

**VILLAGE OF WORTH, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2012

Prepared By:

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

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# VILLAGE OF WORTH, ILLINOIS

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### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Worth, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois, as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information which includes management's discussion and analysis (pages 3-12), pension related schedules (pages 41-42) and budgetary schedule (page 43-48) is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information; however, we did not audit the information and express no opinion on it.

As discussed in Note 1, as of May 1, 2011, the Village adopted the reporting disclosure requirements of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Worth, Illinois. The combining fund financial statements and other schedules listed in the table of contents are presented for the purposes of additional analysis, and are not a required part of the basic financial statements. Such information, except for the information required by bond revenue ordinance on page 58 which is marked unaudited and on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**December 21, 2012**  
**Mokena, IL**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis

April 30, 2012

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 13).

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

The management of the Village of Worth offers readers of the Village's Financial Statements, this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2012. This correspondence is intended to serve as an introduction to the Village's basic financial statements, which comprise three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The government-wide financial statements (see pages 13-15) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 15) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services to various business-type activities.

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

#### **Fund Financial Statements**

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

The Governmental Funds (see pages 16-19) presentation is presented on a source and uses of liquid resources basis. This is the manor in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of government. Funds are established for various purposes, and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2012

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 23-24). While these Funds represent trust responsibilities of the government, these assets are restricted on purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 20-22) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 17 and 19). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as, capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

#### **Infrastructure Assets**

The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) be valued and reported within the Governmental column of the Government-Wide Financial Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed.

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

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

Net assets serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$ 6.1 million as of April 30, 2012.

A significant portion of the Village's net assets (79%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings, and vehicles), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2012

Table 1  
Statement of Net Assets  
As of April 30, 2012

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

Statement of Net Assets  
As of April 30, 2011

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
Current Assets	\$ 2,518,129	\$ 1,098,649	\$ 3,616,778
Non Current Assets	9,777,660	2,968,757	12,746,417
Total Assets	<u>\$ 12,295,789</u>	<u>\$ 4,067,406</u>	<u>\$ 16,363,195</u>
Current Liabilities	\$ 2,665,831	\$ 223,717	\$ 2,889,548
Non Current Liabilities	8,435,029	405,708	8,840,737
Total Liabilities	<u>\$ 11,100,860</u>	<u>\$ 629,425</u>	<u>\$ 11,730,285</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 2,090,359	\$ 2,541,615	\$ 4,631,974
Unrestricted (Deficit)	(895,430)	896,366	936
Total Net Assets	<u>\$ 1,194,929</u>	<u>\$ 3,437,981</u>	<u>\$ 4,632,910</u>

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

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2012

The Village's combined net assets (which is the Village's equity) increased to \$ 6,061,075 from \$ 4,632,910 as a result of the increase in net assets primarily in the Governmental Type Activities. Net assets of the Village's governmental activities were \$ 2,166,183. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were \$ (202,345). The net assets of business-type activities increased to \$ 3,894,892 from \$ 3,437,981. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system.

#### **NORMAL IMPACTS**

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

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

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

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

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

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

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

#### **CURRENT YEAR IMPACTS**

The Village's total assets increased by \$ 1,035,473 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 \$ 392,692 mainly due to the payment of a prior liability owed for the Village's fire department and the pay down of the Village's debts.

The Village's total net assets increased by \$ 1,428,165. In the prior year the net assets increased by \$596,000 and can be attributed to several factors. The changes in net assets are further analyzed in the next section.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2012

Changes In Net Assets

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

Table 2  
Changes In Net Assets  
For the Fiscal Year Ended April 30, 2012

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

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2012

Changes In Net Assets  
For the Fiscal Year Ended April 30, 2011

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total Primary</u>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 3,184,548	\$ 2,408,238	\$ 5,592,786
Operating Grants and Contributions	60,430	-	60,430
General Revenues			
Property Taxes	2,430,831	-	2,430,831
Other Taxes	2,584,026	-	2,584,026
Other	200,914	866	201,780
Total Revenues	<u>\$ 8,460,749</u>	<u>\$ 2,409,104</u>	<u>\$ 10,869,853</u>
<b>EXPENSES</b>			
General Government	\$ 452,466	\$ -	\$ 452,466
Building Department	115,055	-	115,055
Boat Launch	13,972	-	13,972
Health Department	6,600	-	6,600
Fire Department	1,623,676	-	1,623,676
Ambulance & Paramedic Department	51,531	-	51,531
Police Department	2,955,636	-	2,955,636
Street and Bridge	499,414	-	499,414
Golf Course	1,787,634	-	1,787,634
Worth Days	61,392	-	61,392
Federal Seizure	10,611	-	10,611
Motor Fuel Tax Project	276,898	-	276,898
Tax Increment Financing Interest	411,517	-	411,517
Waterworks & Sewerage	-	1,779,963	1,779,963
Commuter Parking Lot	-	152,463	152,463
Total Expenses	<u>\$ 8,269,081</u>	<u>\$ 1,932,426</u>	<u>\$ 10,201,507</u>
Change In Net Assets	\$ 191,668	\$ 476,678	\$ 668,346
Beginning Net Assets	1,003,262	3,033,951	4,037,213
Prior Period Adjustment	-	(72,644)	(72,644)
Ending Net Assets	<u>\$ 1,194,930</u>	<u>\$ 3,437,985</u>	<u>\$ 4,632,915</u>

## VILLAGE OF WORTH, ILLINOIS

### Management Discussion and Analysis April 30, 2012

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, 2012, revenues from all activities totaled \$ 11,782,119, an 8.4% increase from 2011. The increases are mainly in charges for services received by the Village. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services it provides. Property taxes are up \$155,051 for the year while charges for services are up \$446,869. Grant revenue increased \$479,840 from the prior year.

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2012

*Expenses:*

The Village's total expenses for all activities for the year ended April 30, 2012 and 2011 were \$ 10,795,235 and \$ 10,201,507, respectively or an increase of \$593,728. The main increases were in the General Government Fund (76,705), Police Department (388,102), Street and Bridge (101,480), and Golf Course (83,632).

The Village provides Lake Michigan water to its residents by purchasing its water supply from the City of Chicago. The waterworks and sewerage accounted for 95% of the total Public Works activities. The remaining public works activities relate to the maintaining of Village streets and storm sewers.

Public safety expenses relate to the operations of the Police Department, Fire Department, and Ambulance Department and they accounted for \$ 4.9 million of the total expenses in 2012 and \$ 4.6 million of the total expenses in 2011. 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, 2012, the governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$ 864,302 compared to \$ 66,301 in 2011. Revenues and other financing sources (uses) exceeded expenditures in 2012.

**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 2012. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

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

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources		
Taxes	\$ 3,409,385	\$ 3,706,368
Licenses, Permits, and Fees	1,050,961	1,006,857
Grants	-	441,280
Intergovernmental	1,345,680	1,420,054
Fines and Forfeitures	665,586	676,042
Golf Course	2,086,901	1,867,450
Other	748,867	195,152
Total	<u>\$ 9,307,380</u>	<u>\$ 9,313,203</u>

VILLAGE OF WORTH, ILLINOIS

Management Discussion and Analysis  
April 30, 2012

<u>General Fund</u>	<u>Original Budget</u>	<u>Actual</u>
Expenditures and Other Financing Uses		
General Government	\$ 572,798	\$ 485,238
Building Department	129,234	117,332
Boat Launch	16,012	10,967
Health Department	-	2,760
Fire Department	1,642,838	1,551,256
Ambulance & Paramedic Department	-	-
Police Department	3,180,288	3,038,916
Street and Bridge	1,102,654	1,176,212
Golf Course	1,733,451	1,735,907
Worth Days	65,561	70,926
Federal Seizure	-	1,346
Debt Service	564,889	868,047
Total	<u>\$ 9,007,725</u>	<u>\$ 9,058,907</u>
Change In Fund Balance	<u>\$ 299,655</u>	<u>\$ 254,296</u>

As shown above the General Fund had a surplus budget of \$ 299,655, while actual results were a \$ 254,296 surplus. There are several factors that attributed to this deficit. General Government was \$87,260 below budgeted expenses. The police department was \$141,372 below budgeted expenses. Property taxes exceeded budget expectations by \$296,983 and intergovernmental revenues exceeded by \$74,374.

**CAPITAL ASSETS**

At the end of the fiscal year 2012, the Village had a combined total of capital assets of \$ 12,783,272 invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers, and sanitary sewer lines. (See Table 4 below).

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

	<u>Balance</u>		<u>Balance</u>
	<u>April 30, 2011</u>	<u>Net</u>	<u>April 30, 2012</u>
Land	\$ 3,535,289	\$ -	\$ 3,535,289
Building and Improvements	3,284,477	18,227	3,302,704
Waterworks & Sewerage System	2,577,335	(83,294)	2,494,041
Machinery and Equipment	1,137,570	(72,055)	1,065,515
Commuter Parking Lot	251,069	(24,912)	226,157
Infrastructure	1,960,737	198,829	2,159,566
Total Capital Assets	<u>\$ 12,746,477</u>	<u>\$ 36,795</u>	<u>\$ 12,783,272</u>

**VILLAGE OF WORTH, ILLINOIS**

**Management Discussion and Analysis  
April 30, 2012**

**DEBT OUTSTANDING**

See Note 7 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2012.

**Economic Factors**

The financial condition of the Federal and State governments continues to have a dramatic effect on the Village of Worth during 2012. Grant assistance is extremely competitive, and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The Village will continue to need to look internally and consider increasing other revenue sources and/or reduce expenditures so that it can increase its available funds and net assets.

The financial markets experienced a downturn during the fiscal year. This negative impact had an effect on the results of the Village's pension funds. Overall, the pension trusts had a negative net change in the amount of \$ (339,000) (Police Pension - \$ (223,663) and Fire Pension - \$ (115,032)) compared to the prior year positive change of \$ 505,000.

**Contacting The Village's Financial Management**

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

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT - WIDE FINANCIAL STATEMENTS**

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets  
April 30, 2012

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 831,040	\$ 1,256,668	\$ 2,087,708
Receivables:			
Property Taxes	1,180,280	-	1,180,280
Other	710,112	306,603	1,016,715
Bond Issue Costs	191,033	5,207	196,240
Due From Other Funds	19,611	16,130	35,741
Prepaid Expenses	54,988	-	54,988
Inventories	43,724	-	43,724
Total Current Assets	<u>\$ 3,030,788</u>	<u>\$ 1,584,608</u>	<u>\$ 4,615,396</u>
<b>Noncurrent Assets</b>			
Capital Assets Not Being Depreciated	\$ 3,487,465	\$ 47,824	\$ 3,535,289
Capital Assets Being Depreciated, Net	6,439,285	2,808,698	9,247,983
Total Noncurrent Assets	<u>\$ 9,926,750</u>	<u>\$ 2,856,522</u>	<u>\$ 12,783,272</u>
Total Assets	<u>\$ 12,957,538</u>	<u>\$ 4,441,130</u>	<u>\$ 17,398,668</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 327,533	\$ 77,439	\$ 404,972
Short Term Notes Payable	30,000	-	30,000
Accrued Payroll	98,939	36,008	134,947
Accrued Vacation	175,918	-	175,918
Due To Fiduciary Funds	47,497	-	47,497
Deferred Revenue	1,248,613	-	1,248,613
Deposits	31,044	-	31,044
General Obligation Bonds	183,204	-	183,204
Revenue Bonds	-	39,816	39,816
Alternative Revenue Bonds	190,000	-	190,000
Capital Lease	-	13,000	13,000
Due To Other Funds	16,130	19,611	35,741
Total Current Liabilities	<u>\$ 2,348,878</u>	<u>\$ 185,874</u>	<u>\$ 2,534,752</u>
<b>Long-Term Liabilities, Net of Current Maturities</b>			
General Obligation Bonds	\$ 829,492	\$ 337,488	\$ 1,166,980
Premium Related to Bonds	5,526	3,376	8,902
General Obligation Debt Certificates	-	-	-
Alternative Revenue Bonds	6,350,000	-	6,350,000
Capital Lease	-	19,500	19,500
Compensated Absences	210,224	-	210,224
Pension Obligations	1,047,235	-	1,047,235
Total Noncurrent Liabilities	<u>\$ 8,442,477</u>	<u>\$ 360,364</u>	<u>\$ 8,802,841</u>
Total Liabilities	<u>\$ 10,791,355</u>	<u>\$ 546,238</u>	<u>\$ 11,337,593</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets  
April 30, 2012

	Governmental Activities	Business Type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net Assets</b>			
Invested In Capital Assets, Net of Related Debt	\$ 2,368,528	\$ 2,448,549	\$ 4,817,077
Unrestricted, (Deficit)	<u>(202,345)</u>	<u>1,446,343</u>	<u>1,243,998</u>
Total Net Assets	<u>\$ 2,166,183</u>	<u>\$ 3,894,892</u>	<u>\$ 6,061,075</u>
Total Liabilities and Net Assets	<u>\$ 12,957,538</u>	<u>\$ 4,441,130</u>	<u>\$ 17,398,668</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Activities  
Year Ended April 30, 2012

Functions/Programs	Program Revenues			Net (Expense), Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities:</b>						
General Government	\$ 529,171	\$ 618,510	\$ 500	\$ 89,839	\$ -	\$ 89,839
Building Department	117,332	198,984	-	81,652	-	81,652
Boat Launch	10,967	7,417	-	(3,550)	-	(3,550)
Health Department	2,760	-	-	(2,760)	-	(2,760)
Fire Department	1,559,592	-	-	(1,559,592)	-	(1,559,592)
Police Department	3,343,738	676,042	5,900	(2,661,796)	-	(2,661,796)
Street and Bridge	600,894	181,946	434,880	15,932	-	15,932
Golf Course	1,871,266	1,867,450	-	(3,816)	-	(3,816)
Worth Days	70,926	49,744	-	(21,182)	-	(21,182)
Federal Seizure	1,346	-	-	(1,346)	-	(1,346)
Motor Fuel Tax Project	254,720	-	-	(254,720)	-	(254,720)
Tax Increment Financing	6,738	-	-	(6,738)	-	(6,738)
Interest	356,403	-	-	(356,403)	-	(356,403)
Total Governmental Activities	<u>\$ 8,725,853</u>	<u>\$ 3,600,093</u>	<u>\$ 441,280</u>	<u>\$ (4,684,480)</u>	<u>\$ -</u>	<u>\$ (4,684,480)</u>
<b>Business-Type Activities:</b>						
Waterworks and Sewerage	\$ 1,948,757	\$ 2,387,505	\$ 98,990	\$ -	\$ 537,738	\$ 537,738
Commuter Parking Lot	120,625	52,057	-	-	(68,568)	(68,568)
Total Business Type Activities	<u>\$ 2,069,382</u>	<u>\$ 2,439,562</u>	<u>\$ 98,990</u>	<u>\$ -</u>	<u>\$ 469,170</u>	<u>\$ 469,170</u>
<b>Total</b>	<u>\$10,795,235</u>	<u>\$ 6,039,655</u>	<u>\$ 540,270</u>	<u>\$ (4,684,480)</u>	<u>\$ 469,170</u>	<u>\$ (4,215,310)</u>
<b>General Revenues</b>						
<b>Taxes:</b>						
Property				\$ 2,585,882	\$ -	\$ 2,585,882
Other				2,911,878		2,911,878
Interest				669	251	920
Miscellaneous				144,794	-	144,794
Transfers				12,510	(12,510)	-
Total General Revenues, Contributions, and Transfers				<u>\$ 5,655,733</u>	<u>\$ (12,259)</u>	<u>\$ 5,643,474</u>
Change in Net Assets				\$ 971,253	\$ 456,911	\$ 1,428,164
Net Assets May 1, 2011				1,194,930	3,437,981	4,632,911
Net Assets April 30, 2012				<u>\$ 2,166,183</u>	<u>\$3,894,892</u>	<u>\$ 6,061,075</u>

See the accompanying notes to the financial statements

## **FUND FINANCIAL STATEMENTS**

VILLAGE OF WORTH, ILLINOIS

Balance Sheet - Governmental Funds  
April 30, 2012

	General Fund	Other Governmental Funds	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 597,394	\$ 233,646	\$ 831,040
Receivables:			
Property Taxes	1,180,280	-	1,180,280
Other	151,652	-	151,652
Due From Other Funds	316,119	35,665	351,784
Due From Other Government Agencies	537,514	20,946	558,460
Prepays	54,988	-	54,988
Inventories	43,724	-	43,724
Total Assets	<u>\$ 2,881,671</u>	<u>\$ 290,257</u>	<u>\$ 3,171,928</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 296,189	\$ 31,344	\$ 327,533
Accrued Payroll	98,939	-	98,939
Accrued Vacation	175,918	-	175,918
Deferred Revenue	1,248,613	-	1,248,613
Deposits	31,044	-	31,044
Due To Other Funds	99,292	296,508	395,800
Short Term Note Payable	30,000	-	30,000
Total Liabilities	<u>\$ 1,979,995</u>	<u>\$ 327,852</u>	<u>\$ 2,307,847</u>
<b>Fund Balances</b>			
Non-Spendable			
Prepays	\$ 54,988	\$ -	\$ 54,988
Inventory	43,724	-	43,724
Assigned			
Special Revenue Funds	-	318,966	318,966
Unassigned	802,964	(356,561)	446,403
Total Fund Balances	<u>\$ 901,676</u>	<u>\$ (37,595)</u>	<u>\$ 864,081</u>
Total Liabilities and Fund Balances	<u>\$ 2,881,671</u>	<u>\$ 290,257</u>	<u>\$ 3,171,928</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2012

Total Fund Balances - Governmental Funds	\$ 864,081
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources; and, therefore, are not reported in the funds.	9,926,750
Some liabilities reported in the Statement of Activities do not require the use of current financial resources; and, therefore, are not reported in governmental funds. These activities consist of:	
General Obligation Bonds	(1,012,696)
Premium on General Obligation Bonds	(5,526)
Alternate Revenue Bonds	(6,540,000)
Compensated Absences	(210,224)
Pension Obligations	(1,047,235)
Bond Issuance Costs	<u>191,033</u>
Net Assets of Governmental Activities	<u>\$ 2,166,183</u>

See the accompanying notes to financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
Year Ended April 30, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 2,531,137	\$ 54,745	\$ 2,585,882
Sales Taxes	1,175,231	-	1,175,231
Grants	441,280	-	441,280
Intergovernmental	1,420,054	316,593	1,736,647
Licenses, Permits, and Fees	1,006,857	-	1,006,857
Fines and Forfeits	676,042	-	676,042
Charges for Service:			
Golf Course	1,867,450	-	1,867,450
Other	49,744	-	49,744
Interest	614	55	669
Other	144,794	-	144,794
Total Revenues	<u>\$ 9,313,203</u>	<u>\$ 371,393</u>	<u>\$ 9,684,596</u>
<b>Expenditures:</b>			
Current:			
General Government	\$ 485,238	\$ -	\$ 485,238
Building Department	117,332	-	117,332
Boat Launch	10,967	-	10,967
Health Department	2,760	-	2,760
Fire Department	1,551,256	-	1,551,256
Police Department	3,038,916	-	3,038,916
Street and Bridge	1,176,212	-	1,176,212
Golf Course	1,735,907	-	1,735,907
Worth Days	70,926	-	70,926
Federal Seizure	1,346	-	1,346
Motor Fuel Tax Project	-	207,638	207,638
Tax Increment Financing	-	6,738	6,738
Principal	522,301	230,000	752,301
Interest	345,746	10,657	356,403
Total Expenditures	<u>\$ 9,058,907</u>	<u>\$ 455,033</u>	<u>\$ 9,513,940</u>
Excess Revenues over Expenditures	\$ 254,296	\$ (83,640)	\$ 170,656
<b>Other Financing Sources(Uses)</b>			
Transfer In	12,510	-	12,510
Bond Proceeds	414,484	203,179	617,663
Premium Received from Bond Issuance	4,172	2,045	6,217
Bond Issuance Costs	(6,217)	(3,048)	(9,265)
Total Other Financing Sources(Uses)	<u>\$ 424,949</u>	<u>\$ 202,176</u>	<u>\$ 627,125</u>
Net Change in Fund Balance	\$ 679,245	\$ 118,536	\$ 797,781
<b>Fund Balances:</b>			
May 1, 2011	<u>222,431</u>	<u>(156,131)</u>	<u>66,300</u>
April 30, 2012	<u>\$ 901,676</u>	<u>\$ (37,595)</u>	<u>\$ 864,081</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, 2012

Net Change in Fund Balance - Total Governmental Funds \$ 797,781

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

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

Capital Outlay	\$ 657,667	
Depreciation Expense	<u>(508,577)</u>	
		149,090

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

Proceeds from refunding debt issued	\$ (614,648)	
Amortization of bond issuance costs	(9,734)	
Amortization of Premium	<u>691</u>	
		(623,691)

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

Installment contracts	\$ 47,301	
General obligation bonds and debt certificates	520,000	
Alternate revenue bonds	<u>185,000</u>	
		752,301

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

Accrued compensated absences		<u>(104,228)</u>
Change in net assets of governmental activities		<u>\$ 971,253</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Net Assets - Enterprise Funds  
April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,135,661	\$ 121,007	\$ 1,256,668
Accounts Receivable:			
Customers	89,555	-	89,555
Other	217,048	-	217,048
Due From Other Funds	-	16,130	16,130
Total Current Assets	<u>\$ 1,442,264</u>	<u>\$ 137,137</u>	<u>\$ 1,579,401</u>
Deferred Bond Issuance Costs	\$ 5,207	\$ -	\$ 5,207
Property and Equipment	8,565,498	971,502	9,537,000
Less: Accumulated Depreciation	<u>(5,949,444)</u>	<u>(731,034)</u>	<u>(6,680,478)</u>
	<u>\$ 2,616,054</u>	<u>\$ 240,468</u>	<u>\$ 2,856,522</u>
 Total Assets	 <u>\$ 4,063,525</u>	 <u>\$ 377,605</u>	 <u>\$ 4,441,130</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	\$ 76,164	\$ 1,275	\$ 77,439
Accrued Payroll	35,116	892	36,008
Current Maturities of Revenue Bonds	39,816	-	39,816
Current Maturities of Capital Lease	13,000	-	13,000
Due To Other Funds	<u>19,611</u>	<u>-</u>	<u>19,611</u>
Total Current Liabilities	<u>\$ 183,707</u>	<u>\$ 2,167</u>	<u>\$ 185,874</u>
Long Term Liabilities, Net of Current Maturities			
Maturities of Revenue Bonds	\$ 337,488	\$ -	\$ 337,488
Premium Related to Revenue Bonds	3,376		3,376
Maturities of Capital Lease	<u>19,500</u>	<u>-</u>	<u>19,500</u>
Total Liabilities	<u>\$ 544,071</u>	<u>\$ 2,167</u>	<u>\$ 546,238</u>
<b>Net Assets</b>			
Invested In Capital Assets, Net of Related Debt	\$ 2,208,081	\$ 240,468	\$ 2,448,549
Unrestricted, (Deficit)	<u>1,311,373</u>	<u>134,970</u>	<u>1,446,343</u>
 Total Net Assets	 <u>\$ 3,519,454</u>	 <u>\$ 375,438</u>	 <u>\$ 3,894,892</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets -  
Enterprise Funds  
Year Ended April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Operating Revenues:</b>			
Water and Sewer Charges	\$ 2,380,292	\$ -	\$ 2,380,292
Commuter Parking Fees	-	52,057	52,057
Other Fees and Charges	7,213	-	7,213
Total Operating Revenues	<u>\$ 2,387,505</u>	<u>\$ 52,057</u>	<u>\$ 2,439,562</u>
<b>Operating Expenses:</b>			
Operations	\$ 1,722,273	\$ 91,624	\$ 1,813,897
Depreciation and Amortization	206,767	29,001	235,768
Total Operating Expenses	<u>\$ 1,929,040</u>	<u>\$ 120,625</u>	<u>\$ 2,049,665</u>
Operating Income (Loss)	<u>\$ 458,465</u>	<u>\$ (68,568)</u>	<u>\$ 389,897</u>
<b>Nonoperating Revenues (Expenses):</b>			
Grant Revenue	\$ 98,990	\$ -	\$ 98,990
Interest Income	-	251	251
Interest Expense	(19,717)	-	(19,717)
Total Nonoperating Revenues(Expenses)	<u>\$ 79,273</u>	<u>\$ 251</u>	<u>\$ 79,524</u>
Income (Loss) Before Transfers	\$ 537,738	\$ (68,317)	\$ 469,421
Transfer Out	(12,510)	-	(12,510)
Change In Net Assets	\$ 525,228	\$ (68,317)	\$ 456,911
<b>Net Assets:</b>			
May 1, 2011	<u>2,994,226</u>	<u>443,755</u>	<u>3,437,981</u>
April 30, 2012	<u>\$ 3,519,454</u>	<u>\$ 375,438</u>	<u>\$ 3,894,892</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2012

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received for Services	\$ 2,309,644	\$ 52,057	\$ 2,361,701
Payments to Employees	(335,165)	(26,245)	(361,410)
Payments to Suppliers	(1,427,863)	(68,020)	(1,495,883)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 546,616</u>	<u>\$ (42,208)</u>	<u>\$ 504,408</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
(Increases) Decreases In Due (To) From Other Funds	\$ 19,611	\$ -	\$ 19,611
Transfer from Other Funds	(12,510)	-	(12,510)
Net Cash Used by Noncapital Financing Activities	<u>\$ 7,101</u>	<u>\$ -</u>	<u>\$ 7,101</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Grant Revenue	\$ 98,990	\$ -	\$ 98,990
Bond Principal Payments	(51,669)	-	(51,669)
Bond Interest Payments	(19,717)	-	(19,717)
Capital Lease Payments	(13,000)	-	(13,000)
Net Cash (Used in) Capital and Related Financing Activities	<u>\$ 14,604</u>	<u>\$ -</u>	<u>\$ 14,604</u>
<b>Cash Flows from Investing Activities,</b>			
Purchase of Property & Equipment	\$ (123,473)	\$ -	\$ (123,473)
Interest Received	-	251	251
Net cash used in investing activities	<u>\$ (123,473)</u>	<u>\$ 251</u>	<u>\$ (123,222)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	\$ 444,848	\$ (41,957)	\$ 402,891
<b>Cash and Cash Equivalents:</b>			
May 1, 2011	690,813	162,964	853,777
April 30, 2012	<u>\$ 1,135,661</u>	<u>\$ 121,007</u>	<u>\$ 1,256,668</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating (Loss)	\$ 458,465	\$ (68,568)	\$ 389,897
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 206,827	\$ 29,001	\$ 235,828
Changes In Assets and Liabilities			
Accounts Receivable	(77,926)	-	(77,926)
Accounts Payable and Accruals	(40,690)	(2,641)	(43,331)
Total Adjustments	<u>\$ 88,211</u>	<u>\$ 26,360</u>	<u>\$ 114,571</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 546,676</u>	<u>\$ (42,208)</u>	<u>\$ 504,468</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2012

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 16,094	\$ 203,786	\$ 219,880
Investments	9,270,856	2,482,665	11,753,521
Accrued Interest Receivable	23,091	10,514	33,605
Prepaid Expenses	3,010	649	3,659
Due From Other Funds	47,497	-	47,497
Total Assets	<u>\$ 9,360,548</u>	<u>\$ 2,697,614</u>	<u>\$ 12,058,162</u>
<b>Liabilities and Net Assets</b>			
Liabilities			
Accounts Payable	\$ 6,930	\$ 966	\$ 7,896
Net Assets Held In Trust For Employees' Benefits	<u>9,353,618</u>	<u>2,696,648</u>	<u>12,050,266</u>
Total Liabilities and Net Assets	<u>\$ 9,360,548</u>	<u>\$ 2,697,614</u>	<u>\$ 12,058,162</u>

See the accompanying notes to the financial statements

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2012

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions			
Employer	\$ 540,882	\$ 8,131	\$ 549,013
Employee	<u>172,577</u>	<u>-</u>	<u>172,577</u>
Total Contributions	<u>\$ 713,459</u>	<u>\$ 8,131</u>	<u>\$ 721,590</u>
<b>Investment Income</b>			
Net Appreciation (Decrease) in Fair Value of Investments	\$ (75,086)	\$ (21,521)	\$ (96,607)
Interest Income	<u>153,732</u>	<u>56,554</u>	<u>210,286</u>
Total Investment Income	<u>\$ 78,646</u>	<u>\$ 35,033</u>	<u>\$ 113,679</u>
<b>Investment Expenses</b>			
Other Investment Expenses	<u>22,914</u>	<u>10,216</u>	<u>33,130</u>
Net Investment Gain	<u>\$ 55,732</u>	<u>\$ 24,817</u>	<u>\$ 80,549</u>
Total Additions (Reductions)	<u>\$ 769,191</u>	<u>\$ 32,948</u>	<u>\$ 802,139</u>
Deductions, Benefits Taken	\$ 969,219	\$ 127,862	\$ 1,097,081
Administrative Expenses	<u>23,635</u>	<u>20,118</u>	<u>43,753</u>
Total Deductions	<u>\$ 992,854</u>	<u>\$ 147,980</u>	<u>\$ 1,140,834</u>
Changes in Net Assets	<u>\$ (223,663)</u>	<u>\$ (115,032)</u>	<u>\$ (338,695)</u>
<b>Net Assets Held in Trust for Employee's Benefits</b>			
May 1, 2011	<u>9,577,281</u>	<u>2,811,680</u>	<u>12,388,961</u>
April 30, 2012	<u>\$ 9,353,618</u>	<u>\$ 2,696,648</u>	<u>\$ 12,050,266</u>

See the accompanying notes to the financial statements

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities*

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

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

*Financial Reporting Entity*

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds - Waterworks and Sewerage Fund, and Commuter Parking Lot Fund.

The Village administers the following major governmental funds:

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

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

The Village administers the following major proprietary funds:

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

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

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

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

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

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

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

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

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

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

*Assets, Liabilities, and Net Assets or Equity*

**Cash and Cash Equivalents**

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

**Investments**

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

**Interfund Receivables, Payables, and Activity**

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

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

**Prepaid Items**

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

**Other Assets**

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

**Capital Assets**

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

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

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

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

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

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

**Deferred Revenue**

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

**Compensated Absences**

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

**Long-Term Obligations**

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

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For other long-term obligations, only the portion expected to be financed with available financial resources is reported as a fund liability of a government fund.

**Restricted Net Assets**

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

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

- Imposed by law through constitutional provisions or enabling legislation.

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

**Fund Equity**

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

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

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

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

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

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

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

**Net Assets**

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

**Elimination and Reclassification**

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

**Use of Estimates**

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

**NOTE 2. PROPERTY TAXES**

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Village Board. Property taxes are recognized as a receivable at the time they are levied. In the governmental funds, since the 2011 tax levy is intended to finance the expenditures for the year ending April 30, 2013, the entire 2011 tax levy has been reflected as deferred revenue as of April 30, 2012, except for employee pension taxes which are recognized as revenue in the year in which they are received. The 2010 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2012. A reduction of collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected.

The property tax calendar for the 2011 tax levy is as follows:

Levy Date	December 20, 2011
Lien Date	January 1, 2011
Tax Bills Mailed (at least 30 days prior to collection deadline)	
First Installment Date	March 1, 2012
Second Installment Date	November 1, 2012

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

**NOTE 3. CASH AND INVESTMENTS**

*Deposits*

*Custodial Credit Risk* - Deposits - Custodial credit risk that, in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2012 the carrying amount of the Village's deposits was \$ 2,091,406. All of the Village's deposits were insured or collateralized at April 30, 2012.

*Investments*

As of April 30, 2012, the Village had the following investments and maturities:

Village Funds	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Illinois Funds	\$ 1,301,622	\$ 1,301,622	\$ -	\$ -	\$ -

  

Pension Funds	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Cash & Cash Equivalents	\$ 219,880	\$ 219,880	\$ -	\$ -	\$ -
Money Market Mutual Funds	314,824	314,824	-	-	-
State & Local Obligations	1,239,467	1,115,295	106,226	17,946	-
U.S. Gov't Obligations	4,402,670	141,268	3,689,090	460,829	111,483
Insurance Contracts	1,353,373	-	-	1,353,373	-
Domestic Common Stock	1,489,397	1,489,397	-	-	-
Certificates of Deposit	1,458,446	1,058,997	399,449	-	-
Mutual Funds	1,495,344	1,495,344	-	-	-
	<u>\$ 11,973,401</u>	<u>\$ 5,835,005</u>	<u>\$ 4,194,765</u>	<u>\$ 1,832,148</u>	<u>\$ 111,483</u>

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

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

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

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

*Credit Risk* - State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. As of April 30, 2012, the Village's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds were not rated. The Village's investment policy does not address credit risk.

*Concentration of Credit Risk* - The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. As of April 30, 2012, the Village is in compliance with their investment policy.

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

**NOTE 4. CAPITAL ASSETS**

A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2012, is as follows:

	Balance at April 30, 2011	Additions	Deletions	Balance at April 30, 2012
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,487,465	\$ -	\$ -	\$ 3,487,465
Capital Assets Being Depreciated:				
Building and Improvements	6,535,650	232,406	-	6,768,056
Machinery and Equipment	3,960,186	148,797	-	4,108,983
Infrastructure	5,615,780	276,464	-	5,892,244
Total Capital Assets Being Depreciated	<u>\$ 16,111,616</u>	<u>\$ 657,667</u>	<u>\$ -</u>	<u>\$ 16,769,283</u>
Less Accumulated Depreciation for:				
Building and Improvements	\$ 3,251,173	\$ 214,179	\$ -	\$ 3,465,352
Machinery and Equipment	2,915,205	216,763	-	3,131,968
Infrastructure	3,655,043	77,635	-	3,732,678
Total Accumulated Depreciation	<u>\$ 9,821,421</u>	<u>\$ 508,577</u>	<u>\$ -</u>	<u>\$ 10,329,998</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 6,290,195</u>	<u>\$ 149,090</u>	<u>\$ -</u>	<u>\$ 6,439,285</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,777,660</u>	<u>\$ 149,090</u>	<u>\$ -</u>	<u>\$ 9,926,750</u>

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

A summary of changes in the capital assets for business-type activities of the Village for the year ended April 30, 2012, is as follows:

	Balance at April 30, 2011	Additions	Reclass/ Deletions	Balance at April 30, 2012
<i>Business-Type Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$ 47,824	\$ -	\$ -	\$ 47,824
Capital Assets Being Depreciated:				
Waterworks and Sewerage System	8,071,476	123,473	-	8,194,949
Machinery and Equipment	531,511	-	-	531,511
Commuter Parking Lot	762,716	-	-	762,716
Total Capital Assets Being Depreciated	<u>\$ 9,365,703</u>	<u>\$ 123,473</u>	\$ -	<u>\$ 9,489,176</u>
Less accumulated depreciation for:				
Waterworks and Sewerage System	5,494,141	206,767	-	5,700,908
Machinery and Equipment	438,922	4,089	-	443,011
Commuter Parking Lot	511,647	24,912	-	536,559
Total Accumulated Depreciation	<u>\$ 6,444,710</u>	<u>\$ 235,768</u>	<u>\$ -</u>	<u>\$ 6,680,478</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 2,920,993</u>	<u>\$ (112,295)</u>	<u>\$ -</u>	<u>\$ 2,808,698</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,968,817</u>	<u>\$ (112,295)</u>	<u>\$ -</u>	<u>\$ 2,856,522</u>

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 88,278
Fire Department	8,336
Police Department	200,096
Street and Bridge	29,426
Golf Course	135,359
Motor Fuel Tax Project	47,082
	<u>\$ 508,577</u>
Business-type Activities:	
Waterworks and Sewerage	\$ 206,767
Commuter Parking Lot	29,001
	<u>\$ 235,768</u>

**NOTE 5. LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2012:

Debt Description Key:

IC - Installment Contracts  
GO Bonds - General Obligation Bonds  
ARB - Alternate Revenue Bonds  
LOC - Line of Credit

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

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Refunded	Outstanding Debt as of April 30, 2012	Due Within One Year
IC	\$ 47,301	\$ -	\$ 47,301	\$ -	\$ -	\$ -
GO Bonds	480,000	-	85,000	-	395,000	95,000
ARB	6,725,000	-	185,000	-	6,540,000	190,000
GO Bonds	435,000	617,696	435,000	-	617,696	65,184
Premium	-	6,217	691	-	5,526	-
CA	105,998	104,226	-	-	210,224	-
PO	1,047,235	-	-	-	1,047,235	-
LOC	50,000	-	20,000	-	30,000	30,000
	<u>\$ 8,890,534</u>	<u>\$ 728,139</u>	<u>\$ 772,992</u>	<u>\$ -</u>	<u>\$ 8,845,681</u>	<u>\$ 380,184</u>

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2011:

	Outstanding Debt as of May 1, 2010	Additions	Reductions	Refunded	Outstanding Debt as of April 30, 2011	Due Within One Year
GO Bonds	\$ 427,142	\$ 377,304	\$ 427,142	\$ -	\$ 377,304	\$ 39,816
Premium	-	3,798	(422)	-	3,376	-
CL	45,500	-	13,000	-	32,500	13,000
	<u>\$ 472,642</u>	<u>\$ 381,102</u>	<u>\$ 439,720</u>	<u>\$ -</u>	<u>\$ 413,180</u>	<u>\$ 52,816</u>

Outstanding debt as of April 30, 2012, consists of the following:

*General Obligation Bonds:*

General Obligation Limited Tax Bonds, Series 1999B dated May 1, 1999, with bonds due in annual principal maturities of \$ 95,000 in 2013, \$ 100,000 in 2014, 2015 and 2016 and interest rate of 9% due on January 1 and June 1. This bond is serviced by the Golf Course Fund.

\$ 395,000

Paying Agent: Amalgamated Bank of Chicago

General Obligation Limited Tax Bonds, Series 2012 dated February 8, 2012, with bonds due in annual principal maturities of & 105,000 in 2013, \$ 100,000 in 2014, \$105,000 in 2015 and 2016, \$ 110,000 in 2017 and 2018, \$ 115,000 in 2019, \$120,000 in 2020, and \$ 125,000 in 2021. This bond is serviced by the General Fund, Water & Sewer Fund, Motor Fuel Tax Fund, and Street & Bridge Fund.

Paying Agent: Amalgamated Bank of Chicago

\$ 995,000

*Alternate Revenue Bonds:*

General Obligation Refunding Bonds (Alternate Revenue Source) Series 2009 dated April 1, 2009, with bonds due in annual principal maturities of \$ 185,000 in 2012, \$ 190,000 in 2013, \$ 195,000 in 2014. The balance of the principal maturities schedule is in the Debt Service requirements section of this report. Interest at rates between 3.0% and 5.0% due on January 1 and July 1. This bond is serviced by the Golf Course Fund.

\$ 6,540,000

*Capital Lease:*

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

\$ 32,500

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

**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. \$ 30,000

	General Obligation Bonds	General Obligation Debt Certificates	Installment Notes	Capital Lease	Alternate Revenue Bonds	Total
2013-2017	\$ 1,120,499	\$ -	\$ -	\$ 34,524	\$ 2,396,130	\$ 3,551,153
2018-2022	509,400	-	-	-	2,400,942	2,910,342
2023-beyond	-	-	-	-	5,778,822	5,778,822
	<u>\$ 1,629,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,524</u>	<u>\$ 10,575,894</u>	<u>\$ 12,240,317</u>

**NOTE 6. EMPLOYEE RETIREMENT PLANS**

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

*Illinois Municipal Retirement Fund*

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

**Funding Policy.** As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 9.50 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.50 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement rate is set by statute.

**Annual Pension Cost.** For the year ending December 31, 2011, the Village's actual contributions for pension cost for the Regular plan members were \$ 80,561. Its required contribution for calendar year 2011 was \$ 97,522.

*Trend Information*

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 97,522	83%	\$ -
12/31/10	\$ 108,131	76%	\$ -
12/31/09	\$ 89,398	100%	\$ -

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included: (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 89.26 percent funded. The actuarial accrued liability for benefits was \$ 3,622,686 and the actuarial value of assets was \$ 3,233,764, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 388,922. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$ 848,013 and the ratio of the UAAL to the covered payroll was 46 percent.

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

*Police Pension Plan*

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

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2009 was 39 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

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

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

The annual contribution for the year ended April 30, 2009, was determined as part of the April 30, 2008 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included: (a) 7.0% investment rate of return; (b) projected salary increases of 5.5% (depending on age); (c) 2.5% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2009 was 29 years.

*Trend Information*

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

\*Information not available

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

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

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

*Firefighters' Pension Plan*

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

Covered employees are required to contribute 9.455 percent of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2008 was 28 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

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

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

The annual contribution for the year ended April 30, 2008, was determined as part of the April 30, 2007 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included: (a) 7.0% investment rate of return; (b) projected salary increases of 5.5%; (c) 2.5% per year cost of living adjustments. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2007 was 29 years.

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Contributions Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/11	\$ *	\$ *	*	\$ *
4/30/10	\$ *	\$ *	*	\$ *
4/30/09	\$ *	\$ *	*	\$ *

\*Information not available

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

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

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

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

Individual interfund receivable and payable balances as of April 30, 2011, are as follows:

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

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

**NOTE 8. Other Fund Disclosures**

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

Deficit fund balances of individual funds:

The Motor Fuel Tax Fund has a deficit balance of \$ 356,561 as of April, 30, 2012. The deficit is expected to be funded by future Motor Fuel Taxes.

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

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

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure. This Statement is effective for fiscal years beginning after December 15, 2011 with earlier application encouraged.

**VILLAGE OF WORTH, ILLINOIS**  
**Notes to Basic Financial Statements**  
**April 30, 2012**

**NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED(continued)**

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments; Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- \*Collectability of swap payments is considered to be probable;
- \*Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- \*The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for periods beginning after June 15, 2011, with earlier application encouraged.

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

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

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

**NOTE 10. RISK MANAGEMENT**

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

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

**REQUIRED SUPPLEMENTAL INFORMATION**

VILLAGE OF WORTH, ILLINOIS

Illinois Municipal Retirement Fund  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
12/31/2011	\$ 3,233,764	\$ 3,622,686	\$ 388,922	89.26%	\$ 848,013	45.86%
12/31/2010	3,021,531	3,547,574	526,043	85.17%	956,068	55.02%
12/31/2009	2,802,394	3,428,196	625,802	81.75%	1,138,833	54.95%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$3,098,867.

On a market basis, the funded ratio would be 85.54%.

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)
04/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	\$ 10,845,491	\$ 17,158,773	\$ 6,313,282	63.21	\$ 1,543,003	409.16

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

VILLAGE OF WORTH, ILLINOIS

Fire Pension Fund  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll (b-a)/c)
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2008	\$ 2,345,001	\$ 3,558,262	\$ 1,213,261	65.90	\$ 714,510	169.80

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

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Property Taxes	\$ 2,414,508	\$ 2,531,137	\$ 116,629
Sales Taxes	994,877	1,175,231	180,354
Grants	-	441,280	441,280
Intergovernmental	1,345,680	1,420,054	74,374
Licenses, Permits, and Fees	1,050,961	1,006,857	(44,104)
Fines and Forfeits	665,586	676,042	10,456
Charges for Service:			
Golf Course	2,086,901	1,867,450	(219,451)
Other	86,932	49,744	(37,188)
Interest	12,051	614	(11,437)
Other	649,884	144,794	(505,090)
<b>Total Revenues</b>	<b>\$ 9,307,380</b>	<b>\$ 9,313,203</b>	<b>\$ 5,823</b>
<b>Other Financing Sources(Uses)</b>			
Transfer In	\$ -	\$ 12,510	\$ 12,510
Bond Proceeds	-	414,484	414,484
Premium Received from Bond Issuance	-	4,172	4,172
Bond Issuance Costs	-	(6,217)	(6,217)
<b>Total Other Financing Sources</b>	<b>\$ -</b>	<b>\$ 424,949</b>	<b>\$ 424,949</b>
<b>Total Revenues and Other Financing Sources(Uses)</b>	<b>\$ 9,307,380</b>	<b>\$ 9,738,152</b>	<b>\$ 430,772</b>

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>General Government:</b>			
Village President Salary	\$ 30,850	\$ 30,553	\$ (297)
Liquor Commissioner Salary	4,500	4,933	433
Clerk/Collector Salary	24,040	24,259	219
Trustees Salaries	39,300	35,971	(3,329)
Vacation & Sick Leave	-	29,803	29,803
Unemployment Taxes	15,450	14,540	(910)
Insurance Premiums	3,365	5,509	2,144
Professional Fees	61,646	29,832	(31,814)
Legal Fees	84,460	86,364	1,904
Programming Costs	4,893	19,360	14,467
Publication of Legal Notices	1,545	1,899	354
Travel Expenses for Village Officials	-	84	84
Officials Expenses	155	4,556	4,401
Employee Expenses	155	591	436
Bank Fees	258	269	11
Training Education	-	120	120
Professional Memberships	1,030	869	(161)
Officials Expense	216	250	34
Postage	5,150	3,379	(1,771)
Telephone Service	6,695	4,620	(2,075)
Utilities	2,678	2,010	(668)
Material Purchases	103	-	(103)
License Application Expenses	927	342	(585)
Maintenance Expense Vehicle	-	224	224
Building Maintenance	38,625	5,273	(33,352)
Custodial Services	2,781	2,467	(314)
Machine Purchase Other	32,445	-	(32,445)
Repair and Maintenance	515	-	(515)
Public Relations Expense	515	173	(342)
Computer Software	20,600	3,190	(17,410)
Paper Yard bags	515	180	(335)
Salt Purchase	258	-	(258)
Purchase of Office Equipment	3,090	65,770	62,680
Computer Purchase	8,240	1,176	(7,064)
Equipment Lease	773	285	(488)
Maintenance Contracts	8,240	8,233	(7)
Credit Card Charges	3,296	3,766	470
Filing Fees	206	40	(166)
Computer Repair and Maintenance	3,090	7,023	3,933
Office Expense	3,605	4,233	628

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Printing Expense	\$ 11,330	\$ 6,270	\$ (5,060)
Departmental Supplies	1,597	1,552	(45)
Custodial Expense	1,030	735	(295)
Building Expense	824	-	(824)
EDC/Beautification	11,330	13,751	2,421
Village Events Expense	1,030	-	(1,030)
DNR Fishing/Hunting	2,575	2,417	(158)
Miscellaneous Expense	1,648	16,433	14,785
Banner Program	-	600	600
Social Security/Medicare	7,550	6,007	(1,543)
Illinois Municipal Retirement Fund Contributions	8,527	12,190	3,663
Liability Insurance	6,602	13,352	6,750
Paying Agents Fee	-	9,785	9,785
Contingencies/Miscellaneous	104,545	-	(104,545)
Total General Government	<u>\$ 572,798</u>	<u>\$ 485,238</u>	<u>\$ (87,560)</u>
<b>Building Department:</b>			
Building Commissioner Salary	\$ 20,600	\$ 20,077	\$ (523)
Building Inspector Salary	25,000	23,884	(1,116)
Plumbing Inspector Salary	4,635	4,013	(622)
Electrical Inspector Salary	1,030	2,030	1,000
HVAC Inspector Salary	1,030	500	(530)
Clerical Staff Salary	28,162	29,575	1,413
Ordinance Officer Salary	7,161	6,709	(452)
Social Security/Medicare	6,907	5,731	(1,176)
Illinois Municipal Retirement Fund Contributions	4,242	4,734	492
Insurance Premiums	11,426	8,273	(3,153)
Professional Fees	10,300	1,490	(8,810)
Printing Expenses	515	159	(356)
Departmental Supplies	258	393	135
Telephone Service	258	432	174
Training and Education	515	410	(105)
Legal Notices	155	-	(155)
Legal Expenses	309	113	(196)
Maintenance - Equipment	979	237	(742)
Maintenance - Building	515	-	(515)
Liability Insurance	3,846	5,587	1,741
Miscellaneous	1,391	2,985	1,594
Total Building Department	<u>\$ 129,234</u>	<u>\$ 117,332</u>	<u>\$ (11,902)</u>
<b>Boat Launch Department:</b>			
Attendant	\$ 1,494	\$ 1,192	\$ (302)
Telephone	103	75	(28)
Utilities	3,090	4,332	1,242

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Maintenance	\$ 7,313	\$ 1,530	\$ (5,783)
Equipment Rental	1,133	1,318	185
Miscellaneous	2,508	2,020	(488)
Walking Trail	309	500	191
Custodial Supplies	62	-	(62)
Total Boat Launch Department	<u>\$ 16,012</u>	<u>\$ 10,967</u>	<u>\$ (5,045)</u>
<b>Health Department:</b>			
Health Inspector Fees	\$ -	\$ 2,760	\$ 2,760
<b>Fire Department:</b>			
Insurance Premiums	\$ 39,473	\$ 21,444	\$ (18,029)
Intergovernmental Agreement - Fire Services	1,535,724	1,529,812	(5,912)
Prior Year Employee Benefits	67,641	-	(67,641)
Total Fire Department	<u>\$ 1,642,838</u>	<u>\$ 1,551,256</u>	<u>\$ (91,582)</u>
<b>Police Department:</b>			
Clerical Salary	\$ 142,935	\$ 127,468	\$ (15,467)
Chief Salary	-	28,050	28,050
Lieutenant Salary	163,163	139,426	(23,737)
Deputy Chief	-	16,892	16,892
Administrative Assistant Salary	27,611	27,808	197
Sergeants Salary	316,768	289,154	(27,614)
Officers Salary	1,106,403	1,178,838	72,435
Court Time Salary	19,149	9,758	(9,391)
Overtime Salary	128,416	187,488	59,072
Holiday	93,214	74,811	(18,403)
Emergency Police	-	662	662
Hearing Officer	5,562	7,913	2,351
Social Security/Medicare	41,478	43,199	1,721
Illinois Municipal Retirement Fund Contributions	5,212	9,226	4,014
Crossing Guards	40,166	33,777	(6,389)
Management Fees	371	500	129
Grant Expenses	-	1,750	1,750
Clothing Allowance	19,776	16,000	(3,776)
Computer Repair and Maintenance	2,060	2,652	592
Professional Fees	12,360	17,600	5,240
Central Dispatch	259,461	220,417	(39,044)
Uniforms and Personal Equipment	8,240	11,485	3,245
Training Costs	7,725	10,771	3,046
Education Reimbursement	15,450	-	(15,450)
Travel	309	78	(231)
Employee Costs	309	562	253

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Membership and Subscriptions	\$ 5,665	\$ 6,283	\$ 618
Employment Costs	10,300	20,599	10,299
Office Supplies	8,755	10,182	1,427
Bank Fees	-	30	30
Departmental Supplies	8,240	8,628	388
Legal Fees	10,300	21,164	10,864
Postage	1,674	1,350	(324)
Telephone	15,450	9,856	(5,594)
Computer Software	1,030	2,209	1,179
Maintenance Contracts	5,665	7,714	2,049
Utilities	927	907	(20)
Custodial Supplies	4,738	4,717	(21)
Prisoner Costs	1,133	1,334	201
Radio Purchase and Maintenance	14,420	280	(14,140)
Animal Warden Supplies	1,030	1,495	465
Computer Repair and Maintenance	-	1,415	1,415
Office Equipment Purchase	309	435	126
Furniture Purchase	824	792	(32)
Other Equipment Purchase	2,575	2,933	358
Computer Purchase	4,120	2,801	(1,319)
Repair Maintenance Equipment	2,060	1,759	(301)
Equipment Rental	206	-	(206)
Maintenance - Vehicles	26,780	44,426	17,646
Fuel	27,398	30,571	3,173
Ammunition	6,180	2,422	(3,758)
Purchase of Vehicles	72,100	7,652	(64,448)
Crime Prevention	1,545	1,006	(539)
Tobacco Monitoring	206	1,098	892
Building Maintenance	7,313	4,998	(2,315)
Bullet Proof Vests	3,605	2,672	(933)
Dental Insurance Premiums	3,685	3,851	166
Health Insurance Premiums	293,473	233,623	(59,850)
Life Insurance Premiums	1,156	1,139	(17)
Worker's Compensation Insurance	213,769	136,851	(76,918)
Confiscated Cash Expenditure	-	550	550
Miscellaneous	7,519	4,889	(2,630)
<b>Total Police Department</b>	<b>\$ 3,180,288</b>	<b>\$ 3,038,916</b>	<b>\$ (141,372)</b>
<b>Street and Bridge:</b>			
Clerical Salary	\$ 2,666	\$ 3,509	\$ 843
Street and Alley Labor	131,159	190,125	58,966
Equipment Labor Wages	29,848	-	(29,848)
Vacation, Sick Leave, Overtime	-	(958)	(958)

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
Social Security/Medicare	\$ 12,884	\$ 18,115	\$ 5,231
Illinois Municipal Retirement Fund Contributions	12,104	17,914	5,810
Drainage	4,751	-	(4,751)
Refuse Pickup	3,090	2,161	(929)
Equipment Maintenance	-	31,761	31,761
Professional Fees	4,120	9,286	5,166
Engineering Fees	41,200	31,653	(9,547)
Grant Expenses	1,030	-	(1,030)
Uniforms and Personal Equipment	5,150	2,420	(2,730)
Employment Costs	1,030	2,572	1,542
Membership and Subscriptions	-	46	46
Office Supplies	309	394	85
Departmental Supplies	2,575	4,374	1,799
Postage	3,605	4,734	1,129
Telephone	4,635	5,097	462
Utilities	16,480	15,972	(508)
Custodial Supplies	412	226	(186)
Material Purchases	3,605	2,330	(1,275)
Street Signs	8,755	13,838	5,083
Tree Planting and Removal	13,390	10,200	(3,190)
Materials for Streets and Alleys	10,300	21,081	10,781
Maintenance Contracts	1,236	3,182	1,946
Repair Maintenance Equipment	14,420	16,107	1,687
Computer Software	2,060	-	(2,060)
Street Construction	370,800	359,351	(11,449)
Sidewalk Construction	9,270	-	(9,270)
Reimbursed Exp. - Grass Cutting	2,060	-	(2,060)
Radio Purchases and Repairs	1,030	1,071	41
Equipment Rental	7,725	7,496	(229)
Maintenance - Vehicles	12,360	10,118	(2,242)
Fuel	27,810	32,037	4,227
Health Insurance Premiums	21,878	19,813	(2,065)
Other Insurance Premiums	39,859	37,014	(2,845)
Building Maintenance	216,300	186,783	(29,517)
Machine and Equipment Purchase	10,918	29,090	18,172
Hot Patch	2,575	-	(2,575)
Vehicle Purchases	46,350	84,229	37,879
Vehicle Rental	-	220	220
Miscellaneous Costs	2,905	2,851	(54)
Total Street and Bridge	<u>\$ 1,102,654</u>	<u>\$ 1,176,212</u>	<u>\$ 73,558</u>
<b>Golf Course Operations:</b>			
Payroll Expense	\$ 784,176	\$ 669,861	\$ (114,315)

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
General Administration	\$ 727,892	\$ 980,351	\$ 252,459
Course and Grounds	221,383	-	(221,383)
Food and Beverage	-	81,733	81,733
Range	-	3,962	3,962
Total Golf Course Operations	<u>\$ 1,733,451</u>	<u>\$ 1,735,907</u>	<u>\$ 2,456</u>
<b>Worth Days:</b>			
Worth Days Expense	\$ 63,758	\$ 69,088	\$ 5,330
Marketing Expense	1,803	1,838	35
Total Worth Days	<u>\$ 65,561</u>	<u>\$ 70,926</u>	<u>\$ 5,365</u>
<b>Federal Seizure:</b>			
Equipment Purchase	-	346	346
Other Expenses	-	1,000	1,000
Total Federal Seizure	<u>\$ -</u>	<u>\$ 1,346</u>	<u>\$ 1,346</u>
<b>Debt Service:</b>			
Principal	\$ 252,350	\$ 522,301	\$ 269,951
Interest	312,539	345,746	33,207
Total Debt Service	<u>\$ 564,889</u>	<u>\$ 868,047</u>	<u>\$ 303,158</u>
Total Expenditures	<u>\$ 9,007,725</u>	<u>\$ 9,058,907</u>	<u>\$ 51,182</u>

See accompanying notes to required supplementary information

VILLAGE OF WORTH, ILLINOIS

Note to the Required Supplementary Information  
For the Fiscal Year Ended April 30, 2012

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

**A. Budgetary Information**

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

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

1. The Village treasurer submits to the Village Board, a proposed operating budget for the fiscal year. With the help of the budget, the Village prepares the Appropriation Ordinance.
2. A public hearing is conducted to obtain taxpayer comments on the appropriation ordinance. Within the first quarter of the fiscal year, the Appropriation Ordinance is legally enacted by the board action.
3. Appropriation ordinances for the General Fund, Certain Special Revenue Funds, and all Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles.
4. Budgets/Appropriation authority lapses at year-end.
5. State law requires that expenditures may not exceed appropriation. Transfers may be made between line items, departments and funds. The level of legal control is considered the Appropriations Ordinance.
6. Budgeted amounts are originally adopted, or as amended. During fiscal 2012, no supplemental budgetary appropriations were made.

**B. Excess of Expenditures over Budget**

Actual expenditures exceeded budgeted amounts in the following funds for the year ended April 30, 2012.

Motor Fuel Tax Fund	\$ 150,644
General Fund	\$ 51,182
TIF Fund	\$ 2,103

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

VILLAGE OF WORTH, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2012

	Tax Increment Financing Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 283,301	\$ (49,655)	\$ 233,646
Receivables			
Motor Fuel Tax	-	20,946	20,946
Due from Other Funds	<u>35,665</u>	<u>-</u>	<u>35,665</u>
Total Assets	<u>\$ 318,966</u>	<u>\$ (28,709)</u>	<u>\$ 290,257</u>
<b>Liabilities and Fund Balance</b>			
Accounts Payable	\$ -	\$ 31,344	\$ 31,344
Due to Other Funds	<u>-</u>	<u>296,508</u>	<u>296,508</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 327,852</u>	<u>\$ 327,852</u>
<b>Fund balance</b>			
Assigned, Special Revenue Funds	\$ 318,966	\$ -	\$ 318,966
Unassigned	<u>-</u>	<u>(356,561)</u>	<u>(356,561)</u>
Total Liabilities and Fund Balances	<u>\$ 318,966</u>	<u>\$ (28,709)</u>	<u>\$ 290,257</u>

VILLAGE OF WORTH, ILLINOIS

Combining Statement of Revenues, Expenditures and Change in Fund Balance -  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2012

	Tax Increment Financing Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Fund
<b>Revenues</b>			
Property Taxes	\$ 54,745	\$ -	\$ 54,745
Intergovernmental	-	316,593	316,593
Interest	-	55	55
Total Revenues	<u>\$ 54,745</u>	<u>\$ 316,648</u>	<u>\$ 371,393</u>
<b>Expenditures, Current</b>			
Motor Fuel Tax Project	\$ -	\$ 207,638	\$ 207,638
Legal Fees	6,738	-	6,738
Debt Service:			
Principal	-	230,000	230,000
Interest	-	10,657	10,657
Total Expenses	<u>\$ 6,738</u>	<u>\$ 448,295</u>	<u>\$ 455,033</u>
Excess revenues or (expenditures)	\$ 48,007	\$ (131,647)	\$ (83,640)
<b>Other Financing Sources</b>			
Proceeds from Bond Payable	\$ -	\$ 203,179	\$ 203,179
Premium from Bonds Payable	-	2,045	2,045
Bond Issuance Cost	-	(3,048)	(3,048)
Total Other Financing Sources	<u>\$ -</u>	<u>\$ 202,176</u>	<u>\$ 202,176</u>
Net Change in Fund Balance	<u>\$ 48,007</u>	<u>\$ 70,529</u>	<u>\$ 118,536</u>
Fund balance:			
May 1, 2011	<u>\$ 270,959</u>	<u>\$ (427,090)</u>	<u>\$ (156,131)</u>
April 30, 2012	<u>\$ 318,966</u>	<u>\$ (356,561)</u>	<u>\$ (37,595)</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 Tax Increment Financing Fund  
 Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>			
Property Taxes	\$ -	\$ 54,745	\$ 54,745
Total Revenues	\$ -	\$ 54,745	\$ 54,745
<b>Expenditures, Current</b>			
Legal Fees	\$ 4,635	\$ 6,738	\$ 2,103
Total Expenses	\$ 4,635	\$ 6,738	\$ 2,103
Excess revenues or (expenditures)	<u>\$ (4,635)</u>	\$ 48,007	<u>\$ 52,642</u>
Fund balance:			
May 1, 2011		<u>270,959</u>	
April 30, 2012		<u>\$ 318,966</u>	

VILLAGE OF WORTH, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>			
Intergovernmental	\$ 263,926	\$ 316,593	\$ 52,667
Interest	-	55	55
Total Revenues	<u>\$ 263,926</u>	<u>\$ 316,648</u>	<u>\$ 52,722</u>
<b>Expenditures, Current</b>			
Motor Fuel Tax Project	\$ 262,021	\$ 207,638	\$ (54,383)
Debt Service:			
Principal	29,613	230,000	200,387
Interest	9,065	10,657	1,592
Bond Issuance Cost	-	3,048	3,048
Total Expenses	<u>\$ 300,699</u>	<u>\$ 451,343</u>	<u>\$ 150,644</u>
Excess revenues or (expenditures)	\$ (36,773)	\$ (134,695)	\$ (97,922)
<b>Other Financing Sources</b>			
Proceeds from Bond Payable	\$ -	\$ 203,179	\$ 203,179
Premium from Bonds Payable	-	2,045	2,045
Total Other Financing Sources	<u>\$ -</u>	<u>\$ 205,224</u>	<u>\$ 205,224</u>
Net Change in Fund Balance	<u>\$ (36,773)</u>	\$ 70,529	<u>\$ 107,302</u>
Fund balance:			
May 1, 2011		<u>(427,090)</u>	
April 30, 2012		<u>\$ (356,561)</u>	

## **STATISTICAL INFORMATION**



HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

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

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

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

December 21, 2012

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

We have audited the basic financial statements of the Village of Worth, Illinois as of and for the year ended April 30, 2012, and have issued our report thereon dated December 21, 2012. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Village's Tax Increment Financing Redevelopment Project and Plan.

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

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

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

Sincerely,

*Hearne & Associates, P.C.*

Hearne & Associates, P.C.  
Certified Public Accountants

VILLAGE OF WORTH, ILLINOIS

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

	2011	2010	2009	2008	2007	2006	2005
Assessed Valuations	<u>\$ 176,796,155</u>	<u>\$ 216,267,934</u>	<u>\$ 215,773,382</u>	<u>\$ 210,131,229</u>	<u>\$ 186,612,161</u>	<u>\$ 177,472,688</u>	<u>\$ 176,436,473</u>
Tax Rates:							
General	1.0356	0.8203	0.8016	1.0225	1.0006	0.9184	0.8694
Garbage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
IMRF	0.0000	0.0681	0.0000	0.0000	0.0000	0.1108	0.1133
Police Pension	0.3125	0.2505	0.2558	0.1538	0.1506	0.1579	0.1265
Fire Pension	0.0877	0.0135	0.0649	0.0740	0.0725	0.0758	0.1139
Debt Service	<u>0.2842</u>	<u>0.2326</u>	<u>0.2333</u>	<u>0.0387</u>	<u>0.0387</u>	<u>0.2792</u>	<u>0.2740</u>
Total	<u>1.7200</u>	<u>1.3850</u>	<u>1.3556</u>	<u>1.2890</u>	<u>1.2624</u>	<u>1.5421</u>	<u>1.4971</u>
Extended Tax Rate	<u>1.720</u>	<u>1.385</u>	<u>1.356</u>	<u>1.263</u>	<u>1.268</u>	<u>1.542</u>	<u>1.497</u>
Tax Extensions:							
General	\$ 1,830,898	\$ 1,921,322	\$ 1,729,546	\$ 1,867,239	\$ 1,906,901	\$ 1,620,400	\$ 1,533,945
IMRF	-	-	-	-	-	195,500	199,902
Police Pension	552,487	541,751	551,948	281,037	287,000	278,663	223,192
Fire Pension	155,000	29,428	140,036	135,293	138,000	133,730	200,837
Debt Service	<u>502,494</u>	<u>503,072</u>	<u>503,492</u>	<u>72,188</u>	<u>68,750</u>	<u>492,563</u>	<u>483,407</u>
	\$ 3,040,879	\$ 2,995,573	\$ 2,925,022	\$ 2,355,757	\$ 2,400,651	\$ 2,720,856	\$ 2,641,283
Road and Bridge	<u>22,000</u>						
Totals	<u>\$ 3,062,879</u>	<u>\$ 3,017,573</u>	<u>\$ 2,947,022</u>	<u>\$ 2,377,757</u>	<u>\$ 2,422,651</u>	<u>\$ 2,742,856</u>	<u>\$ 2,663,283</u>
Tax Collections	\$ 1,243,260	\$ 2,674,250	\$ 2,846,009	\$ 2,230,067	\$ 2,120,935	\$ 2,718,157	\$ 2,579,515
Percent Collections	<u>40.59%</u>	<u>88.62%</u>	<u>96.57%</u>	<u>93.79%</u>	<u>87.55%</u>	<u>99.10%</u>	<u>96.85%</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2012

	Year Ended April 30,	Principal	Interest	Total
General Obligation				
Limited Tax Bonds, Series 1999B				
Dated May 1, 1999,				
Interest payable on January 1				
and June 1 at a rate of 9.00%				
Paying Agent: The Depository				
Trust Company				
	2013	\$ 95,000	\$ 35,550	\$ 130,550
	2014	100,000	27,000	127,000
	2015	100,000	18,000	118,000
	2016	<u>100,000</u>	<u>9,000</u>	<u>109,000</u>
		<u>\$ 395,000</u>	<u>\$ 89,550</u>	<u>\$ 484,550</u>
General Obligation Refunding Bonds				
(Alternate Revenue Source)				
Series 2009:				
Dated April 1, 2009				
Interest payable on January 1				
and July 1 at rates				
between 3.00% and 5.00%				
Paying Agent: Amalgamated Bank				
of Chicago				
	2013	\$ 190,000	\$ 288,566	\$ 478,566
	2014	195,000	282,866	477,866
	2015	200,000	277,016	477,016
	2016	210,000	270,016	480,016
	2017	220,000	262,666	482,666
	2018	225,000	253,866	478,866
	2019	235,000	244,866	479,866
	2020	245,000	235,466	480,466
	2021	255,000	225,972	480,972
	2022	265,000	215,772	480,772
	2023	275,000	205,172	480,172
	2024	290,000	193,486	483,486
	2025	300,000	180,798	480,798
	2026	315,000	167,298	482,298
	2027	330,000	152,728	482,728
	2028	345,000	137,218	482,218
	2029	360,000	120,832	480,832
	2030	380,000	103,282	483,282
	2031	395,000	84,756	479,756
	2032	415,000	65,500	480,500
	2033	435,000	44,750	479,750
	2034	<u>460,000</u>	<u>23,002</u>	<u>483,002</u>
		<u>\$ 6,540,000</u>	<u>\$ 4,035,894</u>	<u>\$ 10,575,894</u>

VILLAGE OF WORTH, ILLINOIS

Schedule of Debt Service Requirements  
April 30, 2012

	Year Ended April 30,	Principal	Interest	Total
General Obligation				
Limited Tax Bonds, Series 2012				
Dated February 8, 2012				
Interest payable on December 1 and June 1 at rates between 2.00% and 3.50%				
Paying Agent: Amalgamted Bank of Chicago				
	2013	\$ 105,000	\$ 22,524	\$ 127,524
	2014	100,000	25,575	125,575
	2015	105,000	23,575	128,575
	2016	105,000	20,950	125,950
	2017	110,000	18,325	128,325
	2018	110,000	15,025	125,025
	2019	115,000	11,725	126,725
	2020	120,000	8,275	128,275
	2021	<u>125,000</u>	<u>4,375</u>	<u>129,375</u>
		<u>\$ 995,000</u>	<u>\$ 150,349</u>	<u>\$ 1,145,349</u>
Capital Lease				
Dated May 1, 2004,				
With an average interest rate of 2%				
	2013	\$ 13,000	\$ 1,181	\$ 14,181
	2014	13,000	697	13,697
	2015	<u>6,500</u>	<u>146</u>	<u>6,646</u>
		<u>\$ 32,500</u>	<u>\$ 2,024</u>	<u>\$ 34,524</u>

VILLAGE OF WORTH, ILLINOIS

Information Required By Revenue Bond Ordinance  
(Unaudited)  
April 30, 2012

Consumer data:

Number of customers:

Water and Sewer Service:

Residential	2,479
Commercial	<u>333</u>
Total	<u><u>2,812</u></u>

Sewer Service only:

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

Percent

Water Usage:

Gallage purchased	380,727,000	100%
Gallage billed	<u>300,774,500</u>	<u>79%</u>
Gallage lost and/or unaccounted for	79,952,500	21%

Insurance coverage

Umbrella	\$ 9,000,000
Law Enforcement Liability - Each wrongful act	1,000,000
General Liability - Each occurrence	1,000,000
Public Officials Liability - Each wrongful act	1,000,000
Public Officials Liability - Aggregate	3,000,000
Auto Liability - Each accident	1,000,000
Property - Building	11,717,800
Property - BPP	904,500
Property - Tax Interruption	750,000
Contractor's (Mobile) Equipment	1,338,210
Flood	5,000,000
Earthquake	5,000,000
Equipment Breakdown:	
Expediting Equipment	12,622,300
Pollution Clean Up and Removal	100,000
Liquor	1,000,000
Crime:	
Public Employee Dishonesty	500,000
Money and Securities (inside premises)	500,000
Money and Securities (outside premises)	500,000
Forgery or Alteration	500,000
Workers' Compensation - Aggregate	2,500,000
Workers' Compensation - Each occurrence	2,500,000