

VILLAGE OF WORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2021

Prepared By:

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

Village of Worth, Illinois

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Worth, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Empahasis of Matters

Prior Period Adjustments

As discussed in Note 9 to the financial statements, the Village has recorded prior period adjustments. Our opinions are not modified with respect to this matter.

Golf Course Fund Reclassification

As discussed in Note 9, the Village has reclassified its Golf Course Fund from the General (Governmental) Fund to an Enterprise Fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The other schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

February 10, 2022
Mokena, IL


Heame & Associates, P.C.
Certified Public Accountants

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2021

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

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

Using the Financial Section of this Comprehensive Annual Report

The management of the Village of Worth offers readers of the Village's Financial Statements, this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2021. 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.

Financial Highlights

- The assets and deferred outflows of resources were exceeded by the liabilities and deferred inflows of resources by \$23,652,259 as of April 30, 2021. This compares to the exceeded amount as of April 30, 2020 of \$25,083,940. This negative Net Position amount is due mainly to the Net Pension and OPEB amounts (net pension obligation and related deferred inflows, and outflows) of \$34,784,853 and \$35,160,131 as of April 30, 2021 and 2020, respectively.
- The Village of Worth's total net position increased by \$1,789,618 at fiscal year-end, April 30, 2021. The increase in Net Position was mainly due to a large decrease in pension and OPEB liabilities.
- As of April 30, 2021, the governmental funds reported combined fund balances of \$4,063,655, an increase of \$786,966 in comparison with the prior year. Of this amount \$2,505,841 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year ending April 30, 2021, unassigned fund balance for the general fund was \$2,505,841, or approximately 26.99% of total general fund expenditures.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13-14) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services to various business-type activities.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2021

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

The Governmental Funds' (see pages 15-18) presentation is presented on a source and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of government. Funds are established for various purposes, and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. The focus is on major funds.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Fire and Police Pension, see pages 22-23). While these Funds represent trust responsibilities of the government, these assets are restricted on purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the total column on the Enterprise Funds Financial Statements (see pages 19-21) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 18). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

Infrastructure Assets

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

Government-Wide Financial Statements

Statement of Net Position

Net Position serves over time as a useful indicator of a government's financial position. In the case of the Village, liabilities exceeded assets by \$23.7 million as of April 30, 2021.

A significant portion of the Village's net position 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

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2021

provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Condensed Statement of Net Position
As of April 30, 2021

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|----------------------------------|----------------------------|-----------------------------|-----------------------------|
| Current Assets | \$ 6,505,336 | \$ 3,512,764 | \$ 10,018,100 |
| Non Current Assets | 8,308,410 | 2,370,943 | 10,679,353 |
| Total Assets | <u>14,813,746</u> | <u>5,883,707</u> | <u>20,697,453</u> |
| Deferred Outflows of Resources | <u>10,405,258</u> | <u>196,708</u> | <u>10,601,966</u> |
| Current Liabilities | 683,709 | 600,107 | 1,283,816 |
| Non Current Liabilities | 36,257,090 | 4,664,521 | 40,921,611 |
| Total Liabilities | <u>36,940,799</u> | <u>5,264,628</u> | <u>42,205,427</u> |
| Deferred Inflows of Resources | <u>11,986,413</u> | <u>759,838</u> | <u>12,746,251</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 8,308,410 | 1,518,165 | 9,826,575 |
| Restricted | 1,517,571 | 1,639,121 | 3,156,692 |
| Unrestricted | (33,534,189) | (3,101,337) | (36,635,526) |
| Total Net Position | <u>\$ (23,708,208)</u> | <u>\$ 55,949</u> | <u>\$ (23,652,259)</u> |

Condensed Statement of Net Position
As of April 30, 2020

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|----------------------------------|----------------------------|-----------------------------|-----------------------------|
| Current Assets | \$ 3,318,233 | \$ 4,320,108 | \$ 7,638,341 |
| Non Current Assets | 9,246,571 | 1,702,714 | 10,949,285 |
| Total Assets | <u>12,564,804</u> | <u>6,022,822</u> | <u>18,587,626</u> |
| Deferred Outflows of Resources | <u>12,757,252</u> | <u>-</u> | <u>12,757,252</u> |
| Current Liabilities | 975,608 | 213,489 | 1,189,097 |
| Non Current Liabilities | 52,548,037 | - | 52,548,037 |
| Total Liabilities | <u>53,523,645</u> | <u>213,489</u> | <u>53,737,134</u> |
| Deferred Inflows of Resources | <u>2,691,684</u> | <u>-</u> | <u>2,691,684</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 3,911,160 | 1,655,314 | 5,566,474 |
| Restricted | 514,821 | 1,429,665 | 1,944,486 |
| Unrestricted | (35,319,254) | 2,724,354 | (32,594,900) |
| Total Net Position | <u>\$ (30,893,273)</u> | <u>\$ 5,809,333</u> | <u>\$ (25,083,940)</u> |

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Management's Discussion and Analysis April 30, 2021

For more detailed information see the Statement of Net Position (page 13). The Village's combined net position (which is the Village's equity) increased to \$(23,652,259). This is a result of program and general revenues exceeding expenditures for the fiscal year. Net position of the Village's governmental activities is \$(23,708,208) as of April 30, 2021. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations is \$(33,534,189) as of April 30, 2021. The net position of business-type activities increased to \$55,949 from (\$897,731) after restatement. For the fiscal year ending April 30, 2021, the Village reclassified the Golf Course Fund as a Business-Type Fund from a Governmental Fund. See Note 9 for further details.

NORMAL IMPACTS

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

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

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

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

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

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

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

CURRENT YEAR IMPACTS

The Village's total assets increased by \$2,109,827 from the prior year mainly due to a net increase in current assets. The Village's liabilities decreased by \$11,531,707 mainly due to a decrease in the net pension obligation in the amount of \$10,939,312 and OPEB Liability of \$508,916.

In the current year, the Village's total net position increased by \$1,789,618. In the prior year, the net position decreased by \$5,166,391. The changes in net position are further analyzed in the next section.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2021

Changes in Net Position

The following charts compare the revenue and expenses for the current fiscal year.

Table 2
Condensed Statement of Activities
As of April 30, 2021

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|-------------------------------------|----------------------------|-----------------------------|-----------------------------|
| REVENUES | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 1,866,070 | \$ 4,476,133 | \$ 6,342,203 |
| Capital Grants and Contributions | 649,506 | - | 649,506 |
| General Revenues: | | | |
| Property Taxes | 2,875,967 | 421,753 | 3,297,720 |
| Sales Taxes | 1,886,420 | - | 1,886,420 |
| Income Taxes | 1,309,595 | - | 1,309,595 |
| Other Taxes | 1,761,347 | - | 1,761,347 |
| Other General Revenues | 51,193 | 2,752 | 53,945 |
| Total Revenues | <u>10,400,098</u> | <u>4,900,638</u> | <u>15,300,736</u> |
| EXPENSES | | | |
| General Government | 652,693 | - | 652,693 |
| Building Department | 193,280 | - | 193,280 |
| Boat Launch | 6,488 | - | 6,488 |
| Police Department | 6,434,893 | - | 6,434,893 |
| Fire Department | 1,267,668 | - | 1,267,668 |
| Street and Bridge | 645,476 | - | 645,476 |
| Worth Lot | 728 | - | 728 |
| Federal Seizure | 51,236 | - | 51,236 |
| Motor Fuel Tax | 306,582 | - | 306,582 |
| Tax Increment Financing | 2,400 | - | 2,400 |
| Interest | 2,716 | - | 2,716 |
| Waterworks and Sewerage | - | 2,367,374 | 2,367,374 |
| Commuter Parking Lot | - | 45,635 | 45,635 |
| Golf Course | - | 1,533,949 | 1,533,949 |
| Total Expenses | <u>9,564,160</u> | <u>3,946,958</u> | <u>13,511,118</u> |
| Change in Net Position | 835,938 | 953,680 | 1,789,618 |
| Beginning Net Position, as restated | <u>(24,544,146)</u> | <u>(897,731)</u> | <u>(25,441,877)</u> |
| Ending Net Position | <u>\$ (23,708,208)</u> | <u>\$ 55,949</u> | <u>\$ (23,652,259)</u> |

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2021

**Condensed Statement of Activities
As of April 30, 2020**

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|----------------------------------|----------------------------|-----------------------------|-----------------------------|
| REVENUES | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 2,950,080 | \$ 2,910,758 | \$ 5,860,838 |
| Capital Grants and Contributions | 7,923 | 18,303 | 26,226 |
| General Revenues: | | | |
| Property Taxes | 2,051,629 | - | 2,051,629 |
| Sales Taxes | 1,640,498 | - | 1,640,498 |
| Income Taxes | 1,061,476 | - | 1,061,476 |
| Other Taxes | 1,635,165 | - | 1,635,165 |
| Other General Revenues | 168,776 | - | 168,776 |
| Total Revenues | 9,515,547 | 2,929,061 | 12,444,608 |
| EXPENSES | | | |
| General Government | 673,054 | - | 673,054 |
| Building Department | 224,042 | - | 224,042 |
| Boat Launch | 4,726 | - | 4,726 |
| Fire Department | 3,749,157 | - | 3,749,157 |
| Police Department | 7,080,182 | - | 7,080,182 |
| Street and Bridge | 1,085,124 | - | 1,085,124 |
| Golf Course | 1,349,124 | - | 1,349,124 |
| Worth Lot | 765 | - | 765 |
| Federal Seizure | 56,460 | - | 56,460 |
| Motor Fuel Tax | 232,315 | - | 232,315 |
| Tax Increment Financing | 252,350 | - | 252,350 |
| Interest | 234,473 | - | 234,473 |
| Waterworks and Sewerage | - | 2,595,884 | 2,595,884 |
| Commuter Parking Lot | - | 73,343 | 73,343 |
| Total Expenses | 14,941,772 | 2,669,227 | 17,610,999 |
| Change in Net Position | (5,426,225) | 259,834 | (5,166,391) |
| Beginning Net Position | (25,467,048) | 5,549,499 | (19,917,549) |
| Ending Net Position | \$ (30,893,273) | \$ 5,809,333 | \$ (25,083,940) |

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.)

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Management's Discussion and Analysis April 30, 2021

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, 2021, revenues from all activities totaled \$15,300,736, a 22.95% increase from 2020. The increases are mainly from charges for services and other taxes received by the Village. The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services it provides. Property taxes increased by \$1,246,091 for the year (as additional taxes were utilized to fund pension costs) and charges for services increased by \$481,365.

Expenses:

The Village's total expenses for all activities for the year ended April 30, 2021 and 2020 were \$13,511,118 and \$17,610,999, respectively or a decrease of \$4,099,881. The main decrease was in the governmental activities due primarily to the increase in police pension benefits and OPEB benefits.

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 98% 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 and Fire Department, and they accounted for about \$7.7 million of the total expenses in 2021 and \$10.8 million in 2020. The patrol officers are members of the Illinois Fraternal Order of Police Labor Chapter 143.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2021

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2021, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$4,063,655 compared to \$3,276,689 in 2020, restated. This \$786,963 increase was primarily due to an increase in property taxes and other tax revenues.

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 2021. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

**Table 3
General Fund Budgetary Highlights**

| | <u>Original and Final Budget</u> | <u>Actual</u> |
|--|--------------------------------------|---------------------|
| Revenues | | |
| Property Taxes | \$ 1,595,240 | \$ 2,831,820 |
| Other Taxes & Intergovernmental | 4,167,366 | 4,591,032 |
| Licenses, Permits, Fees, Fines & Forfeitures | 1,562,783 | 2,140,095 |
| Other | 271,733 | 48,115 |
| Total | <u>\$ 7,597,122</u> | <u>\$ 9,611,062</u> |
| Expenditures | | |
| General Government & Building | \$ 913,129 | \$ 788,921 |
| Boat Launch, Health, & Worth Lot | 6,232 | 7,216 |
| Public Safety | 6,679,739 | 7,822,947 |
| Street & Bridge | 591,898 | 530,251 |
| Capital Outlay | - | 80,725 |
| Debt Service | 55,515 | 53,898 |
| Total | <u>\$ 8,246,513</u> | <u>\$ 9,283,958</u> |

As shown in Table 3, the General Fund had actual expenditures that exceeded budget by \$1,037,445. This overage was primarily due to the Public Safety exceeding budget by \$1,143,208. This overage was due to the recognition of down state pension costs in the amounts of \$1,226,150 and \$175,777 for Police and Firefighters Pension respectively. The excess of revenues in property taxes compensated for these overages in the public safety department. In the remaining departments, expenses were underbudget in total with the General Government & Building and Street and Bridge being underbudget by \$124,208 and \$61,647, respectively. The revenues were over budget by \$2,013,940 due to the increase in property taxes and overages in all most other areas due to the conservative budget estimates due to the unknown nature when preparing the budget due to COVID-19 closures.

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April 30, 2021

CAPITAL ASSETS

At the end of the fiscal year 2021, the Village had a combined total of capital assets of \$10,428,942 invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers, and sanitary sewer lines (see table 4 below). Additional information can be found in Note 4 of the Notes to the Basic Financial Statements.

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

| | Balance April 30, 2020 | Net Additions/ Deletions/ Transfers | Balance April 30, 2021 |
|--|---------------------------|---|---------------------------|
| Governmental Activities: | | | |
| Land | \$ 3,768,982 | \$ - | \$ 3,768,982 |
| Buildings and Improvements | 2,060,262 | (678,822) | 1,381,440 |
| Machinery and Equipment | 712,790 | (141,723) | 571,067 |
| Infrastructure | <u>2,704,537</u> | <u>(117,616)</u> | <u>2,586,921</u> |
| Total Capital Assets, Governmental Activities | <u>\$ 9,246,571</u> | <u>\$ (938,161)</u> | <u>\$ 8,308,410</u> |
| Business-Type Activities: | | | |
| Land | \$ 47,824 | \$ - | \$ 47,824 |
| Waterworks and Sewerage System | 1,430,842 | (71,516) | 1,359,326 |
| Machinery and Equipment | 173,293 | (105,050) | 68,243 |
| Commuter Parking Lot | 50,754 | (7,982) | 42,772 |
| Golf Course | <u>-</u> | <u>602,367</u> | <u>602,367</u> |
| Total Capital Assets, Business-Type Activities | <u>\$ 1,702,713</u> | <u>\$ 417,819</u> | <u>\$ 2,120,532</u> |

In the current year, the Village allocated the Water Edge Golf Course into a separate Enterprise Fund. Because of this the capital assets net of depreciation was transferred to the separate fund and removed from the Governmental Activities.

VILLAGE OF WORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2021

DEBT OUTSTANDING

The Village has total outstanding bonded debt of \$4,627,234 which was transferred from the Governmental activities to Business-Type activities. See Note 5 to the financial statements for detail of debt activity and debt outstanding as of April 30, 2021. Also see Note 9 to the financial statements regarding the transfer of the Golf Course Fund from a Governmental to an Enterprise Fund.

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

| | <u>April 30, 2020</u> | <u>Transfers</u> | <u>Issuances/ Reductions</u> | <u>April 30, 2021</u> |
|-------------------------------|-----------------------|----------------------|----------------------------------|-----------------------|
| Governmental Activities: | | | | |
| Bonds | \$ 4,987,875 | \$(4,910,275) | \$ (77,600) | \$ - |
| Compensated Absences | 1,735,483 | - | (29,127) | 1,706,356 |
| Net Pension Obligation | 43,315,397 | (94,919) | (10,594,012) | 32,626,466 |
| Net OPEB Liability | <u>2,869,923</u> | <u>(367,445)</u> | <u>(443,758)</u> | <u>2,058,720</u> |
| Total Governmental Activities | <u>\$ 52,908,678</u> | <u>\$(5,372,639)</u> | <u>\$(11,144,497)</u> | <u>\$ 36,391,542</u> |
| Business-Type Activities: | | | | |
| Bonds | \$ 47,400 | \$ 4,910,275 | \$ (330,441) | \$ 4,627,234 |
| Net Pension Obligation | - | 94,919 | (345,330) | (250,411) |
| Net OPEB Liability | - | 367,445 | (65,158) | 302,287 |
| Total Enterprise Activities | <u>\$ 47,400</u> | <u>\$ 5,372,639</u> | <u>\$(740,929)</u> | <u>\$ 4,679,110</u> |

ECONOMIC FACTORS

The financial condition of the Federal and State governments continues to have a dramatic effect on the Village of Worth during 2021. Grant assistance is extremely competitive, and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The Village will continue to need to look internally and consider increasing other revenue sources and/or reduce expenditures so that it can increase its available funds and net position.

FUTURE EVENTS

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the Village's financial position (net position) or results of operations (revenues, expenses, and other changes in net position) in the next fiscal year, except for the COVID-19 pandemic which may have a significant impact.

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

Village of Worth, Illinois
Statement of Net Position
April 30, 2021

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|------------------------|
| Assets | | | |
| Cash | \$ 2,496,445 | \$ 4,522,149 | \$ 7,018,594 |
| Property Taxes Receivable | 1,598,819 | 204,070 | 1,802,889 |
| Other Receivables | 778,074 | 301,221 | 1,079,295 |
| Prepaid Expenses | 40,243 | 30,170 | 70,413 |
| Inventory | - | 46,909 | 46,909 |
| Internal Balances | 1,591,755 | (1,591,755) | - |
| Net Pension Benefit | - | 250,411 | 250,411 |
| Capital Assets not Being Depreciated | 3,768,982 | 47,824 | 3,816,806 |
| Capital Assets Being Depreciated, net | 4,539,428 | 2,072,708 | 6,612,136 |
| Total Assets | 14,813,746 | 5,883,707 | 20,697,453 |
| Deferred Outflows of Resources | | | |
| Related to Pensions | 10,405,258 | 196,708 | 10,601,966 |
| Total Deferred Outflows of Resources | 10,405,258 | 196,708 | 10,601,966 |
| Liabilities | | | |
| Accounts Payable | 255,923 | 138,181 | 394,104 |
| Accrued Payroll & Liabilities | 97,854 | 59,296 | 157,150 |
| Pension Contribution Payable | 47,497 | - | 47,497 |
| Unearned Revenue | - | 97,612 | 97,612 |
| Deferred Earnings | 81,968 | - | 81,968 |
| Compensated Absences | 134,482 | 11,167 | 145,649 |
| Deposits | 65,985 | 28,851 | 94,836 |
| Long-term obligations, due within one year: | | | |
| Alternative Revenue Bonds | - | 265,000 | 265,000 |
| Long-term Obligations, due in more than one year: | | | |
| Alternative Revenue Bonds | - | 4,362,234 | 4,362,234 |
| Compensated Absences | 1,571,874 | - | 1,571,874 |
| Net Pension Obligation | 32,626,496 | - | 32,626,496 |
| Net OPEB Obligation | 2,058,720 | 302,287 | 2,361,007 |
| Total Liabilities | 36,940,799 | 5,264,628 | 42,205,427 |
| Deferred Inflows of Resources | | | |
| Pension Related | 10,093,959 | 555,768 | 10,649,727 |
| Property Taxes | 1,598,819 | 204,070 | 1,802,889 |
| Deferred Earnings | 293,635 | - | 293,635 |
| Total Deferred Inflows of Resources | 11,986,413 | 759,838 | 12,746,251 |
| Net Position | | | |
| Net Investment in Capital Assets | 8,308,410 | 1,518,165 | 9,826,575 |
| Restricted for: | | | |
| TIF Development | 834,257 | - | 834,257 |
| Motor Fuel Tax | 187,717 | - | 187,717 |
| Asset Forfeiture | 495,597 | - | 495,597 |
| Water Reserves | - | 1,639,121 | 1,639,121 |
| Unrestricted | (33,534,189) | (3,101,337) | (36,635,526) |
| Total Net Position | \$ (23,708,208) | \$ 55,949 | \$ (23,652,259) |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Activities
Year Ended April 30, 2021

| Functions/Programs | Expenses | Program Revenues | | Net (Expense), Revenue and Change in Net Position | | |
|--|----------------------|---------------------|------------------------------------|---|--------------------------|--------------------------|
| | | Charges for Service | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total Primary Government |
| Governmental Activities: | | | | | | |
| General Government | \$ 652,693 | \$ 211,820 | \$ 6,333 | \$ (434,540) | \$ - | \$ (434,540) |
| Building Department | 193,280 | 268,898 | - | 75,618 | - | 75,618 |
| Boat Launch | 6,488 | 9,702 | - | 3,214 | - | 3,214 |
| Police Department | 6,434,893 | 1,189,640 | 281,654 | (4,963,599) | - | (4,963,599) |
| Fire Department | 1,267,668 | - | - | (1,267,668) | - | (1,267,668) |
| Streets & Bridge | 645,476 | 184,010 | 6,000 | (455,466) | - | (455,466) |
| Worth Lot | 728 | 2,000 | - | 1,272 | - | 1,272 |
| Federal Seizure | 51,236 | - | - | (51,236) | - | (51,236) |
| Motor Fuel Tax Project | 306,582 | - | 355,519 | 48,937 | - | 48,937 |
| TIF Development | 2,400 | - | - | (2,400) | - | (2,400) |
| Interest on Long-term Debt | 2,716 | - | - | (2,716) | - | (2,716) |
| Total Governmental Activities | <u>9,564,160</u> | <u>1,866,070</u> | <u>649,506</u> | <u>(7,048,584)</u> | <u>-</u> | <u>(7,048,584)</u> |
| Business-Type Activities: | | | | | | |
| Waterworks & Sewerage | 2,367,374 | 2,845,499 | - | - | 478,125 | 478,125 |
| Commuter Parking Lot | 45,635 | 4,341 | - | - | (41,294) | (41,294) |
| Golf Course | 1,533,949 | 1,626,293 | - | - | 92,344 | 92,344 |
| Total Business-Type Activities | <u>3,946,958</u> | <u>4,476,133</u> | <u>-</u> | <u>-</u> | <u>529,175</u> | <u>529,175</u> |
| Total Primary Government | <u>\$ 13,511,118</u> | <u>\$ 6,342,203</u> | <u>\$ 649,506</u> | <u>(7,048,584)</u> | <u>529,175</u> | <u>(6,519,409)</u> |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | | | | 2,875,967 | 421,753 | 3,297,720 |
| Sales | | | | 1,886,420 | - | 1,886,420 |
| Income | | | | 1,309,595 | - | 1,309,595 |
| Other | | | | 1,761,347 | - | 1,761,347 |
| Interest | | | | 7,174 | 2,752 | 9,926 |
| Other General Revenues | | | | 44,019 | - | 44,019 |
| Total General Revenues | | | | <u>7,884,522</u> | <u>424,505</u> | <u>8,309,027</u> |
| Change in Net Position | | | | 835,938 | 953,680 | 1,789,618 |
| Net Position, Beginning of Year, as restated | | | | <u>(24,544,146)</u> | <u>(897,731)</u> | <u>(25,441,877)</u> |
| Net Position, End of Year | | | | <u>\$ (23,708,208)</u> | <u>\$ 55,949</u> | <u>\$ (23,652,259)</u> |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Balance Sheet -
Governmental Funds
April 30, 2021

| | Major Funds | | | Total Governmental Funds |
|---|--------------|----------------|--------------------|--------------------------------|
| | General | Motor Fuel Tax | Non-Major Funds | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 1,011,736 | \$ 801,395 | \$ 683,314 | \$ 2,496,445 |
| Receivables | | | | |
| Property Taxes | 1,598,819 | - | - | 1,598,819 |
| Other | 742,532 | 35,542 | - | 778,074 |
| Due from Other Funds | 1,591,755 | - | - | 1,591,755 |
| Prepaid Expenses | 40,243 | - | - | 40,243 |
| Total Assets | \$ 4,985,085 | \$ 836,937 | \$ 683,314 | \$ 6,505,336 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 255,923 | \$ - | \$ - | \$ 255,923 |
| Pension Contribution Payable | 47,497 | - | - | 47,497 |
| Accrued Expenses | 95,174 | 2,680 | - | 97,854 |
| Deferred Earnings | 81,968 | - | - | 81,968 |
| Deposits | 65,985 | - | - | 65,985 |
| Total Liabilities | 546,547 | 2,680 | - | 549,227 |
| Deferred Inflows of Resources | | | | |
| Deferred Revenues | | | | |
| Property Taxes | 1,598,819 | - | - | 1,598,819 |
| Deferred Earnings | 293,635 | - | - | 293,635 |
| Total Deferred Inflows of Resources | 1,892,454 | - | - | 1,892,454 |
| Fund Balances | | | | |
| Nonspendable | | | | |
| Prepaid Expenses | 40,243 | - | - | 40,243 |
| Restricted for | | | | |
| Motor Fuel Tax | - | 834,257 | - | 834,257 |
| TIF Development | - | - | 187,717 | 187,717 |
| Asset Forfeiture | - | - | 495,597 | 495,597 |
| Unassigned | 2,505,841 | - | - | 2,505,841 |
| Total Fund Balances | 2,546,084 | 834,257 | 683,314 | 4,063,655 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 4,985,085 | \$ 836,937 | \$ 683,314 | \$ 6,505,336 |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
 April 30, 2021

| | | |
|--|----|----------------------------|
| Total Fund Balances - Governmental Funds | \$ | 4,063,655 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> | | |
| <p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:</p> | | |
| Capital Assets | \$ | 20,287,524 |
| Accumulated Depreciation | | <u>(11,979,114)</u> |
| | | 8,308,410 |
| <p>Some amounts reported in the Statement of Net Position do not require nor provide current financial resources; and therefore, are not reported in the governmental funds. These amounts consist of:</p> | | |
| Deferred Outflows of Resources Related to Pensions | | 10,405,258 |
| Deferred Inflows of Resources Related to Pensions | | (10,093,959) |
| Compensated Absences | | (1,706,356) |
| Net OPEB Liability | | (2,058,720) |
| Net Pension Liability | | <u>(32,626,496)</u> |
| Net Position of Governmental Activities | \$ | <u><u>(23,708,208)</u></u> |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Funds
Year Ended April 30, 2021

| | Major Funds | | | Total Governmental Funds |
|--|---------------------|-------------------|--------------------|--------------------------------|
| | General | Motor Fuel Tax | Non-Major Funds | |
| Revenues | | | | |
| Property Taxes | \$ 2,831,820 | \$ - | \$ 44,147 | \$ 2,875,967 |
| Sales Taxes | 1,886,420 | - | - | 1,886,420 |
| Grants | 19,961 | 355,519 | - | 375,480 |
| Intergovernmental | 2,684,651 | 387,280 | - | 3,071,931 |
| Licenses, Permits, and Fees | 682,269 | - | - | 682,269 |
| Fines and Forfeits | 1,457,826 | - | - | 1,457,826 |
| Interest | 6,186 | 493 | 496 | 7,175 |
| Miscellaneous | 41,929 | - | - | 41,929 |
| Total Revenues | 9,611,062 | 743,292 | 44,643 | 10,398,997 |
| Expenditures | | | | |
| Current: | | | | |
| General Administration | 560,657 | - | - | 560,657 |
| Building Administration | 228,264 | - | - | 228,264 |
| Boat Launch | 6,488 | - | - | 6,488 |
| Fire Department | 2,380,409 | - | - | 2,380,409 |
| Police Department | 5,442,538 | - | 48,890 | 5,491,428 |
| Street and Bridge | 530,251 | 251,465 | - | 781,716 |
| Worth Lot | 728 | - | - | 728 |
| Tax Increment Financing | - | - | 2,400 | 2,400 |
| Capital Outlay | 80,725 | - | - | 80,725 |
| Debt Service | | | | |
| Principal | 52,075 | 25,525 | - | 77,600 |
| Interest and Other Charges | 1,823 | 893 | - | 2,716 |
| Total Expenditures | 9,283,958 | 277,883 | 51,290 | 9,613,131 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 327,104 | 465,409 | (6,647) | 785,866 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 1,100 | - | - | 1,100 |
| Total Other Financing Sources (Uses) | 1,100 | - | - | 1,100 |
| Net Change in Fund Balance | 328,204 | 465,409 | (6,647) | 786,966 |
| Fund Balance, Beginning of Year (as restated) | 2,217,880 | 368,848 | 689,961 | 3,276,689 |
| Fund Balance, End of Year | \$ 2,546,084 | \$ 834,257 | \$ 683,314 | \$ 4,063,655 |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended April 30, 2021

Net change in fund balance - Total Governmental Funds \$ 786,966

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 | \$ | 142,686 | |
| Depreciation Expense | | <u>(361,732)</u> | (219,046) |

Repayment of bond principal is an expenditure in the governmental funds, but
 the repayment reduces long-term liabilities in the Statement of Net Position.

| | | | |
|-------------------------|----|---------------|--------|
| Alternate revenue bonds | \$ | <u>77,600</u> | 77,600 |
|-------------------------|----|---------------|--------|

Some expenses reported in the Statement of Activities do not require the use of
 current financial resources and therefore are not reported in the governmental
 funds:

| | | | |
|-----------------------------------|----|-----------------|---------|
| Change in Compensated Absences | \$ | 29,127 | |
| Change in Net OPEB Obligation | | 443,758 | |
| Change in Net Pension Obligation | | (216,463) | |
| Gain (Loss) on Disposal of Assets | | <u>(66,004)</u> | 190,418 |

Change in net position of governmental activities \$ 835,938

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Net Position
Enterprise Funds
April 30, 2021

| | Enterprise Funds | | | |
|--|-------------------------------|-------------------------|----------------|--------------|
| | Waterworks and Sewerage | Commuter Parking Lot | Golf Course | Total |
| Assets | | | | |
| Current Assets | | | | |
| Cash | \$ 4,278,200 | \$ 48,761 | \$ 195,188 | \$ 4,522,149 |
| Accounts Receivable: | | | | |
| Customers, net | 280,662 | - | - | 280,662 |
| Property Tax | - | - | 204,070 | 204,070 |
| Other Receivable | - | 1,819 | 18,740 | 20,559 |
| Prepaid Expenses | 1,126 | - | 29,044 | 30,170 |
| Inventory | - | - | 46,909 | 46,909 |
| Total Current Assets | 4,559,988 | 50,580 | 493,951 | 5,104,519 |
| Noncurrent Assets | | | | |
| Net Pension Benefit | 250,411 | - | - | 250,411 |
| Property and Equipment | 9,037,892 | 967,506 | 2,054,226 | 12,059,624 |
| Less: Accumulated Depreciation | (7,646,841) | (840,392) | (1,451,859) | (9,939,092) |
| Total Noncurrent Assets | 1,641,462 | 127,114 | 602,367 | 2,370,943 |
| Total Assets | 6,201,450 | 177,694 | 1,096,318 | 7,475,462 |
| Deferred Outflows of Resources | | | | |
| Pension Related | 196,708 | - | - | 196,708 |
| Liabilities and Net Position | | | | |
| Current Liabilities | | | | |
| Accounts Payable | - | - | 138,181 | 138,181 |
| Accrued Payable | 16,608 | 40 | 42,648 | 59,296 |
| Deposits | - | - | 28,851 | 28,851 |
| Compensated Absences | 11,167 | - | - | 11,167 |
| Gift Certificates | - | - | 97,612 | 97,612 |
| Due To Other Funds | - | - | 1,591,755 | 1,591,755 |
| Long-term obligations, due within one year: | | | | |
| Alternative Revenue Bonds | - | - | 265,000 | 265,000 |
| Total Current Liabilities | 27,775 | 40 | 2,164,047 | 2,191,862 |
| Long-term Obligations, due in more than one year: | | | | |
| Alternative Revenue Bonds | - | - | 4,362,234 | 4,362,234 |
| Net OPEB Liability | 302,287 | - | - | 302,287 |
| Total Long-term Liabilities | 302,287 | - | 4,362,234 | 4,664,521 |
| Total Liabilities | 330,062 | 40 | 6,526,281 | 6,856,383 |
| Deferred Inflows of Resources | | | | |
| Property Taxes | - | - | 204,070 | 204,070 |
| Pension Related | 555,768 | - | - | 555,768 |
| Total Deferred Inflows of Resources | 555,768 | - | 204,070 | 759,838 |
| Net Position | | | | |
| Net Investment in Capital Assets | 1,391,051 | 127,114 | - | 1,518,165 |
| Restricted | 1,639,121 | - | - | 1,639,121 |
| Unrestricted | 2,482,156 | 50,540 | (5,634,033) | (3,101,337) |
| Total Net Position | \$ 5,512,328 | \$ 177,654 | \$ (5,634,033) | \$ 55,949 |

See Notes to the Basic Financial Statements

Village of Worth Illinois
Statement of Revenues, Expenses and
Changes in Net Position
Enterprise Funds
Year Ended April 30, 2021

| | Enterprise Fund | | | Total |
|--|----------------------------|-------------------------|-----------------------|------------------|
| | Waterworks and Sewerage | Commuter Parking Lot | Golf Course | |
| Operating Revenues | | | | |
| Water and Sewer Charges | \$ 2,835,740 | \$ - | \$ - | \$ 2,835,740 |
| Commuter Parking Fees | - | 4,341 | - | 4,341 |
| Golf Course Fees | - | - | 1,626,293 | 1,626,293 |
| Other Fees and Charges | 9,759 | - | - | 9,759 |
| Total Operating Revenues | <u>2,845,499</u> | <u>4,341</u> | <u>1,626,293</u> | <u>4,476,133</u> |
| Operating Expenses | | | | |
| Operations | 2,226,150 | 34,065 | 1,277,353 | 3,537,568 |
| Depreciation | 139,566 | 11,570 | 75,646 | 226,782 |
| Total Operating Expenses | <u>2,365,716</u> | <u>45,635</u> | <u>1,352,999</u> | <u>3,764,350</u> |
| Operating Income (Loss) | 479,783 | (41,294) | 273,294 | 711,783 |
| Nonoperating Revenue (Expense) | | | | |
| Property Tax Revenue | - | - | 421,753 | 421,753 |
| Interest Income | 2,698 | 39 | 16 | 2,753 |
| Interest Expense | (1,659) | - | (180,950) | (182,609) |
| Total Nonoperating Revenue | <u>1,039</u> | <u>39</u> | <u>240,819</u> | <u>241,897</u> |
| Change in Net Position | 480,822 | (41,255) | 514,113 | 953,680 |
| Net Position, Beginning of the Year (as restated) | <u>5,031,506</u> | <u>218,909</u> | <u>(6,148,146)</u> | <u>(897,731)</u> |
| Net Position, End of the Year | <u>\$ 5,512,328</u> | <u>\$ 177,654</u> | <u>\$ (5,634,033)</u> | <u>\$ 55,949</u> |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Cash Flows
Enterprise Funds
Year Ended April 30, 2021

| | Enterprise Fund | | | Total |
|---|----------------------------|-------------------------|-------------------|---------------------|
| | Waterworks and Sewerage | Commuter Parking Lot | Golf Course | |
| Cash Flows from Operating Activities | | | | |
| Receipts from Customers | \$ 2,908,624 | \$ 4,341 | \$ 1,617,504 | \$ 4,530,469 |
| Payments to Employees | (654,438) | (6,784) | (459,691) | (1,120,913) |
| Payments to Suppliers | (1,856,579) | (29,834) | (849,314) | (2,735,727) |
| Net Cash Provided by (Used in) Operating Activities | <u>397,607</u> | <u>(32,277)</u> | <u>308,499</u> | <u>673,829</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Property Tax Receipts | - | - | 421,753 | 421,753 |
| Payments From Other Funds | - | - | 3,248 | 3,248 |
| Net Cash Provided by Noncapital Financing Activities | <u>-</u> | <u>-</u> | <u>425,001</u> | <u>425,001</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Purchase of Capital Assets | - | - | - | - |
| Bonds Principal Payments | (47,400) | - | (288,041) | (335,441) |
| Interest Payments | (1,659) | - | (180,950) | (182,609) |
| Net Cash (Used in) Capital and Related Financing Activities | <u>(49,059)</u> | <u>-</u> | <u>(468,991)</u> | <u>(518,050)</u> |
| Cash Flows from Capital and Related Investing Activities | | | | |
| Sale of Capital Assets | 33,415 | - | - | 33,415 |
| Interest Payments | 2,698 | 39 | 16 | 2,753 |
| Net Cash (Used in) Capital and Related Financing Activities | <u>36,113</u> | <u>39</u> | <u>16</u> | <u>36,168</u> |
| Net Increase (Decrease) in Cash | <u>384,661</u> | <u>(32,238)</u> | <u>264,525</u> | <u>616,948</u> |
| Cash, Beginning of the Year | <u>3,893,539</u> | <u>80,999</u> | <u>(69,337)</u> | <u>3,905,201</u> |
| Cash, End of the Year | <u>\$ 4,278,200</u> | <u>\$ 48,761</u> | <u>\$ 195,188</u> | <u>\$ 4,522,149</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | | |
| Operating Income (Loss) | \$ 479,783 | \$ (41,294) | \$ 273,294 | \$ 711,783 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | | | |
| Depreciation Expense | 139,566 | 11,570 | 75,646 | 226,782 |
| Changes in Accrued Assets | 63,782 | (1,820) | 1,867 | 63,829 |
| Changes in Accrued Liabilities | (285,524) | (733) | (42,308) | (328,565) |
| Total Adjustments | <u>(82,176)</u> | <u>9,017</u> | <u>35,205</u> | <u>(37,954)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 397,607</u> | <u>\$ (32,277)</u> | <u>\$ 308,499</u> | <u>\$ 673,829</u> |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Fiduciary Net Position - Pension Trust Funds
April 30, 2021

| | Police Pension | Firefighters' Pension | Total |
|--|----------------------|--------------------------|----------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 9,372 | \$ 3,620 | \$ 12,992 |
| Investments, at Fair Value | | | |
| Certificates of Deposit | 99,983 | 182,976 | 282,959 |
| U.S. Government Securities | - | 278,252 | 278,252 |
| U.S. Government Agency Securities | - | 853,382 | 853,382 |
| Money Market Mutual Fund | 330,609 | 112,758 | 443,367 |
| Mutual Funds | 4,985,441 | 1,620,279 | 6,605,720 |
| Corporate Bonds | 5,182,775 | 291,410 | 5,474,185 |
| Municipal Bonds | - | 292,516 | 292,516 |
| Common Stock | 3,262,748 | - | 3,262,748 |
| Accrued Interest Receivable | 25,851 | 8,201 | 34,052 |
| Prepaid Expenses | 9,304 | 1,405 | 10,709 |
| Employer Contribution Receivable | 47,497 | - | 47,497 |
| Total Assets | \$ 13,953,580 | \$ 3,644,799 | \$ 17,598,379 |
| Liabilities, Deferred Inflows of Resources and Net Position | | | |
| Liabilities | | | |
| Accounts Payable | \$ - | \$ 1,473 | \$ 1,473 |
| Deferred Inflows of Resources | | | |
| Net Position Held in Trust for Employees' Benefits | 13,953,580 | 3,643,326 | 17,596,906 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 13,953,580 | \$ 3,644,799 | \$ 17,598,379 |

See Notes to the Basic Financial Statements

Village of Worth, Illinois
Statement of Changes in Fiduciary Net Position
- Pension Trust Funds
Year Ended April 30, 2021

| | Police Pension | Firefighters' Pension | Total |
|-------------------------------|----------------|--------------------------|---------------|
| Additions | | | |
| Contributions: | | | |
| Employer Contributions | \$ 1,226,150 | \$ 175,777 | \$ 1,401,927 |
| Employee Contributions | 233,994 | - | 233,994 |
| | 1,460,144 | 175,777 | 1,635,921 |
| Investment Income | | | |
| Net Appreciation in | | | |
| Fair Value of Investments | 2,797,147 | 628,941 | 3,426,088 |
| Interest Income | (7,609) | (540) | (8,149) |
| | (30,687) | (6,890) | (37,577) |
| Less: Investment Expense | (30,687) | (6,890) | (37,577) |
| Net Investment Income (Loss) | 2,758,851 | 621,511 | 3,380,362 |
| Total Additions | 4,218,995 | 797,288 | 5,016,283 |
| Deductions | | | |
| Benefits | 1,840,375 | 208,750 | 2,049,125 |
| Administrative Expenses | 32,720 | 25,974 | 58,694 |
| | 1,873,095 | 234,724 | 2,107,819 |
| Total Deductions | 1,873,095 | 234,724 | 2,107,819 |
| Change in Plan Net Position | 2,345,900 | 562,564 | 2,908,464 |
| Plan Net Position - Beginning | 11,607,680 | 3,080,762 | 14,688,442 |
| Plan Net Position - Ending | \$ 13,953,580 | \$ 3,643,326 | \$ 17,596,906 |

See Notes to the Basic Financial Statements

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

Financial Reporting Entity

Accounting principles generally accepted in the United States of America require the reporting entity to include all organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden to the Village.

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

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

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

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** results when constraints placed on net position use, are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** consists of net position that does not meet the criteria of the two preceding categories.

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Tax Incremental Financing (TIF) Fund – This Fund is used to account for activity associated with the Village's 111th Street/Toll road TIF District.

Federal Seizure Fund – This Fund is used to account for revenue sources that are legally restricted to provide additional support for police.

The Village has elected to have the following major Enterprise Funds – Waterworks and Sewerage Fund, Commuter Parking Lot Fund and Golf Course Fund.

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

Commuter Parking Lot Fund – Accounts for the provision of the Commuter Parking Lot services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection. The fund is considered a major fund by the Village for overall presentation of the Enterprise Funds and consistency of presentation with prior years.

Golf Course Fund – Accounts for the revenue and expense related to providing a fee-based golf course for use including residents of the Village.

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid, and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Cash and Cash Equivalents

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

Interfund Receivables, Payables, and Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net position. The following shows a summary of interfund balances within the funds:

| <u>Fund</u> | <u>Internal Balances</u> | |
|---------------------------|--------------------------|---------------------|
| | <u>Receivable</u> | <u>Payable</u> |
| Governmental Funds | | |
| General Fund | \$ 1,591,755 | \$ 47,497 |
| Enterprise Funds | | |
| Golf Course | - | 1,591,755 |
| Fiduciary Funds | | |
| Police Pension | 47,497 | - |
| Total | <u>\$ 1,639,252</u> | <u>\$ 1,639,252</u> |

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.

Inventory

The Village carries inventory in the General Fund due to the Pro Shop at Water's Edge Golf Course. Inventories are valued at cost using the first-in/first-out (FIFO) method and consists of clothing and golf supplies. The cost of inventory items is recorded as expenditures/ expenses when consumed rather than purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the government funds. These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their fair market value at the date of donation.

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

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

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

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

Unearned Revenues

Unearned Revenues are funds that are received by an organization for a service that has not yet been provided. It is recorded as a liability because it is a debt owed to the customer. For the Village of Worth, gift certificates to Water's Edge golf course comprise the unearned revenue.

Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation benefits. In addition, police retirees are permitted upon retirement to use unpaid sick time towards health insurance premiums and clerical personnel can be paid out 33% of sick leave upon retirement after ten years of service. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is recorded in the governmental funds only if they have matured, as a result of employee resignations or retirements.

Long-Term Obligations

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

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds report unavailable revenues from two sources: property taxes and pensions. These amounts are deferred and recognized as inflows of resources in the period that the amounts became available.

Restricted Net Position

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

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

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

Fund Equity

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

- Non-Spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be used only for specific purposes because of constitutional provisions, charter requirements, or enabling legislation or because constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.
- Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Village (the highest level of decision-making authority for the Village). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Village's adopted policy, only the Village may assign amounts for specific purposes.
- Unassigned – all other spendable amounts; positive amounts are only reported in the general fund.

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

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.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

2. PROPERTY TAXES

The Village's property tax becomes a lien on real property on January 1 of the year it is levied. The 2020 levy was adopted on December 15, 2020 and attached as an enforceable lien as of January 1, 2020. Property taxes are deposited with the County Treasurer who remits to the Village its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year on or about March 1 and August 1.

Based on the historical tax collection cycle, the Village has intended to finance its operations with portions of both the 2019 and 2020 levies. The Village has recorded a receivable for the remainder of the 2020 levied for collection in fiscal year 2021; that amount was deferred and will be recognized as revenue in fiscal year 2021, the period for which those taxes were levied.

3. CASH AND INVESTMENTS

Cash – Village

The carrying amount of cash, excluding the Pension Trust Funds, was \$2,917,589 at April 30, 2021, while the bank balances were \$2,942,823. All balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government held in the Village's name by financial institutions acting as the Village's agent.

At April 30, 2021, the carrying amount of Illinois Funds for the Village was \$4,101,005 and the bank balance was \$4,092,340. Illinois Funds do not require collateralization. For the purposes of financial statement presentation, they are considered a cash equivalent as the weighted average maturity of the pool is less than one year. The Illinois Funds Investment Pool is not registered with the SEC.

The pool is sponsored by the Treasurer of the State of Illinois in accordance with state law. The fair value of the position in the Pool is the same as the value of the Pool shares.

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

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

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, 2021, the Village is in compliance with their investment policy.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

3. CASH AND INVESTMENTS (continued)

Custodial Credit Risk – For an investment, this is the risk, that in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Illinois Funds Investment Pool is not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

4. CAPITAL ASSETS

In the current year, the Golf Course Fund was reclassified as an Enterprise Fund in the amount of \$2,029,327 in capital assets and \$1,376,213 in accumulated depreciation. Due to the reclassification, capital assets that were previously classified in the government-wide accounts have been reclassified to the enterprise fund. A summary of changes in the capital assets for governmental activities of the Village for the year ended April 30, 2021, is as follows:

| <i>Governmental Activities:</i> | <u>April 30, 2020</u> | <u>Additions</u> | <u>Deletions / Transfers</u> | <u>April 30, 2021</u> |
|---|-----------------------|---------------------|----------------------------------|-----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 3,768,982 | \$ - | \$ - | \$ 3,768,982 |
| Capital Assets Being Depreciated: | | | | |
| Building and Improvements | 7,010,291 | 61,962 | 1,823,573 | 5,248,680 |
| Machinery and Equipment | 4,341,289 | 80,724 | 362,448 | 4,059,565 |
| Infrastructure | <u>7,210,297</u> | <u>-</u> | <u>-</u> | <u>7,210,297</u> |
| Total Capital Assets Being Depreciated | <u>18,561,877</u> | <u>142,686</u> | <u>2,186,021</u> | <u>16,518,542</u> |
| Less Accumulated Depreciation for: | | | | |
| Building and Improvements | 4,950,029 | 113,192 | 1,195,981 | 3,867,240 |
| Machinery and Equipment | 3,628,498 | 130,924 | 270,924 | 3,488,498 |
| Infrastructure | <u>4,505,760</u> | <u>117,616</u> | <u>-</u> | <u>4,623,376</u> |
| Total Accumulated Depreciation | <u>13,084,287</u> | <u>361,732</u> | <u>1,466,905</u> | <u>11,979,114</u> |
| Total Capital Assets Being Depreciated, Net | <u>5,477,590</u> | <u>(219,046)</u> | <u>719,116</u> | <u>4,539,428</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 9,246,572</u> | <u>\$ (219,046)</u> | <u>\$ 719,116</u> | <u>\$ 8,308,410</u> |

Depreciation was charged to functions/programs as follows:

| | |
|------------------------|-------------------|
| General Government | \$ 145,983 |
| Fire Department | 7,648 |
| Police Department | 35,663 |
| Street and Bridge | 124,467 |
| Federal Seizure | 2,347 |
| Motor Fuel Tax Project | <u>45,624</u> |
| | <u>\$ 361,732</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

4. CAPITAL ASSETS (continued)

In the current year, the Golf Course Fund was reclassified as an Enterprise Fund. Due to the reclassification, capital assets that were previously classified in the government-wide accounts have been reclassified to the enterprise fund. A summary of changes in the capital assets for business-type activities of the Village for the year ended April 30, 2021, is as follows:

| | <u>Balance at</u> <u>April 30, 2020</u> | <u>Additions/</u> <u>Transfers</u> | <u>Deletions</u> | <u>Balance at</u> <u>April 30, 2021</u> |
|--|--|---------------------------------------|------------------|--|
| <i>Business-Type Activities:</i> | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 47,824 | \$ - | \$ - | \$ 47,824 |
| Capital Assets Being Depreciated: | | | | |
| Waterworks and Sewerage System | 8,564,582 | - | - | 8,564,582 |
| Machinery and Equipment | 672,946 | - | 60,932 | 612,014 |
| Commuter Parking Lot | 780,978 | - | - | 780,978 |
| Golf Course | - | <u>2,054,226</u> | - | <u>2,054,226</u> |
| Total Capital Assets Being Depreciated | <u>10,018,506</u> | <u>2,054,226</u> | <u>60,932</u> | <u>12,011,800</u> |
| Less accumulated depreciation for: | | | | |
| Waterworks and Sewerage System | 7,133,740 | 71,516 | - | 7,205,256 |
| Machinery and Equipment | 499,653 | 71,637 | 27,519 | 543,771 |
| Commuter Parking Lot | 730,224 | 7,982 | - | 738,206 |
| Golf Course | - | <u>1,451,859</u> | - | <u>1,451,859</u> |
| Total Accumulated Depreciation | <u>8,363,617</u> | <u>1,602,994</u> | <u>27,519</u> | <u>9,939,092</u> |
| Total Capital Assets Being Depreciated, Net | <u>1,654,889</u> | <u>451,232</u> | <u>33,413</u> | <u>2,072,708</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 1,702,713</u> | <u>\$ 451,232</u> | <u>\$ 33,413</u> | <u>\$ 2,120,532</u> |

Depreciation was charged to functions/programs as follows:

| | |
|-------------------------|-------------------|
| Waterworks and Sewerage | \$ 139,566 |
| Commuter Parking Lot | 11,569 |
| Golf Course | <u>75,646</u> |
| | <u>\$ 226,781</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

5. LONG-TERM OBLIGATIONS

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

| | Obligations Outstanding May 1, 2020 | Transfers | Additions | Reductions | Obligations Outstanding April 30, 2021 | Due Within One Year |
|----------------------------------|---|-----------------------|------------------|----------------------|--|---------------------------|
| <i>Governmental Activities:</i> | | | | | | |
| General Obligation Bonds: | | | | | | |
| Series 2012 | \$ 77,600 | \$ - | \$ - | \$ 77,600 | \$ - | \$ - |
| Refunding Bonds 2017 | 4,655,000 | (4,655,000) | - | - | - | - |
| Subtotal Bonds | 4,732,600 | (4,655,000) | - | - | - | - |
| Add Unamortized Bond Premium | 255,275 | (255,275) | - | - | - | - |
| Total Bonds | 4,987,875 | (4,910,275) | - | 77,600 | - | - |
| Compensated Absences | 1,735,483 | - | - | 29,127 | 1,706,356 | 134,482 |
| Net Pension Liability | 43,315,397 | (94,919) | - | 10,594,012 | 32,626,466 | - |
| Net OPEB Liability | 2,869,923 | (367,445) | - | 443,758 | 2,058,720 | - |
| Total Governmental Activities | <u>\$ 52,908,678</u> | <u>\$ (5,372,639)</u> | <u>\$ -</u> | <u>\$ 11,144,497</u> | <u>\$ 36,391,542</u> | <u>\$ 134,482</u> |
| <i>Business-Type Activities:</i> | | | | | | |
| General Obligation Bonds | \$ 47,400 | - | \$ - | \$ 47,400 | \$ - | \$ - |
| Refunding Bonds 2017 | - | 4,655,000 | - | 260,000 | 4,395,000 | 265,000 |
| Subtotal Bonds | 47,400 | 4,655,000 | - | 307,400 | 4,395,000 | 265,000 |
| Add Unamortized Bond Premium | - | 255,275 | - | 23,041 | 232,234 | - |
| Total Bonds | 47,400 | 4,910,275 | - | 330,441 | 4,627,234 | 265,000 |
| Compensated Absences | - | - | 11,167 | - | 11,167 | 11,167 |
| Net Pension Liability (Asset) | - | 94,919 | - | 345,330 | (250,411) | - |
| Net OPEB Liability | - | 367,445 | - | 65,158 | 302,287 | - |
| Total Business-Type Activities | <u>\$ 47,400</u> | <u>\$ 5,372,639</u> | <u>\$ 11,167</u> | <u>\$ 740,929</u> | <u>\$ 4,690,277</u> | <u>\$ 276,167</u> |

General Obligation Bonds:

General Obligation Limited Tax Bonds, Series 2012 dated February 8, 2012, with bonds due in annual principal maturities \$77,600 was paid in 2021. This bond is serviced by the General Fund, Water & Sewer Fund, Motor Fuel Tax Fund, and Street & Bridge Account in the General Fund. Payments are made to Amalgamated Bank of Chicago.

On November 2, 2017, the Village issued General Obligations Refund Bonds (Alternate Revenue Source), Series 2017 bonds in the amount of \$5,195,000. The terms of the Series 2017 bonds are that the bonds are issued at a rate of 3.0% to 4.0% with the principal balance to be paid in annual installments through the final maturity of January 1, 2034. Bonds outstanding as of April 30, 2021 are \$4,395,000. 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%. Principal and interest payments are made through the Golf Course Fund.

In the current year, the Golf Course Fund was reclassified as an Enterprise Fund. Due to the reclassification, outstanding debt that was previously classified in the government-wide accounts has been reclassified to the enterprise fund. See Note 9 for further information regarding the financial effect of this reclassification.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

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. The line of credit has a balance of \$0 as of April 30, 2021.

Golf Cart Lease:

On October 20, 2020, the Village signed a five-year lease agreement to rent golf carts for Water's Edge golf course. The Village agrees to pay \$6,701 monthly. The following table discloses the financial liability for the next five years:

| <u>Year</u> | <u>Payment</u> |
|-------------|-------------------|
| 2022 | \$ 80,412 |
| 2023 | 80,412 |
| 2024 | 80,412 |
| 2025 | 80,412 |
| 2026 | <u>46,907</u> |
| Total | <u>\$ 368,555</u> |

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

| <u>Fiscal Year</u> | <u>Business-Type Activities</u> | | <u>Total</u> | |
|------------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2022 | \$ 265,000 | \$ 173,150 | \$ 265,000 | \$ 173,150 |
| 2023 | 275,000 | 165,200 | 275,000 | 165,200 |
| 2024 | 290,000 | 154,200 | 290,000 | 154,200 |
| 2025 | 295,000 | 142,600 | 295,000 | 142,600 |
| 2026 | 310,000 | 130,800 | 310,000 | 130,800 |
| 2027-2031 | 1,740,000 | 458,400 | 1,740,000 | 458,400 |
| 2032-2034 | <u>1,220,000</u> | <u>99,000</u> | <u>1,220,000</u> | <u>99,000</u> |
| | <u>\$ 4,395,000</u> | <u>\$ 1,323,350</u> | <u>\$ 4,395,000</u> | <u>\$ 1,323,350</u> |

| | |
|---|-----------------------|
| 2020 Assessed Valuation | <u>\$ 190,041,484</u> |
| Statutory Debt Limitation (8.625%) | \$ 16,391,078 |
| Less Outstanding General Obligation Bonds | <u>4,395,000</u> |
| Legal Debt Margin | <u>\$ 11,996,078</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS

The Village contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer's public employee retirement system; the Sheriffs Law Enforcement Personnel Plan (SLEP), the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF & SLEP issue a publicly available Comprehensive Annual Financial report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org. The Police and Firefighters' Pension Plans do not issue separate reports. The Village determined a percentage of the IMRF liability should be allocated to the Water and Sewerage Fund and created a prior period adjustment to account for this change. See Note 9 for further details.

| | Net Pension Obligation (Asset) | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-----------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| IMRF Pension | \$ (509,723) | \$ 400,409 | \$ 1,131,292 |
| SLEP Pension | (30,527) | 5,829 | 11,539 |
| Police Pension | 28,710,012 | 10,159,530 | 9,144,068 |
| Firefighters' Pension | 4,206,323 | 36,198 | 362,828 |
| | <u>\$ 32,376,085</u> | <u>\$ 10,601,966</u> | <u>\$ 10,649,727</u> |

Illinois Municipal Retirement Fund

Plan Description

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for each year of credited service up to 15 years of service credit, and 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of (a) 3% of the original pension amount, or (b) ½ the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Illinois Municipal Retirement Fund (continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Retirees and Beneficiaries currently receiving benefits | 42 |
| Inactive Plan Members entitled to but not yet receiving benefits | 14 |
| Active Plan Members | <u>21</u> |
| Total | <u>77</u> |

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 Village's annual contribution rate for calendar year 2020 was 10.70%. For the fiscal year ended April 30, 2021, the Village contributed \$129,177 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Illinois Municipal Retirement Fund (continued)

- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|------------------------------------|---|
| Domestic Equity | 37.00% | 5.00% |
| International Equity | 18.00% | 6.00% |
| Fixed Income | 28.00% | 1.30% |
| Real Estate | 9.00% | 6.20% |
| Alternative Investments | 7.00% | 2.85%-6.95% |
| Cash Equivalents | 1.00% | 0.70% |
| Total | <u>100.00%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Illinois Municipal Retirement Fund (continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in total pension liability and changes in the plan net position as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
|---------------------------------------|-----------------------------------|---------------------------------------|---|
| Balances Beginning at 1/1/2020 | <u>\$ 8,381,775</u> | <u>\$ 8,188,562</u> | <u>\$ 193,213</u> |
| Charges for the year: | | | |
| Service Cost | 111,333 | - | 111,333 |
| Interest | 598,847 | - | 598,847 |
| Actuarial Experience | (50,909) | - | (50,909) |
| Assumptions Changes | (72,697) | - | (72,697) |
| Plan Changes | - | - | - |
| Contributions - Employer | - | 129,177 | (129,177) |
| Contributions - Employee | - | 54,326 | (54,326) |
| Net Investment Income | - | 1,152,087 | (1,152,087) |
| Benefit Payments from Trust | (354,960) | (354,960) | - |
| Other (Net Transfer) | - | (46,080) | 46,080 |
| Net Changes | <u>231,614</u> | <u>934,550</u> | <u>(702,936)</u> |
| Balances Ending at 12/31/2020 | <u>\$ 8,613,389</u> | <u>\$ 9,123,112</u> | <u>\$ (509,723)</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Lower (6.25%) | Current (7.25%) | 1% Higher (8.25%) |
|-----------------------------------|---------------------|---------------------|-----------------------|
| Total Pension Liability | \$ 9,622,501 | \$ 8,613,389 | \$ 7,829,487 |
| Less: Plan Fiduciary Net Position | <u>9,123,112</u> | <u>9,123,112</u> | <u>9,123,112</u> |
| Net Pension Liability (Asset) | <u>\$ 499,389</u> | <u>\$ (509,723)</u> | <u>\$ (1,293,625)</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the Village recognized pension benefit of \$168,595. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 47,636 |
| Changes of assumptions | - | 45,461 |
| Net difference between projected and actual earnings on pension plan investments | <u>361,950</u> | <u>1,038,195</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | 361,950 | 1,131,292 |
| Pension Contributions made subsequent to the Measurement Date | <u>38,459</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u>\$ 400,409</u> | <u>\$ 1,131,292</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| <u>Year Ending December 31</u> | <u>Net Deferred Outflows of Resources</u> |
|------------------------------------|---|
| 2021 | \$ (268,932) |
| 2022 | (118,581) |
| 2023 | (268,567) |
| 2024 | (113,262) |
| 2025 | - |
| Thereafter | <u>-</u> |
| Total | <u>\$ (769,342)</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan (continued)

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for each year of credited service up to 15 years of service credit, and 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of (a) 3% of the original pension amount, or (b) ½ the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

| | |
|--|----------|
| Retirees and Beneficiaries currently receiving benefits | 2 |
| Inactive Plan Members entitled to but not yet receiving benefits | - |
| Active Plan Members | - |
| Total | <u>2</u> |

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 Village's annual contribution rate for calendar year 2020 was 0.00%. For the fiscal year ended April 30, 2021, the Village contributed \$0.00 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan (continued)

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan (continued)

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--|---|
| Domestic Equity | 37.00% | 5.00% |
| International Equity | 18.00% | 6.00% |
| Fixed Income | 28.00% | 1.30% |
| Real Estate | 9.00% | 6.20% |
| Alternative Investments | 7.00% | 2.85%-6.95% |
| Cash Equivalents | 1.00% | 0.70% |
| Total | <u>100.00%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan (continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in total pension liability and changes in the plan net position are as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
|---------------------------------------|-----------------------------------|---------------------------------------|---|
| Balances Beginning at 1/1/2020 | \$ 86,529 | \$ 191,485 | \$ (104,956) |
| Charges for the year: | | | |
| Service Cost | - | - | - |
| Interest | 5,799 | - | 5,799 |
| Actuarial Experience | 100,077 | - | 100,077 |
| Assumptions Changes | 1,184 | - | 1,184 |
| Plan Changes | - | - | - |
| Contributions - Employer | - | - | - |
| Contributions - Employee | - | - | - |
| Net Investment Income | - | 16,620 | (16,620) |
| Benefit Payments from Trust | (13,086) | (13,086) | - |
| Other (Net Transfer) | - | 16,011 | (16,011) |
| Net Changes | <u>93,974</u> | <u>19,545</u> | <u>74,429</u> |
| Balances Ending at 12/31/2020 | <u>\$ 180,503</u> | <u>\$ 211,030</u> | <u>\$ (30,527)</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Lower (6.25%) | Current (7.25%) | 1% Higher (8.25%) |
|-------------------------------|---------------------|--------------------|----------------------|
| Total Pension Liability | \$ 197,496 | \$ 180,503 | \$ 165,888 |
| Plan Fiduciary Net Position | 211,030 | 211,030 | 211,030 |
| Net Pension Liability (Asset) | <u>\$ (13,534)</u> | <u>\$ (30,527)</u> | <u>\$ (45,142)</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Sheriffs Law Enforcement Personnel Plan (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the Village recognized pension expense of \$75,085. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | <u>5,829</u> | <u>11,539</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | 5,829 | 11,539 |
| Pension Contributions made subsequent to the Measurement Date | <u>-</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u>\$ 5,829</u> | <u>\$ 11,539</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| <u>Year Ending December 31,</u> | <u>Net Deferred Outflows of Resources</u> |
|-------------------------------------|---|
| 2021 | \$ (2,072) |
| 2022 | (97) |
| 2023 | (3,014) |
| 2024 | (527) |
| 2025 | - |
| Thereafter | - |
| Total | <u>\$ (5,710)</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan

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

Plan Membership

Membership in the plan consisted of the following as of April 30, 2021:

| | |
|---|-----------|
| Inactive Members Currently Receiving Benefits | 27 |
| Inactive Members Entitled to but not yet Receiving Benefits | 4 |
| Active nonvested plan members | <u>28</u> |
| Total | <u>59</u> |

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan (continued)

Contributions

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

Investment Policy

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

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

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

| Asset Class | Long-Term Expected Rate of Return | Long-Term Inflation Expectations | Long-Term Expected Real Rate of Return |
|---------------------------|---|--|--|
| US Large Cap Equities | 8.20% | 2.50% | 5.70% |
| US Mid Cap Equities | 8.50% | 2.50% | 6.00% |
| US Small Cap Equities | 8.70% | 2.50% | 6.20% |
| Global Developed (World) | 8.30% | 2.50% | 5.80% |
| Emerging Markets | 11.10% | 2.50% | 8.60% |
| U.S. Govt. Bond | 2.60% | 2.50% | 0.10% |
| US Investment Grade Bonds | 3.00% | 2.50% | 0.50% |

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan (continued)

Investment Valuations

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

Investment Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changes amounts actually invested.

Deposits with Financial Institutions

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

Interest Rate Risk

The Fund has the following recurring fair value measurements as of April 30, 2021. The Mutual Funds and Equities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The Corporate Bonds, Certificates of Deposit and Insurance Contracts are valued using quoted pricing models (Level 2 inputs). The following table presents the investments and maturities of the Police Pension Fund's cash and investments as of April 30, 2021.

The following table presents the investments and maturities of the Police Pension Fund's cash and investments as of April 30, 2021:

| Cash and Investment Type | Fair Value | Investment Maturities | | | |
|--|----------------------|-----------------------|---------------------|-------------------|------------------------|
| | | Less Than One Year | One to Five Years | Five to Ten Years | Greater Than Ten Years |
| Cash & Cash Equivalents | \$ 9,372 | \$ 9,372 | \$ - | \$ - | \$ - |
| Certificates of Deposit | 99,983 | 99,983 | - | - | - |
| Corporate Bonds | <u>5,182,775</u> | <u>451,460</u> | <u>4,731,315</u> | - | - |
| Total Debt Securities | <u>5,292,130</u> | <u>\$ 560,815</u> | <u>\$ 4,731,315</u> | <u>\$ -</u> | <u>\$ -</u> |
| Equities | 3,262,748 | | | | |
| Mutual Funds | 4,985,441 | | | | |
| Money Market Mutual Funds | <u>330,609</u> | | | | |
| Total Cash and Investments - Police Pension Trust Fund | <u>\$ 13,870,928</u> | | | | |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan (continued)

The Fund categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2021, the Plan's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Plan's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds, Insurance Contracts and Equities were not rated. The Bond credit ratings are listed in the following table.

| Type of Investment | Rating | Amount |
|--------------------|--------|---------------------|
| Corporate Bonds | A1 | \$ 525,064 |
| | A2 | 1,106,629 |
| | A3 | 646,005 |
| | Aa1 | 100,961 |
| | Baa1 | 1,200,975 |
| | Baa2 | 1,501,406 |
| | Baa3 | 76,459 |
| | BBB | <u>25,276</u> |
| | | <u>\$ 5,182,775</u> |

Custodial Credit Risk

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan (continued)

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of April 30, 2021, calculated in accordance with GASB Statement No. 67 were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
|---------------------------------------|-----------------------------------|---------------------------------------|---|
| Balances Beginning at 5/1/2020 | <u>\$ 49,172,959</u> | <u>\$ 11,607,680</u> | <u>\$ 37,565,279</u> |
| Charges for the year: | | | |
| Service Cost | 1,183,590 | - | 1,183,590 |
| Interest | 1,966,927 | - | 1,966,927 |
| Actuarial Experience | 270,011 | - | 270,011 |
| Assumptions Changes | (8,089,520) | - | (8,089,520) |
| Change in Benefit Terms | - | - | - |
| Contributions - Employer | - | 1,226,150 | (1,226,150) |
| Contributions - Employee | - | 233,994 | (233,994) |
| Net Investment Income | - | 2,758,711 | (2,758,711) |
| Benefit Payments from Trust | (1,840,375) | (1,840,375) | - |
| Administrative Expense | - | (32,580) | 32,580 |
| Net Changes | <u>(6,509,367)</u> | <u>2,345,900</u> | <u>(8,855,267)</u> |
| Balances Ending at 4/30/2021 | <u>\$ 42,663,592</u> | <u>\$ 13,953,580</u> | <u>\$ 28,710,012</u> |

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2021 using the following actuarial methods and assumptions:

| | |
|--|-------------------------|
| Actuarial Valuation Date | May 1, 2021 |
| Actuarial Cost Method | Entry-age, normal |
| Amortization Period | Level percentage of pay |
| Asset Valuation Method | Market |
| Long-Term Expected Rate of Return on Plan Assets | 6.75% |
| Projected Salary Increases | 3.25% |
| Includes Inflation at | 2.25% |
| Cost-of-living Adjustments | 2.25% per year |

Mortality rates are based on rates developed in the RP-2014 Adjusted for Plan Status, Collar and Illinois Public Pension Data. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Plan Descriptions (continued)

Police Pension Plan (continued)

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown in the Actuarial Assumption section is the April 30, 2021 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Discount Rate

The discount rate of 5.15% is used in the determination of the Total Pension Liability and is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

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

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.15% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.15%) of 1 percentage point higher (6.15%) than the current rate:

| | 1% Decrease <u>(4.15%)</u> | Discount Rate <u>(5.15%)</u> | 1% Increase <u>(6.15%)</u> |
|-----------------------|-------------------------------|---------------------------------|-------------------------------|
| Net Pension Liability | \$35,972,307 | \$ 28,710,012 | \$ 22,968,281 |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Police Pension

For the year ended April 30, 2021, the Village recognized Police Pension expense of \$1,308,946. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension from the following sources:

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 1,317,067 | \$ 236,029 |
| Changes of assumptions | 8,254,105 | 7,113,887 |
| Net difference between projected and actual earnings on pension plan investments | <u>588,358</u> | <u>1,794,152</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | <u>\$ 10,159,530</u> | <u>\$ 9,144,068</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Police Pension Plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Police Pensions will be recognized in pension expense in future periods as follows:

| Year Ending <u>April 30.</u> | Net Deferred Outflows of <u>Resources</u> |
|---------------------------------|---|
| 2021 | \$ 321,022 |
| 2022 | (4,406) |
| 2023 | 80,418 |
| 2024 | (37,242) |
| 2025 | 168,479 |
| Thereafter | <u>487,191</u> |
| Total | <u>\$ 1,015,462</u> |

Firefighters' Pension Plan

As of December 2008, the Village of Worth (Village) entered into an intergovernmental agreement with the North Palos Fire Protection District (District) whereby the District assumed responsibility for provision of all fire department services to the residents and property owners of the Village. Fire sworn personnel that were participants at the date of the agreement remained eligible for the Village's Firefighters' Pension Plan. The Firefighters' Pension Plan is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer 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 plan does not issue a separate stand-alone report.

Plan Membership

Membership in the plan consisted of the following as of April 30, 2021:

| | |
|--|-----------|
| Inactive Members Currently Receiving Benefits | 5 |
| Inactive Members Entitled to, but not yet Receiving Benefits | 13 |
| Active nonvested plan members | <u>-</u> |
| Total Members | <u>18</u> |

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years not to exceed 75% of such salary. The monthly benefit of a Firefighters' officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be increased annually, following the first

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Contributions

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Investment Policy

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

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

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

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

| Asset Class | Long-Term Expected Rate of Return | Long-Term Inflation Expectations | Long-Term Expected Real Rate of Return | Target Allocation |
|---------------------------|---|--|--|----------------------|
| Large Cap Domestic Equity | 8.00% | 2.50% | 5.60% | 31.5% |
| Small Cap Domestic Equity | 9.80% | 2.50% | 7.40% | 9.0% |
| International Equity | 9.30% | 2.50% | 6.90% | 4.5% |
| Fixed Income | 3.60% | 2.50% | 1.10% | 55.0% |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

Investment Valuations

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

Investment Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 18.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changes amounts actually invested.

Deposits with Financial Institutions

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

Interest Rate Risk

The Fund has the following recurring fair value measurements as of April 30, 2021. The Mutual Funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The Municipal Bonds, Corporate Bonds, Certificates of Deposit and U.S. Government and Government Agency Obligations are valued using quoted pricing models (Level 2 inputs).

The following table presents the investments and maturities of the Firefighters' Pension Fund's cash and investments as of April 30, 2021.

| Cash and Investment Type | Fair Value | Investment Maturities | | | |
|--|---------------------|-----------------------|-------------------|---------------------|------------------------|
| | | Less Than One Year | One to Five Years | Five to Ten Years | Greater Than Ten Years |
| Cash & Cash Equivalents | \$ 3,620 | \$ 3,620 | \$ - | \$ - | \$ - |
| Certificates of Deposit | 182,976 | - | 50,107 | 132,869 | - |
| U.S. Government Securities | 278,252 | 30,178 | 178,252 | 42,459 | 27,363 |
| U.S. Gov't Agency Securities | 853,382 | - | 175,702 | 677,680 | - |
| Corporate Bonds | 291,410 | 29,225 | 177,046 | 61,125 | 24,014 |
| Municipal Bonds | <u>292,516</u> | <u>5,004</u> | <u>75,657</u> | <u>186,793</u> | <u>25,062</u> |
| Total Debt Securities | <u>1,902,156</u> | <u>\$ 68,027</u> | <u>\$ 656,764</u> | <u>\$ 1,100,926</u> | <u>\$ 76,439</u> |
| Mutual Funds | 1,620,279 | | | | |
| Money Market Mutual Funds | <u>112,758</u> | | | | |
| Total Cash and Investments - Firefighters' Pension Trust Fund | <u>\$ 3,635,193</u> | | | | |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

The Fund categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. As of April 30, 2021, the Plan's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Plan's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds, Insurance Contracts and Equities were not rated. The Bond credit ratings are listed in the following tables:

| Type of Investment | Rating | Amount |
|------------------------------|--------|------------|
| Municipal Bonds | AAA | \$ 25,062 |
| | AA+ | 19,090 |
| | AA | 75,674 |
| | AA- | 25,046 |
| | Aaa | 25,946 |
| | Aa2 | 50,784 |
| | A1 | 24,867 |
| | A2 | 46,047 |
| | | \$ 292,516 |
| U.S. Agency Securities | | |
| Federal Farm Credit Bank | Aaa | \$ 535,001 |
| Federal Home Loan Banks | Aaa | 187,149 |
| Federal National Mtg. Assoc. | Aaa | 60,448 |
| Tennessee Valley Authority | Aaa | 70,784 |
| | | \$ 853,382 |
| Corporate Bonds | Aa1 | \$ 11,178 |
| | Aa3 | 16,908 |
| | A1 | 19,166 |
| | A2 | 69,118 |
| | A3 | 58,878 |
| | Baa1 | 57,807 |
| | Baa2 | 58,355 |
| | | \$ 291,410 |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

Custodial Credit Risk

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

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of April 30, 2021 calculated in accordance with GASB Statement No. 67 were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
|---------------------------------------|-----------------------------------|---------------------------------------|---|
| Balances Beginning at 5/1/2020 | \$ 8,742,653 | \$ 3,080,762 | \$ 5,661,891 |
| Charges for the year: | | | |
| Service Cost | - | - | - |
| Interest | 293,458 | - | 293,458 |
| Actuarial Experience | 520,623 | - | 520,623 |
| Assumptions Changes | (1,498,335) | - | (1,498,335) |
| Plan Changes | - | - | - |
| Contributions - Employer | - | 175,777 | (175,777) |
| Contributions - Employee | - | - | - |
| Contributions - Other | - | - | - |
| Net Investment Income | - | 621,360 | (621,360) |
| Benefit Payments from Trust | (208,750) | (208,750) | - |
| Administrative Expense | - | (25,823) | 25,823 |
| Net Changes | <u>(893,004)</u> | <u>562,564</u> | <u>(1,455,568)</u> |
| Balances Ending at 4/30/2021 | <u>\$ 7,849,649</u> | <u>\$ 3,643,326</u> | <u>\$ 4,206,323</u> |

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2021 using the following actuarial methods and assumptions.

| | |
|--|-------------------------|
| Actuarial Valuation Date | May 1, 2021 |
| Actuarial Cost Method | Entry-age, normal |
| Amortization Period | Level percentage of pay |
| Asset Valuation Method | Market |
| Long-Term Expected Rate of Return on Plan Assets | 5.50% |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

| | |
|----------------------------|-------|
| Projected Salary Increases | N/A |
| Includes Inflation at | 2.25% |
| Cost of Living Adjustments | 2.25% |

Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Firefighters.

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Firefighters.

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown in the Actuarial Assumption section is the April 30, 2021 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Discount Rate

The discount rate of 4.22% is used in the determination of the Total Pension Liability and is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position; the expected rate of return on plan investments is used to determine the portion of net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

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

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 4.22% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.22%) of 1 percentage point higher (5.22%) than the current rate:

| | 1% Decrease <u>(3.22%)</u> | Discount Rate <u>(4.22%)</u> | 1% Increase <u>(5.22%)</u> |
|-----------------------|-------------------------------|---------------------------------|-------------------------------|
| Net Pension Liability | \$ 5,659,340 | \$ 4,206,323 | \$ 3,080,771 |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

6. EMPLOYEE RETIREMENT PLANS (continued)

Firefighters' Pension Plan (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the Firefighters' Pension

For the year ended April 30, 2021, the Village recognized Firefighters' Pension benefit of \$1,081,828. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension from the following sources:

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | <u>36,198</u> | <u>362,828</u> |
| Total Deferred Amounts to be recognized in pension expense in future periods | <u>\$ 36,198</u> | <u>\$ 362,828</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Police Pensions will be recognized in pension expense in future periods as follows:

| Year Ending <u>April 30,</u> | <u>Net Deferred Outflows of Resources</u> |
|---------------------------------|---|
| 2022 | \$ (76,058) |
| 2023 | (79,744) |
| 2024 | (80,121) |
| 2025 | (90,707) |
| 2026 | - |
| Thereafter | - |
| Total | <u>\$ (326,630)</u> |

Significant Investments

The following are significant investments (other than US Government guaranteed obligations) in any one organization that represent 5.0% or more of plan net assets for either the Police or the Firefighters' Pension Plans. The Police Pension Plan did not have any significant investments in the current fiscal year. Information for IMRF is not available.

| <u>Firefighters Investment Funds Over 5 %</u> | <u>Percentage of Portfolio</u> |
|---|--------------------------------|
| T ROWE PRICE GWTH STOCK | 11% |
| VANGUARD 500 INDEX FD | 12% |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

7. OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Description

In addition to providing the pension benefits described, the Village provides post-employment health care benefits (OPEB) for retired employees. The benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by it through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and enterprise activities. The Village determined a percentage of the OPEB liability should be allocated to the Water and Sewerage Fund and created a prior period adjustment to account for this change. See Note 9 for further details.

Benefits Provided

The Village provides medical and prescription coverage to Tier 1 IMRF employees, at least 55 years old with at least 35 years of service and full-time police officers, at least 50 years old with at least 20 years of service. Additionally, Tier 2 IMRF employees, at least 62 years old with at least 35 years of service and full-time police officers, at least 55 years old with at least 10 years of service. There are no active firefighters included. There is one retiree and 2 PSEBA firefighters on Village coverage as of April 30, 2021.

This coverage allows employees to continue employer sponsored insurance in retirement. The employee is responsible for the full cost of coverage including coverage for any eligible spouse/dependent.

At April 30, 2021, the measurement date, the Fund's membership consisted of:

| | |
|--|-----------|
| Inactive plan members or beneficiaries | |
| currently receiving benefits | 13 |
| Inactive plan members entitled to, but not yet | |
| receiving benefits | - |
| Active plan members | <u>45</u> |
| Total | <u>58</u> |

Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. The Village does not have an OPEB trust set up. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Total OPEB Liability

The Village's net OPEB liability was measured as of April 30, 2021. The total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation, in accordance with parameters of GASB 75, as of that date.

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at April 30, 2021:

| | |
|---------------------------|------------------|
| Actuarial Valuation Date | April 30, 2021 |
| Asset Valuation Method | Entry-age Normal |
| Inflation | 2.25% |
| Salary Increases | 3.00% |
| Investment Rate of Return | N/A |
| Healthcare Cost Trends | Market Value |

Mortality Rates

Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Spousal Mortality Follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study for Disabled Pensioners. These rates are improved generationally using MP-2016 Improvement Rates.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.27%. The determination of Total OPEB Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal rate. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits, therefore, then only the municipal bond rate is used in determining the Total OPEB Liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The Net OPEB Liability has been determined using the end of year discount rate. The table showing the sensitivity of the Net OPEB Liability to the discount rate follows:

| | 1% Decrease <u>(1.27%)</u> | Discount Rate <u>(2.27%)</u> | 1% Increase <u>(3.27%)</u> |
|--------------------|-------------------------------|---------------------------------|-------------------------------|
| Net OPEB Liability | \$ 2,628,409 | \$ 2,361,007 | \$ 2,161,327 |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

Changes in Net OPEB Liability

The Schedule of Changes in Net OPEB Liability and Related Ratios, presents current period changes in the total OPEB liability and plan OPEB position. Changes in the Net OPEB Liability are as follows:

| | Increase (Decrease) | | |
|-----------------------------------|--------------------------------|----------------------------------|------------------------------------|
| | Total OPEB Liability (a) | OPEB Plan Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances Beginning, 5/1/20 | \$ 2,869,923 | \$ - | \$ 2,869,923 |
| Changes for the year: | | | |
| Service Cost | 57,210 | - | 57,210 |
| Interest | 70,215 | - | 70,215 |
| Actuarial Experience | (519,950) | - | (519,950) |
| Assumption Changes | 137,902 | - | 137,902 |
| Plan Changes | - | - | - |
| Contributions - Employer | - | 254,293 | (254,293) |
| Contributions - Employee | - | - | - |
| Contributions - Other | - | - | - |
| Net Investment Income | - | - | - |
| Benefit Payments | (254,293) | (254,293) | - |
| Administrative Expenses | - | - | - |
| Net Changes | (508,916) | - | (508,916) |
| Balances Ending, 4/30/21 | \$ 2,361,007 | \$ - | \$ 2,361,007 |

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2021, the Village recognized OPEB benefit of \$508,916. At April 30, 2021, the Village reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

8. RISK MANAGEMENT

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

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

9. PRIOR PERIOD ADJUSTMENTS

The Village has recorded several prior period adjustments for the fiscal year ending April 30, 2021. The impact to the financial statements is as follows:

The General Fund has received the following prior period adjustments – (1) to account for corrections to the Deferred Earnings account for Police Insurance in accordance with the Police contract allowing for unused sick time to pay for health insurance after retirement. The amount of this adjustment is \$311,725. (2) The Village has a prior balance of \$46,212 in its Health Insurance Reimbursement Receivable account. This balance has been determined to not have been outstanding and is being recorded as a prior period adjustment.

Additionally, the Village has chosen to reclassify the Golf Course Fund from a governmental fund to an Enterprise Fund to better represent the activity of this fund in accordance with the related fee income. The Fund was originally included with the General Fund. The fund balance has been restated accordingly. The Village has also reclassified the Federal Seizure Fund to be a stand-alone special revenue fund. The Fund was also originally included with the General Fund. See the following table for all prior period adjustments in the General Fund:

| | |
|--|---------------------|
| General Fund Balance as previously reported, April 30, 2020 | \$ 1,228,824 |
| Golf Course Fund has been reclassified as an Enterprise Fund | 1,890,984 |
| Federal Seizure Fund has been reclassified as a Special Revenue Fund | (543,991) |
| To Establish a Deferred Earnings Balance | (311,725) |
| To Reverse Health Insurance Reimbursement Receivable | <u>(46,212)</u> |
| General Fund Balance as restated, April 30, 2021 | <u>\$ 2,217,880</u> |

The Village reclassifying the Golf Course Fund as an Enterprise Fund effects the Government-Wide Net Position as well. The Fund was originally included with the General Fund and capital assets and debt were accounted for in the Government-Wide section. The fund balance and the capital assets have been restated accordingly. The Village reclassified IMRF Net Pension Liability and Net OPEB Liability to the Water and Sewerage Fund to reflect the amount of liability that is owed by the fund. The Village also reclassified Deferred Inflows and Outflows to the Enterprise Fund accordingly. See the following table for all prior period adjustments in the Government-Wide Net Position:

| | |
|---|------------------------|
| Net Position as previously reported, April 30, 2020 | \$ (30,893,273) |
| Fund Balance for the Golf Course Fund | 1,914,022 |
| Reclassification of Capital Assets to Enterprise Fund | (2,029,327) |
| Reclassification of Accumulated Depreciation to Enterprise Fund | 1,376,213 |
| Reclassification of Debt to Enterprise Fund | 4,887,237 |
| Restated General Fund Balance - Deferred Earnings | (357,937) |
| Reclassification of IMRF Net Pension Liability to Water and Sewerage Fund | 94,919 |
| Reclassification of Deferred Inflows to Water and Sewerage Fund | 441,808 |
| Reclassification of Deferred Outflows to Water and Sewerage Fund | (345,253) |
| Reclassification of OPEB Liability to Water and Sewerage Fund | <u>367,445</u> |
| Net Position as restated, April 30, 2021 | <u>\$ (24,544,146)</u> |

VILLAGE OF WORTH

Notes to the Basic Financial Statements
April 30, 2021

9. PRIOR PERIOD ADJUSTMENTS (continued)

The following table shows the restated Net Position of the Enterprise Fund:

| | |
|--|---------------------|
| Enterprise Fund Net Position as previously reported, April 30, 2020 | \$ 5,809,333 |
| Fund Balance for the Golf Course Fund | (1,914,022) |
| Reclassification of Capital Assets to Enterprise Fund | 2,029,327 |
| Reclassification of Accumulated Depreciation to Enterprise Fund | (1,376,213) |
| Reclassification of Debt to Enterprise Fund | (4,887,237) |
| Reclassification of IMRF Net Pension Liability to Water and Sewer Fund | (94,919) |
| Reclassification of Deferred Inflows to Water and Sewerage Fund | (441,808) |
| Reclassification of Deferred Outflows to Water and Sewerage Fund | 345,253 |
| Reclassification of OPEB Liability to Water and Sewerage Fund | <u>(367,445)</u> |
| Enterprise Fund Net Position as restated, April 30, 2021 | <u>\$ (897,731)</u> |

10. UNCERTAINTY

The Village's operations may be affected by the ongoing outbreak of coronavirus disease 2019 (COVID-2019) which was declared a pandemic by the World Health Organization in March of 2020. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The ultimate disruption to the Village is uncertain at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Worth, Illinois
Schedule of Employer Contributions - Illinois Municipal Retirement Fund
Last Ten Calendar Years
(schedule to be built prospectively from 2015)

| Calendar Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency | Covered Valuation Payroll | Contribution as a % of Covered Valuation Payroll |
|-----------------------------------|---|------------------------|----------------------------|---------------------------------|--|
| 2015 | \$ 111,139 | \$ 111,139 | \$ - | \$ 948,288 | 11.72 % |
| 2016 | 110,575 | 110,575 | - | 971,663 | 11.38 % |
| 2017 | 110,619 | 110,618 | (1) | 1,025,200 | 10.79 % |
| 2018 | 110,070 | 110,069 | (1) | 1,111,814 | 9.90 % |
| 2019 | 80,718 | 80,717 | (1) | 1,122,639 | 7.19 % |
| 2020 | 129,176 | 129,177 | 1 | 1,207,252 | 10.70 % |

Village of Worth
Schedule of Employer Contributions - Sheriffs Law Enforcement Personnel Fund
Last Ten Calendar Years
(schedule to be built prospectively from 2015)

| Calendar Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency | Covered Valuation Payroll | Contribution as a % of Covered Valuation Payroll |
|-----------------------------------|---|------------------------|----------------------------|---------------------------------|--|
| 2015 | \$ - | \$ - | \$ - | \$ - | - % |
| 2016 | - | - | - | - | - % |
| 2017 | - | - | - | - | - % |
| 2018 | - | - | - | - | - % |
| 2019 | - | - | - | - | - % |
| 2020 | - | - | - | - | - % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
 Police and Fire Pension Funds
 Schedule of Employer Contributions
 Last Ten Calendar Years
 (schedule to be built prospectively from 2015)

Police Pension Fund

| Calendar Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency | Covered Valuation Payroll | Contribution as a % of Covered Valuation Payroll |
|-----------------------------------|---|------------------------|----------------------------|---------------------------------|--|
| 2015 | \$ 758,209 | \$ 849,730 | \$ (91,521) | \$ 1,851,721 | 45.89 % |
| 2016 | 793,706 | 802,434 | (8,728) | 2,076,797 | 38.64 % |
| 2017 | 883,706 | 913,031 | (29,325) | 2,321,667 | 39.33 % |
| 2018 | 1,092,154 | 882,222 | 209,932 | 2,402,925 | 36.71 % |
| 2019 | 1,188,035 | 1,211,971 | (23,936) | 2,433,858 | 49.80 % |
| 2020 | 1,272,125 | 1,171,157 | 100,968 | 2,360,717 | 49.61 % |
| 2021 | 1,295,272 | 1,226,150 | 69,122 | 2,431,538 | 50.43 % |

Fire Pension Fund

| Calendar Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency | Covered Valuation Payroll | Contribution as a % of Covered Valuation Payroll |
|-----------------------------------|---|------------------------|----------------------------|---------------------------------|--|
| 2015 | \$ 107,781 | \$ 5,901 | \$ 101,880 | \$ - | N/A |
| 2016 | 111,746 | 173,487 | (61,741) | - | N/A |
| 2017 | 116,137 | 151,675 | (35,538) | - | N/A |
| 2018 | 173,734 | 234,027 | (60,293) | - | N/A |
| 2019 | 161,054 | 133,157 | 27,897 | - | N/A |
| 2020 | 160,019 | 168,477 | (8,458) | - | N/A |
| 2021 | 159,311 | 175,777 | (16,466) | - | N/A |

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

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Police Pension Fund
Schedule of Changes in Employer's Net Pension Liability and Related Ratios
April 30, 2021

| Total Pension Liability | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Service Cost | \$ 1,183,590 | \$ 697,503 | \$ 787,640 | \$ 740,243 | \$ 701,320 | \$ 560,587 | \$ 584,315 |
| Interest | 1,966,927 | 1,948,288 | 1,840,532 | 1,799,306 | 1,785,993 | 1,619,235 | 1,532,848 |
| Change of Benefit Terms | - | 427,159 | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 270,011 | 492,729 | 1,025,080 | 71,231 | (651,584) | 231,116 | - |
| Changes of Assumptions | (8,089,520) | 915,279 | (55,006) | 1,572,267 | (276,075) | 2,066,143 | - |
| Benefit Payments, Including Refunds of Member Contributions | (1,840,375) | (1,636,502) | (1,588,808) | (1,367,837) | (1,271,728) | (1,255,587) | (1,193,725) |
| Net Change in Total Pension Liability | (6,509,367) | 11,244,456 | 2,009,438 | 2,815,210 | 287,926 | 3,221,494 | 923,438 |
| Total Pension Liability - Beginning | 49,172,959 | 37,928,503 | 35,919,065 | 33,103,854 | 32,815,927 | 29,594,433 | 28,670,996 |
| Total Pension Liability - Ending | <u>\$ 42,663,592</u> | <u>\$ 49,172,959</u> | <u>\$ 37,928,503</u> | <u>\$ 35,919,064</u> | <u>\$ 33,103,854</u> | <u>\$ 32,815,927</u> | <u>\$ 29,594,434</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions -Employer | \$ 1,226,150 | \$ 1,171,157 | \$ 121,971 | \$ 882,222 | \$ 913,031 | \$ 802,434 | \$ 849,730 |
| Contributions - Employee | 233,994 | 233,947 | 227,688 | 231,387 | 215,432 | 200,578 | 186,555 |
| Net Investment Income | 2,758,711 | (117,003) | 1,239,213 | 523,272 | 754,599 | 1,718 | 443,973 |
| Benefit Payments, Including Refunds of Member Contributions | (1,840,375) | (1,636,502) | (1,588,808) | (1,367,837) | (127,728) | (1,255,587) | (1,193,725) |
| Administrative Expense | (32,580) | (37,287) | 33,706 | (32,929) | (34,351) | (32,486) | (31,408) |
| Net Change in Plan Fiduciary Net Position | 2,345,900 | (385,688) | 1,056,358 | 236,115 | 576,983 | (283,343) | 255,125 |
| Plan Fiduciary Net Position - Beginning | 11,607,680 | 11,993,368 | 10,937,010 | 10,700,895 | 10,123,912 | 10,407,255 | 10,152,130 |
| Plan Fiduciary Net Position - Ending | <u>\$ 13,953,580</u> | <u>\$ 11,607,680</u> | <u>\$ 11,993,368</u> | <u>\$ 10,937,010</u> | <u>\$ 10,700,895</u> | <u>\$ 10,123,912</u> | <u>\$ 10,407,255</u> |
| Employer's Net Pension Liability | <u>\$ 28,710,012</u> | <u>\$ 37,565,279</u> | <u>\$ 25,935,135</u> | <u>\$ 24,982,055</u> | <u>\$ 22,402,959</u> | <u>\$ 22,692,015</u> | <u>\$ 19,187,178</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 32.71 % | 23.61 % | 31.62 % | 30.45 % | 32.33 % | 30.85 % | 35.17 % |
| Covered-Valuation Payroll | \$ 2,431,538 | \$ 2,360,717 | \$ 24,338,858 | \$ 2,402,925 | \$ 2,321,667 | \$ 2,076,797 | \$ 1,851,721 |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | 1,180.73 % | 1,591.27 % | 1,065.60 % | 1,039.65 % | 964.95 % | 1,092.64 % | 1,036.18 % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Fire Pension Fund
Schedule of Changes in Employer's Net Pension Liability and Related Ratios
April 30, 2021

| Total Pension Liability | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 293,458 | 290,429 | 288,696 | 283,554 | 323,987 | 216,717 | 245,984 |
| Change of Benefit Terms | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 520,623 | (6,354) | (8,984) | (5,887) | (81,335) | 617,994 | - |
| Changes of Assumptions | (1,498,335) | 1,704,634 | 108,888 | (76,883) | (1,001,608) | 1,194,524 | - |
| Benefit Payments, Including Refunds of Member Contributions | <u>(208,750)</u> | <u>(191,595)</u> | <u>(190,097)</u> | <u>(188,719)</u> | <u>187,192</u> | <u>(410,638)</u> | <u>(136,481)</u> |
| Net Change in Total Pension Liability | (893,004) | 1,797,114 | 198,503 | 12,065 | (946,148) | 1,618,597 | 109,503 |
| Total Pension Liability - Beginning | <u>8,742,653</u> | <u>6,945,539</u> | <u>6,747,036</u> | <u>6,734,971</u> | <u>7,681,119</u> | <u>6,062,523</u> | <u>5,953,020</u> |
| Total Pension Liability - Ending | <u>\$ 7,849,649</u> | <u>\$ 8,742,653</u> | <u>\$ 6,945,539</u> | <u>\$ 6,747,036</u> | <u>\$ 6,734,971</u> | <u>\$ 7,681,119</u> | <u>\$ 6,062,523</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions -Employer | \$ 175,777 | \$ 168,477 | \$ 133,157 | \$ 234,027 | \$ 151,675 | \$ 173,487 | \$ 5,901 |
| Contributions - Employee | - | - | 18,377 | - | 10,044 | 30,680 | - |
| Contributions - Other | - | - | - | - | 168 | - | - |
| Net Investment Income | 621,360 | 111,699 | 157,181 | 134,551 | 163,585 | (42,659) | 157,691 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(208,750)</u> | <u>(191,595)</u> | <u>(190,097)</u> | <u>(188,719)</u> | <u>(187,192)</u> | <u>(410,638)</u> | <u>(136,481)</u> |
| Administrative Expense | <u>(25,823)</u> | <u>(25,256)</u> | <u>(25,578)</u> | <u>(28,157)</u> | <u>(25,079)</u> | <u>(17,263)</u> | <u>(39,474)</u> |
| Net Change in Plan Fiduciary Net Position | 562,564 | 63,325 | 93,040 | 151,702 | 113,201 | (266,393) | (12,362) |
| Plan Fiduciary Net Position - Beginning | <u>3,080,762</u> | <u>3,017,437</u> | <u>2,924,397</u> | <u>2,772,695</u> | <u>2,659,494</u> | <u>2,925,887</u> | <u>2,938,249</u> |
| Plan Fiduciary Net Position - Ending | <u>\$ 3,643,326</u> | <u>\$ 3,080,762</u> | <u>\$ 3,017,437</u> | <u>\$ 2,924,397</u> | <u>\$ 2,772,695</u> | <u>\$ 2,659,494</u> | <u>\$ 2,925,887</u> |
| Employer's Net Pension Liability | <u>\$ 4,206,323</u> | <u>\$ 5,661,891</u> | <u>\$ 3,928,102</u> | <u>\$ 3,822,639</u> | <u>\$ 3,962,276</u> | <u>\$ 5,021,625</u> | <u>\$ 3,136,636</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 46.41 % | 35.24 % | 43.44 % | 43.34 % | 41.17 % | 34.62 % | 48.26 % |
| Covered-Valuation Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | N/A % | N/A % | N/A % | N/A % | N/A % | N/A % | N/A % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
 Illinois Municipal Retirement Fund
 Schedule of Changes in Employer's Net Pension Liability and Related Ratios
 April 30, 2021

| Total Pension Liability | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service Cost | \$ 111,333 | \$ 108,993 | \$ 101,096 | \$ 99,643 | \$ 96,466 | \$ 97,773 |
| Interest | 598,847 | 579,764 | 537,018 | 525,968 | 505,538 | 486,640 |
| Change of Benefit Terms | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (50,909) | (63,466) | 325,739 | 16,192 | (62,773) | (93,707) |
| Changes of Assumptions | (72,697) | - | 212,738 | (191,276) | (7,922) | 7,864 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(354,960)</u> | <u>(371,520)</u> | <u>(316,553)</u> | <u>(291,298)</u> | <u>(247,697)</u> | <u>(226,190)</u> |
| Net Change in Total Pension Liability | 231,614 | 253,771 | 860,038 | 159,229 | 283,612 | 272,380 |
| Total Pension Liability - Beginning | <u>8,381,775</u> | <u>8,128,004</u> | <u>7,267,966</u> | <u>7,108,737</u> | <u>6,825,125</u> | <u>6,552,745</u> |
| Total Pension Liability - Ending | <u>\$ 8,613,389</u> | <u>\$ 8,381,775</u> | <u>\$ 8,128,004</u> | <u>\$ 7,267,966</u> | <u>\$ 7,108,737</u> | <u>\$ 6,825,125</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions -Employer | \$ 129,177 | \$ 80,717 | \$ 110,069 | \$ 110,618 | \$ 110,575 | \$ 111,139 |
| Contributions - Employee | 54,326 | 51,236 | 50,032 | 48,359 | 43,725 | 49,586 |
| Net Investment Income | 1,152,087 | 1,283,492 | (346,249) | 1,081,505 | 429,237 | 31,538 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(354,960)</u> | <u>(371,520)</u> | <u>(316,553)</u> | <u>(291,298)</u> | <u>(247,967)</u> | <u>(226,190)</u> |
| Administrative Expense | <u>(46,080)</u> | <u>64,918</u> | <u>111,774</u> | <u>(32,690)</u> | <u>50,549</u> | <u>(138,550)</u> |
| Net Change in Plan Fiduciary Net Position | 934,550 | 1,108,843 | (390,927) | 916,494 | 386,389 | (172,477) |
| Plan Fiduciary Net Position - Beginning | <u>8,188,562</u> | <u>7,079,719</u> | <u>7,470,646</u> | <u>6,554,152</u> | <u>6,167,763</u> | <u>6,340,240</u> |
| Plan Fiduciary Net Position - Ending | <u>\$ 9,123,112</u> | <u>\$ 8,188,562</u> | <u>\$ 7,079,719</u> | <u>\$ 7,470,646</u> | <u>\$ 6,554,152</u> | <u>\$ 6,167,763</u> |
| Employer's Net Pension Liability | <u>\$ (509,723)</u> | <u>\$ 193,213</u> | <u>\$ 1,048,285</u> | <u>\$ (202,680)</u> | <u>\$ 554,585</u> | <u>\$ 657,362</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 105.92 % | 97.69 % | 87.10 % | 102.79 % | 92.20 % | 90.37 % |
| Covered-Valuation Payroll | \$ 1,207,252 | \$ 1,122,639 | \$ 1,111,814 | \$ 1,025,200 | \$ 971,663 | \$ 948,288 |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | (42.22)% | 17.21 % | 94.29 % | (19.77)% | 57.08 % | 69.32 % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
 Sheriffs Law Enforcement Personnel Plan
 Schedule of Changes in Employer's Net Pension Liability and Related Ratios
 April 30, 2021

| Total Pension Liability | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| Service Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 5,799 | 5,849 | 5,629 | 5,236 | 4,871 | 4,531 |
| Change of Benefit Terms | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 100,077 | - | - | - | - | (2) |
| Changes of Assumptions | 1,184 | - | - | 1 | - | - |
| Benefit Payments, Including Refunds of Member Contributions | <u>(13,086)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Total Pension Liability | 93,974 | 5,849 | 5,629 | 5,237 | 4,871 | 4,529 |
| Total Pension Liability - Beginning | <u>86,529</u> | <u>80,680</u> | <u>75,051</u> | <u>69,814</u> | <u>64,943</u> | <u>60,414</u> |
| Total Pension Liability - Ending | <u>\$ 180,503</u> | <u>\$ 86,529</u> | <u>\$ 80,680</u> | <u>\$ 75,051</u> | <u>\$ 69,814</u> | <u>\$ 64,943</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions -Employer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions - Employee | - | - | - | - | - | - |
| Net Investment Income | 16,620 | 24,547 | (1,901) | 20,959 | 9,881 | 717 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(13,086)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other | <u>16,011</u> | <u>(337)</u> | <u>476</u> | <u>(318)</u> | <u>282</u> | <u>(6,282)</u> |
| Net Change in Plan Fiduciary Net Position | 19,545 | 24,210 | (1,425) | 20,641 | 10,163 | 255,125 |
| Plan Fiduciary Net Position - Beginning | <u>191,485</u> | <u>167,275</u> | <u>168,700</u> | <u>148,059</u> | <u>137,896</u> | <u>143,461</u> |
| Plan Fiduciary Net Position - Ending | <u>\$ 211,030</u> | <u>\$ 191,485</u> | <u>\$ 167,275</u> | <u>\$ 168,700</u> | <u>\$ 148,059</u> | <u>\$ 137,896</u> |
| Employer's Net Pension Liability | <u>\$ (30,527)</u> | <u>\$ (104,956)</u> | <u>\$ (86,595)</u> | <u>\$ (93,649)</u> | <u>\$ (78,245)</u> | <u>\$ (72,953)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 116.91 % | 221.30 % | 207.33 % | 224.78 % | 212.08 % | 212.33 % |
| Covered-Valuation Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll | N/A % | N/A % | N/A % | N/A % | N/A % | N/A % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of Employer Contributions - Other Post Employment Benefits Plan
Last Ten Calendar Years
(schedule to be built prospectively from 2015)

| Calendar Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency | Covered Valuation Payroll | Contribution as a % of Covered Valuation Payroll |
|-----------------------------------|---|------------------------|----------------------------|---------------------------------|--|
| 2019 | \$ - | \$ - | \$ - | \$ 3,397,788 | - % |
| 2020 | - | - | - | 3,432,862 | - % |
| 2021 | - | - | - | 3,759,875 | - % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Other Post Employment Benefit Plan
Schedule of Changes in Employer's Net OPEB Liability and Related Ratios
April 30, 2021

| Total OPEB Liability | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|---------------------|
| Service Cost | \$ 57,210 | \$ 43,466 | \$ 40,653 |
| Interest | 70,215 | 96,544 | 103,245 |
| Change of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | (519,950) | - | - |
| Changes of Assumptions | 137,902 | 299,668 | 29,932 |
| Benefit Payments | <u>(254,293)</u> | <u>(235,604)</u> | <u>(217,410)</u> |
| Net Change in Total OPEB Liability | (508,916) | 204,074 | (43,580) |
| Total OPEB Liability - Beginning | <u>2,869,923</u> | <u>2,665,849</u> | <u>2,709,429</u> |
| Total OPEB Liability - Ending | <u>\$ 2,361,007</u> | <u>\$ 2,869,923</u> | <u>\$ 2,665,849</u> |
| OPEB Plan Net Position | | | |
| Contributions -Employer | \$ 254,293 | \$ 235,604 | \$ 217,410 |
| Contributions - Member | - | - | - |
| Net Investment Income | - | - | - |
| Benefit Payments | (254,293) | (235,604) | (217,410) |
| Administrative Expense | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in OPEB Plan Net Position | - | - | - |
| OPEB Plan Net Position - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| OPEB Plan Net Position - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's Net OPEB Liability | <u>\$ 2,361,007</u> | <u>\$ 2,869,923</u> | <u>\$ 2,665,849</u> |
| OPEB Plan Net Position as a Percentage of the Total OPEB Liability | - | - | - |
| Covered-Valuation Payroll | \$ 3,759,875 | \$ 3,432,862 | \$ 3,397,788 |
| Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll | 62.79 % | 83.60 % | 78.46 % |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|------------------------------|---------------------|--------------------------|
| Revenues | | | |
| Property Taxes | \$ 1,595,240 | \$ 2,831,820 | \$ 1,236,580 |
| Sales Tax | 1,799,081 | 1,886,420 | 87,339 |
| Grants | - | 19,961 | 19,961 |
| Intergovernmental | 2,368,285 | 2,684,651 | 316,366 |
| Licenses, Permits, and Fees | 653,808 | 682,269 | 28,461 |
| Fines and Forfeits | 908,975 | 1,457,826 | 548,851 |
| Interest | 71,768 | 6,186 | (65,582) |
| Miscellaneous | 199,965 | 41,929 | (158,036) |
| Total Revenues | <u>7,597,122</u> | <u>9,611,062</u> | <u>2,013,940</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 673,682 | 560,657 | (113,025) |
| Building Department | 239,447 | 228,264 | (11,183) |
| Boat Launch Department | 5,408 | 6,488 | 1,080 |
| Fire Protection | 2,219,388 | 2,380,409 | 161,021 |
| Police Department | 4,460,351 | 5,442,538 | 982,187 |
| Street and Bridge | 591,898 | 530,251 | (61,647) |
| Worth Lot | 824 | 728 | (96) |
| Capital Outlay | - | 80,725 | 80,725 |
| Debt Service: | | | |
| Principal | 53,638 | 52,075 | (1,563) |
| Interest and Fees | 1,877 | 1,823 | (54) |
| Total Expenditures | <u>8,246,513</u> | <u>9,283,958</u> | <u>1,037,445</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(649,391)</u> | <u>327,104</u> | <u>976,495</u> |
| Other Financing Sources (Uses) | | | |
| Sale of Capital Assets | - | 1,100 | (1,100) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>1,100</u> | <u>1,100</u> |
| Net Change in Fund Balance | <u>\$ (649,391)</u> | 328,204 | <u>\$ 977,595</u> |
| Fund Balance, Beginning of Year | | <u>2,217,880</u> | |
| Fund Balance, End of Year | | <u>\$ 2,546,084</u> | |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of General Fund Expenditures
Budget and Actual
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|-----------|---|
| General Government: | | | |
| Village President Salary | \$ 31,776 | \$ 30,761 | \$ (1,015) |
| Liquor Commissioner Salary | 4,635 | 4,472 | (163) |
| Clerk/Collector Salary | 24,761 | 25,698 | 937 |
| Trustees Salaries | 40,479 | 39,300 | (1,179) |
| Custodial Wages | 3,712 | 3,245 | (467) |
| Clerical Wages | 38,976 | 36,740 | (2,236) |
| Assistant Treasurer | 55,603 | 53,929 | (1,674) |
| Social Security/Medicare | 15,295 | 14,705 | (590) |
| Illinois Municipal Retirement Fund Contributions | 16,665 | 15,765 | (900) |
| Insurance Premiums | 38,685 | 67,390 | 28,705 |
| Professional Fees | 27,707 | 17,914 | (9,793) |
| Legal Fees | 105,060 | 116,119 | 11,059 |
| Programming Costs | 21,630 | 21,670 | 40 |
| Publication of Legal Notices | 1,030 | 1,342 | 312 |
| Travel Expenses for Village Officials | 165 | - | (165) |
| Officials Expenses | 721 | 25 | (696) |
| Employee Expenses | 1,339 | 849 | (490) |
| Training Education | 1,545 | - | (1,545) |
| Professional Memberships | 13,905 | 17,963 | 4,058 |
| Postage | 1,854 | 1,536 | (318) |
| Telephone Service | 5,150 | 4,708 | (442) |
| Utilities | 3,502 | 3,279 | (223) |
| License Application Expenses | 258 | 170 | (88) |
| Building Maintenance | 20,085 | 291 | (19,794) |
| Machine Purchase Other | 8,343 | 4,162 | (4,181) |
| Repair and Maintenance | 412 | - | (412) |
| Computer Software | 2,575 | 164 | (2,411) |
| Purchase of Office Equipment | 1,751 | - | (1,751) |
| Computer Purchase | 6,180 | 3,175 | (3,005) |
| Maintenance Contracts | 17,510 | 19,455 | 1,945 |
| PATSE Transportation Services | 1,133 | 97 | (1,036) |
| Credit Card Charges | 15,141 | 2,868 | (12,273) |
| Filing Fees | 515 | 1,129 | 614 |
| Computer Repair and Maintenance | 12,360 | 7,076 | (5,284) |
| Office Expense | 5,562 | 4,484 | (1,078) |
| Printing Expense | 1,545 | 751 | (794) |
| Departmental Supplies | 2,163 | 2,134 | (29) |
| State Collection Fees | 8,343 | 9,175 | 832 |

(continued)

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of General Fund Expenditures
Budget and Actual
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|----------------|---|
| Custodial Expense | 1,854 | 944 | (910) |
| Building Expense | \$ 412 | \$ - | \$ (412) |
| Economic Development | - | 21,082 | 21,082 |
| Village Events Expense | 206 | 25 | (181) |
| DNR Fishing/Hunting | 1,545 | 2,332 | 787 |
| Liability Insurance | 7,925 | 2,629 | (5,296) |
| Paying Agents Fee | 361 | - | (361) |
| Contingencies/Miscellaneous | 103,308 | 1,104 | (102,204) |
| Total General Government | <u>673,682</u> | <u>560,657</u> | <u>(113,025)</u> |
| Building Department: | | | |
| Building Commissioner Salary | 21,855 | 21,150 | (705) |
| Building Inspector Salary | 36,256 | 36,526 | 270 |
| Plumbing Inspector Salary | 4,120 | 2,719 | (1,401) |
| Electrical Inspector Salary | 8,240 | 7,253 | (987) |
| HVAC Inspector Salary | 1,545 | 1,040 | (505) |
| Clerical Staff Salary | 43,306 | 41,902 | (1,404) |
| Ordinance Officer Salary | 41,220 | 40,202 | (1,018) |
| Social Security/Medicare | 11,976 | 11,581 | (395) |
| Illinois Municipal Retirement Fund Contributions | 11,383 | 11,522 | 139 |
| Insurance Premiums | 30,135 | 29,352 | (783) |
| Professional Fees | 12,875 | 9,496 | (3,379) |
| Engineering Fees | 2,781 | 259 | (2,522) |
| Printing Expenses | 515 | 671 | 156 |
| Departmental Supplies | 1,082 | 2,156 | 1,074 |
| Telephone Service | 1,174 | 1,414 | 240 |
| Training and Education | 412 | - | (412) |
| Legal Notices | 515 | 32 | (483) |
| Maintenance - Equipment | - | 985 | 985 |
| Liability Insurance | 7,690 | 6,075 | (1,615) |
| Miscellaneous | 2,367 | 3,929 | 1,562 |
| Total Building Department | <u>239,447</u> | <u>228,264</u> | <u>(11,183)</u> |
| Boat Launch Department: | | | |
| Attendant/Custodian | - | 130 | 130 |
| Social Security/Medicare | - | 10 | 10 |
| Utilities | 2,575 | 1,433 | (1,142) |
| Maintenance | 1,545 | 256 | (1,289) |
| Miscellaneous | 1,288 | 4,659 | 3,371 |
| Total Boat Launch Department | <u>5,408</u> | <u>6,488</u> | <u>1,080</u> |

(continued)

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of General Fund Expenditures
Budget and Actual
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|------------------|---|
| Fire Department: | | | |
| Down State Pension Expense | \$ - | \$ 175,777 | \$ 175,777 |
| Insurance Premiums | 56,388 | 50,874 | (5,514) |
| Intergovernmental Agreement - Fire Services | 2,163,000 | 2,153,758 | (9,242) |
| Total Fire Department | <u>2,219,388</u> | <u>2,380,409</u> | <u>161,021</u> |
| Police Department: | | | |
| Clerical Salary | 173,040 | 156,922 | (16,118) |
| Chief Salary | 129,238 | 259,456 | 130,218 |
| Lieutenant Salary | 113,124 | 110,339 | (2,785) |
| Deputy Chief | 243,216 | 233,254 | (9,962) |
| Administrative Assistant Salary | 46,350 | 41,737 | (4,613) |
| Sergeants Salary | 418,404 | 410,982 | (7,422) |
| Officers Salary | 1,488,737 | 1,314,540 | (174,197) |
| Court Time Salary | 15,450 | 9,880 | (5,570) |
| Custodial Wages | 5,568 | 4,867 | (701) |
| Hearing Officer | 10,300 | 10,029 | (271) |
| Collection Fees | 88,580 | 46,440 | (42,140) |
| Vacation/Sick Leave/ Overtime | 221,450 | 226,780 | 5,330 |
| Social Security/Medicare | 58,570 | 53,766 | (4,804) |
| Down State Pension Expense | - | 1,226,150 | 1,226,150 |
| Illinois Municipal Retirement Fund Contributions | 9,919 | 12,367 | 2,448 |
| Crossing Guards | 42,230 | 23,349 | (18,881) |
| Computer Repair and Maintenance | 10,300 | 7,870 | (2,430) |
| Professional Fees | 25,750 | 14,959 | (10,791) |
| Central Dispatch | 338,520 | 328,650 | (9,870) |
| Uniforms and Personal Equipment | 27,398 | 27,199 | (199) |
| Training Costs | 20,600 | 16,340 | (4,260) |
| Education Reimbursement | 10,300 | - | (10,300) |
| Travel | 1,030 | 607 | (423) |
| Employee Costs | 12,360 | 16,618 | 4,258 |
| Membership and Subscriptions | 9,270 | 12,536 | 3,266 |
| Office Supplies | 10,300 | 9,216 | (1,084) |
| Departmental Supplies | 7,210 | 9,578 | 2,368 |
| Taxes & Licenses | 1,030 | 1,057 | 27 |
| Filing Fees | 618 | - | (618) |
| Legal Fees | 16,480 | 16,622 | 142 |

(continued)

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of General Fund Expenditures
Budget and Actual
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|---------------------------------|------------------|---|
| Postage | \$ 4,120 | \$ 2,779 | \$ (1,341) |
| Telephone | 13,390 | 12,326 | (1,064) |
| Computer Software | 5,150 | 1,203 | (3,947) |
| Maintenance Contracts | 7,210 | 13,971 | 6,761 |
| Custodial Supplies | 2,575 | 2,162 | (413) |
| Prisoner Costs | 1,236 | 2,467 | 1,231 |
| Radio Purchase and Maintenance | 5,150 | 4,641 | (509) |
| Animal Warden Supplies | 2,060 | 1,326 | (734) |
| Printing Expense | 4,635 | 3,107 | (1,528) |
| Other Equipment Purchase | - | 2,015 | 2,015 |
| Maintenance - Vehicles | 30,900 | 36,144 | 5,244 |
| Fuel | 30,900 | 73,505 | 42,605 |
| Ammunition | 4,120 | 4,924 | 804 |
| Purchase of Vehicles | 92,700 | 1,624 | (91,076) |
| Crime Prevention | 2,575 | - | (2,575) |
| Building Maintenance | 2,575 | 1,876 | (699) |
| Bullet Proof Vests | 5,150 | 4,000 | (1,150) |
| Dental Insurance Premiums | 15,021 | 9,896 | (5,125) |
| Health Insurance Premiums | 470,875 | 439,761 | (31,114) |
| Life Insurance Premiums | 1,741 | 1,451 | (290) |
| HRA Reimbursements | 28,840 | 22,067 | (6,773) |
| Worker's Compensation Insurance | 164,610 | 126,853 | (37,757) |
| Confiscated Cash Expenditure | - | 14,635 | 14,635 |
| IPRF Grant Expenditure | 5,150 | 12,014 | 6,864 |
| Miscellaneous | 4,326 | 45,681 | 41,355 |
| Total Police Department | <u>4,460,351</u> | <u>5,442,538</u> | <u>982,187</u> |
| Street and Bridge: | | | |
| Clerical Salary | 3,708 | 3,926 | 218 |
| Assistant Treasurer | 3,271 | 3,260 | (11) |
| Street and Alley Labor | 153,055 | 129,540 | (23,515) |
| Summer Help | 10,300 | 15,318 | 5,018 |
| Vacation/Sick Leave/ Overtime | - | 2,467 | 2,467 |
| Social Security/Medicare | 13,038 | 11,974 | (1,064) |
| Illinois Municipal Retirement Fund Contributions | 16,727 | 14,467 | (2,260) |
| Refuse Pickup | 515 | 354 | (161) |
| Professional Fees | 1,545 | 3,205 | 1,660 |
| Engineering Fees | 61,800 | 41,766 | (20,034) |
| Uniforms and Personal Equipment | 3,090 | 2,005 | (1,085) |
| Employment Costs | 1,545 | 1,449 | (96) |

(continued)

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of General Fund Expenditures
Budget and Actual
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--------------------------------------|---------------------------------|---------------------|---|
| Membership and Subscriptions | \$ 258 | \$ (40) | \$ (298) |
| Office Supplies | 515 | 288 | (227) |
| Departmental Supplies | 5,150 | 5,086 | (64) |
| Postage | 2,060 | 6,187 | 4,127 |
| Telephone | 4,120 | 3,833 | (287) |
| Utilities | 30,900 | 32,252 | 1,352 |
| Custodial Supplies | 927 | 733 | (194) |
| Material Purchases | 21,630 | 10,918 | (10,712) |
| Street Signs | 5,150 | 2,590 | (2,560) |
| Street Light Construction and Energy | 1,030 | 924 | (106) |
| Tree Planting and Removal | 20,600 | 17,850 | (2,750) |
| Materials for Streets and Alleys | 25,750 | 6,184 | (19,566) |
| Maintenance Contracts | 6,180 | 8,546 | 2,366 |
| Repair Maintenance Equipment | 28,325 | 22,365 | (5,960) |
| Street Construction | 30,900 | 32,761 | 1,861 |
| Radio Purchases and Repairs | 1,030 | - | (1,030) |
| Equipment Rental | 15,450 | 2,016 | (13,434) |
| Maintenance - Vehicles | 10,300 | 18,446 | 8,146 |
| Fuel | 8,240 | 15,604 | 7,364 |
| Health Insurance Premiums | 3,694 | 3,350 | (344) |
| Other Insurance Premiums | 23,639 | 81,874 | 58,235 |
| Building Maintenance | 1,545 | 2,232 | 687 |
| Custodial Expense | 515 | - | (515) |
| Machine and Equipment Purchase | 32,960 | 1,300 | (31,660) |
| Hot Patch | 28,840 | 4,532 | (24,308) |
| Broken Asphalt Removal | - | 800 | 800 |
| IPRF Safety Grant Expenditure | 6,180 | 5,828 | (352) |
| Miscellaneous Costs | 7,416 | 14,061 | 6,645 |
| Total Street and Bridge | <u>591,898</u> | <u>530,251</u> | <u>(61,647)</u> |
| Worth Lot: | | | |
| Utilities | 824 | 728 | (96) |
| Capital Outlay: | | | |
| Police | - | 67,109 | 67,109 |
| Street and Bridge | - | 13,616 | 13,616 |
| Total Capital Outlay | <u>-</u> | <u>80,725</u> | <u>80,725</u> |
| Debt Service: | | | |
| Bond Principal | 53,638 | 52,075 | (1,563) |
| Interest | 1,877 | 1,823 | (54) |
| Total Debt Service | <u>55,515</u> | <u>53,898</u> | <u>(1,617)</u> |
| Total Expenditures | <u>\$ 8,246,513</u> | <u>\$ 9,283,958</u> | <u>\$ 1,037,445</u> |

See Accompanying Notes to the Required Supplementary Information

Village of Worth, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Motor Fuel Tax Fund
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance Over (Under) |
|---------------------------------|------------------------------|------------|--------------------------|
| Revenues | | | |
| Grants | \$ 245,295 | \$ 355,519 | \$ 110,224 |
| Intergovernmental | 374,163 | 387,280 | 13,117 |
| Interest | 5,767 | 493 | (5,274) |
| Total Revenues | 625,225 | 743,292 | 118,067 |
| Expenditures | | | |
| Current: | | | |
| Motor Fuel Tax Project | 247,479 | 251,465 | 3,986 |
| Debt Service: | | | |
| Principal | 26,291 | 25,525 | (766) |
| Interest and Fees | 920 | 893 | (27) |
| Total Expenditures | 274,690 | 277,883 | 3,193 |
| Net Change in Fund Balance | \$ 350,535 | 465,409 | \$ 114,874 |
| Fund Balance, Beginning of Year | | 368,848 | |
| Fund Balance, End of Year | | \$ 834,257 | |

See Accompanying Notes to the Required Supplementary Information

VILLAGE OF WORTH, ILLINOIS

Notes to the Required Supplementary Information
For the Fiscal Year Ended April 30, 2021

1. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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 2021, no supplemental budgetary appropriations were made.

B. Excess of Expenditures over Budget.

The Village had the following fund have an excess of actual expenditures over budgeted amounts for the year ended April 30, 2021.

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> | <u>Excess of Budget over Actual</u> |
|----------------------|---------------|---------------|-------------------------------------|
| General Fund | \$8,246,513 | \$9,283,958 | \$ 1,037,445 |
| Motor Fuel Tax Fund | 274,690 | 277,883 | 3,193 |
| Federal Seizure Fund | - | 48,890 | 48,890 |

2. Actuarial Assumptions – Pension Plans

For the Police Pension Plan, the actuarial assumptions used for determining the contribution rate for 2021 are as follows.

| | |
|-----------------------------|-----------------------------------|
| Valuation Date: | May 1, 2021 |
| Actuarial Cost Method: | Projected Unit Credit |
| Amortization Method: | 3.00% Increasing Payments |
| Remaining Amort. Period: | 90% Funded Over 21 Years |
| Asset Valuation Method: | 5-Year Smoothed Market Value |
| Investment Return: | 6.75% |
| Projected Salary Increases: | 3.50% - 17.88% |
| Inflation: | 2.50% |
| Mortality: | Pub-2010 Adjusted for Plan Status |

VILLAGE OF WORTH, ILLINOIS

Notes to the Required Supplementary Information
For the Fiscal Year Ended April 30, 2021

2. Actuarial Assumptions - Pension Plans (continued)

For the Fire Pension Plan, the actuarial assumptions used for determining the contribution rate for 2021 are as follows.

| | |
|-----------------------------|-----------------------------------|
| Valuation Date: | May 1, 2021 |
| Actuarial Cost Method: | Projected Unit Credit |
| Amortization Period: | Level % Pay |
| Remaining Amort. Period: | 90% Funded Over 21 Years |
| Asset Valuation Method: | 5-Year Smoothing |
| Investment Return: | 5.50% |
| Projected Salary Increases: | N/A |
| Inflation: | 2.25% |
| Mortality: | Pub-2010 Adjusted for Plan Status |

For the IMRF Pension Plan, the actuarial assumptions used for determining the contribution rate for 2020 are as follows.

| | |
|-----------------------------|--------------------------------------|
| Valuation Date: | December 31, 2020 |
| Actuarial Cost Method: | Aggregate Entry-age, normal |
| Amortization Period: | Level percentage of payroll |
| Remaining Amort. Period: | 23- year closed period |
| Asset Valuation Method: | 5-year smoothed market, 20% corridor |
| Investment Return: | 7.25% |
| Projected Salary Increases: | 3.35% to 14.25% including inflation |
| Inflation: | 2.50% |
| Mortality: | RP 2014* |

*Employee Mortality Table with adjustments to match current IMRF experience.

3. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate – Postretirement Health Plan

For the OPEB Plan, methods and assumptions used to determine the 2021 contribution rates are as follows:

| | |
|--------------------------------|---|
| Valuation Date | April 30, 2021 |
| Discount Rate: | 2.27% |
| Investment Rate of Return: | N/A |
| Remaining Amortization Period: | 10-year rolling period |
| Wage Growth: | 3.0% |
| Price Inflation: | 2.25% |
| Retirement Age: | Varies |
| Health Care Trend Rates | 5%-7.70% |
| Mortality: | RP-2014 Study with the Blue-Collar Adjustment |

Other Information – There were no benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

Village of Worth, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2021

| | Tax Incremental Financing | Federal Seizure | Total Nonmajor Governmental Funds |
|---|------------------------------|-----------------|---|
| <u>Assets:</u> | | | |
| Cash and Investments | \$ 187,717 | \$ 495,597 | \$ 683,314 |
| Total Assets | \$ 187,717 | \$ 495,597 | \$ 683,314 |
| <u>Liabilities:</u> | | | |
| Total Liabilities | \$ - | \$ - | \$ - |
| <u>Fund Balances:</u> | | | |
| Restricted for: | | | |
| Tax Increment Financing | 187,717 | - | 187,717 |
| Federal Seizure | - | 495,597 | 495,597 |
| Total Fund Balances | 187,717 | 495,597 | 683,314 |
| Total Liabilities, Deferred Inflows and Fund Balance | \$ 187,717 | \$ 495,597 | \$ 683,314 |

Village of Worth, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2021

| | Tax Incremental Financing | Federal Seizure | Total Nonmajor Governmental Funds |
|---|------------------------------|-----------------|---|
| <u>Revenues</u> | | | |
| Property Tax | \$ 44,147 | \$ - | \$ 44,147 |
| Interest | - | 496 | 496 |
| Total Revenues | 44,147 | 496 | 44,643 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Tax Increment Financing | 2,400 | - | 2,400 |
| Federal Seizure | - | 48,890 | 48,890 |
| Total Expenditures | 2,400 | 48,890 | 51,290 |
| Net Change in Fund Balance | 41,747 | (48,394) | (6,647) |
| Fund Balance, Beginning of the Year, as restated | 145,970 | 543,991 | 689,961 |
| Fund Balance, End of the Year | \$ 187,717 | \$ 495,597 | \$ 683,314 |

Village of Worth, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Tax Increment Financing Fund
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance Over (Under) |
|---------------------------------|------------------------------|------------|--------------------------|
| <u>Revenues</u> | | | |
| Property Taxes | \$ 40,251 | \$ 44,147 | \$ (3,896) |
| Total Revenues | 40,251 | 44,147 | (3,896) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Professional Fees | 3,090 | 2,400 | (690) |
| Total Expenditures | 3,090 | 2,400 | (690) |
| Net Change in Fund Balance | \$ 37,161 | 41,747 | \$ (3,206) |
| Fund Balance, Beginning of Year | | 145,970 | |
| Fund Balance, End of Year | | \$ 187,717 | |

Village of Worth, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Federal Seizure Fund
Year Ended April 30, 2021

| | Original and Final Budget | Actual | Variance Over (Under) |
|---------------------------------|------------------------------|------------|--------------------------|
| <u>Revenues</u> | | | |
| Interest | \$ 539 | \$ 496 | \$ (43) |
| Total Revenues | 539 | 496 | (43) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Federal Seizure Expense | - | 48,890 | 48,890 |
| Total Expenditures | - | 48,890 | 48,890 |
| Net Change in Fund Balance | \$ 539 | (48,394) | \$ (48,933) |
| Fund Balance, Beginning of Year | | 543,991 | |
| Fund Balance, End of Year | | \$ 495,597 | |

OTHER SCHEDULES

Village of Worth, Illinois
Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections
April 30, 2021

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Assessed Valuations | <u>\$190,041,484</u> | <u>\$155,093,264</u> | <u>\$ 155,411,122</u> | <u>\$161,692,090</u> | <u>\$137,146,562</u> | <u>\$ 132,167,911</u> | <u>\$135,495,720</u> | <u>\$147,429,661</u> | <u>\$159,158,928</u> |
| Tax Rates: | | | | | | | | | |
| General | 0.3177 | 0.3803 | 0.3709 | 0.3481 | 0.4005 | 0.4250 | 0.4351 | 0.3920 | 0.3504 |
| Street and Bridge | 0.0726 | 0.0870 | 0.0848 | 0.0796 | 0.0916 | 0.0971 | 0.0995 | 0.0968 | 0.0963 |
| Police Protection | 0.0647 | 0.0775 | 0.1119 | 0.1050 | 0.2851 | 0.2908 | 0.3013 | 0.3234 | 0.3489 |
| Fire Protection | 0.2926 | 0.3503 | 0.3466 | 0.3253 | 0.3413 | 0.3913 | 0.3713 | 0.3320 | 0.3342 |
| Liability Insurance | 0.0733 | 0.0878 | 0.0856 | 0.0803 | 0.0924 | 0.0943 | 0.0884 | 0.0791 | 0.0936 |
| Police Pension | 0.6857 | 0.8209 | 0.7642 | 0.7171 | 0.6607 | 0.6738 | 0.6031 | 0.5464 | 0.4150 |
| Fire Pension | 0.0982 | 0.1175 | 0.1036 | 0.1030 | 0.1516 | 0.1114 | 0.1002 | 0.0362 | 0.0054 |
| Debt Service | 0.2421 | 0.2985 | 0.2962 | 0.2829 | 0.3666 | 0.3835 | 0.3720 | 0.3397 | 0.3153 |
| Total | <u>1.8469</u> | <u>2.2198</u> | <u>2.1638</u> | <u>2.0413</u> | <u>2.3898</u> | <u>2.4672</u> | <u>2.3709</u> | <u>2.1456</u> | <u>1.9591</u> |
| Tax Extensions: | | | | | | | | | |
| General | \$ 603,761 | \$ 589,819 | \$ 578,071 | \$ 562,850 | \$ 549,271 | \$ 561,713 | \$ 589,541 | \$ 577,924 | \$ 557,692 |
| Street and Bridge | 137,970 | 134,931 | 132,166 | 128,706 | 12,526 | 128,335 | 134,818 | 142,711 | 153,270 |
| Police Protection | 122,956 | 120,197 | 174,403 | 169,776 | 391,004 | 384,344 | 408,248 | 476,787 | 555,305 |
| Fire Protection | 556,061 | 543,291 | 540,198 | 525,984 | 468,081 | 517,173 | 503,095 | 489,466 | 531,909 |
| Liability Insurance | 139,300 | 136,171 | 133,413 | 129,838 | 126,723 | 124,634 | 119,778 | 116,616 | 148,972 |
| Police Pension | 1,303,114 | 1,273,160 | 1,191,055 | 1,159,493 | 906,127 | 890,547 | 817,174 | 805,555 | 660,509 |
| Fire Pension | 186,623 | 182,309 | 170,494 | 166,479 | 207,857 | 147,247 | 135,776 | 53,300 | 8,605 |
| Debt Service | 460,058 | 462,998 | 461,647 | 457,433 | 502,809 | 506,799 | 504,017 | 500,867 | 501,759 |
| Total | <u>\$ 3,509,843</u> | <u>\$ 3,442,876</u> | <u>\$ 3,381,447</u> | <u>\$ 3,300,559</u> | <u>\$ 3,277,498</u> | <u>\$ 3,260,792</u> | <u>\$ 3,212,447</u> | <u>\$ 3,163,226</u> | <u>\$ 3,118,021</u> |
| Road and Bridge | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 | \$ 22,000 |
| Total | <u>\$ 3,531,843</u> | <u>\$ 3,464,876</u> | <u>\$ 3,403,447</u> | <u>\$ 3,322,559</u> | <u>\$ 3,299,498</u> | <u>\$ 3,282,792</u> | <u>\$ 3,234,447</u> | <u>\$ 3,185,226</u> | <u>\$ 3,140,021</u> |
| Tax Collections | \$ 1,661,955 | \$ 3,287,654 | \$ 3,274,912 | \$ 3,224,733 | \$ 3,209,589 | \$ 3,218,555 | \$ 3,062,908 | \$ 2,805,485 | \$ 2,680,007 |
| Percent Collections | <u>47.05 %</u> | <u>94.89 %</u> | <u>96.22 %</u> | <u>97.06 %</u> | <u>97.28 %</u> | <u>98.04 %</u> | <u>94.70 %</u> | <u>88.08 %</u> | <u>85.35 %</u> |

Village of Worth, Illinois

Schedule of Debt Service Requirements
April 30, 2021

| | Year Ended | Principal | Interest | Total |
|---|------------|------------|---------------------|---------------------|
| | April 30, | | | |
| General Obligation Refunding Bonds Dated November 2, 2017 Interest payable on January 1 and July 1 at rates between 3.00% and 5.00% Paying Agent: Amalgamated Bank of Chicago | 2022 | \$ 265,000 | \$ 173,150 | \$ 438,150 |
| | 2023 | 275,000 | 165,200 | 440,200 |
| | 2024 | 290,000 | 154,200 | 444,200 |
| | 2025 | 295,000 | 142,600 | 437,600 |
| | 2026 | 310,000 | 130,800 | 440,800 |
| | 2027 | 320,000 | 118,400 | 438,400 |
| | 2028 | 335,000 | 105,600 | 440,600 |
| | 2029 | 345,000 | 92,200 | 437,200 |
| | 2030 | 365,000 | 78,400 | 443,400 |
| | 2031 | 375,000 | 63,800 | 438,800 |
| | 2032 | 390,000 | 48,800 | 438,800 |
| | 2033 | 405,000 | 33,200 | 438,200 |
| | 2034 | 425,000 | 17,000 | 442,000 |
| | Total | | <u>\$ 4,395,000</u> | <u>\$ 1,323,350</u> |

Village of Worth, Illinois
Information Required by Revenue Bond Ordinance
(Unaudited)
April 30, 2021

Consumer data:

Number of Customers:

Water and Sewer Service

| | |
|-------------|-------|
| Residential | 2,626 |
| Commerical | 348 |
| Total | 2,974 |

Sewer Service only:

| | |
|-------------|---|
| Residential | 1 |
| Commerical | 2 |
| Total | 3 |

Water Usage:

| | | Percent |
|---------------------------------------|-------------|---------|
| Gallorage purchased | 300,072,000 | 100 % |
| Less: Gallorage billed | 266,665,000 | 89 % |
| Gallorage lost and/or unaccounted for | 33,407,000 | 11 % |

Insurance coverage data:

| | | |
|--|----|------------|
| Umbrella | \$ | 9,000,000 |
| Law Enforcement Liability - Each wrongful act | | 1,000,000 |
| General Liability - Each occurrence | | 1,000,000 |
| Public Officials Liability - Each wrongful act | | 1,000,000 |
| Public Officials Liability - Aggregate | | 3,000,000 |
| Auto Liability - Each accident | | 1,000,000 |
| Property - Building | | 12,807,300 |
| Property - BPP | | 12,807,300 |
| Property - Tax Interruption | | 918,750 |
| Contractor's (Mobile) Equipment | | 1,618,709 |
| Flood | | 5,000,000 |
| Earthquake | | 5,000,000 |
| Equipment Breakdown: | | |
| Expediting Equipment | | 12,378,600 |
| Pollution Clean Up and Removal | | 25,000 |
| Liquor | | 1,000,000 |
| Crime: | | |
| Public Employee Dishonesty | | 250,000 |
| Money and Securities (inside premises) | | 250,000 |
| Money and Securities (outside premises) | | 250,000 |
| Forgery or Alteration | | 250,000 |
| Workers' Compensation - Aggregate | | 2,500,000 |
| Workers' Compensation - Each occurrence | | 2,500,000 |

OTHER REPORTS



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

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

Matthew R. Truschka, Acct.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS APPLICABLE
TO TAX INCREMENT FINANCING DISTRICTS**

February 10, 2022

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

We have examined management's assertion, included in its representation letter dated February 10, 2022 that the Village of Worth, Illinois (Worth), complied with the provisions of subsection (q) of Section 11-74-4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2021. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Worth, Illinois, complied with the aforementioned requirements for the year ended April 30, 2021 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Board of Trustees, management of the Village, the Illinois State Comptroller's Office, and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


Hearne & Associates, P.C.
Certified Public Accountants