                |
| Licenses, Permits, and Fees                                  | 550,859             | -                   | -                              | 550,859                  |
| Fines and Forfeits   | 1,064,072           | -                   | -                              | 1,064,072                |
| Charges for Service:   |                     |                     |                                |                          |
| Golf Course  | 1,481,777           | -                   | -                              | 1,481,777                |
| Interest   | 403                 | 43                  | -                              | 446                      |
| Other  | 45,740              | -                   | -                              | 45,740                   |
| Total Revenues   | <u>9,121,418</u>    | <u>361,310</u>      | <u>52,920</u>                  | <u>9,535,648</u>         |
| <b>Expenditures:</b>   |                     |                     |                                |                          |
| Current:   |                     |                     |                                |                          |
| General Government   | 370,228             | -                   | -                              | 370,228                  |
| Building Department  | 138,651             | -                   | -                              | 138,651                  |
| Boat Launch  | 6,207               | -                   | -                              | 6,207                    |
| Health Department  | 2,700               | -                   | -                              | 2,700                    |
| Fire Department  | 1,614,624           | -                   | -                              | 1,614,624                |
| Police Department  | 3,265,329           | -                   | -                              | 3,265,329                |
| Street and Bridge  | 1,168,517           | -                   | -                              | 1,168,517                |
| Golf Course  | 1,368,059           | -                   | -                              | 1,368,059                |
| Worth Days   | 6,942               | -                   | -                              | 6,942                    |
| Federal Seizure  | 9,104               | -                   | -                              | 9,104                    |
| Motor Fuel Tax Project                                       | -                   | 260,464             | -                              | 260,464                  |
| Tax Increment Financing                                      | -                   | -                   | 27,079                         | 27,079                   |
| Capital Outlay   | 253,363             | -                   | -                              | 253,363                  |
| Debt Service:  |                     |                     |                                |                          |
| Principal  | 394,936             | 21,441              | -                              | 416,377                  |
| Interest   | 312,919             | 4,814               | -                              | 317,733                  |
| Total Expenditures   | <u>8,911,579</u>    | <u>286,719</u>      | <u>27,079</u>                  | <u>9,225,377</u>         |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 209,839             | 74,591              | 25,841                         | 310,271                  |
| <b>Other Financing Sources (Uses)</b>                        |                     |                     |                                |                          |
| Proceeds from Sale of Capital Assets                         | 27,000              | -                   | -                              | 27,000                   |
| Net Change in Fund Balance                                   | 236,839             | 74,591              | 25,841                         | 337,271                  |
| Fund Balance, Beginning of Year,<br>As Restated              | <u>1,459,811</u>    | <u>(357,828)</u>    | <u>284,643</u>                 | <u>1,386,626</u>         |
| Fund Balance, End of Year                                    | <u>\$ 1,696,650</u> | <u>\$ (283,237)</u> | <u>\$ 310,484</u>              | <u>\$ 1,723,897</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, 2015

Net Change in Fund Balance - Total Governmental Funds \$ 337,271

Amounts reported for governmental activities in the statement of activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2014 to 2015 consists of:

Sales Taxes Received from the State of Illinois 49,906

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       | \$ 253,363       |           |
| Depreciation Expense | <u>(504,589)</u> | (251,226) |

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:

|                         |                |         |
|-------------------------|----------------|---------|
| Installment contracts   | \$ 51,193      |         |
| Alternate revenue bonds | <u>365,184</u> | 416,377 |

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

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Amortization of Premium          | \$ 691           |                  |
| Change in compensated absences   | (149,451)        |                  |
| Change in net pension obligation | <u>(399,929)</u> | <u>(548,689)</u> |

Change in net position of governmental activities \$ 3,639

VILLAGE OF WORTH, ILLINOIS

Statement of Net Position - Enterprise Funds  
April 30, 2015

|                                    | Enterprise Funds                   |                                 |                         |
|------------------------------------|------------------------------------|---------------------------------|-------------------------|
|                                    | Waterworks<br>and Sewerage<br>Fund | Commuter<br>Parking Lot<br>Fund | Total                   |
| <b>Assets</b>                      |                                    |                                 |                         |
| Current Assets                     |                                    |                                 |                         |
| Cash and Cash Equivalents          | \$ 2,495,873                       | \$ 72,924                       | \$ 2,568,797            |
| Accounts Receivable:               |                                    |                                 |                         |
| Customers                          | 62,740                             | -                               | 62,740                  |
| Other                              | 199,063                            | -                               | 199,063                 |
| Prepaid Insurance                  | 1,570                              | -                               | 1,570                   |
| Total Current Assets               | <u>2,759,246</u>                   | <u>72,924</u>                   | <u>2,832,170</u>        |
| Noncurrent Assets                  |                                    |                                 |                         |
| Property and Equipment             | 8,898,678                          | 971,502                         | 9,870,180               |
| Less: Accumulated Depreciation     | <u>(6,582,986)</u>                 | <u>(795,650)</u>                | <u>(7,378,636)</u>      |
| Total Noncurrent Assets            | <u>2,315,692</u>                   | <u>175,852</u>                  | <u>2,491,544</u>        |
| <br>Total Assets                   | <br><u>5,074,938</u>               | <br><u>248,776</u>              | <br><u>5,323,714</u>    |
| <b>Liabilities</b>                 |                                    |                                 |                         |
| Current Liabilities                |                                    |                                 |                         |
| Accounts Payable                   | 325,804                            | 2,553                           | 328,357                 |
| Accrued Payroll                    | 31,554                             | 260                             | 31,814                  |
| Revenue Bonds, Due Within One Year | <u>39,816</u>                      | <u>-</u>                        | <u>39,816</u>           |
| Total Current Liabilities          | <u>397,174</u>                     | <u>2,813</u>                    | <u>399,987</u>          |
| Noncurrent Liabilities             |                                    |                                 |                         |
| Maturities of Revenue Bonds        | <u>219,936</u>                     | <u>-</u>                        | <u>219,936</u>          |
| Total Noncurrent Liabilities       | <u>219,936</u>                     | <u>-</u>                        | <u>219,936</u>          |
| <br>Total Liabilities              | <br><u>617,110</u>                 | <br><u>2,813</u>                | <br><u>619,923</u>      |
| <b>Net Position</b>                |                                    |                                 |                         |
| Net Investment in Capital Assets   | 2,055,940                          | 175,852                         | 2,231,792               |
| Restricted                         | 499,112                            | -                               | 499,112                 |
| Unrestricted                       | <u>3,958,716</u>                   | <u>70,111</u>                   | <u>4,028,827</u>        |
| <br>Total Net Position             | <br><u>\$ 4,457,828</u>            | <br><u>\$ 245,963</u>           | <br><u>\$ 4,703,791</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, 2015

|  | Enterprise Funds                   |                                 |                     |
|--|------------------------------------|---------------------------------|---------------------|
|  | Waterworks<br>and Sewerage<br>Fund | Commuter<br>Parking Lot<br>Fund | Total               |
| <b>Operating Revenues:</b>                   |                                    |                                 |                     |
| Water and Sewer Charges                      | \$ 2,590,336                       | \$ -                            | \$ 2,590,336        |
| Commuter Parking Fees                        | -                                  | 59,890                          | 59,890              |
| Other Fees and Charges                       | 559                                | -                               | 559                 |
| Total Operating Revenues                     | <u>2,590,895</u>                   | <u>59,890</u>                   | <u>2,650,785</u>    |
| <b>Operating Expenses:</b>                   |                                    |                                 |                     |
| Operations                                   | 2,149,670                          | 57,611                          | 2,207,281           |
| Depreciation and Amortization                | 211,889                            | 12,071                          | 223,960             |
| Total Operating Expenses                     | <u>2,361,559</u>                   | <u>69,682</u>                   | <u>2,431,241</u>    |
| Operating Income (Loss)                      | <u>229,336</u>                     | <u>(9,792)</u>                  | <u>219,544</u>      |
| <b>Nonoperating Revenues (Expenses):</b>     |                                    |                                 |                     |
| Interest Income                              | 628                                | 96                              | 724                 |
| Interest Expense                             | (8,940)                            | -                               | (8,940)             |
| Total Nonoperating Revenues (Expenses)       | <u>(8,312)</u>                     | <u>96</u>                       | <u>(8,216)</u>      |
| Change In Net Position                       | 221,024                            | (9,696)                         | 211,328             |
| Net Position, Beginning of Year, as Restated | <u>4,236,804</u>                   | <u>255,659</u>                  | <u>4,492,463</u>    |
| Net Position, End of Year                    | <u>\$ 4,457,828</u>                | <u>\$ 245,963</u>               | <u>\$ 4,703,791</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2015

|  | Enterprise Funds                   |                                 |                     |
|--|------------------------------------|---------------------------------|---------------------|
|  | Waterworks<br>and Sewerage<br>Fund | Commuter<br>Parking Lot<br>Fund | Total               |
| <b>Cash Flows from Operating Activities</b>  |                                    |                                 |                     |
| Cash Received for Services   | \$ 2,598,631                       | \$ 59,890                       | \$ 2,658,521        |
| Payments to Employees  | (411,298)                          | (14,984)                        | (426,282)           |
| Payments to Suppliers  | (1,770,632)                        | (43,206)                        | (1,813,838)         |
| Net Cash Provided by (Used In) Operating Activities  | <u>416,701</u>                     | <u>1,700</u>                    | <u>418,401</u>      |
| <b>Cash Flows from Noncapital Financing Activities</b>   |                                    |                                 |                     |
| <b>Cash Flows from Capital<br/>and Related Financing Activities</b>                                  |                                    |                                 |                     |
| Bond Principal Payments  | (39,816)                           | -                               | (39,816)            |
| Bond Interest Payments   | (8,940)                            | -                               | (8,940)             |
| Net Cash (Used in) Capital and<br>and Related Financing Activities                                   | <u>(48,756)</u>                    | <u>-</u>                        | <u>(48,756)</u>     |
| <b>Cash Flows from Investing Activities</b>  |                                    |                                 |                     |
| Purchase of Property & Equipment   | (35,535)                           | -                               | (35,535)            |
| Interest Received  | 628                                | 96                              | 724                 |
| Net Cash Provided By (Used In) Investing Activities  | <u>(34,907)</u>                    | <u>96</u>                       | <u>(34,811)</u>     |
| Net Increase (Decrease) In Cash<br>and Cash Equivalents  | 333,038                            | 1,796                           | 334,834             |
| Cash and Cash Equivalents May 1, 2014  | <u>2,162,835</u>                   | <u>71,128</u>                   | <u>2,233,963</u>    |
| Cash and Cash Equivalents April 30, 2015   | <u>\$ 2,495,873</u>                | <u>\$ 72,924</u>                | <u>\$ 2,568,797</u> |
| <b>Reconciliation of Operating (Loss) to Net Cash<br/>by (Used In) Operating Activities</b>          |                                    |                                 |                     |
| Operating Income (Loss)  | <u>\$ 229,336</u>                  | <u>\$ (9,792)</u>               | <u>\$ 219,544</u>   |
| Adjustments to Reconcile Operating (Loss) to Net Cash<br>Provided by (Used In) Operating Activities: |                                    |                                 |                     |
| Depreciation and Amortization  | 211,889                            | 12,071                          | 223,960             |
| Changes In Assets and Liabilities  |                                    |                                 |                     |
| Accounts Receivable  | 7,736                              | -                               | 7,736               |
| Prepaid Insurance  | (1,570)                            | -                               | (1,570)             |
| Accounts Payable and Accruals  | (30,690)                           | (579)                           | (31,269)            |
| Total Adjustments  | <u>187,365</u>                     | <u>11,492</u>                   | <u>198,857</u>      |
| Net Cash Provided By (Used In) Operating Activities  | <u>\$ 416,701</u>                  | <u>\$ 1,700</u>                 | <u>\$ 418,401</u>   |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Fiduciary Net Position  
Pension Trust Funds  
April 30, 2015

|  | Pension Trust        |                       |                      |
|--|----------------------|-----------------------|----------------------|
|  | Police Pension       | Firefighters' Pension | Total                |
| <b>Assets</b>  |                      |                       |                      |
| Cash and Cash Equivalents  | \$ 4,197             | \$ 45,836             | \$ 50,033            |
| Investments, at Fair Value   |                      |                       |                      |
| Certificates of Deposit  | 694,614              | -                     | 694,614              |
| U.S. Government Securities   | -                    | 482,391               | 482,391              |
| U.S. Agency Securities   | -                    | 65,969                | 65,969               |
| Money Market Mutual Fund   | 219,390              | 72,372                | 291,762              |
| Mutual Funds   | 1,183,380            | 1,535,336             | 2,718,716            |
| Corporate Bonds  | 4,812,470            | 676,433               | 5,488,903            |
| Municipal Bonds  | -                    | 37,802                | 37,802               |
| Common Stock   | 1,884,992            | -                     | 1,884,992            |
| Insurance Contract   | 1,532,402            | -                     | 1,532,402            |
| Employer Contributions - Property Taxes                                  | 413,958              | 108,498               | 522,456              |
| Accrued Interest Receivable  | 27,280               | 10,660                | 37,940               |
| Prepaid Expenses   | 9,396                | 4,144                 | 13,540               |
| Employer Contribution Receivable   | 47,497               | -                     | 47,497               |
|  | <u>\$ 10,829,576</u> | <u>\$ 3,039,441</u>   | <u>\$ 13,869,017</u> |
| <b>Total Assets</b>  |                      |                       |                      |
| <b>Liabilities, Deferred Inflows of Resources and Net Position</b>       |                      |                       |                      |
| <b>Liabilities</b>   |                      |                       |                      |
| Accounts Payable   | \$ 8,365             | \$ 5,056              | \$ 13,421            |
| <b>Deferred Inflows of Resources</b>                                     |                      |                       |                      |
| Unavailable Employer Contributions - Property Taxes                      | 413,958              | 108,498               | 522,456              |
| <b>Net Position Held In Trust For Employees' Benefits</b>                | <u>10,407,253</u>    | <u>2,925,887</u>      | <u>13,333,140</u>    |
| <b>Total Liabilities, Deferred Inflows of Resources and Net Position</b> | <u>\$ 10,829,576</u> | <u>\$ 3,039,441</u>   | <u>\$ 13,869,017</u> |

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
April 30, 2015

|   | Pension Trust Funds  |                       |                      |
|---|----------------------|-----------------------|----------------------|
|   | Police Pension       | Firefighters' Pension | Total                |
| <b>Additions</b>                              |                      |                       |                      |
| Contributions                                 |                      |                       |                      |
| Employer                                      | \$ 849,730           | \$ 5,901              | \$ 855,631           |
| Employee                                      | <u>186,555</u>       | <u>-</u>              | <u>186,555</u>       |
| Total Contributions                           | <u>1,036,285</u>     | <u>5,901</u>          | <u>1,042,186</u>     |
| Investment Income                             |                      |                       |                      |
| Net Appreciation in Fair Value of Investments | 246,960              | 4,859                 | 251,819              |
| Interest Income                               | <u>222,487</u>       | <u>170,314</u>        | <u>392,801</u>       |
|   | 469,447              | 175,173               | 644,620              |
| Less Investment Expense                       | <u>25,474</u>        | <u>17,482</u>         | <u>42,956</u>        |
| Net Investment Income                         | <u>443,973</u>       | <u>157,691</u>        | <u>601,664</u>       |
| Total Additions                               | <u>1,480,258</u>     | <u>163,592</u>        | <u>1,643,850</u>     |
| <b>Deductions</b>                             |                      |                       |                      |
| Benefits                                      | 1,186,475            | 136,481               | 1,322,956            |
| Refunds                                       | 7,250                | -                     | 7,250                |
| Administrative Expenses                       | <u>31,409</u>        | <u>39,473</u>         | <u>70,882</u>        |
| Total Deductions                              | <u>1,225,134</u>     | <u>175,954</u>        | <u>1,401,088</u>     |
| Change in Plan Net Position                   | 255,124              | (12,362)              | 242,762              |
| Plan Net Position, Beginning of Year          | <u>10,152,129</u>    | <u>2,938,249</u>      | <u>13,090,378</u>    |
| Plan Net Position, End of Year                | <u>\$ 10,407,253</u> | <u>\$ 2,925,887</u>   | <u>\$ 13,333,140</u> |

See the accompanying notes to the financial statements

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 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 all organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden to the Village.

In conformity with GAAP, the Village's Police Pension Fund and Firefighters' Pension Fund have been included as component units in the Village's basic financial statements. Although they are separate legal entities, these funds provide pension benefits for the Village's police officers and firefighters. Thus, their financial information has been blended within the Village's basic financial statements as fiduciary funds.

**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:

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** results 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 legislation.
- **Unrestricted net position** consists 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.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary 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 fund - General Fund. All remaining governmental funds are aggregated and reported as nonmajor 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 and reported 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.

The Village has the following major enterprise funds – Waterworks and Sewerage Fund, and Commuter Parking Lot Fund.

**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.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, Deferred Inflows of Resources, 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.

#### **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.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

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

**Prepaid Items**

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

**Capital Assets**

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

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:

|                                |             |
|--------------------------------|-------------|
| Buildings and Improvements     | 15-40 years |
| Waterworks and Sewerage System | 10-50 years |
| Machinery and Equipment        | 5-20 years  |
| Infrastructure                 | 40 years    |

**Deferred Inflows of Resources**

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. In addition, police retirees are permitted upon retirement to use unpaid sick time towards health insurance premiums and clerical personnel can be paid out 33% of sick leave upon retirement after ten years of service. All compensated absences are accrued when incurred in the government-wide and proprietary 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.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Items such as premiums, discounts 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.

#### Fund Equity

The Village's fund balances are required to be reported using five separate classifications as listed below. The Village may not necessarily utilize each classification in a given fiscal year.

- 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 are only reported 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.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

### 2. PROPERTY TAXES

The Village's property tax becomes a lien on real property on January 1 of the year it is levied. The 2014 levy was adopted on December 16, 2014 and attached as an enforceable lien as of January 1, 2014. Property taxes are deposited with the County Treasurer who remit to the Village its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year on or about March 1 and August 1.

Based on the historical tax collection cycle, the Village has intended to finance its operations with portions of both the 2013 and 2014 levies. The Village has recorded a receivable for the remainder of the 2014 levied for collection in fiscal year 2016; that amount was deferred and will be recognized as revenue in fiscal year 2016, the period for which those taxes were levied.

### 3. CASH AND INVESTMENTS

#### *Cash – Village*

The carrying amount of cash, excluding the Pension Trust Funds, was \$1,136,883 at April 30, 2015, while the bank balances were \$1,053,436. All balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government held in the Village's name by financial institutions acting as the Village's agent.

At April 30, 2015, the carrying amount of Illinois Funds for the Village was \$2,980,400 while the bank balance was \$2,980,400. Illinois Funds do not require collateralization. For the purposes of financial statement presentation, they are considered a cash equivalent as the weighted average maturity of the pool is less than one year. The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois in accordance with state law. The fair value of the position in the Pool is the same as the value of the Pool shares.

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

*Credit Risk* – State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. The Village's investment policy does not address credit risk.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 3. CASH AND INVESTMENTS (continued)

*Concentration of Credit Risk* – The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. As of April 30, 2015, 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 Illinois Funds Investment Pool, is not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

### 4. CAPITAL ASSETS

A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2015, is as follows:

|   | <u>Balance at<br/>April 30, 2014</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Balance at<br/>April 30, 2015</u> |
|---|--------------------------------------|---------------------|------------------|--------------------------------------|
| <i>Governmental Activities:</i>             |                                      |                     |                  |                                      |
| Capital Assets Not Being Depreciated:       |                                      |                     |                  |                                      |
| Land  | \$ 3,781,982                         | \$ -                | \$ -             | \$ 3,781,982                         |
| Capital Assets Being Depreciated:           |                                      |                     |                  |                                      |
| Building and Improvements                   | 6,861,666                            | -                   | -                | 6,861,666                            |
| Machinery and Equipment                     | 3,599,224                            | 253,363             | 42,000           | 3,810,587                            |
| Infrastructure                              | 7,138,494                            | -                   | -                | 7,138,494                            |
| Total Capital Assets Being Depreciated      | <u>17,599,384</u>                    | <u>253,363</u>      | <u>42,000</u>    | <u>17,810,747</u>                    |
| Less Accumulated Depreciation for:          |                                      |                     |                  |                                      |
| Building and Improvements                   | 3,904,394                            | 197,934             | -                | 4,102,328                            |
| Machinery and Equipment                     | 2,844,634                            | 197,863             | 42,000           | 3,000,497                            |
| Infrastructure                              | 3,867,649                            | 108,792             | -                | 3,976,441                            |
| Total Accumulated Depreciation              | <u>10,616,677</u>                    | <u>504,589</u>      | <u>42,000</u>    | <u>11,079,266</u>                    |
| Total Capital Assets Being Depreciated, Net | <u>6,982,707</u>                     | <u>(251,226)</u>    | <u>-</u>         | <u>6,731,481</u>                     |
| Governmental Activities Capital Assets, Net | <u>\$ 10,764,689</u>                 | <u>\$ (251,226)</u> | <u>\$ -</u>      | <u>\$ 10,513,463</u>                 |

Depreciation was charged to functions/programs as follows:

|                        |                   |
|------------------------|-------------------|
| General Government     | \$ 140,534        |
| Fire Department        | 12,328            |
| Police Department      | 11,483            |
| Street and Bridge      | 49,311            |
| Golf Course            | 216,967           |
| Motor Fuel Tax Project | 73,966            |
|                        | <u>\$ 504,589</u> |

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

**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, 2015, is as follows:

|  | Balance at<br>April 30, 2014 | Additions           | Deletions   | Balance at<br>April 30, 2015 |
|--|------------------------------|---------------------|-------------|------------------------------|
| <i>Business-Type Activities:</i>             |                              |                     |             |                              |
| Capital Assets Not Being Depreciated:        |                              |                     |             |                              |
| Land   | \$ 47,824                    | \$ -                | \$ -        | \$ 47,824                    |
| Capital Assets Being Depreciated:            |                              |                     |             |                              |
| Waterworks and Sewerage System               | 8,361,875                    | -                   | -           | 8,361,875                    |
| Machinery and Equipment                      | 662,230                      | 35,535              | -           | 697,765                      |
| Commuter Parking Lot                         | 762,716                      | -                   | -           | 762,716                      |
| Total Capital Assets Being Depreciated       | <u>9,786,821</u>             | <u>35,535</u>       | <u>-</u>    | <u>9,822,356</u>             |
| Less accumulated depreciation for:           |                              |                     |             |                              |
| Waterworks and Sewerage System               | 6,035,571                    | 174,107             | -           | 6,209,678                    |
| Machinery and Equipment                      | 534,090                      | 41,872              | -           | 575,962                      |
| Commuter Parking Lot                         | 585,015                      | 7,981               | -           | 592,996                      |
| Total Accumulated Depreciation               | <u>7,154,676</u>             | <u>223,960</u>      | <u>-</u>    | <u>7,378,636</u>             |
| Total Capital Assets Being Depreciated, Net  | <u>2,632,145</u>             | <u>(188,425)</u>    | <u>-</u>    | <u>2,443,720</u>             |
| Business-Type Activities Capital Assets, Net | <u>\$ 2,679,969</u>          | <u>\$ (188,425)</u> | <u>\$ -</u> | <u>\$ 2,491,544</u>          |

Depreciation was charged to functions/programs as follows:

|                         |                   |
|-------------------------|-------------------|
| Waterworks and Sewerage | \$ 211,889        |
| Commuter Parking Lot    | <u>12,071</u>     |
|                         | <u>\$ 223,960</u> |

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

**5. LONG-TERM OBLIGATIONS**

The following is a summary of changes to the Village's long-term debt for the fiscal year.

|                                  | Obligations<br>Outstanding<br>May 1, 2014<br><u>As Restated</u> | <u>Additions</u>  | <u>Reductions</u> | Obligations<br>Outstanding<br>April 30, 2015 | Due<br>Within<br>One Year |
|----------------------------------|---|-------------------|-------------------|--|---------------------------|
| <i>Governmental Activities:</i>  |   |                   |                   |  |                           |
| General Obligation Bonds:        |   |                   |                   |  |                           |
| Series 1999B                     | \$ 200,000  | \$ -              | \$ 100,000        | \$ 100,000                                   | \$ 100,000                |
| Series 2012                      | 490,432   | -                 | 65,184            | 425,248                                      | 65,184                    |
| Alternate Revenue Bonds          | <u>6,155,000</u>  | <u>-</u>          | <u>200,000</u>    | <u>5,955,000</u>                             | <u>210,000</u>            |
| Subtotal Bonds                   | 6,845,432   | -                 | 365,184           | 6,480,248                                    | 375,184                   |
| Add Unamortized Bond Premium     | <u>4,144</u>  | <u>-</u>          | <u>691</u>        | <u>3,453</u>                                 | <u>691</u>                |
| Total Bonds                      | 6,849,576   | -                 | 365,875           | 6,483,701                                    | 375,875                   |
| Capital Lease                    | 156,728   | -                 | 51,193            | 105,535                                      | 52,228                    |
| Compensated Absences             | 1,321,453   | 149,451           | -                 | 1,470,904                                    | -                         |
| Net Pension Obligation           | 1,123,248   | 399,929           | -                 | 1,523,177                                    | -                         |
| Line of Credit                   | <u>75,000</u>   | <u>-</u>          | <u>25,000</u>     | <u>50,000</u>                                | <u>-</u>                  |
| Total Governmental Activities    | <u>\$ 9,526,005</u>   | <u>\$ 549,380</u> | <u>\$ 442,068</u> | <u>\$ 9,633,317</u>                          | <u>\$ 428,103</u>         |
| <i>Business-Type Activities:</i> |   |                   |                   |  |                           |
| General Obligation Bonds         | <u>\$ 299,568</u>   | <u>\$ -</u>       | <u>\$ 39,816</u>  | <u>\$ 259,752</u>                            | <u>\$ 39,816</u>          |
| Total Business-Type Activities   | <u>\$ 299,568</u>   | <u>\$ -</u>       | <u>\$ 39,816</u>  | <u>\$ 259,752</u>                            | <u>\$ 39,816</u>          |

*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 Account in the General Fund. Payments are made to 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 Account in the General Fund. Payments are made to Amalgamated Bank of Chicago.

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 Account in the General Fund.

*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.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

Annual debt service requirements for all bond issues for each of the next five fiscal years and in five year increments thereafter are as follows:

| Fiscal<br>Year | Governmental Activities |                     | Business-Type Activities |                  | Total               |                     |
|----------------|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
|                | Principal               | Interest            | Principal                | Interest         | Principal           | Interest            |
| 2016           | \$ 375,184              | \$ 292,022          | \$ 39,816                | \$ 7,944         | \$ 415,000          | \$ 299,966          |
| 2017           | 288,288                 | 274,042             | 41,712                   | 6,949            | 330,000             | 280,991             |
| 2018           | 293,288                 | 263,194             | 41,712                   | 5,697            | 335,000             | 268,891             |
| 2019           | 306,392                 | 252,145             | 43,608                   | 4,446            | 350,000             | 256,591             |
| 2020           | 319,496                 | 240,603             | 45,504                   | 3,138            | 365,000             | 243,741             |
| 2021-2025      | 1,462,600               | 1,023,916           | 47,400                   | 1,659            | 1,510,000           | 1,025,575           |
| 2026-2030      | 1,730,000               | 681,358             | -                        | -                | 1,730,000           | 681,358             |
| 2031-2034      | 1,705,000               | 218,006             | -                        | -                | 1,705,000           | 218,006             |
|                | <u>\$ 6,480,248</u>     | <u>\$ 3,245,286</u> | <u>\$ 259,752</u>        | <u>\$ 29,833</u> | <u>\$ 6,740,000</u> | <u>\$ 3,275,119</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2015 were as follows:

| Due in Fiscal Year                      | Total Minimum<br>Lease Payments |
|---|---------------------------------|
| 2016                                    | \$ 53,960                       |
| 2017                                    | 53,960                          |
| Subtotal                                | 107,920                         |
| Less: Amount Representing Interest      | (2,385)                         |
| Present Value of Minimum Lease Payments | <u>\$ 105,535</u>               |

**6. EMPLOYEE RETIREMENT PLANS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employers public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The Police and Firefighters' Pension Plans do not issue separate reports.

*Plan Descriptions*

**Illinois Municipal Retirement Fund**

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Illinois Municipal Retirement Fund (continued)**

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The required contribution rate for calendar year 2014 was 12.02%.

**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.

*Plan Membership*

Membership in the plan consisted of the following as of April 30, 2015:

|  |                  |
|--|------------------|
| Inactive Members Currently Receiving Benefits                | 23               |
| Inactive Members Entitled to, but not yet Receiving Benefits | -                |
| Active nonvested plan members                                | <u>23</u>        |
|  | <u><u>46</u></u> |

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 6. EMPLOYEE RETIREMENT PLANS (continued)

#### *Plan Descriptions (continued)*

#### **Police Pension Plan (continued)**

Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the proceeding calendar year.

#### *Contributions*

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 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.

#### *Investment Policy*

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

The long-term expected rate of return on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the following table.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Police Pension Plan (continued)**

| <u>Asset Class</u>                         | <u>Long-Term<br/>Expected<br/>Rate of Return</u> | <u>Long-Term<br/>Inflation<br/>Expectations</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|--|--|---|---|
| Corporate Bonds                            | 4.20%  | 2.50%   | 1.70%   |
| US Government Fixed Income                 | 3.20%  | 2.50%   | 0.70%   |
| US Large Cap Equities                      | 8.30%  | 2.50%   | 5.80%   |
| US Mid Cap Equities                        | 9.30%  | 2.50%   | 6.80%   |
| US Small Cap Equities                      | 9.30%  | 2.50%   | 6.80%   |
| Non-US Developed Large Cap Equity Unhedged | 8.40%  | 2.50%   | 5.90%   |
| Emerging Markets Equity Unhedged           | 10.50%   | 2.50%   | 8.00%   |
| Global Real Rates - REITS                  | 8.30%  | 2.50%   | 5.80%   |
| Commodities - Long Only                    | 4.90%  | 2.50%   | 2.40%   |

ILCS limit the Fund's investment in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset classes is comprised of all other asset classes to allow for rebalancing the portfolio.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at May 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

*Investment Rate of Return*

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changes amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Police Pension Fund's cash and investments as of April 30, 2015.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Police Pension Plan (continued)**

| Cash and Investment Type                                  | Fair Value           | Investment Maturities |                     |                     |                        |
|---|----------------------|-----------------------|---------------------|---------------------|------------------------|
|   |                      | Less Than One Year    | One to Five Years   | Five to Ten Years   | Greater Than Ten Years |
| Cash & Cash Equivalents                                   | \$ 4,197             | \$ 4,197              | \$ -                | \$ -                | \$ -                   |
| Certificates of Deposit                                   | 694,614              | 587,503               | 50,306              | 56,805              | -                      |
| Insurance Contracts                                       | 1,532,402            | 1,532,402             | -                   | -                   | -                      |
| Corporate Bonds   | 4,812,470            | 1,051,809             | 1,647,571           | 2,113,090           | -                      |
| Total Debt Securities                                     | <u>7,043,683</u>     | <u>\$ 3,175,911</u>   | <u>\$ 1,697,877</u> | <u>\$ 2,169,895</u> | <u>\$ -</u>            |
| Equities  | 1,884,992            |                       |                     |                     |                        |
| Mutual Funds  | 1,183,380            |                       |                     |                     |                        |
| Money Market Mutual Funds                                 | 219,390              |                       |                     |                     |                        |
| Total Cash and Investments -<br>Police Pension Trust Fund | <u>\$ 10,331,445</u> |                       |                     |                     |                        |

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2015, 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, Insurance Contracts and Equities were not rated. The Bond credit ratings are listed in the following table.

|                 |      |                     |
|-----------------|------|---------------------|
| Corporate Bonds | Aaa  | \$ 50,277           |
|                 | Aa1  | 25,036              |
|                 | Aa2  | 80,217              |
|                 | Aa3  | 177,200             |
|                 | A1   | 302,799             |
|                 | A2   | 568,727             |
|                 | A3   | 440,032             |
|                 | Baa1 | 1,568,455           |
|                 | Baa2 | 1,454,115           |
|                 | Baa3 | 145,612             |
|                 |      | <u>\$ 4,812,470</u> |

*Custodial Credit Risk*

For an investment, this is the risk, that in the event of failure of the counterparty, the Fund 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 Fund's agent in the Fund's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Police Pension Plan (continued)**

*Net Pension Liability*

The components of the net pension liability of the Police Pension Plan as of April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

|   |            |
|---|------------|
| Plan Fiduciary Net Position   | 10,407,255 |
| Village's Net Pension Liability   | 19,187,179 |
| Plan Fiduciary Net Position as a<br>Percentage of the Total Pension Liability | 35.17%     |

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions.

|  |                         |
|--|-------------------------|
| Actuarial Valuation Date                         | May 1, 2015             |
| Actuarial Cost Method                            | Entry-age, normal       |
| Amortization Period                              | Level percentage of pay |
| Remaining Amortization                           | 30 years                |
| Asset Valuation Method                           | Market                  |
| Significant Actuarial Investment Rate of Return* | 5.00%                   |
| Projected Salary Increases*                      | 4.50% - 12.00%          |
| *Includes Inflation at                           | 3.00%                   |
| Cost-of-living Adjustments                       | 3.00% per year          |

Mortality rates are based on rates developed in the L&A 2012 Mortality Table for Illinois Police Officers. Other demographic assumption rates are based on a review of assumptions in the L&A 2012 study for Illinois Police Officers.

*Municipal Bond Rate*

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown in the Actuarial Assumption section is the April 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

*Discount Rate*

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Police Pension Plan (continued)**

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

The plan's projected net position is expected to cover future benefit payments in full for the current employees through 2034.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.46% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.46%) of 1 percentage point higher (6.46%) than the current rate:

|                       | (4.46%)       | (5.46%)       | (6.46%)       |
|-----------------------|---------------|---------------|---------------|
| Net Pension Liability | \$ 23,477,982 | \$ 19,187,178 | \$ 15,673,913 |

**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.

*Plan Membership.*

Membership in the plan consisted of the following as of April 30, 2015:

|  |    |
|--|----|
| Inactive Members Currently Receiving Benefits                | 3  |
| Inactive Members Entitled to, but not yet Receiving Benefits | 11 |
| Active nonvested plan members                                | -  |
|  | 14 |

*Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the least day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years not to exceed 75.00% of such salary.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 6. EMPLOYEE RETIREMENT PLANS (continued)

#### *Plan Descriptions (continued)*

#### **Firefighters' Pension Plan (continued)**

The monthly benefit of a Firefighters' officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

#### *Contributions*

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. 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.

#### *Investment Policy*

Illinois Compiled Statutes (ILCS) limit the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the following table.

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 6. EMPLOYEE RETIREMENT PLANS (continued)

*Plan Descriptions (continued)*

#### **Firefighters' Pension Plan (continued)**

| <u>Asset Class</u>                         | <u>Long-Term<br/>Expected<br/>Rate of Return</u> | <u>Long-Term<br/>Inflation<br/>Expectations</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|--|--|---|---|
| Corporate Bonds                            | 4.20%  | 2.50%   | 1.70%   |
| US Government Fixed Income                 | 3.20%  | 2.50%   | 0.70%   |
| US Large Cap Equities                      | 8.30%  | 2.50%   | 5.80%   |
| US Mid Cap Equities                        | 9.30%  | 2.50%   | 6.80%   |
| US Small Cap Equities                      | 9.30%  | 2.50%   | 6.80%   |
| Non-US Developed Large Cap Equity Unhedged | 8.40%  | 2.50%   | 5.90%   |
| Emerging Markets Equity Unhedged           | 10.50%   | 2.50%   | 8.00%   |
| Global Real Rates - REITS                  | 8.30%  | 2.50%   | 5.80%   |
| Commodities - Long Only                    | 4.90%  | 2.50%   | 2.40%   |

#### *Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

#### *Investment Rate of Return*

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changes amounts actually invested.

#### *Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Firefighters' Pension Plan (continued)**

*Interest Rate Risk*

The following table presents the investments and maturities of the Police Pension Fund's cash and investments as of April 30, 2015.

| Cash and Investment Type   | Fair Value          | Investment Maturities |                   |                   |                        |
|--|---------------------|-----------------------|-------------------|-------------------|------------------------|
|  |                     | Less Than One Year    | One to Five Years | Five to Ten Years | Greater Than Ten Years |
| Cash & Cash Equivalents  | \$ 45,836           | \$ 45,836             | \$ -              | \$ -              | \$ -                   |
| U.S. Government Securities                                       | 482,391             | 9,999                 | 77,385            | 339,540           | 55,467                 |
| U.S. Gov't Agency Securities                                     | 65,969              | 15,082                | 15,300            | 35,587            | -                      |
| Corporate Bonds  | 676,433             | 83,836                | 92,076            | 453,677           | 46,844                 |
| Municipal Bonds  | <u>37,802</u>       | <u>16,654</u>         | <u>-</u>          | <u>21,148</u>     | <u>-</u>               |
| Total Debt Securities  | <u>1,308,431</u>    | <u>\$ 171,407</u>     | <u>\$ 184,761</u> | <u>\$ 849,952</u> | <u>\$ 102,311</u>      |
| Mutual Funds   | 1,535,336           |                       |                   |                   |                        |
| Money Market Mutual Funds  | <u>72,372</u>       |                       |                   |                   |                        |
| Total Cash and Investments -<br>Firefighters' Pension Trust Fund | <u>\$ 2,916,139</u> |                       |                   |                   |                        |

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2015, 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, Insurance Contracts and Equities were not rated. The Bond credit ratings are listed in the following tables.

| Type of Investment               | Rating    | Amount           |
|----------------------------------|-----------|------------------|
| Municipal Bonds                  | Aaa       | \$ 10,584        |
|                                  | Aa1       | 6,175            |
|                                  | Aa2       | 10,287           |
|                                  | Aa3       | 5,249            |
|                                  | Not Rated | <u>5,507</u>     |
|                                  |           | <u>\$ 37,802</u> |
| U.S. Agency Securities           |           |                  |
| Federal Home Loan Banks          | Aaa       | \$ 46,766        |
| Federal National Mortgage Assoc. | Aaa       | <u>19,203</u>    |
|                                  |           | <u>\$ 65,969</u> |

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Firefighters' Pension Plan (continued)**

| Type of Investment | Rating | Amount     |
|--------------------|--------|------------|
| Corporate Bonds    | Aa1    | \$ 4,236   |
|                    | Aa2    | 8,313      |
|                    | Aa3    | 21,210     |
|                    | A1     | 32,027     |
|                    | A2     | 78,176     |
|                    | A3     | 85,408     |
|                    | Baa1   | 200,080    |
|                    | Baa2   | 207,193    |
|                    | Baa3   | 39,790     |
|                    |        | \$ 676,433 |

*Custodial Credit Risk*

For an investment, this is the risk, that in the event of failure of the counterparty, the Fund 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 Fund's agent in the Fund's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk.

*Net Pension Liability*

The components of the net pension liability of the Firefighters' Pension Plan as of April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

|   |              |
|---|--------------|
| Total Pension Liability   | \$ 6,062,523 |
| Plan Fiduciary Net Position   | 2,925,886    |
| Village's Net Pension Liability   | 3,136,637    |
| Plan Fiduciary Net Position as a<br>Percentage of the Total Pension Liability | 48.26%       |

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2015 using the following actuarial methods and assumptions.

|                          |                         |
|--------------------------|-------------------------|
| Actuarial Valuation Date | May 1, 2015             |
| Actuarial Cost Method    | Entry-age, normal       |
| Amortization Period      | Level percentage of pay |
| Remaining Amortization   | 30 years                |
| Asset Valuation Method   | Market                  |

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Plan Descriptions (continued)*

**Firefighters' Pension Plan (continued)**

|  |                |
|--|----------------|
| Significant Actuarial Investment Rate of Return* | 7.00%          |
| Projected Salary Increases*                      | 0.00%          |
| *Includes Inflation at                           | 3.00%          |
| Cost-of-living Adjustments                       | 3.00% per year |

Mortality rates are based on rates developed in the L&A 2012 Mortality Table for Illinois Firefighters.

Other demographic assumption rates are based on a review of assumptions in the L&A 2012 study for Illinois Firefighters.

*Municipal Bond Rate*

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown in the Actuarial Assumption section is the April 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

*Discount Rate*

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

The plan's projected net position is expected to cover future benefit payments in full for the current employees through 2034.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 4.18% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.18%) of 1 percentage point higher (5.18%) than the current rate:

|                       | 1% Decrease<br>(3.18%) | Discount Rate<br>(4.18%) | 1% Increase<br>(5.18%) |
|-----------------------|------------------------|--------------------------|------------------------|
| Net Pension Liability | \$ 4,288,702           | \$ 3,136,636             | \$ 2,236,791           |

*Significant Investments*

There are no significant investments (other than US Government guaranteed obligations) in any one organization that represent 5.0% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for IMRF is not available.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Annual Pension Costs*

Employer contributions have been determined as follows:

|  | <u>Municipal<br/>Retirement</u> | <u>Police<br/>Pension</u>       | <u>Firefighters'<br/>Pension</u> |
|--|---------------------------------|---------------------------------|----------------------------------|
| Actuarial Valuation Date                                   | 12/31/2014                      | 4/30/2014                       | 4/30/2014                        |
| Actuarial Cost Method                                      | Entry-age, normal               | Entry-age, normal               | Entry-age, normal                |
| Asset Valuation Method                                     | 5 Year Smoothed<br>Market       | 5 Year Smoothed<br>Market       | 5 Year Smoothed<br>Market        |
| Amortization Method  | Level Percentage<br>of Payroll  | Level Percentage<br>of Payroll  | Level Percentage<br>of Payroll   |
| Amortization Period  | 30 Years, Open                  | 30 Years, Closed                | 30 Years, Closed                 |
| Significant Actuarial Assumptions:                         |                                 |                                 |                                  |
| Rate of Return on Present and<br>Future Assets             | 7.5%<br>Compounded<br>Annually  | 6.75%<br>Compounded<br>Annually | 5.5%<br>Compounded<br>Annually   |
| Projected Salary Increase -<br>Attributable to Inflation   | 4.0%<br>Compounded<br>Annually  | 3.0%<br>Compounded<br>Annually  | N/A                              |
| Additional Projected Salary<br>Increases - seniority/merit | .4% to 10.0%                    | 1.5% to 9.0%                    | N/A                              |

Employer annual pension costs (APC), actual contributions and the net pension obligation are as follows. The NPO (Net Pension Obligation) is the cumulative difference between APC and the contributions actually made.

|   | <u>Calendar<br/>Year<br/>Ending</u> | <u>Illinois<br/>Municipal<br/>Retirement</u> | <u>Fiscal Year<br/>Ending</u> | <u>Police<br/>Pension</u> | <u>Firefighters'<br/>Pension</u> |
|---|-------------------------------------|--|-------------------------------|---------------------------|----------------------------------|
| Annual Pension Cost<br>(APC)                | 12/31/2012                          | 108,047                                      | 4/30/2013                     | 831,415                   | 9,788                            |
|   | 12/31/2013                          | 101,234                                      | 4/30/2014                     | 832,118                   | 193,329                          |
|   | 12/31/2014                          | 106,867                                      | 4/30/2015                     | 891,816                   | 250,551                          |
| Actual Contributions                        | 12/31/2012                          | 98,632                                       | 4/30/2013                     | 719,368                   | 194,509                          |
|   | 12/31/2013                          | 100,112                                      | 4/30/2014                     | 862,942                   | (1,367)                          |
|   | 12/31/2014                          | 105,721                                      | 4/30/2015                     | 849,730                   | 5,901                            |
| Percentage of APC<br>Contributed (Refunded) | 12/31/2012                          | 91%  | 4/30/2013                     | 87%                       | 1987%                            |
|   | 12/31/2013                          | 99%  | 4/30/2014                     | 104%                      | -1%                              |
|   | 12/31/2014                          | 99%  | 4/30/2015                     | 95%                       | 2%                               |
| Net Pension (Asset)<br>Obligation           | 12/31/2012                          | 52,449                                       | 4/30/2013                     | 1,205,307                 | (184,721)                        |
|   | 12/31/2013                          | 53,571                                       | 4/30/2014                     | 1,174,483                 | 7,241                            |
|   | 12/31/2014                          | 54,717                                       | 4/30/2015                     | 1,216,569                 | 251,891                          |

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

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

*Annual Pension Costs (continued)*

The NPO at April 30, 2015 has been calculated as follows:

|  | Illinois<br>Municipal<br>Retirement | Police<br>Pension   | Firefighters'<br>Pension |
|--|-------------------------------------|---------------------|--------------------------|
| Annual Required Contribution               | \$ 105,721                          | \$ 869,031          | \$ 251,039               |
| Interest in Net Pension Obligation         | 4,018                               | 79,278              | 398                      |
| Adjustment to Annual Required Contribution | <u>(2,872)</u>                      | <u>(56,493)</u>     | <u>(886)</u>             |
| Annual Pension Cost                        | 106,867                             | 891,816             | 250,551                  |
| Contributions Made                         | <u>(105,721)</u>                    | <u>(849,730)</u>    | <u>(5,901)</u>           |
| Increase in Net Pension Obligation         | 1,146                               | 42,086              | 244,650                  |
| Net Pension Obligation - Beginning of Year | <u>53,571</u>                       | <u>1,174,483</u>    | <u>7,241</u>             |
| Net Pension Obligation - End of Year       | <u>\$ 54,717</u>                    | <u>\$ 1,216,569</u> | <u>\$ 251,891</u>        |

The NPO is reported as a liability in the Village's governmental activities column in the government-wide financial statements at April 30, 2015

*Funded Status*

The funded status of the plans is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed previously.

|   | Illinois<br>Municipal<br>Retirement | Police<br>Pension | Firefighters'<br>Pension |
|---|-------------------------------------|-------------------|--------------------------|
| Actuarial Valuation Date                    | 12/31/14                            | 4/30/14           | 4/30/14                  |
| Actuarial Accrued Liability (AAL)           | 4,386,846                           | 23,253,494        | 4,974,836                |
| Actuarial Value of Plan Assets (AVPA)       | 3,793,891                           | 10,370,354        | 2,924,307                |
| Unfunded Actuarial Accrued Liability (UAAL) | 592,955                             | 12,883,140        | 2,050,529                |
| Funded Ratio (AAVP/AAL)                     | 86.48%                              | 44.60%            | 58.78%                   |
| Covered Payroll (Active Plan Members)       | 879,544                             | 1,797,289         | -                        |
| UAAL as a Percentage of Covered Payroll     | 67.42%                              | 716.81%           | N/A                      |

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

**7. INTERFUND BALANCES**

At April 30, 2015, the Motor Fuel Tax fund owed the General Fund \$297,476 for operating expenses. The balance is expected to be repaid within the year.

**8. INDIVIDUAL FUND DISCLOSURES**

The Tax Increment Financing Fund incurred actual expenditures in excess of budgeted expenditures in the amount of \$19,869.

The Motor Fuel Tax Fund has a deficit balance of \$283,237 as of April, 30, 2015. The deficit is expected to be funded by future Motor Fuel Taxes.

**VILLAGE OF WORTH**

Notes to the Basic Financial Statements  
April 30, 2015

**9. RISK MANAGEMENT**

For the current and prior fiscal year, the Village purchased commercial 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 prior two years.

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.

**10. PRIOR PERIOD ADJUSTMENTS**

During the current fiscal year, the Village reviewed its application of existing policies and old outstanding balances and made five prior period adjustments.

In the Water and Sewer Fund, an entry was made to write off the balance of billing credits. This increased the net position of the Business-type Activities and the Waterworks and Sewerage Fund by \$94,253.

|                                   | Waterworks<br>and Sewerage<br>Fund | Business-Type<br>Activities |
|-----------------------------------|------------------------------------|-----------------------------|
| Net Position as of April 30, 2014 | \$ 4,142,551                       | \$ 4,398,210                |
| Eliminate Billing Credits         | 94,253                             | 94,253                      |
| Net Position, as restated         | \$ 4,236,804                       | \$ 4,492,463                |

In the General Fund, an entry for \$18,226 was made to write-off old receivables. An entry was also made to record the beginning receivable for Local Use Taxes in the amount of \$29,348. The Village also corrected the error of recording accrued vacation as a liability in the fund financial statements, resulting in an increase to the fund balance of \$219,485.

|                                   | General Fund |
|-----------------------------------|--------------|
| Fund Balance as of April 30, 2014 | \$ 1,229,204 |
| Write-off Receivables             | (18,226)     |
| Record Use Tax Receivable         | 29,348       |
| Reverse Accrued Vacation Payable  | 219,485      |
| Fund Balance, as restated         | \$ 1,459,811 |

## VILLAGE OF WORTH

Notes to the Basic Financial Statements  
April 30, 2015

### 10. PRIOR PERIOD ADJUSTMENTS (continued)

In the Governmental Activities, the Village made a prior period adjustment to record additional compensated absences in the amount of \$1,117,443. The Village also recorded a capital lease for \$156,728 and recorded a long-term receivable for State Income Taxes in the amount of \$223,808.

|                                    | <u>Governmental<br/>Activities</u> |
|------------------------------------|------------------------------------|
| Net Position as of April 30, 2014  | \$ 3,743,874                       |
| Write-off Receivables              | (18,226)                           |
| Record Use Tax Receivable          | 29,348                             |
| Reverse Accrued Vacation Payable   | 219,485                            |
| Compensated Absences               | (1,117,443)                        |
| Record Capital Lease               | (156,728)                          |
| Record State Income Tax Receivable | <u>223,808</u>                     |
| Net Position, as restated          | <u>\$ 2,924,118</u>                |

**REQUIRED SUPPLEMENTARY 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 |
|--------------------------|-------------------------------|---|--------------------|--------------------|---------------------|---|
| 12/31/2014               | \$ 3,793,891                  | \$ 4,386,846                                      | \$ 592,955         | 86.48%             | \$ 879,544          | 67.42%  |
| 12/31/2013               | 3,393,801                     | 3,934,814   | 541,013            | 86.25%             | 913,433             | 59.23%  |
| 12/31/2012               | 3,517,598                     | 4,107,776   | 590,178            | 85.63%             | 943,843             | 62.53%  |

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$4,369,723.

On a market basis, the funded ratio would be 99.61%.

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) |
|--------------------------|-------------------------------|---|----------------------------|--------------------|---------------------|--|
| 04/30/2014               | \$ 10,370,354                 | \$23,253,494                                      | \$12,883,140               | 44.60%             | \$ 1,797,289        | 716.81%  |
| 04/30/2013               | 10,027,729                    | 22,348,784  | 12,321,055                 | 44.87%             | 1,723,381           | 714.94%  |
| 04/30/2012               | 9,401,491                     | 19,697,769  | 10,296,278                 | 47.73%             | 1,644,962           | 625.93%  |
| 04/30/2011               |                               |   | **No actuarial valuation** |                    |                     |  |
| 04/30/2010               |                               |   | **No actuarial valuation** |                    |                     |  |
| 04/30/2009               | 10,845,491                    | 17,158,773  | 6,313,282                  | 63.21%             | 1,543,003           | 409.16%  |

See accompanying notes to the required supplementary information

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 |
|--------------------------|-------------------------------|---|----------------------------|--------------------|---------------------|---|
| 04/30/2014               | \$ 2,924,307                  | \$ 4,974,836                                      | \$ 2,050,529               | 58.78%             | \$ -                | N/A   |
| 04/30/2013               | 2,973,143                     | 4,994,622   | 2,021,479                  | 59.53%             | -                   | N/A   |
| 04/30/2012               | 2,696,650                     | 3,041,067   | 344,417                    | 88.67%             | -                   | N/A   |
| 04/30/2011               |                               |   | **No actuarial valuation** |                    |                     |   |
| 04/30/2010               |                               |   | **No actuarial valuation** |                    |                     |   |
| 04/30/2009               |                               |   | **No actuarial valuation** |                    |                     |   |
| 04/30/2008               | 2,345,001                     | 3,558,262   | 1,213,261                  | 65.90%             | 714,510             | 169.80%   |

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Police and Fire Pension Funds  
 Schedule of Employer Contributions  
 Last Ten Fiscal Years

**Police Pension Fund**

| Fiscal Year Ended April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a% of Covered Payroll |
|-----------------------------|-------------------------------------|---------------------|----------------------------------|-----------------|--|
| 2015                        | 816,445                             | 849,730             | (33,285)                         | 1,851,721       | 45.89%                                       |

**Fire Pension Fund**

| Fiscal Year Ended April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a% of Covered Payroll |
|-----------------------------|-------------------------------------|---------------------|----------------------------------|-----------------|--|
| 2015                        | 195,731                             | 5,901               | 189,830                          | -               | N/A  |

The information directly above is formatted to comply with the requirements of GASB Statement No. 67. The schedule is presented to illustrate the requirement for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The information presented was determined as part of the actuarial valuations as of May 1, 2015. Additional information as of the latest actuarial values presented is as follows:

|                            |  |
|----------------------------|--|
| Actuarial Cost Method      | Entry-age, normal                                    |
| Amortization Method        | Level percent of pay                                 |
| Amortization Period        | 30 years   |
| Asset Valuation Method     | Market Value   |
| Investment Rate of Return  | 6.75% Police Pension; 5.75% Firefighters' Pension    |
| Projected Salary Increases | 4.5% - 12% Police Pension; N/A Firefighters' Pension |

See accompanying notes to the required supplementary information.

VILLAGE OF WORTH, ILLINOIS

Police Pension Fund  
 Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
 April 30, 2015

|   |                      |
|---|----------------------|
| <b>Total Pension Liability</b>  |                      |
| Service Cost  | \$ 584,315           |
| Interest  | 1,532,848            |
| Benefit Payments, Including Refunds of Member Contributions                     | <u>(1,193,725)</u>   |
| Net Change in Total Pension Liability   | 923,438              |
| Total Pension Liability - Beginning   | <u>28,670,996</u>    |
| Total Pension Liability - Ending  | <u>\$ 29,594,434</u> |
| <b>Plan Fiduciary Net Position</b>  |                      |
| Contributions - Employer  | 849,730              |
| Contributions - Member  | 186,555              |
| Net Investment Income   | 443,973              |
| Benefit Payments, Including Refunds of Member Contributions                     | (1,193,725)          |
| Administrative Expense  | <u>(31,408)</u>      |
| Net Change in Plan Fiduciary Net Position                                       | 255,125              |
| Plan Fiduciary Net Position - Beginning   | <u>10,152,130</u>    |
| Plan Fiduciary Net Position - Ending  | <u>\$ 10,407,255</u> |
| <b>Employer's Net Pension Liability</b>   | <u>\$ 19,187,179</u> |
| Plan Fiduciary Net Position as a<br>Percentage of the Total Pension Liability   | 35.17%               |
| Covered-Employee Payroll  | \$ 1,851,721         |
| Employer's Net Pension Liability as a<br>Percentage of Covered-Employee Payroll | 1,036.18%            |

See accompanying notes to the required supplementary information.

VILLAGE OF WORTH, ILLINOIS

Fire Pension Fund  
 Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
 April 30, 2015

|   |                            |
|---|----------------------------|
| <b>Total Pension Liability</b>  |                            |
| Interest  | \$ 245,984                 |
| Benefit Payments, Including Refunds of Member Contributions                     | <u>(136,481)</u>           |
| Net Change in Total Pension Liability   | 109,503                    |
| Total Pension Liability - Beginning   | <u>5,953,020</u>           |
| Total Pension Liability - Ending  | <u><u>\$ 6,062,523</u></u> |
| <b>Plan Fiduciary Net Position</b>  |                            |
| Contributions - Employer  | \$ 5,901                   |
| Net Investment Income   | 157,691                    |
| Benefit Payments, Including Refunds of Member Contributions                     | (136,481)                  |
| Administrative Expense  | <u>(39,474)</u>            |
| Net Change in Plan Fiduciary Net Position                                       | (12,363)                   |
| Plan Fiduciary Net Position - Beginning   | <u>2,938,249</u>           |
| Plan Net Position - Ending  | <u><u>\$ 2,925,886</u></u> |
| <b>Employer's Net Pension Liability</b>   | <u><u>\$ 3,136,637</u></u> |
| Plan Fiduciary Net Position as a<br>Percentage of the Total Pension Liability   | 48.26%                     |
| Covered-Employee Payroll  | \$ -                       |
| Employer's Net Pension Liability as a<br>Percentage of Covered-Employee Payroll | N/A                        |

See accompanying notes to the required supplementary information.

VILLAGE OF WORTH, ILLINOIS

Pension Funds  
Schedule of Investment Returns  
April 30, 2015

|  | <u>2015</u> |
|--|-------------|
| <b><u>Police Pension Fund</u></b>                                  |             |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 4.40%       |
| <b><u>Fire Pension Fund</u></b>                                    |             |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 5.49%       |

See accompanying notes to the financial statements.

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual - General Fund  
Year Ended April 30, 2015

|  | Original<br>and Final<br>Budget | Actual              | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|--|---------------------------------|---------------------|---|
| <b>Revenues:</b>   |                                 |                     |   |
| Property Taxes   | \$ 2,380,712                    | \$ 2,157,557        | \$ (223,155)  |
| Sales Taxes  | 1,317,061                       | 1,242,975           | (74,086)  |
| Grants   | -                               | 315,960             | 315,960   |
| Intergovernmental  | 2,144,217                       | 2,262,075           | 117,858   |
| Licenses, Permits, and Fees                                  | 286,988                         | 550,859             | 263,871   |
| Fines and Forfeits   | 946,570                         | 1,064,072           | 117,502   |
| Charges for Service:   |                                 |                     |   |
| Golf Course  | 1,841,285                       | 1,481,777           | (359,508)   |
| Interest   | 196                             | 403                 | 207   |
| Other  | 329,538                         | 45,740              | (283,798)   |
| Total Revenues   | <u>9,246,567</u>                | <u>9,121,418</u>    | <u>(125,149)</u>                                    |
| <b>Expenditures:</b>   |                                 |                     |   |
| Current:   |                                 |                     |   |
| General Government   | 527,686                         | 370,228             | (157,458)   |
| Building Department  | 117,954                         | 138,651             | 20,697  |
| Boat Launch Department                                       | 40,495                          | 6,207               | (34,288)  |
| Health Department  | -                               | 2,700               | 2,700   |
| Fire Protection  | 1,678,819                       | 1,614,624           | (64,195)  |
| Police Department  | 3,372,085                       | 3,265,329           | (106,756)   |
| Street and Bridge  | 1,468,473                       | 1,168,517           | (299,956)   |
| Golf Course  | 1,714,678                       | 1,368,059           | (346,619)   |
| Worth Days   | 7,210                           | 6,942               | (268)   |
| Federal Seizure  | 10,300                          | 9,104               | (1,196)   |
| Capital Outlay   | 195,350                         | 253,363             | 58,013  |
| Debt Service:  |                                 |                     |   |
| Principal  | 522,071                         | 394,936             | (127,135)   |
| Interest and Other Charges                                   | 10,117                          | 312,919             | 302,802   |
| Total Expenditures   | <u>9,665,238</u>                | <u>8,911,579</u>    | <u>(753,659)</u>                                    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (418,671)                       | 209,839             | 628,510   |
| <b>Other Financing Sources (Uses):</b>                       |                                 |                     |   |
| Proceeds from Sale of Capital Assets                         | -                               | 27,000              | 27,000  |
| Net Change in Fund Balance                                   | <u>\$ (418,671)</u>             | 236,839             | <u>\$ 655,510</u>                                   |
| Fund Balance, Beginning of Year<br>As Restated               |                                 | <u>1,459,811</u>    |   |
| Fund Balance, End of Year                                    |                                 | <u>\$ 1,696,650</u> |   |

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|  | Original and<br>Final<br>Budget | Actual    | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|--|---------------------------------|-----------|---|
| <b>General Government:</b>                       |                                 |           |   |
| Village President Salary                         | \$ 31,776                       | \$ 30,967 | \$ (809)  |
| Liquor Commissioner Salary                       | 4,635                           | 4,519     | (116)   |
| Clerk/Collector Salary                           | 24,761                          | 24,612    | (149)   |
| Trustees Salaries                                | 40,479                          | 39,300    | (1,179)   |
| Custodial Wages                                  | 6,069                           | 7,528     | 1,459   |
| Vacation & Sick Leave                            | -                               | 48,807    | 48,807  |
| Social Security/Medicare                         | 8,241                           | 10,388    | 2,147   |
| Illinois Municipal Retirement Fund Contributions | 7,504                           | 8,795     | 1,291   |
| Unemployment Taxes                               | -                               | 220       | 220   |
| Insurance Premiums                               | 4,581                           | 6,371     | 1,790   |
| Professional Fees                                | 42,230                          | 45,759    | 3,529   |
| Legal Fees                                       | 103,000                         | 125,733   | 22,733  |
| Programming Costs                                | 10,300                          | 9,756     | (544)   |
| Publication of Legal Notices                     | 1,339                           | 858       | (481)   |
| Travel Expenses for Village Officials            | 103                             | -         | (103)   |
| Grant Expenses                                   | 515                             | -         | (515)   |
| Officials Expenses                               | 1,648                           | 395       | (1,253)   |
| Employee Expenses                                | 2,575                           | 3,335     | 760   |
| Bank Fees  | 103                             | 60        | (43)  |
| Training Education                               | 3,605                           | 1,114     | (2,491)   |
| Professional Memberships                         | 7,210                           | 5,965     | (1,245)   |
| Postage  | 3,605                           | 3,571     | (34)  |
| Telephone Service                                | 4,944                           | 5,233     | 289   |
| Utilities  | 2,575                           | 2,885     | 310   |
| License Application Expenses                     | 258                             | 95        | (163)   |
| Building Maintenance                             | 47,380                          | 771       | (46,609)  |
| Machine Purchase Other                           | 1,030                           | -         | (1,030)   |
| Repair and Maintenance                           | 155                             | -         | (155)   |
| Public Relations Expense                         | 258                             | -         | (258)   |
| Computer Software                                | 1,854                           | 4,069     | 2,215   |
| Purchase of Office Equipment                     | 1,133                           | -         | (1,133)   |
| Computer Purchase                                | 19,055                          | 13,428    | (5,627)   |
| Vehicle Rental                                   | -                               | 2,055     | 2,055   |
| Maintenance Contracts                            | 9,270                           | 8,836     | (434)   |
| PATSE Transportation Services                    | -                               | 241       | 241   |
| Credit Card Charges                              | 3,296                           | 4,899     | 1,603   |
| Filing Fees                                      | 618                             | 1,275     | 657   |
| Computer Repair and Maintenance                  | 5,150                           | 3,922     | (1,228)   |
| Office Expense                                   | 4,635                           | 4,079     | (556)   |
| Printing Expense                                 | 7,931                           | 2,205     | (5,726)   |

(Continued)

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|  | Original and<br>Final<br>Budget | Actual         | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|--|---------------------------------|----------------|---|
| Departmental Supplies                            | \$ 1,545                        | \$ 1,254       | \$ (291)  |
| Centennial Celebration                           | -                               | 12,142         | 12,142  |
| Custodial Expense                                | 1,339                           | 1,418          | 79  |
| Building Expense                                 | -                               | 65             | 65  |
| Economic Development                             | 87,550                          | 44,108         | (43,442)  |
| Village Events Expense                           | -                               | 709            | 709   |
| DNR Fishing/Hunting                              | 2,369                           | 2,515          | 146   |
| Miscellaneous Expense                            | 6,798                           | 1,664          | (5,134)   |
| Liability Insurance                              | 3,964                           | 1,493          | (2,471)   |
| Paying Agents Fee                                | -                               | 475            | 475   |
| Contingencies/Miscellaneous                      | 103,000                         | -              | (103,000)   |
| Total General Government                         | <u>620,386</u>                  | <u>497,889</u> | <u>(122,497)</u>                                    |
| <b>Building Department:</b>                      |                                 |                |   |
| Building Commissioner Salary                     | 21,218                          | 20,077         | (1,141)   |
| Building Inspector Salary                        | 16,995                          | 20,655         | 3,660   |
| Plumbing Inspector Salary                        | 3,090                           | 3,592          | 502   |
| Electrical Inspector Salary                      | 2,575                           | 2,739          | 164   |
| HVAC Inspector Salary                            | 824                             | 465            | (359)   |
| Clerical Staff Salary                            | 36,270                          | 31,168         | (5,102)   |
| Ordinance Officer Salary                         | -                               | 15,994         | 15,994  |
| Social Security/Medicare                         | 6,194                           | 7,198          | 1,004   |
| Illinois Municipal Retirement Fund Contributions | 9,037                           | 9,608          | 571   |
| Insurance Premiums                               | 6,465                           | 13,317         | 6,852   |
| Professional Fees                                | 1,751                           | 2,948          | 1,197   |
| Printing Expenses                                | 258                             | -              | (258)   |
| Departmental Supplies                            | 412                             | 469            | 57  |
| Telephone Service                                | 1,236                           | 1,268          | 32  |
| Training and Education                           | -                               | 315            | 315   |
| Legal Notices                                    | 103                             | 652            | 549   |
| Legal Expenses                                   | 206                             | -              | (206)   |
| Maintenance - Building                           | -                               | 106            | 106   |
| Liability Insurance                              | 6,788                           | 6,968          | 180   |
| Miscellaneous                                    | 4,532                           | 1,112          | (3,420)   |
| Total Building Department                        | <u>117,954</u>                  | <u>138,651</u> | <u>20,697</u>                                       |
| <b>Boat Launch Department:</b>                   |                                 |                |   |
| Attendant/Custodian                              | 1,545                           | 1,745          | 200   |
| Social Security/Medicare                         | 119                             | 133            | 14  |
| Illinois Municipal Retirement Fund Contributions | -                               | 3              | 3   |
| Utilities  | 3,090                           | 2,604          | (486)   |
| Maintenance                                      | 30,900                          | 14             | (30,886)  |
| Equipment Rental                                 | 206                             | 69             | (137)   |

(Continued)

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|  | Original and<br>Final<br>Budget | Actual           | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|--|---------------------------------|------------------|---|
| Miscellaneous                                    | \$ 3,605                        | \$ 1,639         | \$ (1,966)  |
| Walking Trail                                    | 1,030                           | -                | (1,030)   |
| Total Boat Launch Department                     | <u>40,495</u>                   | <u>6,207</u>     | <u>(34,288)</u>                                     |
| <b>Health Department:</b>                        |                                 |                  |   |
| Health Inspector Fees                            | -                               | 2,700            | 2,700   |
| <b>Fire Department:</b>                          |                                 |                  |   |
| Insurance Premiums                               | 24,415                          | 8,406            | (16,009)  |
| Intergovernmental Agreement -<br>Fire Services   | <u>1,654,404</u>                | <u>1,606,218</u> | <u>(48,186)</u>                                     |
| Total Fire Department                            | <u>1,678,819</u>                | <u>1,614,624</u> | <u>(64,195)</u>                                     |
| <b>Police Department:</b>                        |                                 |                  |   |
| Clerical Salary                                  | 131,928                         | 124,904          | (7,024)   |
| Chief Salary                                     | 108,245                         | 171,895          | 63,650  |
| Lieutenant Salary                                | -                               | 21,226           | 21,226  |
| Deputy Chief                                     | 105,928                         | 103,114          | (2,814)   |
| Administrative Assistant Salary                  | 29,477                          | 29,443           | (34)  |
| Sergeants Salary                                 | 532,481                         | 459,570          | (72,911)  |
| Officers Salary                                  | 1,111,834                       | 1,088,247        | (23,587)  |
| Court Time Salary                                | 14,420                          | 9,064            | (5,356)   |
| Custodial Wages                                  | -                               | 8,854            | 8,854   |
| Emergency Police                                 | -                               | 49               | 49  |
| Hearing Officer                                  | 12,360                          | 10,588           | (1,772)   |
| Vacation, Sick Leave, Overtime                   | 239,243                         | 242,691          | 3,448   |
| Social Security/Medicare                         | 46,274                          | 46,413           | 139   |
| Unemployment Taxes                               | 2,060                           | 1,525            | (535)   |
| Illinois Municipal Retirement Fund Contributions | 8,015                           | 10,831           | 2,816   |
| Crossing Guards                                  | 37,080                          | 35,925           | (1,155)   |
| Computer Repair and Maintenance                  | 9,785                           | 4,505            | (5,280)   |
| Professional Fees                                | 21,630                          | 36,331           | 14,701  |
| Central Dispatch                                 | 262,024                         | 248,668          | (13,356)  |
| Uniforms and Personal Equipment                  | 26,574                          | 18,374           | (8,200)   |
| Training Costs                                   | 7,725                           | 5,312            | (2,413)   |
| General Maintenance                              | 3,090                           | -                | (3,090)   |
| Education Reimbursement                          | 10,300                          | -                | (10,300)  |
| Travel   | 1,030                           | 329              | (701)   |
| Employee Costs                                   | 6,386                           | 17,021           | 10,635  |
| Membership and Subscriptions                     | 7,906                           | 5,762            | (2,144)   |
| Office Supplies                                  | 8,755                           | 8,347            | (408)   |
| Departmental Supplies                            | 5,150                           | 5,719            | 569   |
| Taxes & Licenses                                 | 927                             | 719              | (208)   |
| Filing Fees                                      | 1,030                           | 613              | (417)   |

(Continued)

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|  | Original and<br>Final<br>Budget | Actual           | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|--|---------------------------------|------------------|---|
| Legal Fees                                       | \$ 15,450                       | \$ 15,546        | \$ 96   |
| Postage  | 1,957                           | 1,641            | (316)   |
| Telephone  | 13,184                          | 13,230           | 46  |
| Computer Software                                | 42,230                          | 7,153            | (35,077)  |
| Maintenance Contracts                            | 6,798                           | 4,145            | (2,653)   |
| Utilities  | 1,123                           | 933              | (190)   |
| Custodial Supplies                               | 1,545                           | 1,834            | 289   |
| Prisoner Costs                                   | 1,236                           | 868              | (368)   |
| Radio Purchase and Maintenance                   | 8,240                           | 1,123            | (7,117)   |
| Animal Warden Supplies                           | 1,236                           | 230              | (1,006)   |
| Office Equipment Purchase                        | 309                             | -                | (309)   |
| Printing Expense                                 | 5,150                           | 1,298            | (3,852)   |
| Furniture Purchase                               | 309                             | -                | (309)   |
| Other Equipment Purchase                         | 3,090                           | 9,730            | 6,640   |
| Computer Purchase                                | 1,133                           | 17,385           | 16,252  |
| Equipment Rental                                 | 618                             | -                | (618)   |
| Maintenance - Vehicles                           | 20,600                          | 21,177           | 577   |
| Fuel   | 35,020                          | 26,065           | (8,955)   |
| Ammunition                                       | 7,210                           | 7,753            | 543   |
| Purchase of Vehicles                             | 102,650                         | 97,013           | (5,637)   |
| Crime Prevention                                 | 3,090                           | 1,763            | (1,327)   |
| Building Maintenance                             | 5,150                           | -                | (5,150)   |
| Bullet Proof Vests                               | 3,605                           | 1,388            | (2,217)   |
| Dental Insurance Premiums                        | 5,950                           | 5,800            | (150)   |
| Health Insurance Premiums                        | 276,851                         | 276,447          | (404)   |
| Life Insurance Premiums                          | 1,313                           | 1,720            | 407   |
| HRA Reimbursements                               | 14,420                          | 20,964           | 6,544   |
| Worker's Compensation Insurance                  | 134,701                         | 133,707          | (994)   |
| Confiscated Cash Expenditure                     | 6,180                           | 5,704            | (476)   |
| Miscellaneous                                    | 2,730                           | 375              | (2,355)   |
| Total Police Department                          | <u>3,474,735</u>                | <u>3,391,031</u> | <u>(83,704)</u>                                     |
| <b>Street and Bridge:</b>                        |                                 |                  |   |
| Clerical Salary                                  | 3,811                           | -                | (3,811)   |
| Street and Alley Labor                           | 237,804                         | 163,234          | (74,570)  |
| Vacation, Sick Leave, Overtime                   | 309                             | 171              | (138)   |
| Social Security/Medicare                         | 21,087                          | 15,395           | (5,692)   |
| Illinois Municipal Retirement Fund Contributions | 30,761                          | 22,661           | (8,100)   |
| Refuse Pickup                                    | 2,060                           | 1,399            | (661)   |
| Equipment Maintenance                            | 33,716                          | 40,638           | 6,922   |
| Professional Fees                                | 10,300                          | 10,455           | 155   |
|  |                                 |                  | <i>(Continued)</i>                                  |
| Engineering Fees                                 | \$ 61,800                       | \$ 69,872        | \$ 8,072  |

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|                                  | Original and<br>Final<br>Budget | Actual           | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|----------------------------------|---------------------------------|------------------|---|
| Uniforms and Personal Equipment  | 5,150                           | 1,817            | (3,333)   |
| Employment Costs                 | 1,545                           | 6,044            | 4,499   |
| Membership and Subscriptions     | 515                             | 238              | (277)   |
| Office Supplies                  | 618                             | 437              | (181)   |
| Departmental Supplies            | 6,180                           | 6,565            | 385   |
| Postage                          | 1,545                           | 4,108            | 2,563   |
| Telephone                        | 4,635                           | 4,357            | (278)   |
| Utilities                        | 22,660                          | 33,526           | 10,866  |
| Custodial Supplies               | 515                             | 475              | (40)  |
| Material Purchases               | 8,240                           | 12,065           | 3,825   |
| Street Signs                     | -                               | 2,519            | 2,519   |
| Tree Planting and Removal        | 60,770                          | 69,786           | 9,016   |
| Materials for Streets and Alleys | 66,950                          | 18,799           | (48,151)  |
| Maintenance Contracts            | 5,665                           | 1,044            | (4,621)   |
| Repair Maintenance Equipment     | 10,815                          | 19,249           | 8,434   |
| Street Construction              | 527,089                         | 400,904          | (126,185)   |
| Equipment Rental                 | 10,300                          | 8,196            | (2,104)   |
| Maintenance - Vehicles           | 12,360                          | 7,725            | (4,635)   |
| Fuel                             | 30,900                          | 26,281           | (4,619)   |
| Health Insurance Premiums        | 35,369                          | 31,122           | (4,247)   |
| Other Insurance Premiums         | 68,189                          | 63,932           | (4,257)   |
| Building Maintenance             | 3,090                           | 1,799            | (1,291)   |
| Custodial Expense                | 515                             | 205              | (310)   |
| Machine and Equipment Purchase   | 26,162                          | 17,102           | (9,060)   |
| Hot Patch                        | 20,600                          | 9,817            | (10,783)  |
| Broken Asphalt Removal           | 2,575                           | -                | (2,575)   |
| Vehicle Purchases                | 123,882                         | 89,300           | (34,582)  |
| Miscellaneous Costs              | 9,991                           | 7,280            | (2,711)   |
| Total Street and Bridge          | <u>1,468,473</u>                | <u>1,168,517</u> | <u>(299,956)</u>                                    |
| <b>Golf Course Operations:</b>   |                                 |                  |   |
| Payroll Expense                  | 766,688                         | 610,205          | (156,483)   |
| General Administration           | -                               | 404,107          | 404,107   |
| Course and Grounds               | -                               | 97,182           | 97,182  |
| Food and Beverage                | 947,990                         | 193,169          | (754,821)   |
| Range                            | -                               | 63,396           | 63,396  |
| Total Golf Course Operations     | <u>1,714,678</u>                | <u>1,368,059</u> | <u>(346,619)</u>                                    |
| <b>Worth Days:</b>               |                                 |                  |   |
| Worth Days Expense               | <u>7,210</u>                    | <u>6,942</u>     | <u>(268)</u>  |
| <b>Federal Seizure:</b>          |                                 |                  |   |
| Computer Purchase                | -                               | 2,230            | 2,230   |
| Equipment Purchase               | 10,300                          | 1,449            | (8,851)   |
| Other Expenses                   | <u>\$ -</u>                     | <u>\$ 5,425</u>  | <u>\$ 5,425</u>                                     |

(Continued)

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2015

|                       | Original and<br>Final<br>Budget | Actual              | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|-----------------------|---------------------------------|---------------------|---|
| Total Federal Seizure | <u>10,300</u>                   | <u>9,104</u>        | <u>(1,196)</u>                                      |
| <b>Debt Service:</b>  |                                 |                     |   |
| Golf Course Principal | 477,016                         | 300,000             | (177,016)   |
| Bond Principal        | 45,055                          | 43,743              | (1,312)   |
| Lease Principal       | -                               | 51,193              | 51,193  |
| Interest              | <u>10,117</u>                   | <u>312,919</u>      | <u>302,802</u>                                      |
| Total Debt Service    | <u>532,188</u>                  | <u>707,855</u>      | <u>175,667</u>                                      |
| Total Expenditures    | <u>\$ 9,665,238</u>             | <u>\$ 8,911,579</u> | <u>\$ (753,659)</u>                                 |

See accompanying notes to the required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)  
 Budget and Actual  
 Motor Fuel Tax Fund  
 Year Ended April 30, 2015

|   | Original<br>and Final<br>Budget | Actual              | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|---|---------------------------------|---------------------|---|
|   | <u>          </u>               | <u>          </u>   | <u>          </u>                                   |
| <b>Revenues</b>                           |                                 |                     |   |
| Intergovernmental                         | \$ 263,926                      | \$ 361,267          | \$ 97,341   |
| Interest                                  | -                               | 43                  | 43  |
| Total Revenues                            | <u>263,926</u>                  | <u>361,310</u>      | <u>97,384</u>                                       |
| <b>Expenditures</b>                       |                                 |                     |   |
| Motor Fuel Tax Project                    | 277,881                         | 260,464             | (17,417)  |
| Debt Service:                             |                                 |                     |   |
| Principal                                 | 22,084                          | 21,441              | (643)   |
| Interest                                  | 4,958                           | 4,814               | (144)   |
| Total Expenses                            | <u>304,923</u>                  | <u>286,719</u>      | <u>(18,204)</u>                                     |
| Net Change in Fund Balance                | <u>\$ (40,997)</u>              | 74,591              | <u>\$ 115,588</u>                                   |
| Fund Balance (Deficit), Beginning of Year |                                 | <u>(357,828)</u>    |   |
| Fund Balance (Deficit), End of Year       |                                 | <u>\$ (283,237)</u> |   |

See accompanying notes to the financial statements.

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 Tax Increment Financing Fund  
 Year Ended April 30, 2015

|                                 | Original<br>and Final<br>Budget | Actual            | Variance<br>From Final<br>Budget<br>Over<br>(Under) |
|---------------------------------|---------------------------------|-------------------|---|
| <b>Revenues</b>                 |                                 |                   |   |
| Property Taxes                  | \$ -                            | \$ 52,920         | \$ 52,920   |
| Total Revenues                  | <u>-</u>                        | <u>52,920</u>     | <u>52,920</u>                                       |
| <b>Expenditures</b>             |                                 |                   |   |
| Professional Fees               | 7,210                           | 23,371            | 16,161  |
| Property Maintenance            | -                               | <u>3,708</u>      | <u>3,708</u>  |
| Total Expenses                  | <u>7,210</u>                    | <u>27,079</u>     | <u>19,869</u>                                       |
| Net Change in Fund Balance      | <u>\$ (7,210)</u>               | 25,841            | <u>\$ 33,051</u>                                    |
| Fund Balance, Beginning of Year |                                 | <u>284,643</u>    |   |
| Fund Balance, End of Year       |                                 | <u>\$ 310,484</u> |   |

See accompanying notes to the financial statements.

VILLAGE OF WORTH, ILLINOIS

Note to the Required Supplementary Information  
For the Fiscal Year Ended April 30, 2015

**I. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

The General Fund, the Motor Fuel Tax Fund and Tax Increment Financing 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. The Tax Increment Financing Fund had expenditures in excess of budgeted appropriations in the amount of \$19,869.
6. Budgeted amounts are originally adopted, or as amended. During fiscal 2015, no supplemental budgetary appropriations were made.

## **OTHER SCHEDULES**

VILLAGE OF WORTH, ILLINOIS

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

|                     | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Valuations | <u>\$135,495,720</u> | <u>\$147,429,661</u> | <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> |
| Tax Rates:          |                      |                      |                      |                      |                      |                      |                      |
| General             | 0.4351               | 0.3920               | 0.3504               | 0.2724               | 0.2373               | 0.2308               | 0.2683               |
| IMRF                | 0.0000               | 0.0000               | 0.0000               | 0.0000               | 0.0681               | 0.0000               | 0.0000               |
| Street and Bridge   | 0.0995               | 0.0968               | 0.0963               | 0.0840               | 0.0673               | 0.0654               | 0.0000               |
| Police Protection   | 0.3013               | 0.3234               | 0.3489               | 0.3044               | 0.2630               | 0.2558               | 0.2855               |
| Fire Protection     | 0.3713               | 0.3320               | 0.3342               | 0.2915               | 0.2527               | 0.2458               | 0.0952               |
| Liability Insurance | 0.0884               | 0.0791               | 0.0936               | 0.0833               | 0.0000               | 0.0000               | 0.0000               |
| Ambulance           | -                    | -                    | -                    | -                    | -                    | -                    | 0.1904               |
| Police Pension      | 0.6031               | 0.5464               | 0.4150               | 0.3125               | 0.2505               | 0.2558               | 0.2264               |
| Fire Pension        | 0.1002               | 0.0362               | 0.0054               | 0.0877               | 0.0135               | 0.0687               | 0.0792               |
| Debt Service        | <u>0.3720</u>        | <u>0.3397</u>        | <u>0.3153</u>        | <u>0.2842</u>        | <u>0.2326</u>        | <u>0.2333</u>        | <u>0.0348</u>        |
| Total               | <u>2.3709</u>        | <u>2.1456</u>        | <u>1.9591</u>        | <u>1.7200</u>        | <u>1.3850</u>        | <u>1.3556</u>        | <u>1.1798</u>        |
| Tax Extensions:     |                      |                      |                      |                      |                      |                      |                      |
| General             | \$ 589,541           | \$ 577,924           | \$ 557,692           | \$ 481,592           | \$ 513,203           | \$ 498,004           | \$ 563,800           |
| IMRF                | -                    | -                    | -                    | -                    | 147,278              | -                    | -                    |
| Street and Bridge   | 134,818              | 142,711              | 153,270              | 148,508              | 145,548              | 141,115              | -                    |
| Police Protection   | 408,248              | 476,787              | 555,305              | 538,167              | 568,784              | 551,948              | 600,000              |
| Fire Protection     | 503,095              | 489,466              | 531,909              | 515,360              | 546,509              | 530,370              | 200,000              |
| Liability Insurance | 119,778              | 116,616              | 148,972              | 147,271              | -                    | -                    | -                    |
| Ambulance           | -                    | -                    | -                    | -                    | -                    | -                    | 400,000              |
| Police Pension      | 817,174              | 805,555              | 660,509              | 552,487              | 541,751              | 551,948              | 475,734              |
| Fire Pension        | 135,776              | 53,300               | 8,605                | 155,000              | 29,248               | 148,145              | 166,444              |
| Debt Service        | <u>504,017</u>       | <u>500,867</u>       | <u>501,759</u>       | <u>502,494</u>       | <u>503,072</u>       | <u>503,492</u>       | <u>73,028</u>        |
|                     | 3,212,447            | 3,163,226            | 3,118,021            | 3,040,879            | 2,995,393            | 2,925,022            | 2,479,006            |
| Road and Bridge     | <u>22,000</u>        |
| Totals              | <u>\$ 3,234,447</u>  | <u>\$ 3,185,226</u>  | <u>\$ 3,140,021</u>  | <u>\$ 3,062,879</u>  | <u>\$ 3,017,393</u>  | <u>\$ 2,947,022</u>  | <u>\$ 2,501,006</u>  |
| Tax Collections     | \$ 1,585,223         | \$ 2,757,133         | \$ 2,727,225         | \$ 2,920,525         | \$ 2,901,362         | \$ 2,814,080         | \$ 2,224,865         |
| Percent Collections | <u>49.01%</u>        | <u>86.56%</u>        | <u>86.85%</u>        | <u>95.35%</u>        | <u>96.15%</u>        | <u>95.49%</u>        | <u>88.96%</u>        |

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2015

|  | Year<br>Ended<br>April 30, | Principal           | Interest            | Total               |
|--|----------------------------|---------------------|---------------------|---------------------|
| General Obligation Limited Tax Bonds, Series 1999B<br>Dated May 1, 1999,<br>Interest payable on January 1<br>and June 1 at a rate of 9.00%<br>Paying Agent: The Depository<br>Trust Company  | 2016                       | <u>\$ 100,000</u>   | <u>\$ 18,000</u>    | <u>\$ 118,000</u>   |
| General Obligation Refunding Bonds<br>(Alternate Revenue Source)<br>Series 2009:<br>Dated April 1, 2009<br>Interest payable on January 1<br>and July 1 at rates<br>between 3.00% and 5.00%<br>Paying Agent: Amalgamated Bank<br>of Chicago | 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>\$ 5,955,000</u> | <u>\$ 3,187,446</u> | <u>\$ 9,142,446</u> |
| General Obligation<br>Limited Tax Bonds, Series 2012<br>Dated February 8, 2012<br>Interest payable on December 1<br>and June 1 at rates<br>between 2.00% and 3.50%<br>Paying Agent: Amalgamated Bank<br>of Chicago                         | 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>\$ 685,000</u>   | <u>\$ 78,675</u>    | <u>\$ 763,675</u>   |

VILLAGE OF WORTH, ILLINOIS

Information Required By Revenue Bond Ordinance  
(Unaudited)  
April 30, 2015

Consumer data:

Number of customers:

Water and Sewer Service:

|             |                     |
|-------------|---------------------|
| Residential | 2,459               |
| Commercial  | <u>318</u>          |
| Total       | <u><u>2,777</u></u> |

Sewer Service only:

|             |                 |
|-------------|-----------------|
| Residential | 0               |
| Commercial  | <u>3</u>        |
| Total       | <u><u>3</u></u> |

Percent

Water Usage:

|                                     |                    |            |
|-------------------------------------|--------------------|------------|
| Gallage purchased                   | 353,897,560        | 100%       |
| Gallage billed                      | <u>299,401,866</u> | <u>84%</u> |
| Gallage lost and/or unaccounted for | 54,495,694         | 16%        |

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                            |    | 12,807,300 |
| Property - BPP                                 |    | 12,807,300 |
| Property - Tax Interruption                    |    | 918,750    |
| 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  |

## **OTHER REPORT**



**HEARNE & ASSOCIATES, P.C.**

Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder  
Phillip M. Hearne, CPA  
Anthony M. Scott, CPA  
John C. Williams, CPA, MST

Elizabeth R. Shields, CPA, MBA  
Matthew R. Truschka  
Jessica L. Leonard

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

December 22, 2015

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

**Report on Compliance with Requirements Applicable to Tax Increment Financing Districts**

We have audited the Village of Worth, Illinois, (Village)'s compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2015.

**Management's Responsibility**

Management is responsible for the Village's compliance with the requirements applicable to the Tax Increment Allocation Redevelopment Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 noncompliance with the types of compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Village's compliance.

**Opinion**

In our opinion, the Village of Worth, Illinois, complied, in all material respects, with the types of compliance requirements referred to above for the year ended April 30, 2015.

This report is intended solely for the information and use of management of the Village, the State of Illinois and the appropriate taxing districts with tax authority in the Village's TIF District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Hearne & Associates, P.C.  
Certified Public Accountants