

**WORTH TOWNSHIP, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED FEBRUARY 28, 2017**



This page intentionally left blank

WORTH TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

February 28, 2017

CONTENTS

FINANCIAL SECTION

Independent Auditor's Report..... 1 - 2

Management's Discussion and Analysis..... 3 - 11

Basic Financial Statements

 Township-Wide Financial Statements

 Statement of Net Position..... 12

 Statement of Activities..... 13

 Fund Financial Statements

 Governmental Funds

 Balance Sheet..... 14

 Reconciliation of Governmental Funds Balance Sheet to
 the Statement of Net Position..... 15

 Statement of Revenues, Expenditures and Changes in Fund Balances..... 16

 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to
 the Statement of Activities..... 17

 Notes to Financial Statements..... 18 - 36

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

 Town Fund..... 37

 Road and Bridge Fund..... 38

 General Assistance Fund..... 39

Schedule of Employer's Contributions

 Illinois Municipal Retirement Fund..... 40

Schedule of Changes in Net Pension Liability and Related Ratios

 Illinois Municipal Retirement Fund..... 41

Notes to Required Supplementary Information..... 42

(Continued)

WORTH TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

February 28, 2017

CONTENTS

INDIVIDUAL FUND FINANCIAL SCHEDULES

Major Governmental Funds

Town Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual.....	43 - 47
--	---------

Special Revenue Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Road and Bridge Fund.....	48 - 49
General Assistance Fund.....	50 - 51

STATISTICAL INFORMATION

Statistical Comparison of Property Taxes Levied and Collected for the Five Years Ended Available (Unaudited).....	52
---	----

FINANCIAL SECTION



WORTH TOWNSHIP, ILLINOIS

This page intentionally left blank

GW & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

4415 W Harrison, Suite 434
Hillside, Illinois 60162

Phone (708) 755-8182
Fax (708) 755-8326

INDEPENDENT AUDITOR'S REPORT

To the Honorable Supervisor and Board of Trustees
Worth Township, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the Worth Township, Illinois as of and for the year ended February 28, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Worth Township, Illinois, as of February 28, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer contributions, and schedule of changes in net pension liability and related ratios on pages 3–11 and 37–42 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 Worth Township, Illinois' basic financial statements. The individual fund financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

JW & Associates, P.C.

Hillside, Illinois
August 22, 2017

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

Our discussion and analysis of the Worth Township's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended February 28, 2017. The management of the Township encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

- The Township's net position as of February 28, 2017 is \$5,792,784, a decrease of \$234,508 from the prior year.
- Total Township revenues for the year ended February 28, 2017 were \$3,515,432 while total expenses were \$3,747,944.
- The Town Fund's fund balance increased by \$136,454 for the year ended February 28, 2017 to \$1,623,494.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Using the Financial Section of this Annual Report

The financial statements' focus is on the Township as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate like.

The Statement of Net Position combines and consolidates governmental funds' current financial resources with capital assets and long term obligations. It uses the accrual basis of accounting and economic resources measurement focus. The Statement of Net Position can be found on page 12 of this report.

The Statement of Activities is focused on both the growth and the new costs of various activities. These activities are supported by the government's general taxes and other resources. This is intended to summarize and simplify the users' analysis of the costs of various governmental services. The Statement of Activities can be found on page 13 of this report.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

The governmental activities reflect the Township's basic services, which are general assistance, street and road, senior assistance and administration. Property taxes finance the majority of these services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be included into one category: governmental funds.

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds rather than fund types.

The governmental fund statements are presented on a sources and uses of liquid resources (cash and cash equivalents) basis. This is the manner in which the financial plan is usually developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of the 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 governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond or loan proceeds and interfund transfers as other sources and uses as well as capital expenditures and bond or loan principal payments as expenditures. The reconciliations eliminate these transactions and incorporate the capital assets and long term obligations into the governmental activities column in government-wide statements. The fund financial statements can be found on pages 14-17 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 18.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to the budgetary information and the Township's progress in funding its obligation to provide pension benefits to its employers.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

Financial Analysis of Worth Township's Government-Wide Financial Statements

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION

FEBRUARY 28, 2017 and FEBRUARY 29, 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current assets	\$ 5,877,293	\$ 5,865,227
Capital assets, net	3,860,859	4,071,654
Total assets	<u>9,738,152</u>	<u>9,936,881</u>
Total deferred outflows of resources	<u>495,655</u>	<u>387,475</u>
Liabilities		
Current liabilities	82,678	88,605
Long-term liabilities	1,543,513	1,421,641
Total liabilities	<u>1,626,191</u>	<u>1,510,246</u>
Total deferred inflows of resources	<u>2,814,832</u>	<u>2,786,819</u>
Net position		
Invested in capital assets	3,026,869	3,136,873
Restricted for		
General assistance	571,789	411,606
Road & bridge	816,234	1,132,636
Unrestricted	1,377,892	1,346,176
Total net position	<u>\$ 5,792,784</u>	<u>\$ 6,027,291</u>

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

Total assets are down almost \$200,000 from the prior year. This is primarily a result of a decrease in capital assets mainly due to depreciation. Deferred outflows of resources are up about \$108,000 due mainly to the deferred recognition of the difference between projected and actual experience of the total pension liability. Total liabilities increased from the prior year approximately \$116,000. This is due to the increase in the Illinois Municipal Retirement Fund ("IMRF") net pension liability of \$225,000 partially offset by a reduction of the notes payable of almost \$105,000 as a result of principal payments during the year.

WORTH TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2017

Statement of Activities

The following chart reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28, 2017 and FEBRUARY 29, 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues		
Charges for services	\$ 175,475	\$ 172,807
Operating grants and contributions	40,641	42,362
Capital grant	-	-
General revenues		
Taxes	3,248,783	3,249,317
Interest income	2,427	2,675
Other general revenue	46,110	81,866
	3,513,436	3,549,027
Expenses		
General government	2,279,939	2,238,397
Road and Bridge	1,063,832	663,263
General Assistance	372,512	454,839
Interest on long-term debt	31,661	37,107
	3,747,944	3,393,606
Change in net position	(234,508)	155,421
Net position - March 1	6,027,291	5,871,870
Net position - February 28	\$ 5,792,783	\$ 6,027,291

Total revenues for fiscal 2017 decreased by 1.0% from the prior year with a 10.4% increase in expenses. The most significant change within revenues was a \$36,000 drop in other general revenues as a result of a \$57,000 refund for unused postage from prior years received in fiscal 2016.

The largest change in expenses was in road and bridge due to the repaving of three streets within the township in fiscal 2017. General assistance program costs continue to decline.

WORTH TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2017

Financial Analysis of Worth Township's Funds

Governmental Funds

Worth Township's major funds are the General Fund, Road and Bridge Fund, and General Assistance Fund. Generally speaking, a major fund meets the following criteria:

- total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of that individual governmental fund is at least 10% of the corresponding total (assets, liabilities and so forth) for all governmental funds

and

- total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of the individual governmental fund is at least 5% of the corresponding total for all governmental and enterprise funds combined

The major funds are the Township's primary operating funds as well as the largest source of day-to-day delivery of services.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

Governmental Funds

The following chart reflects a condensed comparison of 2017 and 2016 revenues and expenditures:

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease) 2016 to 2017</u>
Revenues			
General (Town) Fund	\$ 2,313,903	\$ 2,357,503	\$ (43,600)
Road and Bridge Fund	591,111	576,158	14,953
General Assistance Fund	<u>610,418</u>	<u>615,366</u>	<u>(4,948)</u>
Total Revenues	<u><u>3,515,432</u></u>	<u><u>3,549,027</u></u>	<u><u>(33,595)</u></u>
Expenditures			
General (Town) Fund	2,177,449	2,132,943	44,506
Road and Bridge Fund	907,513	529,778	377,735
General Assistance Fund	<u>450,235</u>	<u>590,633</u>	<u>(140,398)</u>
Total Expenditures	<u><u>3,535,197</u></u>	<u><u>3,253,354</u></u>	<u><u>281,843</u></u>
Other Financing Sources (Uses)			
General (Town) Fund	-	-	-
Road and Bridge Fund	-	-	-
General Assistance Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues

Revenues did not change significantly in any fund compared to last year. There was a slight overall decrease.

Expenditures

Town Fund expenditures increased slightly (about 2%) in fiscal 2017. The Road and Bridge Fund expenditures increased from the prior year by about 71% as a result of street resurfacing projects. General Assistance Fund expenditures decreased \$140,000, or 24%, from 2016. This is due to a reduction in general government costs (primarily salaries and benefits of about \$55,000) and a \$90,000 reduction in program costs for rent and home care and other assistance. Food pantry costs increased about \$4,500.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

February 28, 2017

Budgetary Highlights

Worth Township operates under the Budget Ordinance process. The budget is adopted by the Township Board and filed at the Cook County Courthouse preceding March 1 of the budgeted fiscal year. No budget amendments were adopted by the Board in fiscal year 2017.

Historically, the Township has taken a “just-in-case” approach in developing their budgets. During fiscal year 2017, revenues and expenditures versus budgeted amounts for the major funds showed the following variances from the original budget:

Governmental Funds

<u>Fund</u>	<u>Budgeted</u> <u>Revenues</u>	<u>Actual</u> <u>Revenues</u>	<u>Variance</u>	<u>Budgeted</u> <u>Expenses</u>	<u>Actual</u> <u>Expenses</u>	<u>Variance</u>
Town	\$ 2,305,565	\$ 2,313,903	\$ 8,338	\$ 3,011,489	\$ 2,177,449	\$ (834,040)
Road and Bridge	583,784	591,111	7,327	1,547,784	907,513	(640,271)
General Assistance	685,195	610,418	(74,777)	938,778	450,235	(488,543)

Town Fund revenues approximated budget while expenditures were about 28% under budget. Specifically, other administration (\$288,000 under budget), Building and Equipment (\$129,000 under budget) and Health and Welfare (\$110,000 under budget) accounted for the largest portion of the expenditure variance. Road and Bridge Fund revenues were slightly over budget. Expenditures were under budget by 41% with special projects accounting for \$244,000 of the variance. In the General Assistance Fund, revenues were 11% under budget as a result of intergovernmental agreements being under budget by \$91,000. Expenditures were 52% under budget due mainly to health and welfare being \$395,000 under budget.

Capital Assets

At the end of the fiscal year 2017, the Township had combined total capital assets of \$3,860,859 invested in a broad range of capital assets including buildings, Township facilities, roads, equipment and vehicles. Additions during the year consisted of a new network server. A rooftop air conditioning unit was replaced with a new unit during the year. The original cost of the old unit of \$5,590 and accumulated depreciation of \$3,594 was deleted. However, the replacement unit was below the Village’s capitalization threshold and therefore not capitalized. Also, road resurfacing projects during the year were considered to be maintenance rather than the replacement of the street so related costs were not capitalized. (For more information, see Note 3 to the financial statements.)

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2017

Governmental Activities Change in Capital Assets

	Balance	Net	Balance
	March 1, 2016	Additions/ Deletions	February 28, 2017
Non-depreciable assets-land	\$ 690,991	\$ -	\$ 690,991
Depreciable capital assets			
Buildings and improvements	5,427,151	-	5,427,151
Vehicles and equipment	405,199	(5,590)	399,609
Furniture and fixtures	267,671	-	267,671
Computer equipment	255,109	16,630	271,739
Infrastructure	3,085,441	-	3,085,441
Accumulated depreciation	<u>(6,059,908)</u>	<u>(221,835)</u>	<u>(6,281,743)</u>
Total capital assets, net	<u>\$ 4,071,654</u>	<u>\$ (210,795)</u>	<u>\$ 3,860,859</u>

DEBT ADMINISTRATION

The following is a summary of the components of long-term debt and related transactions of the Township for the year ended February 28, 2017:

	Balance			Balance
	2/29/2016	Issued	Retired	2/28/2017
Notes payable	\$ 934,781	\$ -	\$ 100,791	\$ 833,990
Net pension liability	475,660	891,602	666,816	700,446
Compensated absences	<u>11,200</u>	<u>9,077</u>	<u>11,200</u>	<u>9,077</u>
Totals	<u>\$ 945,981</u>	<u>\$ 9,077</u>	<u>\$ 111,991</u>	<u>\$ 843,067</u>

The Township has reduced their notes payable balance by making schedule principal and interest payments. The increase in the net pension liability is a result of annual actuarial valuations performed by the Illinois Municipal Retirement Fund actuaries. See Note 4 of the financial statements for more detailed information.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general knowledge of the Township's finances and to demonstrate the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Township Office, 11601 S Pulaski Road, Alsip, IL 60803.

WORTH TOWNSHIP, ILLINOIS
STATEMENT OF NET POSITION
FEBRUARY 28, 2017

	Governmental Activities
Assets	
Cash	\$ 2,809,997
Investments - Certificates of Deposit	261,064
Property taxes receivable, net	2,783,098
Replacement taxes receivable	23,134
Capital assets	
Capital assets, not being depreciated	690,991
Capital assets, net of accumulated depreciation	<u>3,169,868</u>
 Total assets	 <u>9,738,152</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>495,655</u>
 Total deferred outflows of resources	 <u>495,655</u>
Liabilities	
Accounts payable	16,973
Due to other governments	31,826
Accrued payroll	33,879
Noncurrent liabilities due within one year	
Compensated absences	9,077
Notes payable	104,143
Non-current liabilities due in more than one year	
Net pension liability	700,446
Notes payable	<u>729,847</u>
 Total liabilities	 <u>1,626,191</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	31,734
Unearned revenue - property taxes	<u>2,783,098</u>
 Total deferred inflows of resources	 <u>2,814,832</u>
Net Position	
Net investment in capital assets	3,026,869
Restricted for	
General Assistance	571,789
Road and Bridge	816,234
Unrestricted	<u>1,377,892</u>
 Total net position	 <u>\$ 5,792,784</u>

See accompanying notes to financial statements

**WORTH TOWNSHIP, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 2,279,939	\$ 170,463	\$ 22,002	\$ -	\$ (2,087,474)
Road and bridge	1,063,832	5,012	-	-	(1,058,820)
General assistance	372,512	-	18,639	-	(353,873)
Interest on long-term debt	31,661	-	-	-	(31,661)
Total governmental activities	<u>\$ 3,747,944</u>	<u>\$ 175,475</u>	<u>\$ 40,641</u>	<u>\$ -</u>	<u>(3,531,828)</u>
General Revenues					
Taxes					
Property taxes, levied for general purposes					3,051,276
Replacement taxes					197,507
Interest income					2,427
Loss on disposal of assets					(1,996)
Miscellaneous revenues					48,106
Total general revenues					<u>3,297,320</u>
Change in net position					<u>(234,508)</u>
Net Position - Beginning					<u>6,027,292</u>
Net Position - Ending					<u>\$ 5,792,784</u>

WORTH TOWNSHIP, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
FEBRUARY 28, 2017

	Major Funds			Total
	Town Fund	Road and Bridge Fund	General Assistance Fund	
Assets				
Cash	\$ 1,403,713	\$ 831,540	\$ 574,744	\$ 2,809,997
Investments - Certificates of Deposit	261,064	-	-	261,064
Property taxes receivable - net	1,875,875	443,459	463,764	2,783,098
Replacement taxes receivables	8,988	8,973	5,173	23,134
Total assets	\$ 3,549,640	\$ 1,283,972	\$ 1,043,681	\$ 5,877,293
Liabilities				
Accounts payable	\$ 12,262	\$ 4,711	\$ -	\$ 16,973
Due to other governments	10,989	14,512	6,325	31,826
Accrued payroll	27,020	5,056	1,803	33,879
Total liabilities	50,271	24,279	8,128	82,678
Deferred Inflows of Resources				
Unearned revenue - property taxes	1,875,875	443,459	463,764	2,783,098
Total deferred inflows of resources	1,875,875	443,459	463,764	2,783,098
Fund Balances				
Restricted				
Road and bridge	-	816,234	-	816,234
General assistance	-	-	571,789	571,789
Unassigned	1,623,494	-	-	1,623,494
Total fund balances	1,623,494	816,234	571,789	3,011,517
Total liabilities, deferred inflows of resources and fund balances	\$ 3,549,640	\$ 1,283,972	\$ 1,043,681	\$ 5,877,293

WORTH TOWNSHIP, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2017

Total fund balances - governmental funds \$ 3,011,517

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

Capital assets	10,142,602	
Accumulated depreciation	(6,281,743)	
Net capital assets	3,860,859	3,860,859

Deferred inflows and outflows related to the net pension liability are not current financial resources and therefore are not reported in the governmental funds

Deferred outflows of resources	495,655	
Deferred inflows of resources	(31,734)	
	463,921	463,921

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of

Note payable	(833,990)	
Net pension liability	(700,446)	
Compensated absences	(9,077)	
Total liabilities	(1,543,513)	(1,543,513)

Net position of governmental activities **\$ 5,792,784**

WORTH TOWNSHIP, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Major Funds			Total
	Town Fund	Road and Bridge Fund	General Assistance Fund	
Revenues				
Property taxes	\$ 2,021,221	\$ 530,352	\$ 499,703	\$ 3,051,276
Replacement taxes	91,036	54,511	51,960	197,507
Interest income	1,500	716	211	2,427
Donations	-	-	18,558	18,558
Clinic fees	49,807	-	-	49,807
Grants	21,171	-	81	21,252
Program income	47,689	-	-	47,689
Rental income	3,150	-	-	3,150
Youth commission income	65,960	-	-	65,960
Youth Services Bureau income	3,857	-	-	3,857
Miscellaneous revenue	8,512	5,532	39,905	53,949
Total revenues	<u>2,313,903</u>	<u>591,111</u>	<u>610,418</u>	<u>3,515,432</u>
Expenditures				
Current				
General government	498,209	219,397	276,379	993,985
Administration	852,734	-	-	852,734
Highway and streets	-	685,116	-	685,116
Health and welfare	185,210	-	173,856	359,066
Senior services	124,747	-	-	124,747
Building & equipment	197,439	-	-	197,439
Culture and recreation	186,658	-	-	186,658
Capital outlay	-	3,000	-	3,000
Debt service				
Principal	100,791	-	-	100,791
Interest	31,661	-	-	31,661
Total expenditures	<u>2,177,449</u>	<u>907,513</u>	<u>450,235</u>	<u>3,535,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>136,454</u>	<u>(316,402)</u>	<u>160,183</u>	<u>(19,765)</u>
Net change in fund balance	<u>136,454</u>	<u>(316,402)</u>	<u>160,183</u>	<u>(19,765)</u>
Fund Balance - Beginning	<u>1,487,040</u>	<u>1,132,636</u>	<u>411,606</u>	<u>3,031,282</u>
Fund Balance - Ending	<u>\$ 1,623,494</u>	<u>\$ 816,234</u>	<u>\$ 571,789</u>	<u>\$ 3,011,517</u>

WORTH TOWNSHIP, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2017

Net change in fund balances - total governmental funds \$ (19,765)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets

Capital outlay	16,629	
Depreciation	(225,429)	
Net capital outlay	(208,800)	(208,800)

Increase in the net pension liability increases long-term liabilities in the statement of net position but does not effect fund balance (224,786)

Changes in deferred outflows and inflows related to pensions are not included in the governmental funds

Deferred outflows of resources	108,180	
Deferred inflows of resources	9,745	
	117,925	117,925

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

Principal retirement		100,791
----------------------	--	---------

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

Loss on disposal of assets		(1,996)
Compensated absences		2,123
		(234,508)

Change in net position of governmental activities **\$ (234,508)**

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Worth Township, Illinois (the "Township"), as reflected in the accompanying financial statements for the year end February 28, 2017, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

Reporting Entity

The Township's reporting entity includes the Township's governing board and any related organizations for which the elected officials of the Township are financially accountable. Financial accountability is defined as: (1) appointment of the voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government or (2) fiscal dependency on the primary government. Based on the foregoing criteria, the Township does not have any component units included in the Township's reporting entity. Also, the Township is not included as a component unit in any other governmental reporting entity, as defined by GASB standards. The Township operates under the Township form of government, with a Supervisor, Clerk, Assessor, Highway Commissioner and four Trustees elected by the people. The Board of Trustees is the Township's legislative body, enacting the laws and establishing the policies which govern the activities of the Township. The Township's budgetary operations are governed by the appropriation law and administered by the Township Supervisor.

Basis of Presentation

The Township's basic financial statements consist of Township-wide statements, including a statement of net position, statement of activities and fund financial statements, which provide a more detailed level of financial information. The Township-wide focus is more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Township-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. In the Township-wide statement of net position, the governmental activities are presented on a consolidated basis. These statements include the financial activities of the primary government. The effect of interfund activity has been removed from these statements. The Township-wide statement of activities reflects both the direct expenses and net cost of each function of the Township's governmental activities.

Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

extent to which each government function is self-financing or draws from general revenues of the Township.

Fund Financial Statements

The financial transactions of the Township are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the Township classifies governmental fund balance as follows:

- a. Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the Township board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Township board that originally created the commitment.
- d. Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Financial management may assign amounts for a specific purpose. The Township board may also take official action to assign amounts. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.
- e. Unassigned – includes residual fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance would also include negative balances for any governmental fund other than the general fund.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If there is an expenditure incurred for purposes for which restricted, committed, assigned or unassigned fund balance classifications could be used, then the Township will consider restricted fund balance to be spent first, then committed fund balance, followed by assigned fund balance and finally unassigned fund balance.

Measurement Focus and Basis of Accounting

Township-Wide Financial Statements

The Township-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Township has reported three categories of program revenues in the statement of activities: 1) charges for services, 2) program-specific operating grants and contributions and 3) program-specific capital grants and contributions. Program revenues are derived from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Township's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities.

Fund Financial Statements

Governmental fund 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 Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include real estate tax and personal property replacement tax. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Township's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the Township-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the Township-wide statements and the statements for governmental funds.

The Township reports the following major governmental funds:

General Fund (also known as the Town fund) accounts for all revenues and expenditures applicable to the general operations of the Township government that are not accounted for in another fund.

Road and Bridge Fund accounts for all revenues and expenditures applicable to the upkeep, repair, and administration of the Township's roads.

General Assistance Fund accounts for all revenues and expenditures applicable to the services provided to the residents of the township.

Cash and Cash Equivalents and Investment

The Township considers cash and investments with an original maturity of less than 90 days to be cash equivalents. Cash and equivalents consist of checking and money market accounts at financial institutions. Investments are stated at fair value.

Short-Term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental columns in the Township-wide financial statements. Capital assets are defined by the Township as assets with a useful life of more than one year.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>	<u>Capitalization Threshold</u>
Land Improvements	20 years	\$25,000
Buildings & Improvements	50 years	\$25,000
Vehicles	5 - 7 years	\$10,000
Equipment	12 years	\$10,000
Office Furniture & Fixtures	7 years	\$2,500
Infrastructure	40 years	\$250,000

Long-Term Obligations

In the township-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

Property Taxes

The Township annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Board. The property tax calendar for the 2016 tax year payable in 2017 is as follows:

Lien Date	January 1, 2016
Levy Date	December 15, 2016
First Installment	Due March 1, 2017
Second Installment	Due August 1, 2017

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

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources refers to a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The item that qualifies for reporting in this category for the Township relates to their pension plan and is reported in the government-wide statement of net position. Deferred inflows of resources are recorded when assets are acquired that apply to a future reporting period. Property taxes which have been deemed to be measurable but not available or have been levied for use in the subsequent period represent deferred inflows of resources in the fund statements and the government-wide statement of net position. In addition, an amount related to the pension plan also is reported in the government-wide statement of net position as a deferred inflow.

Compensated Absences

The liability for compensated absences, (unused vacation time) of the Township at February 28, 2017, of \$ 9,077 is recorded in the Township-wide financial statements.

Fund Equity/Net Position

In the fund financial statements, governmental funds report restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Commitments of fund balance includes amounts that can only be used for purposes determined by formal action of the Board, and assignments of fund balance represent tentative management plans that are subject to change.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, laws, or regulation of other governments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 2 – CASH AND INVESTMENTS

Cash

The carrying amount of cash was \$2,809,997 at February 28, 2017. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government, local governments or with letters of credit issued by the Federal Home Loan Bank held in the Township's name by financial institutions acting as the Township's agent.

Certificates of Deposit

Certificates of Deposit amounted to \$261,064 at February 28, 2017. In accordance with Township policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds deposit. All investment collateral is held in safekeeping in the Township's name by financial institutions acting as the Township's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments

The investments which the Township may purchase are limited by Illinois law to the following; (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

Interest Rate Risk. The Township's investment policy limits investment maturities to two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Township has \$ 261,064 of investments as of February 28, 2017 invested in certificates of deposit.

Credit Risk. The Township's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The Township's investment policy limits investments in short-term obligations of corporations organized in the United States with assets exceeding \$ 500,000,000 if; (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature no later than 180 days from the date of purchase; (ii) such purchases do not exceed 10% of the corporation's outstanding obligations; and (iii) no more than one-third of the public agency's funds may be invested in short-term obligations of corporations.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Township investment or any other high-quality, interest bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

Concentration of Credit Risk. The Township places no limit on the amount the Township may invest in any one issuer.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 3 – CAPITAL ASSETS

Governmental capital assets activity for the year ended February 28, 2017 was as follows:

Governmental Activities	Balance March 1, 2016	Additions	Deletions	Balance February 28, 2017
Capital assets not being depreciated				
Land	\$ 690,991	\$ -	\$ -	\$ 690,991
Construction in process	-	-	-	-
Total capital assets not being depreciated	690,991	-	-	690,991
Capital assets being depreciated				
Buildings and improvements	5,427,151	-	-	5,427,151
Vehicles and equipment	405,199	-	(5,590)	399,609
Furniture and fixtures	267,671	-	-	267,671
Computer technology equipment	255,109	16,630	-	271,739
Infrastructure	3,085,441	-	-	3,085,441
Total capital assets being depreciated	9,440,571	16,630	(5,590)	9,451,611
Accumulated Depreciation for				
Buildings and improvements	2,637,771	109,395	-	2,747,166
Vehicles and equipment	349,823	14,523	(3,594)	360,752
Furniture and fixtures	269,399	-	(2,215)	267,184
Computer technology equipment	255,109	1,663	-	256,772
Infrastructure	2,547,806	102,063	-	2,649,869
Total Accumulated Depreciation	6,059,908	227,644	(5,809)	6,281,743
Total capital assets being depreciated, net	3,380,663	(211,014)	219	3,169,868
Government activities capital assets, net	\$ 4,071,654	\$(211,014)	\$ 219	\$ 3,860,859

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 3 – CAPITAL ASSETS (Continued)

Depreciation expense for the Township's governmental activities was charged to governmental functions as follows:

Administrative	\$	93,402
General Assistance		(1,908)
Road and Bridge		133,935
Total	\$	<u>225,429</u>

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation activity for the Township associated with governmental activities for the year ended February 28, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Note payable	\$ 934,781	\$ -	\$ 100,791	\$ 833,990	\$ 104,143
Net Pension Liability	475,660	891,602	666,816	700,446	N/A
Compensated absences	11,200	9,077	11,200	9,077	9,077
Total	<u>\$1,421,641</u>	<u>\$ 900,679</u>	<u>\$ 778,807</u>	<u>\$1,543,513</u>	<u>\$ 113,220</u>

Notes Payable - Private Bank

On May 8, 2014 the Township entered into a note payable with Standard Bank and Trust Company in an amount not to exceed \$1.3 million. The actual drawdowns of the loan totaled \$1,107,771 and were used as follows:

1. \$799,440 was used to pay off an existing note with Private Bank
2. \$271,831 was used to pay for roof repairs and
3. \$36,500 was deposited in the Township bank account to finance other capital improvements.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 4 – LONG-TERM LIABILITIES (Continued)

Monthly interest payments began on June 5, 2014 on the unpaid balance of the loan and monthly principal payments began on October 5, 2014. Interest is at a fixed rate of 3.50% per annum prior to May 5, 2019 at which point the rate will reset to the LIBOR rate plus 4.50% multiplied by 75% on the unpaid principal balance from that date until paid in full. The final due date is May 5, 2024. The Township has available an amortization schedule for the loan through the interest rate reset date as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	104,143	28,309	132,452
2019	107,900	24,552	132,452
2020	621,947	5,400	627,347
Total	<u>\$ 833,990</u>	<u>\$ 58,261</u>	<u>\$ 892,251</u>

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

Plan Descriptions: The Township contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. IMRF benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

General Information about the Pension Plan

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Township is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2016 was 10.62% of covered payroll. The employer annual required contribution rate for calendar year 2016 was 10.62%.

At December 31, 2016, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	45
Inactive, Non-retired Members	14
Active Members	<u>28</u>
Total	87

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

Long Term Expected Rate of Return: 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>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	38.0%	6.85%
International Equity	17.0%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65 - 7.35%
Cash Equivalent	1%	2.25%
	<u>100%</u>	

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount Rate: A Single Discount Rate of 7.46% 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 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.50%. The prior year's single discount rate was 7.46%.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 6,751,184	\$ 6,275,524	\$ 475,660
Changes for the year:			
Service Cost	105,268	-	105,268
Interest on the Total Pension Liability	491,506	-	491,506
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	294,828	-	294,828
Changes of Assumptions	(29,379)	-	(29,379)
Contributions - Employer	-	100,362	(100,362)
Contributions - Employees	-	42,526	(42,526)
Net Investment Income	-	423,402	(423,402)
Benefit Payments, including Refunds of Employee Contributions	(430,538)	(430,538)	-
Other (Net Transfer)	-	71,147	(71,147)
Net Changes	431,685	206,899	224,786
Balances at December 31, 2016	<u>\$ 7,182,869</u>	<u>\$ 6,482,423</u>	<u>\$ 700,446</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 7.50%, 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% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 1,492,124	\$ 700,446	\$ 38,933

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended December 31, 2016, the Township recognized pension expense of \$206,888. At December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 176,916	\$ 14,105
Changes of assumptions	5,645	17,629
Net difference between projected and actual earnings on pension plan investments	<u>297,593</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	480,154	31,734
Pension Contributions made subsequent to the Measurement Date	<u>15,501</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 495,655</u>	<u>\$ 31,734</u>

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

<u>Year Ended December 31</u>	<u>Amortization</u>
2017	\$ 194,291
2018	149,714
2019	96,588
2020	7,827
2021	-
Thereafter	-

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Township also purchases its employee health and accident insurance from commercial carriers. The Township did not have any significant reduction in insurance coverage from coverage in the prior year and settlements did not exceed insurance coverage during the past three fiscal years.

NOTE 7 - CONTINGENT LIABILITIES

Federal and State Grant Programs

The Township currently, and in prior fiscal years, has participated in various grant programs. Grant programs are subject to program compliance audits by the grantor agencies. The Township's compliance with applicable grant requirements may be established at some future date; however, the Township believes that any noncompliance will not have a material effect on the financial statements.

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 is effective for the Township beginning with its fiscal year ending February 28, 2018. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement 67 and 68 for pensions plans and pensions that are within their respective scopes.

GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans is effective for the Township beginning with its fiscal year ending February 28, 2018. This statement replaces Statements No. 43 and No. 57. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The scope of this Statement includes OPEB plans administered through trusts that meet certain criteria.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for the Township beginning with its fiscal year ending February 28, 2019. This statement replaces the requirements of Statements No. 45 and No. 57 for OPEB. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

GASB Statement No. 80 – *Blending Requirements for Certain Component Units* is effective for the Township beginning with its fiscal year ending February 28, 2018. The statement provides for additional criterion to blend a component unit that is incorporated as a not-for-profit corporation where the primary government is the sole corporate member.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements* is effective for the Township beginning with its fiscal year ending February 28, 2018. The statement requires a government that receives resources to an irrevocable split-interest agreement to record assets, liabilities and deferred inflows of resources at the inception of the agreement. In instances where assets representing a beneficial interest to the government are administered by a third party, these assets must be recognized if the government controls the present service capacity of the beneficial interest.

GASB Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No.68, and No.73* is effective for the Township beginning with its fiscal year ending February 28, 2018. The statement addresses issues related to the presentation of payroll-related measures in required supplementary information, selection of assumptions and the classification of employer-paid member contributions.

GASB Statement No. 83 – *Certain Asset Retirement Obligations* will be effective for the Township with its fiscal year ending February 29, 2020. The objective of this Statement is to address accounting and financial reporting (including liability recognition) when a government has a legal obligation to perform future asset retirement activities related to its tangible capital assets (ARO).

GASB Statement No. 84 – *Fiduciary Activities* will be effective for the Township beginning with its year ending February 29, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 85 – *Omnibus 2017* will be effective for the Township beginning with its year ending February 28, 2019. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. It addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB).

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2017

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 86 – *Certain Debt Extinguishment Issues* will be effective for the Township beginning with its year ending February 28, 2019. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt.

GASB Statement No. 87 – *Leases* will be effective for the Township beginning with its year ending February 28, 2021. This Statement requires recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract

Management has not yet completed its evaluation of the impact, if any, the provisions of these GASB statements might have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



WORTH TOWNSHIP, ILLINOIS

This page intentionally left blank

WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOWN FUND
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Town Fund		
	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 2,043,755	\$ 2,021,221	\$ (22,534)
Replacement taxes	85,000	91,036	6,036
Interest income	2,000	1,500	(500)
Clinic fees	50,000	49,807	(193)
Grants	17,100	21,171	4,071
Program income	33,000	47,689	14,689
Rental income	2,000	3,150	1,150
Youth commission income	60,000	65,960	5,960
Youth Services Bureau income	12,000	3,857	(8,143)
Miscellaneous revenue	710	8,512	7,802
Total revenues	<u>2,305,565</u>	<u>2,313,903</u>	<u>8,338</u>
Expenditures			
Current			
Compensation of elected officials	167,000	167,399	399
Supervisor's office	172,972	82,032	(90,940)
Assessor's office	91,062	77,425	(13,637)
Clerk's office	70,786	67,610	(3,176)
Finance office	122,710	103,743	(18,967)
Other administration	1,140,573	852,734	(287,839)
Health and welfare	295,268	185,210	(110,058)
Senior services	192,209	124,747	(67,462)
Building and equipment	326,355	197,439	(128,916)
Youth Services Bureau	102,716	52,520	(50,196)
Youth commissions	197,378	134,138	(63,240)
Debt service			
Principal on notes payable	104,200	100,791	(3,409)
Interest on notes payable	28,260	31,661	3,401
Total expenditures	<u>3,011,489</u>	<u>2,177,449</u>	<u>(834,040)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(705,924)</u>	<u>136,454</u>	<u>842,378</u>
Net Change in Fund Balance	<u>\$ (705,924)</u>	<u>136,454</u>	<u>\$ 842,378</u>
Fund Balance - Beginning		<u>1,487,040</u>	
Fund Balance - Ending		<u>\$ 1,623,494</u>	

WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Road and Bridge Fund		
	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 510,674	\$ 530,352	\$ 19,678
Replacement taxes	65,000	54,511	(10,489)
Interest income	1,645	716	(929)
Miscellaneous revenue	6,465	5,532	(933)
Total revenues	<u>583,784</u>	<u>591,111</u>	<u>7,327</u>
Expenditures			
Current			
General government	326,060	219,397	(94,663)
Maintenance	1,116,724	685,116	(442,608)
Capital outlay	105,000	3,000	(99,000)
Total expenditures	<u>1,547,784</u>	<u>907,513</u>	<u>(640,271)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(964,000)</u>	<u>(316,402)</u>	<u>647,598</u>
Net Change in Fund Balance	<u>\$ (964,000)</u>	<u>(316,402)</u>	<u>\$ 647,598</u>
Fund Balance - Beginning		<u>1,132,636</u>	
Fund Balance - Ending		<u>\$ 816,234</u>	

WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2017

	General Assistance Fund		
	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 527,680	\$ 499,703	\$ (27,977)
Replacement taxes	50,000	51,960	1,960
Donations	13,500	18,558	5,058
Grants	1,600	81	(1,519)
Intergovernmental agreements	90,855	-	(90,855)
Interest income	550	211	(339)
Miscellaneous revenue	1,010	39,905	38,895
Total revenues	<u>685,195</u>	<u>610,418</u>	<u>(74,777)</u>
Expenditures			
Current			
General government	365,388	276,379	(99,961)
Health and welfare	568,390	173,856	(391,784)
Capital outlay	5,000	-	(2,360)
Total expenditures	<u>938,778</u>	<u>450,235</u>	<u>(488,543)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(253,583)</u>	<u>160,183</u>	<u>413,766</u>
Net Change in Fund Balance	<u>\$ (253,583)</u>	<u>160,183</u>	<u>\$ 413,766</u>
Fund Balance - Beginning		<u>411,606</u>	
Fund Balance - Ending		<u>\$ 571,789</u>	

WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FEBRUARY 28, 2017

	Last 10 Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contribution	\$ 100,362	\$ 91,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	100,362	91,808	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered-Employee Payroll	945,028	943,559	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-Employee Payroll	10.62%	9.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported
Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 27-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Inflation: 2.75%
Salary Increases: 3.75% to 14.50%, including inflation
Investment Rate of Return: 7.5%
Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013
Mortality: RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information: There were no benefit changes during the year
Information is presented for those years for which it was available

WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FEBRUARY 28, 2017

Last 10 Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$ 105,268	\$ 110,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	491,506	482,798	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	294,828	(68,853)	-	-	-	-	-	-	-	-
Changes of Assumptions	(29,379)	27,555	-	-	-	-	-	-	-	-
Contributions	(430,538)	(366,076)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	431,685	186,250								
Total Pension Liability - Beginning	6,751,184	6,564,934								
Total Pension Liability - Ending (a)	\$ 7,182,869	\$ 6,751,184								
Plan Fiduciary Net Position										
Contributions - employer	\$ 100,362	\$ 91,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	42,526	42,934	-	-	-	-	-	-	-	-
Net Investment Income	423,402	31,587	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member	(430,538)	(366,076)	-	-	-	-	-	-	-	-
Other	71,147	42,251	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 206,899	\$ (157,496)								
Plan Fiduciary Net Position - Beginning	6,275,524	6,433,020								
Plan Fiduciary Net Position - Ending (b)	\$ 6,482,423	\$ 6,275,524								
Net Pension Liability - Ending (a)-(b)	\$ 700,446	\$ 475,660								
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.25%	92.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 945,028	\$ 943,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	74.12%	50.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

WORTH TOWNSHIP, ILLINOIS

Notes to the required supplementary information
February 28, 2017

NOTE - BUDGET AND BUDGETARY ACCOUNTING

Budgetary Information

The procedures used in establishing the budgetary data reflected in the financial statements is as follows:

1. The Township Supervisor submits to the Town Board a proposed operating budget for the fiscal year commencing on March 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comment.
3. The budget is legally enacted through Board action.
4. Transfers of up to 10% of the total budget may be made between the various items within any fund. The budget may be amended by Board action by the same procedure provided for in the original adoption of the budget.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds. The Township budgets and records activity on the modified accrual basis of accounting. The original budget was not amended for the fiscal year.

The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for the General Town, Road and Bridge and General Assistance Funds. No encumbrances are used.

The Township prepares its annual budget on the modified accrual basis of accounting, which is consistent with the Township's budgeting and financial reporting policies.

Excess of Expenditures over Budget

Actual expenditures were less than budgeted amounts for all funds for the year ended February 28, 2017.

INDIVIDUAL FUND FINANCIAL SCHEDULES



WORTH TOWNSHIP, ILLINOIS

This page intentionally left blank

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 2,043,755	\$ 2,021,221	\$ (22,534)
Replacement taxes	85,000	91,036	6,036
Interest income	2,000	1,500	(500)
Clinic fees	50,000	49,807	(193)
Grants	17,100	21,171	4,071
Program income	33,000	47,689	14,689
Rental income	2,000	3,150	1,150
Youth commission income	60,000	65,960	5,960
Youth Services Bureau income	12,000	3,857	(8,143)
Miscellaneous revenue	710	8,512	7,802
Total revenues	2,305,565	2,313,903	8,338
Expenditures			
General government			
Compensation of elected officials			
Salary - supervisor	36,000	36,101	101
Salary - clerk	30,000	30,083	83
Salary - assessor	30,000	30,083	83
Salary - highway commissioner	31,000	31,086	86
Salary - board of trustees	40,000	40,046	46
Total compensation of elected officials	167,000	167,399	399
Supervisor's office			
Salaries - personnel	80,132	80,371	239
Dues and subscriptions	600	589	(11)
Equipment purchases - office	2,750	570	(2,180)
Equipment purchases - truck replacement	3,000	-	(3,000)
Equipment purchases - bus/van replacement	3,000	-	(3,000)
Equipment purchases - technological	30,000	-	(30,000)
Equipment purchases - telephone system	25,000	-	(25,000)
Equipment - maintenance or repair	1,540	-	(1,540)
Office supplies	1,000	502	(498)
Training and seminars	1,000	-	(1,000)
Printing services	100	-	(100)
Building improvements	4,850	-	(4,850)
Building - interior	10,000	-	(10,000)
Building - electrical upgrade	10,000	-	(10,000)
Total supervisor's office	172,972	82,032	(90,940)
Assessor's office			
Salaries - personnel	84,222	74,216	(10,006)
Dues and subscriptions	600	786	186
Office supplies	1,500	464	(1,036)
Postage and notices	500	-	(500)
Capital outlay - equipment	300	-	(300)
Printing	500	122	(378)
Training	700	-	(700)
Equipment maintenance	1,540	187	(1,353)
Contractual services	1,200	1,650	450
Total assessor's office	91,062	77,425	(13,637)

**WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017**

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)			
General government (continued)			
Clerk's office			
Salaries - personnel	65,996	66,250	254
Dues and subscriptions	500	478	(22)
Office equipment purchases	500	-	(500)
Office supplies	600	302	(298)
Placards	350	257	(93)
Printing	200	-	(200)
Training	100	35	(65)
Marketing & advertising	1,000	288	(712)
Equipment maintenance	1,540	-	(1,540)
Total clerk's office	70,786	67,610	(3,176)
Finance office			
Salaries - personnel	89,400	79,407	(9,993)
Training and seminars	750	-	(750)
Equipment maintenance	250	396	146
Bank charges	-	1,672	1,672
Fund administration	2,500	-	(2,500)
Capital outlay - equipment	500	-	(500)
Human resources investigations	1,000	881	(119)
Printing	300	-	(300)
Data and payroll processing	27,500	21,011	(6,489)
Dues and subscriptions	10	-	(10)
Office supplies and equipment	500	376	(124)
Total finance office	122,710	103,743	(18,967)
Other administration			
Salaries - general office personnel	102,838	89,534	(13,304)
Personnel contingency	30,000	-	(30,000)
Compensatory Time	10,860	-	(10,860)
Social security and Medicare	80,215	65,249	(14,966)
IMRF	80,000	62,740	(17,260)
Employee insurance benefits	430,000	434,958	4,958
Unemployment insurance	5,000	2,274	(2,726)
Worker's compensation insurance	10,000	5,847	(4,153)
Insurance - fire, liability and vehicle	40,000	35,254	(4,746)
Telephone	12,000	11,071	(929)
Utilities	55,000	41,728	(13,272)
Travel and convention	8,500	132	(8,368)
Legal fees	30,000	16,796	(13,204)
Postage	10,000	2,318	(7,682)
Legal publishing	2,200	353	(1,847)
Township municipal relations	15,000	3,612	(11,388)
Elected officials - reimbursement expenses	10,000	3,381	(6,619)
Fair housing review board	250	-	(250)
Disaster plan	500	-	(500)
Election expense	100	-	(100)
Newsletter	12,000	-	(12,000)

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)			
General government (continued)			
Other administration (continued)			
Non funded mandates	500	-	(500)
Computer training	20,000	16,120	(3,880)
Management information systems	10,200	-	(10,200)
Administration printing	300	-	(300)
Copier supplies/rental	15,500	18,851	3,351
Continuing education	100	-	(100)
Staff meeting expenses	2,000	-	(2,000)
Safety review committee	3,500	655	(2,845)
Worth Township Foundation expense	10,000	216	(9,784)
Grant expenses	21,010	23,218	2,208
Insurance notary expenses	500	166	(334)
Insurance bonding officials	10,000	8,000	(2,000)
Supplies general office	1,500	10,261	8,761
Township promotions	500	-	(500)
Intergovernmental agreements	100,000	-	(100,000)
Contingency	500	-	(500)
Total other administration	<u>1,140,573</u>	<u>852,734</u>	<u>(287,839)</u>
Total general government	<u>1,765,103</u>	<u>1,350,943</u>	<u>(414,160)</u>
Debt service			
Principal on notes payable	104,200	100,791	(3,409)
Interest on notes payable	28,260	31,661	3,401
Total debt service	<u>132,460</u>	<u>132,452</u>	<u>(8)</u>
Health services			
Doctor, dentist & podiatrist's compensation	146,057	92,327	(53,730)
Nurses' compensation	92,301	68,178	(24,123)
Salaries - trustees	-	110	110
Medical supplies	4,000	1,802	(2,198)
Dental supplies	1,500	-	(1,500)
Podiatry supplies	1,800	171	(1,629)
Podiatry equipment	1,000	-	(1,000)
Receptionist salary	35,000	17,937	(17,063)
Additional clinic personnel	10	-	(10)
Flu shot and other vaccines	2,000	1,198	(802)
Office supplies and printing	2,200	929	(1,271)
Marketing and advertising	1,000	-	(1,000)
Legal services	-	436	436
Medical waste disposal	900	821	(79)
Uniform/lab costs	1,000	-	(1,000)
Medical seminars	1,000	-	(1,000)
Clinic/outer office/CPT	500	-	(500)
Medical equipment	1,500	1,266	(234)
Dental equipment	1,000	-	(1,000)
Reference books and subscriptions	500	-	(500)
Clinic equipment maintenance	2,000	35	(1,965)
Total health services	<u>295,268</u>	<u>185,210</u>	<u>(110,058)</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)			
Senior services			
Senior citizen bus driver salary	74,563	47,140	(27,423)
Senior room staff	22,934	16,566	(6,368)
Transportation coordinator salary	27,400	27,467	67
License and registration	200	78	(122)
Human resource expense	100	-	(100)
Senior service programs	27,412	12,794	(14,618)
Senior citizens organization grant	3,100	3,100	-
Marketing and advertising	2,000	-	(2,000)
Dues and subscriptions	200	40	(160)
Capital outlay - senior center	600	-	(600)
Bus Maintenance, fuel and repairs	30,000	16,635	(13,365)
Office supplies	1,200	308	(892)
Testing drug and alcohol	1,000	619	(381)
Uniforms	1,500	-	(1,500)
Total senior services	192,209	124,747	(67,462)
Building, equipment and vehicle maintenance			
Building maintenance - personnel	107,860	99,786	(8,074)
Building repairs/maintenance (inside)	25,000	15,548	(9,452)
Building repairs/maintenance (outside)	31,000	16,374	(14,626)
Building repairs to roof & related leak expenses	39,000	-	(39,000)
Building supplies and maintenance	13,500	13,221	(279)
Building security	3,400	2,510	(890)
Equipment maintenance	1,000	-	(1,000)
Tennis/hockey maintenance	50	-	(50)
Parks and recreation area maintenance	50	-	(50)
Emergency services and other maintenance	37,000	30,600	(6,400)
Building contingency	55,995	9,750	(46,245)
Vehicle maintenance	4,000	1,830	(2,170)
Capital outlay/equipment	1,000	-	(1,000)
Refuse disposal	7,500	7,820	320
Total building, equipment and vehicle maintenance	326,355	197,439	(128,916)

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)			
Culture and recreation			
Youth Services Bureau			
Staff salaries	74,410	35,894	(38,516)
Secretary's salary	12,494	12,531	37
Office supplies	1,600	631	(969)
Reference books and subscriptions	100	58	(42)
Testing fees and materials	800	-	(800)
Marketing and advertising	1,000	-	(1,000)
Program expenses	6,412	475	(5,937)
Peer jury expense	3,000	1,474	(1,526)
Equipment purchases	500	220	(280)
Equipment maintenance	100	-	(100)
Insurance	1,500	438	(1,062)
Training and seminars	800	799	(1)
Total Youth Services Bureau	<u>102,716</u>	<u>52,520</u>	<u>(50,196)</u>
Youth services commission			
Office employee salaries	54,132	54,663	531
Recreational staff salaries	74,099	51,290	(22,809)
Red cross	-	562	562
Personnel contingency	10	-	(10)
Equipment purchases	1,550	1,366	(184)
Equipment maintenance	2,000	245	(1,755)
Recreational expenses	63,387	25,316	(38,071)
Office supplies	1,200	641	(559)
Marketing and advertising	500	55	(445)
Training and seminars	500	-	(500)
Total youth services commission	<u>197,378</u>	<u>134,138</u>	<u>(63,240)</u>
Total culture and recreation	<u>300,094</u>	<u>186,658</u>	<u>(113,436)</u>
Total expenditures	<u>3,011,489</u>	<u>2,177,449</u>	<u>(834,040)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(705,924)</u>	<u>136,454</u>	<u>842,378</u>
Change in fund balance	<u>\$ (705,924)</u>	<u>136,454</u>	<u>\$ 842,378</u>
Fund Balance - Beginning		<u>1,487,040</u>	
Fund Balance - Ending		<u>\$ 1,623,494</u>	

**WORTH TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017**

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 510,674	\$ 530,352	\$ 19,678
Replacement taxes	65,000	54,511	(10,489)
Interest income	1,645	716	(929)
Miscellaneous revenue	6,465	5,532	(933)
Total revenues	583,784	591,111	7,327
Expenditures			
General government			
Salaries	35,000	35,157	157
IMRF	28,000	20,336	(7,664)
Social security and Medicare	20,000	15,682	(4,318)
Unemployment insurance	2,000	2,232	232
Employee health insurance	110,000	69,777	(40,223)
Uniform purchases	1,500	-	(1,500)
Worker's compensation insurance	25,000	21,889	(3,111)
General insurance	50,000	28,215	(21,785)
Fund administration	760	-	(760)
Bank service charges	500	321	(179)
Contingencies	1,000	256	(744)
Medical supplies	300	169	(131)
Drug and alcohol testing	2,000	-	(2,000)
Telephone	5,000	3,339	(1,661)
Printing	3,000	36	(2,964)
Postage	5,000	-	(5,000)
Audit	6,000	3,868	(2,132)
Data and payroll processing	8,000	6,936	(1,064)
Utilities	7,500	5,634	(1,866)
Office supplies	1,500	1,032	(468)
Publishing	3,000	305	(2,695)
Newsletter	3,000	-	(3,000)
Public relations	3,000	-	(3,000)
Legal Fees	5,000	4,213	(787)
Total general government	326,060	219,397	(106,663)
Capital outlay			
Equipment	55,000	3,000	(52,000)
Vehicle	50,000	-	(50,000)
Total capital outlay	105,000	3,000	(102,000)

WORTH TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)			
Maintenance			
Salaries - maintenance of roads	198,000	173,422	(24,578)
Maintenance service building/grounds	15,000	3,474	(11,526)
Maintenance service equipment/machinery	25,000	1,669	(23,331)
Disaster plan project	2,500	-	(2,500)
Refuse	12,000	8,832	(3,168)
Maintenance service vehicles	40,000	23,397	(16,603)
Engineering service	35,000	8,355	(26,645)
Utilities street lighting	15,000	11,905	(3,095)
Special projects - general	681,224	436,903	(244,321)
Maintenance supplies road salt	73,000	13,629	(59,371)
Automotive fuel/oil	20,000	3,530	(16,470)
Total maintenance	<u>1,116,724</u>	<u>685,116</u>	<u>(431,608)</u>
Total expenditures	<u>1,547,784</u>	<u>907,513</u>	<u>(640,271)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(964,000)</u>	<u>(316,402)</u>	<u>647,598</u>
Change in fund balance	<u>\$ (964,000)</u>	<u>(316,402)</u>	<u>\$ 647,598</u>
Fund Balance - Beginning		<u>1,132,636</u>	
Fund Balance - Ending		<u>\$ 816,234</u>	

WORTH TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	Original & Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 527,680	\$ 499,703	\$ (27,977)
Replacement taxes	50,000	51,960	1,960
Donations	13,500	18,558	5,058
Grants	1,600	81	(1,519)
Intergovernmental agreements	90,855	-	(90,855)
Interest income	550	211	(339)
Miscellaneous revenue	1,010	39,905	38,895
Total revenues	<u>685,195</u>	<u>610,418</u>	<u>(74,777)</u>
Expenditures			
General government			
Salaries - case workers	119,398	113,273	(6,125)
Salaries - supervisor	6,000	6,015	15
Building security	28,560	26,054	(2,506)
Other personnel	5,000	-	(5,000)
Equipment maintenance and repairs	1,200	-	(1,200)
Public aid hearings	500	-	(500)
IMRF	17,200	14,004	(3,196)
Employee benefits	58,000	45,622	(12,378)
General insurance	10,000	6,178	(3,822)
Social security and Medicare	13,200	10,727	(2,473)
Unemployment insurance	1,750	2,232	482
Worker's compensation insurance	6,500	5,174	(1,326)
Telephone	11,000	6,787	(4,213)
Printing	1,195	-	(1,195)
Audit	9,500	3,868	(5,632)
Data and payroll processing	11,000	9,000	(2,000)
Management of information	450	-	(450)
Publishing legal notices	600	-	(600)
Office supplies	2,500	434	(2,066)
Travel expense	1,000	492	(508)
Legal fees	4,000	-	(4,000)
Training and conventions	1,500	45	(1,455)
Non funded mandates	100	-	(100)
Office and building repairs	1,000	-	(1,000)
Newsletter	12,000	-	(12,000)
Fund administration	1,000	321	(679)
Records storage	10	-	(10)
Computer training	1,200	-	(1,200)
Investigations	32,200	26,006	(6,194)
Contingency	7,825	147	(7,678)
Total general government	<u>365,388</u>	<u>276,379</u>	<u>(89,009)</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2017

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)			
Health and welfare			
Grant for rent	342,000	106,095	(235,905)
Funeral and burial assistance	1,000	-	(1,000)
Transient assistance	3,000	-	(3,000)
Senior assistance	100	-	(100)
Family assistance	100	-	(100)
Home care and other assistance	165,000	44,282	(120,718)
Emergency financial assistance	100	-	(100)
Cook County disaster plan	750	-	(750)
Food pantry	45,000	23,479	(21,521)
Home relief contingency	1,340	-	(1,340)
Other medical	10,000	-	(10,000)
Total health and welfare	<u>568,390</u>	<u>173,856</u>	<u>(394,534)</u>
Capital outlay			
Building improvement	100	-	(100)
Equipment	4,900	-	(4,900)
Total capital outlay	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total expenditures	<u>938,778</u>	<u>450,235</u>	<u>(488,543)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(253,583)</u>	<u>160,183</u>	<u>413,766</u>
Change in fund balance	<u>\$ (253,583)</u>	<u>160,183</u>	<u>\$ 413,766</u>
Fund Balance - Beginning		<u>411,606</u>	
Fund Balance - Ending		<u>\$ 571,789</u>	

This page intentionally left blank

STATISTICAL INFORMATION



WORTH TOWNSHIP, ILLINOIS

This page intentionally left blank

WORTH TOWNSHIP, ILLINOIS
STATISTICAL COMPARISON OF PROPERTY TAXES LEVIED AND COLLECTED
FOR THE LAST FIVE YEARS ENDED AVAILABLE
(Unaudited)

	2016	2015	2014	2013	2012
Equalized Assessed Valuations- Worth Township	\$ 2,879,852,601	\$ 2,751,589,158	\$ 2,847,308,162	\$ 3,011,460,178	\$ 3,193,500,985
Tax Rates					
Town Fund	0.0778	0.078			
General Assistance Fund	0.0189	0.0198	0.0754	0.0725	0.0672
Road and Bridge Fund	0.0183	0.0191	0.0191	0.0178	0.0165
	0.1150	0.1169	0.0185	0.0175	0.0165
			0.1130	0.1078	0.1002
Tax Extensions					
Town Fund	\$ 2,239,340	\$ 2,146,993	\$ 2,145,943	\$ 2,182,504	\$ 2,171,581
General Assistance Fund	545,570	544,540	543,510	535,476	542,895
Road and Bridge Fund	525,994	525,994	525,994	525,994	526,928
	\$ 3,310,904	\$ 3,217,527	\$ 3,215,447	\$ 3,243,974	\$ 3,241,404
Collections	\$ 389,961	\$ 2,636,415	\$ 20,636	\$ 4,265	
Percentage of Extensions Collected during the fiscal year	11.78%	81.94%	0.64%	0.13%	

(1) Worth Township's Road and Bridge portion of the shared funds - full tax rates and extensions were as follows:

Tax Year	Rate	Extension
2016	0.0365	\$ 1,051,988
2015	0.0382	1,051,988
2014	0.0369	1,051,988
2013	0.0349	1,051,988
2012	0.0330	1,053,855

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100