

WORTH TOWNSHIP, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED FEBRUARY 28, 2019



WORTH TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

February 28, 2019

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 - 35

REQUIRED SUPPLEMENTARY INFORMATION

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

 Town Fund..... 36

 Road and Bridge Fund..... 37

 General Assistance Fund..... 38

Schedule of Employer's Contributions

 Illinois Municipal Retirement Fund..... 39

Schedule of Changes in Net Pension Liability and Related Ratios

 Illinois Municipal Retirement Fund..... 40

Notes to Required Supplementary Information..... 41

(Continued)

WORTH TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT

February 28, 2019

CONTENTS

INDIVIDUAL FUND FINANCIAL SCHEDULES

Major Governmental Funds

Town Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual..... 42 - 46

Special Revenue Funds

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

Road and Bridge Fund..... 47 - 48

General Assistance Fund..... 49 - 50

STATISTICAL INFORMATION

Statistical Comparison of Property Taxes Levied and Collected for the Five Years Ended Available (Unaudited)..... 51

FINANCIAL SECTION



WORTH TOWNSHIP, ILLINOIS



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 Worth Township, Illinois as of and for the year ended February 28, 2019, 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, 2019, 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 36–41 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
October 9, 2019

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2019

Our discussion and analysis of Worth Township's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended February 28, 2019. 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, 2019 is \$5,803,774, a decrease of \$103,872 from the prior year.
- Total Township revenues for the year ended February 28, 2019 were \$3,930,770 while total expenses were \$4,034,642.
- The Town Fund's fund balance decreased by \$107,952 for the year ended February 28, 2019 to \$1,653,455.

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, 2019

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 employees.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2019

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, 2019 and FEBRUARY 28, 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets	\$ 6,563,529	\$ 6,382,672
Capital assets, net	3,473,711	3,636,005
Total assets	<u>10,037,240</u>	<u>10,018,677</u>
Total deferred outflows of resources	<u>739,476</u>	<u>455,659</u>
Liabilities		
Current liabilities	88,976	124,683
Long-term liabilities	1,881,181	858,022
Total liabilities	<u>1,970,157</u>	<u>982,705</u>
Total deferred inflows of resources	<u>3,002,785</u>	<u>3,583,985</u>
Net position		
Invested in capital assets	2,849,400	2,903,501
Restricted for		
General assistance	895,211	738,380
Road & bridge	943,206	890,897
Unrestricted	1,115,957	1,374,868
Total net position	<u>\$ 5,803,774</u>	<u>\$ 5,907,646</u>

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2019

Total assets are up \$18,563 or 0.19%, from the prior year. This is primarily a result of an increase in cash of approximately \$276,000, and an increase in real estate taxes receivable of approximately \$84,100 offset by a decrease in a grant receivable of approximately \$226,300 related to a grant from Cook County that was earned in Fiscal Year 2018 and received in Fiscal Year 2019.

There was a decrease of \$162,294 in capital assets mainly due to depreciation.

Deferred outflows of resources are up \$283,817. The increase is due to the deferred recognition of the difference between projected and actual experience of the total pension liability.

Total liabilities increased from the prior year \$987,452. This is primarily due to an increase in the Illinois Municipal Retirement Fund ("IMRF") net pension liability of \$1,117,374, and a decrease of the notes payable of \$108,193 as a result of principal payments during the year.

WORTH TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2019

Statement of Activities

The following chart reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28, 2019 and FEBRUARY 28, 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues		
Charges for services	\$ 182,334	\$ 168,345
Operating grants and contributions	57,776	42,128
Capital grant	381,233	497,806
General revenues		
Taxes	3,296,471	3,453,636
Interest income	3,095	2,254
Other general revenue	<u>9,861</u>	<u>33,986</u>
Total revenues	3,930,770	4,198,155
Expenses		
General government	2,713,107	2,509,269
Road and Bridge	992,068	1,189,537
General Assistance	305,203	356,461
Interest on long-term debt	<u>24,264</u>	<u>28,025</u>
Total expenses	4,034,642	4,083,292
Change in net position	<u>(103,872)</u>	<u>114,863</u>
Net position - March 1	<u>5,907,646</u>	<u>5,792,783</u>
Net position - February 28	<u>\$ 5,803,774</u>	<u>\$ 5,907,646</u>

Total revenues for Fiscal Year 2019 decreased by 6.4% from the prior year with a decrease of 1.2% in expenses. The most significant change within revenues was a decrease of \$157,165 or 3.7% in tax revenues and the receipt of a capital grant in Fiscal Year 2019 that was \$116,573 less than the one received in Fiscal Year 2018.

The largest decreases in spending were in the General Assistance and Road and Bridge funds. Most of the decreases were due to fewer repairs and maintenance of buildings and less general assistance granted to residents.

WORTH TOWNSHIP, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2019

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, 2019

Governmental Funds

The following chart reflects a condensed comparison of 2019 and 2018 revenues and expenditures:

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease) 2018 to 2019</u>
Revenues			
General (Town) Fund	\$ 2,396,376	\$ 2,484,658	\$ (88,282)
Road and Bridge Fund	963,546	1,103,477	(139,931)
General Assistance Fund	<u>570,848</u>	<u>610,019</u>	<u>(39,171)</u>
Total Revenues	<u>3,930,770</u>	<u>4,198,154</u>	<u>(267,384)</u>
Expenditures			
General (Town) Fund	2,504,328	2,346,745	157,583
Road and Bridge Fund	888,151	1,028,814	(140,663)
General Assistance Fund	<u>407,829</u>	<u>443,428</u>	<u>(35,599)</u>
Total Expenditures	<u>3,800,308</u>	<u>3,818,987</u>	<u>(18,679)</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>

Revenues

Revenues decreased compared to last year due to a decrease in property taxes and a decrease in a capital grant.

Expenditures

Town Fund expenditures increased \$157,583 or 6.7% in Fiscal Year 2019. This was due to repairing the clinic after it flooded, increases in the salaries of Assessor's Office staff, and first full year outside IT consulting costs. The Road and Bridge Fund expenditures decreased \$140,663 or 13.7% as a result of street resurfacing projects mainly completed in Fiscal Year 2018. General Assistance Fund expenditures decreased \$35,599 or 8.0%. This is due to a reduction in travel expense program costs and a reduction in food pantry costs.

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

February 28, 2019

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. One budget amendment was adopted by the Board in Fiscal Year 2019.

Historically, the Township has taken a "just-in-case" approach in developing their budgets. During fiscal year 2019, revenues and expenditures versus budgeted amounts for the major funds showed the following variances from the final 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	\$ 2,394,515	\$ 2,396,376	\$ 1,861	\$ 3,069,100	\$ 2,504,328	\$ (564,772)
Road and Bridge	593,998	963,546	369,548	1,531,987	888,151	(643,836)
General Assistance	687,195	570,848	(116,347)	908,355	407,829	(500,526)

Town Fund revenues approximated budget while expenditures were \$564,772 or 18.4% under budget. General Government (consisting of various departments) made up the largest portion of the variance. It was \$418,749 or 21.5% of its allocations, under budget. Senior Services, Culture and Recreation, and Health Services combined were under budget by \$151,123.

Capital Assets

At the end of the fiscal year 2019, the Township had combined total capital assets of \$3,473,711 invested in a broad range of capital assets including buildings, Township facilities, roads, equipment and vehicles. Additions during the year consisted of a new wood chipper and a 2018 Ford F-150 pick-up truck. Also, road resurfacing projects and fire alarm repairs during the year were considered to be maintenance rather than the replacements of the street and alarm system, so related costs were not capitalized. Deletions during the year included the trading in of two fully depreciated pick-up trucks in exchange for the Ford-150 pick-up truck. (For more information, see Note 3 to the financial statements.)

WORTH TOWNSHIP, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2019

Governmental Activities Change in Capital Assets

	Balance	Net	Balance
	March 1, 2018	Additions/ Deletions	February 28, 2019
Non-depreciable assets-land	\$ 690,991	\$ -	\$ 690,991
Depreciable capital assets			
Buildings and improvements	5,427,151	-	5,427,151
Vehicles and equipment	399,609	29,025	428,634
Furniture and fixtures	267,671	-	267,671
Computer equipment	271,739	-	271,739
Infrastructure	3,085,441	-	3,085,441
Accumulated depreciation	<u>(6,506,597)</u>	<u>(191,319)</u>	<u>(6,697,916)</u>
Total capital assets, net	<u>\$ 3,636,007</u>	<u>\$ (162,294)</u>	<u>\$ 3,473,711</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, 2019:

	Balance			Balance
	2/28/2018	Issued	Retired	2/28/2019
Note payable	\$ 732,504	\$ -	\$ 101,193	\$ 624,311
Net Pension Liability	111,181	1,117,374	-	1,228,555
Compensated absences	<u>14,337</u>	<u>13,978</u>	-	<u>28,315</u>
Total	<u>\$ 858,022</u>	<u>\$ 1,131,352</u>	<u>\$ 101,193</u>	<u>\$ 1,881,181</u>

The Township has reduced their notes payable balance by making scheduled 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, 2019**

	Governmental Activities
Assets	
Cash	\$ 3,282,324
Investments - Certificates of Deposit	262,346
Property taxes receivable, net	2,953,407
Replacement taxes receivable	10,082
Prepaid items	55,370
Capital assets	
Capital assets, not being depreciated	690,991
Capital assets, net of accumulated depreciation	2,782,720
Total assets	10,037,240
Deferred Outflows of Resources	
Deferred outflows related to pensions	739,476
Total deferred outflows of resources	739,476
Liabilities	
Accounts payable	44,389
Due to other governments	1,813
Accrued payroll	42,774
Noncurrent liabilities due within one year	
Compensated absences	28,315
Notes payable	100,515
Non-current liabilities due in more than one year	
Net pension liability	1,228,555
Notes payable	523,796
Total liabilities	1,970,157
Deferred Inflows of Resources	
Deferred inflows related to pensions	49,378
Unearned revenue - property taxes	2,953,407
Total deferred inflows of resources	3,002,785
Net Position	
Net investment in capital assets	2,849,400
Restricted for	
General Assistance	895,211
Road and Bridge	943,206
Unrestricted	1,115,957
Total net position	\$ 5,803,774

See accompanying notes to financial statements

WORTH TOWNSHIP, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED FEBRUARY 28, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
General government	\$ 2,713,107	\$ 177,205	\$ 54,261	\$ -	\$ (2,481,641)
Road and bridge	992,068	5,129	-	369,219	(617,720)
General assistance	305,203	-	3,515	12,014	(289,674)
Interest on long-term debt	24,264	-	-	-	(24,264)
Total governmental activities	<u>\$ 4,034,642</u>	<u>\$ 182,334</u>	<u>\$ 57,776</u>	<u>\$ 381,233</u>	<u>(3,413,299)</u>
General Revenues					
Taxes					
Property taxes, levied for general purposes					3,127,188
Replacement taxes					169,283
Interest income					3,095
Miscellaneous revenues					9,861
Total general revenues					<u>3,309,427</u>
Change in net position					<u>(103,872)</u>
Net Position - Beginning					<u>5,907,646</u>
Net Position - Ending					<u>\$ 5,803,774</u>

**WORTH TOWNSHIP, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
FEBRUARY 28, 2019**

	Major Funds			
	Town Fund	Road and Bridge Fund	General Assistance Fund	Total
Assets				
Cash	\$ 1,410,142	\$ 976,999	\$ 895,183	\$ 3,282,324
Investments - Certificates of Deposit	262,346	-	-	262,346
Property taxes receivable - net	1,980,659	469,481	503,267	2,953,407
Replacement taxes receivables	3,917	3,911	2,254	10,082
Prepaid items	26,096	23,086	6,188	55,370
Total assets	\$ 3,683,160	\$ 1,473,477	\$ 1,406,892	\$ 6,563,529
Liabilities				
Accounts payable	\$ 13,590	\$ 30,799	\$ -	\$ 44,389
Due to other governments	270	1,543	-	1,813
Accrued payroll	35,186	5,362	2,226	42,774
Total liabilities	49,046	37,704	2,226	88,976
Deferred Inflows of Resources				
Unearned revenue - property taxes	1,980,659	469,481	503,267	2,953,407
Total deferred inflows of resources	1,980,659	469,481	503,267	2,953,407
Fund Balances				
Nonspendable				
Prepaid items	26,096	23,086	6,188	55,370
Restricted				
Road and Bridge	-	943,206	-	943,206
General Assistance	-	-	895,211	895,211
Unassigned	1,627,359	-	-	1,627,359
Total fund balances	1,653,455	966,292	901,399	3,521,146
Total liabilities, deferred inflows of resources and fund balances	\$ 3,683,160	\$ 1,473,477	\$ 1,406,892	\$ 6,563,529

WORTH TOWNSHIP, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2019

Total fund balances - governmental funds \$ 3,521,146

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	10,171,627	
Accumulated depreciation	(6,697,916)	
Net capital assets	3,473,711	3,473,711

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	1,159,357	
Deferred inflows of resources	(469,259)	
	690,098	690,098

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	(624,311)	
Net pension liability	(1,228,555)	
Compensated absences	(28,315)	
Total liabilities	(1,881,181)	(1,881,181)

Net position of governmental activities **\$ 5,803,774**

WORTH TOWNSHIP, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED FEBRUARY 28, 2019

	Major Funds			Total
	Town Fund	Road and Bridge Fund	General Assistance Fund	
Revenues				
Property taxes	\$ 2,080,694	\$ 541,635	\$ 504,859	\$ 3,127,188
Replacement taxes	77,666	46,908	44,709	169,283
Interest income	2,117	655	323	3,095
Donations	38,677	-	3,473	42,150
Clinic fees	39,306	-	-	39,306
Grants	15,584	369,219	42	384,845
Program income	60,730	-	-	60,730
Rental income	200	-	-	200
Intergovernmental Agreements	-	-	12,014	12,014
Youth commission income	72,173	-	-	72,173
Youth Services Bureau income	4,796	-	-	4,796
Miscellaneous revenue	4,433	5,129	5,428	14,990
Total revenues	2,396,376	963,546	570,848	3,930,770
Expenditures				
Current				
General government	577,593	208,670	304,191	1,090,454
Administration	950,639	-	-	950,639
Highway and streets	-	643,545	-	643,545
Health and welfare	187,163	-	93,388	280,551
Senior services	156,530	-	-	156,530
Building & equipment	287,901	-	-	287,901
Culture and recreation	212,050	-	-	212,050
Capital outlay	-	35,936	10,250	46,186
Debt service				
Principal	108,188	-	-	108,188
Interest	24,264	-	-	24,264
Total expenditures	2,504,328	888,151	407,829	3,800,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,952)	75,395	163,019	130,462
Net change in fund balance	(107,952)	75,395	163,019	130,462
Fund Balance - Beginning	1,761,407	890,897	738,380	3,390,684
Fund Balance - Ending	\$ 1,653,455	\$ 966,292	\$ 901,399	\$ 3,521,146

See accompanying notes to financial statements

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, 2019

Net change in fund balances - total governmental funds \$ 130,462

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	64,655	
Depreciation	(226,949)	
Net capital outlay		(162,294)

Increase in the net pension liability increases long-term liabilities in the statement of net position but does not effect fund balance (1,117,374)

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

Deferred outflows of resources	703,698	
Deferred inflows of resources	247,421	
		951,119

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		108,193
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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 fund:

Compensated absences		(13,977)
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Change in net position of governmental activities \$ (103,871)

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

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, 2019, 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.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The comparison of direct expenses with program revenues identifies the 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. Non-spendable – 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.

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.

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, 2019

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 acquisition 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 2018 tax year payable in 2019 is as follows:

Lien Date	January 1, 2018
Levy Date	December 15, 2018
First Installment	Due March 1, 2019
Second Installment	Due August 1, 2019

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

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

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, 2019, of \$ 28,315 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, 2019

NOTE 2 – CASH AND INVESTMENTS

Cash

The carrying amount of cash was \$3,282,324 at February 28, 2019, while the bank balances were \$3,465,835. Of the total bank balances \$500,000 were insured by the Federal Deposit Insurance Corporation (FDIC). Balances of \$2,900,724 were collateralized in a tri-party collateral agreement with First Midwest bank and Bank of New York Mellon. The remaining \$65,111 was not collateralized.

Certificates of Deposit

Certificates of Deposit amounted to \$262,346 at February 28, 2019. 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 \$ 262,346 of investments as of February 28, 2019 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, 2019

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, 2019

NOTE 3 – CAPITAL ASSETS

Governmental capital assets activity for the year ended February 28, 2019 was as follows:

Governmental Activities	Balance March 1, 2018	Additions	Deletions	Balance February 28, 2019
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	399,609	64,655	(35,630)	428,634
Furniture and fixtures	267,671	-	-	267,671
Computer technology equipment	271,739	-	-	271,739
Infrastructure	3,085,441	-	-	3,085,441
Total capital assets being depreciated	9,451,611	64,655	(35,630)	9,480,636
Accumulated depreciation for				
buildings and improvements	2,856,561	107,034	-	2,856,561
Vehicles and equipment	370,723	14,429	(35,630)	370,723
Furniture and fixtures	267,282	97	-	267,282
Computer technology equipment	260,098	3,326	-	260,098
Infrastructure	2,751,933	102,063	-	2,751,933
Total accumulated depreciation	6,506,597	226,949	(35,630)	6,697,916
Total capital assets being depreciated, net	2,945,014	(162,294)	-	2,782,720
Government activities capital assets, net	\$ 3,636,005	\$ (162,294)	\$ -	\$ 3,473,711

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

NOTE 3 – CAPITAL ASSETS (Continued)

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

Administrative	\$	92,704
General Assistance		405
Road and Bridge		133,840
Total	\$	<u>226,949</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, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Note payable	\$ 732,504	\$ -	\$ 108,193	\$ 624,311	\$ 100,515
Net Pension Liability	111,181	1,117,374	-	1,228,555	N/A
Compensated absences	14,337	13,978	-	28,315	28,315
Total	<u>\$ 858,022</u>	<u>\$ 1,131,352</u>	<u>\$ 101,193</u>	<u>\$ 1,881,181</u>	<u>\$ 128,830</u>

Notes Payable

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, 2019

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 new rate as of that date will be 5.236%. The final due date is May 5, 2024. Future principal and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	100,515	27,544	128,059
2021	115,378	25,047	140,425
2022	121,654	18,771	140,425
2023	128,272	12,153	140,425
2024	135,244	5,181	140,425
2025	23,248	156	23,404
Total	<u>\$ 624,311</u>	<u>\$ 88,852</u>	<u>\$ 713,163</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. 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, 2019

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, 2018 was 11.77% of covered payroll. The employer annual required contribution rate for calendar year 2018 was 11.77%.

At December 31, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	49
Inactive, Non-retired Members	16
Active Members	<u>25</u>
Total	90

Net Pension Liability

The Township’s net pension liability was measured as of December 31, 2018 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.50%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.25%
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.

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 Mortality Table with adjustments to match current IMRF experience.

Other information: 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	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20% - 8.50%
Cash Equivalents	1%	2.25%

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

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, 2017	\$ 7,398,209	\$ 7,287,028	\$ 111,181
Changes for the year:			
Service cost	94,990	-	94,990
Interest on the total Pension Liability	540,581	-	540,581
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total Pension Liability	137,760	-	137,760
Changes of assumptions	182,103	-	182,103
Contributions - employer	-	112,848	(112,848)
Contributions - employees	-	43,145	(43,145)
Net investment income	-	(458,293)	(1,172,198)
Benefit payments, including refunds of employee contributions	(475,927)	(475,927)	-
Other (Net transfer)	-	140,360	(140,360)
Net changes	479,507	(637,867)	1,117,374
Balances at December 31, 2018	\$ 7,877,716	\$ 6,649,161	\$ 1,228,555

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	Net Pension Liability (Asset)	\$ 2,047,165	\$ 1,228,555

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

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 February 28, 2019, the Township recognized pension expense of \$279,347. At February 28, 2019, 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	\$ 136,034	\$ -
Changes of assumptions	102,762	49,378
Net difference between projected and actual earnings on pension plan investments	<u>902,884</u>	<u>419,881</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>1,141,680</u>	<u>469,259</u>
Pension Contributions made subsequent to the Measurement Date	<u>17,677</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,159,357</u></u>	<u><u>\$ 469,259</u></u>

Pension contributions made subsequent to the measurement date will be recognized in pension expense in the next year. 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>
2019	\$ 304,524
2020	108,623
2021	59,656
2022	199,618
2023	-
Thereafter	-

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

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. 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. 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

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* is effective for the Township beginning with its year ending February 29, 2020. This Statement requires additional note disclosure related to debt including unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It also requires that information be provided for direct borrowings and direct placements of debt separately from other debt.

WORTH TOWNSHIP, ILLINOIS

Notes to financial statements
February 28, 2019

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period* is effective for the Township beginning with its year ending February 28, 2021. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense/expenditure in the period in which the cost is incurred. As a result, such interest costs will not be included in the historical cost of capital assets.

GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB statements No. 14 and No. 61* is effective for the Township beginning with its year ending February 29, 2020. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB Statement No. 91 – *Conduit Debt Obligations* is effective for the Township beginning with its year ending February 28, 2022. This Statement clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, and establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations. The Statement also requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuer's conduit debt obligations and a description of each type of commitment. Issuers that recognized liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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

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, 2019

	Town Fund			Variance Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 2,132,705	\$ 2,132,705	\$ 2,080,694	\$ (52,011)
Replacement taxes	85,000	85,000	77,666	(7,334)
Interest income	2,000	2,000	2,117	117
Grants	17,100	17,100	15,584	(1,516)
Clinic fees	50,000	50,000	39,306	(10,694)
Program income	33,000	33,000	60,730	27,730
Rental income	2,000	2,000	200	(1,800)
Youth commission income	60,000	60,000	72,173	12,173
Youth Services Bureau income	12,000	12,000	4,796	(7,204)
Food Pantry Donations	-	-	38,677	38,677
Miscellaneous revenue	710	710	4,433	3,723
Total revenues	<u>2,394,515</u>	<u>2,394,515</u>	<u>2,396,376</u>	<u>1,861</u>
Expenditures				
Current				
Compensation of elected officials	167,000	167,000	165,067	(1,933)
Supervisor's office	160,551	200,551	120,929	(79,622)
Assessor's office	91,229	91,229	75,513	(15,716)
Clerk's office	71,570	71,570	70,943	(627)
Finance office	141,728	141,728	145,141	3,413
Other administration	1,254,903	1,274,903	950,639	(324,264)
Health and welfare	229,941	229,941	187,163	(42,778)
Senior services	181,067	181,067	156,530	(24,537)
Building and equipment	302,800	282,800	287,901	5,101
Youth Services Bureau	105,146	105,146	57,846	(47,300)
Youth commissions	190,712	190,712	154,204	(36,508)
Debt service				
Principal on notes payable	104,144	104,144	108,188	4,044
Interest on notes payable	28,309	28,309	24,264	(4,045)
Total expenditures	<u>3,029,100</u>	<u>3,069,100</u>	<u>2,504,328</u>	<u>(564,772)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(634,585)</u>	<u>(674,585)</u>	<u>(107,952)</u>	<u>566,633</u>
Net Change in Fund Balance	<u>\$ (634,585)</u>	<u>\$ (674,585)</u>	<u>(107,952)</u>	<u>\$ 566,633</u>
Fund Balance - Beginning			<u>1,761,407</u>	
Fund Balance - Ending			<u>\$ 1,653,455</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, 2019

	Road and Bridge Fund			Variance Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 520,888	\$ 520,888	\$ 541,635	\$ 20,747
Replacement taxes	65,000	65,000	46,908	(18,092)
Grants	-	-	369,219	369,219
Interest income	1,645	1,645	655	(990)
Miscellaneous revenue	6,465	6,455	5,129	(1,326)
Total revenues	<u>593,998</u>	<u>593,988</u>	<u>963,546</u>	<u>369,558</u>
Expenditures				
Current				
General government	363,460	363,460	208,670	(154,790)
Maintenance	1,087,527	1,087,527	643,545	(443,982)
Capital outlay	85,500	81,000	35,936	(45,064)
Total expenditures	<u>1,536,487</u>	<u>1,531,987</u>	<u>888,151</u>	<u>(643,836)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(942,489)</u>	<u>(937,999)</u>	<u>75,395</u>	<u>1,013,394</u>
Net Change in Fund Balance	<u>\$ (942,489)</u>	<u>\$ (937,999)</u>	<u>75,395</u>	<u>\$ 1,013,394</u>
Fund Balance - Beginning			<u>890,897</u>	
Fund Balance - Ending			<u>\$ 966,292</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, 2019

	General Assistance Fund			Variance Over (Under) Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 529,680	\$ 529,680	\$ 504,859	\$ (24,821)
Replacement taxes	50,000	50,000	44,709	(5,291)
Donations	13,500	13,500	3,473	(10,027)
Access to care	1,600	1,600	42	(1,558)
Intergovernmental agreements	90,855	90,855	12,014	(78,841)
Interest income	550	550	323	(227)
Miscellaneous revenue	1,010	1,010	5,428	4,418
Total revenues	<u>687,195</u>	<u>687,195</u>	<u>570,848</u>	<u>(116,347)</u>
Expenditures				
Current				
General government	373,552	373,552	304,191	(69,361)
Health and welfare	561,703	521,703	93,388	(428,315)
Capital outlay	13,100	13,100	10,250	(2,850)
Total expenditures	<u>948,355</u>	<u>908,355</u>	<u>407,829</u>	<u>(500,526)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(261,160)</u>	<u>(221,160)</u>	<u>163,019</u>	<u>384,179</u>
Net Change in Fund Balance	<u>\$ (261,160)</u>	<u>\$ (221,160)</u>	<u>163,019</u>	<u>\$ 384,179</u>
Fund Balance - Beginning			<u>738,380</u>	
Fund Balance - Ending			<u>\$ 901,399</u>	

**WORTH TOWNSHIP, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FEBRUARY 28, 2019**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 112,848	\$ 94,995	\$ 100,362	\$ 91,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	112,848	94,995	100,362	91,808	-	-	-	-	-	-
Contribution deficiency (excess)	958,779	964,417	945,028	943,559	-	-	-	-	-	-
Covered-payroll	11.77%	9.85%	10.62%	9.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Contributions as a percentage of covered-payroll

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: 25-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: 7.50%
 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 to 2013 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). For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).
 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). For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).
 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, 2019

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	\$ 94,990	\$ 102,557	\$ 105,268	\$ 110,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	540,581	525,379	491,506	482,798	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	137,760	298,141	294,828	(68,853)	-	-	-	-	-	-
Changes of assumptions	182,103	(252,542)	(29,379)	27,555	-	-	-	-	-	-
Contributions	(475,927)	(458,195)	(430,538)	(366,076)	-	-	-	-	-	-
Net Change in Total Pension Liability	\$ 479,507	\$ 215,340	\$ 431,685	\$ 186,250						
Total Pension Liability - Beginning	\$ 7,398,209	\$ 7,182,869	\$ 6,751,184	\$ 6,564,934						
Total Pension Liability - Ending (a)	\$ 7,877,716	\$ 7,398,209	\$ 7,182,869	\$ 6,751,184						
Plan Fiduciary Net Position										
Contributions - employer	\$ 112,848	\$ 94,995	\$ 100,362	\$ 91,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	43,145	43,399	42,526	42,934	-	-	-	-	-	-
Net investment income	(458,293)	1,172,198	423,402	31,587	-	-	-	-	-	-
Benefit payments, including refunds of member	(475,927)	(458,195)	(430,538)	(366,076)	-	-	-	-	-	-
Other	140,360	(47,792)	71,147	42,251	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ (637,867)	\$ 804,605	\$ 206,899	\$ (157,496)						
Plan Fiduciary Net Position - Beginning	\$ 7,287,028	\$ 6,482,423	\$ 6,275,524	\$ 6,433,020						
Plan Fiduciary Net Position - Ending (b)	\$ 6,649,161	\$ 7,287,028	\$ 6,482,423	\$ 6,275,524						
Net Pension Liability - Ending (a)-(b)	\$ 1,228,555	\$ 111,181	\$ 700,446	\$ 475,660						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.40%	98.50%	90.25%	92.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Payroll	\$ 958,779	\$ 964,417	\$ 945,028	\$ 943,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered- Payroll	128.14%	11.53%	74.12%	50.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

WORTH TOWNSHIP, ILLINOIS

Notes to the required supplementary information
February 28, 2019

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 amended once in 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, 2019.

INDIVIDUAL FUND FINANCIAL SCHEDULES



WORTH TOWNSHIP, ILLINOIS

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,132,705	\$ 2,132,705	\$ 2,080,694	\$ (52,011)
Replacement taxes	85,000	85,000	77,666	(7,334)
Interest income	2,000	2,000	2,117	117
Clinic fees	50,000	50,000	39,306	(10,694)
Grants	17,100	17,100	15,584	(1,516)
Program income	33,000	33,000	60,730	27,730
Rental income	2,000	2,000	200	(1,800)
Youth commission income	60,000	60,000	72,173	12,173
Youth Services Bureau income	12,000	12,000	4,796	(7,204)
Food Pantry Donations	-	-	38,677	38,677
Miscellaneous revenue	710	710	4,433	3,723
Total revenues	<u>2,394,515</u>	<u>2,394,515</u>	<u>2,396,376</u>	<u>1,861</u>
Expenditures				
General government				
Compensation of elected officials:				
Salary - supervisor	36,000	36,000	33,563	(2,437)
Salary - clerk	30,000	30,000	30,116	116
Salary - assessor	30,000	30,000	30,116	116
Salary - highway commissioner	31,000	31,000	34,196	3,196
Salary - board of trustees	40,000	40,000	37,076	(2,924)
Total compensation of elected officials	<u>167,000</u>	<u>167,000</u>	<u>165,067</u>	<u>(1,933)</u>
Supervisor's office				
Salaries - personnel	93,651	93,651	83,338	(10,313)
Dues and subscriptions	750	750	1,280	530
Equipment purchases - office	2,750	2,750	-	(2,750)
Equipment purchases - truck replacement	3,000	43,000	36,115	(6,885)
Equipment purchases - bus/van replacement	3,000	3,000	-	(3,000)
Equipment purchases - technological	15,000	15,000	-	(15,000)
Equipment purchases - telephone system	15,000	15,000	-	(15,000)
Equipment - maintenance or repair	750	750	-	(750)
Office supplies	1,200	1,200	146	(1,054)
Training and seminars	500	500	50	(450)
Printing services	100	100	-	(100)
Building improvements	4,850	4,850	-	(4,850)
Building - interior	10,000	10,000	-	(10,000)
Building - electrical upgrade	10,000	10,000	-	(10,000)
Total supervisor's office	<u>160,551</u>	<u>200,551</u>	<u>120,929</u>	<u>(79,622)</u>
Assessor's office				
Salaries - personnel	81,689	81,689	72,386	(9,303)
Dues and subscriptions	600	600	750	150
Office supplies	750	750	513	(237)
Postage and notices	2,500	2,500	-	(2,500)
Capital outlay - equipment	800	800	189	(611)
Printing	2,000	2,000	-	(2,000)
Training	350	350	-	(350)
Equipment maintenance	1,540	1,540	-	(1,540)
Contractual services	1,000	1,000	1,675	675
Total assessor's office	<u>91,229</u>	<u>91,229</u>	<u>75,513</u>	<u>(15,716)</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)				
General government (continued)				
Clerk's office				
Salaries - personnel	67,320	67,320	67,438	118
Dues and subscriptions	500	500	764	264
Office equipment purchases	500	500	-	(500)
Office supplies	600	600	176	(424)
Placards	350	350	259	(91)
Printing	200	200	-	(200)
Training	100	100	-	(100)
Marketing & advertising	1,000	1,000	1,881	881
Equipment maintenance	1,000	1,000	425	(575)
Total clerk's office	<u>71,570</u>	<u>71,570</u>	<u>70,943</u>	<u>(627)</u>
Finance office				
Salaries - personnel	105,168	105,168	99,573	(5,595)
Training and seminars	500	500	-	(500)
Equipment maintenance	500	500	474	(26)
Bank charges	-	-	1,298	1,298
Fund administration	3,500	3,500	-	(3,500)
Capital outlay - equipment	500	500	167	(333)
Human resources investigations	1,000	1,000	531	(469)
Printing	150	150	-	(150)
Data and payroll processing	30,000	30,000	42,857	12,857
Dues and subscriptions	10	10	-	(10)
Office supplies and equipment	400	400	241	(159)
Total finance office	<u>141,728</u>	<u>141,728</u>	<u>145,141</u>	<u>3,413</u>
Other administration				
Salaries - general office personnel	229,240	229,240	199,746	(29,494)
Personnel contingency	793	793	-	(793)
Compensatory time	10,000	10,000	-	(10,000)
Social security and medicare	75,000	75,000	71,842	(3,158)
IMRF	75,000	75,000	66,332	(8,668)
Employee insurance benefits	485,000	485,000	386,305	(98,695)
Unemployment insurance	4,000	4,000	2,597	(1,403)
Worker's compensation insurance	10,000	10,000	6,855	(3,145)
Insurance - fire, liability and vehicle, other	30,000	30,000	19,219	(10,781)
Telephone	10,000	10,000	8,794	(1,206)
Utilities	45,000	45,000	47,175	2,175
Travel and convention	8,500	8,100	3,044	(5,056)
Legal fees	30,000	30,000	5,836	(24,164)
Postage	10,000	10,000	10,998	998
Legal publishing	2,200	2,200	102	(2,098)
Township municipal relations	17,500	17,500	7,307	(10,193)
Elected officials - reimbursement expenses	38,800	29,200	6,437	(22,763)
Fair housing review board	250	250	-	(250)
Disaster plan	500	500	-	(500)
Election expense	100	100	-	(100)
Newsletter	12,000	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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)				
General government (continued)				
Other administration (continued)				
Non-funded mandates	500	500	-	(500)
Computer training	20,000	20,000	14,793	(5,207)
Management information systems	5,000	5,000	1,757	(3,243)
Administration printing	300	300	-	(300)
Copier supplies/rental	20,000	20,000	17,495	(2,505)
Continuing education	100	100	-	(100)
Consulting	-	-	-	-
Staff meeting expenses	1,000	1,000	-	(1,000)
Safety review committee	1,000	1,000	1,687	687
Supervisor's expenses	-	-	1,474	1,474
Grant expenses	25,110	20,110	-	(20,110)
Insurance notary expenses	750	750	324	(426)
Insurance bonding officials	10,000	10,000	8,000	(2,000)
Supplies general office	1,250	1,250	9,823	8,573
Township promotions	500	500	-	(500)
Intergovernmental agreements	75,000	65,000	-	(65,000)
Equipment Rental/Lease	-	5,000	3,514	(1,486)
Food Pantry	-	40,000	49,183	9,183
Worth Township Foundation expenses	10	10	-	(10)
Contingency	500	500	-	(500)
Total other administration	<u>1,254,903</u>	<u>1,274,903</u>	<u>950,639</u>	<u>(324,264)</u>
Total general government	<u>1,886,981</u>	<u>1,946,981</u>	<u>1,528,232</u>	<u>(418,749)</u>
Debt service				
Principal on notes payable	104,144	104,144	108,188	4,044
Interest on notes payable	28,309	28,309	24,264	(4,045)
Total debt service	<u>132,453</u>	<u>132,453</u>	<u>132,452</u>	<u>(1)</u>
Health services				
Doctor, dentist & podiatrist's compensation	113,977	113,977	90,480	(23,497)
Nurses' compensation	77,816	77,816	70,747	(7,069)
Medical supplies	3,500	3,500	2,569	(931)
Podiatry supplies	1,500	1,500	322	(1,178)
Podiatry equipment	1,000	1,000	-	(1,000)
Receptionist salary	21,038	21,038	19,318	(1,720)
Additional clinic personnel	10	10	-	(10)
Flu shot and other vaccines	2,000	2,000	1,387	(613)
Office supplies and printing	1,500	1,500	631	(869)
Marketing and advertising	500	500	-	(500)
Medical waste disposal	1,500	1,500	1,311	(189)
Uniform/lab costs	500	500	-	(500)
Medical seminars	500	500	-	(500)
Clinic/outer office/CPT	500	500	-	(500)
Medical equipment	1,500	1,500	-	(1,500)
Reference books and subscriptions	600	600	175	(425)
Clinic equipment maintenance	2,000	2,000	223	(1,777)
Total health services	<u>229,941</u>	<u>229,941</u>	<u>187,163</u>	<u>(42,778)</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)				
Senior services				
Senior citizen bus driver salary	81,624	81,624	53,948	(27,676)
Senior room staff	22,608	22,608	25,722	3,114
Transportation coordinator salary	28,535	28,535	29,188	653
License and registration	200	200	144	(56)
Human resource expense	100	100	-	(100)
Senior service programs	20,000	20,000	20,425	425
Senior citizens organization grant	3,100	3,100	3,100	-
Marketing and advertising	1,000	1,000	190	(810)
Dues and subscriptions	200	200	334	134
Capital outlay - senior center	600	600	768	168
Bus maintenance, fuel and repairs	20,000	20,000	21,990	1,990
Office supplies	600	600	229	(371)
Testing drug and alcohol	1,000	1,000	492	(508)
Uniforms	1,500	1,500	-	(1,500)
Total senior services	<u>181,067</u>	<u>181,067</u>	<u>156,530</u>	<u>(24,537)</u>
Building, equipment and vehicle maintenance				
Building maintenance - personnel	115,900	115,900	116,393	493
Building repairs/maintenance (inside)	25,000	25,000	24,387	(613)
Building repairs/maintenance (outside)	40,000	40,000	37,005	(2,995)
Building repairs to roof & related leak expenses	10,000	10,000	-	(10,000)
Building supplies and maintenance	12,500	12,500	17,120	4,620
Building security	3,400	3,400	1,836	(1,564)
Equipment maintenance	1,000	1,000	-	(1,000)
Emergency services and other maintenance	35,000	35,000	28,050	(6,950)
Building contingency	45,000	25,000	50,639	25,639
Vehicle maintenance	4,000	4,000	1,535	(2,465)
Capital outlay/equipment	1,000	1,000	-	(1,000)
Refuse disposal	10,000	10,000	10,936	936
Total building, equipment and vehicle maintenance	<u>302,800</u>	<u>282,800</u>	<u>287,901</u>	<u>5,101</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL TOWN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)				
Culture and recreation				
Youth Services Bureau				
Staff salaries	77,496	77,496	37,622	(39,874)
Secretary's salary	15,300	15,300	15,370	70
Office supplies	1,450	1,450	568	(882)
Reference books and subscriptions	100	100	-	(100)
Testing fees and materials	-	-	-	-
Marketing and advertising	3,000	3,000	1,262	(1,738)
Program expenses	3,500	3,500	427	(3,073)
Peer jury expense	2,200	2,200	1,486	(714)
Equipment purchases	500	500	249	(251)
Equipment maintenance	100	100	-	(100)
Insurance	1,500	1,500	862	(638)
Training and seminars	-	-	-	-
Total Youth Services Bureau	<u>105,146</u>	<u>105,146</u>	<u>57,846</u>	<u>(47,300)</u>
Youth services commission				
Office employee salaries	58,662	58,662	58,906	244
Recreational staff salaries	72,750	72,750	59,349	(13,401)
Equipment purchases	1,550	1,550	708	(842)
Equipment maintenance	2,000	2,000	-	(2,000)
Recreational expenses	54,500	54,500	34,856	(19,644)
Office supplies	500	500	385	(115)
Marketing and advertising	250	250	-	(250)
Training and seminars	500	500	-	(500)
Total youth services commission	<u>190,712</u>	<u>190,712</u>	<u>154,204</u>	<u>(36,508)</u>
Total culture and recreation	<u>295,858</u>	<u>295,858</u>	<u>212,050</u>	<u>(83,808)</u>
Total expenditures	<u>3,029,100</u>	<u>3,069,100</u>	<u>2,504,328</u>	<u>(564,772)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(634,585)</u>	<u>(674,585)</u>	<u>(107,952)</u>	<u>566,633</u>
Change in fund balance	<u>\$ (634,585)</u>	<u>\$ (674,585)</u>	<u>(107,952)</u>	<u>\$ 566,633</u>
Fund Balance - Beginning			<u>1,761,407</u>	
Fund Balance - Ending			<u>\$ 1,653,455</u>	

WORTH TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Property taxes	\$ 520,888	\$ 520,888	\$ 541,635	\$ 20,747
Replacement taxes	65,000	65,000	46,908	(18,092)
Grants	10	10	369,219	369,209
Interest income	1,645	1,645	655	(990)
Miscellaneous revenue	6,455	6,455	5,129	(1,326)
Total revenues	<u>593,998</u>	<u>593,998</u>	<u>963,546</u>	<u>369,548</u>
Expenditures				
General government				
Salaries	45,900	45,900	49,319	3,419
IMRF	28,000	28,000	21,329	(6,671)
Social security and medicare	20,000	20,000	17,329	(2,671)
Unemployment insurance	3,000	3,000	2,597	(403)
Employee health insurance	115,000	115,000	74,125	(40,875)
Uniform purchases	1,500	1,500	-	(1,500)
Worker's compensation insurance	25,000	25,000	11,782	(13,218)
General insurance	40,000	40,000	11,190	(28,810)
Fund administration	760	760	-	(760)
Bank service charges	500	500	63	(437)
Contingencies	1,000	1,000	1,084	84
Medical supplies	300	300	-	(300)
Drug and alcohol testing	2,000	2,000	-	(2,000)
Telephone	5,000	5,000	2,375	(2,625)
Printing	15,000	15,000	285	(14,715)
Audit	6,000	6,000	4,038	(1,962)
Data and payroll processing	24,000	24,000	7,071	(16,929)
Utilities	7,500	7,500	6,083	(1,417)
Office supplies	1,500	1,500	-	(1,500)
Public relations	1,500	1,500	-	(1,500)
Legal fees	20,000	20,000	-	(20,000)
Total general government	<u>363,460</u>	<u>363,460</u>	<u>208,670</u>	<u>(154,790)</u>
Capital outlay				
Equipment	15,500	31,000	35,936	4,936
Vehicle	70,000	50,000	-	(50,000)
Total capital outlay	<u>85,500</u>	<u>81,000</u>	<u>35,936</u>	<u>(45,064)</u>

WORTH TOWNSHIP, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Expenditures (continued)				
Maintenance				
Salaries - maintenance of roads	290,000	290,000	180,300	(109,700)
Maintenance service building/grounds	5,000	5,000	6,383	1,383
Maintenance service equipment/machinery	25,000	25,000	-	(25,000)
Maintenance service vehicles	20,000	20,000	19,959	(41)
Building Roof Repairs/Replace	3,000	3,000	-	(3,000)
Disaster plan project	2,500	2,500	-	(2,500)
Refuse	15,000	15,000	6,374	(8,626)
Equipment rental	15,000	15,000	-	(15,000)
Engineering service	30,000	30,000	18,620	(11,380)
Utilities street lighting	15,000	15,000	15,304	304
Special projects - general	607,027	607,027	382,134	(224,893)
Maintenance supplies road salt	45,000	45,000	9,820	(35,180)
Automotive fuel/oil	15,000	15,000	4,651	(10,349)
Total maintenance	<u>1,087,527</u>	<u>1,087,527</u>	<u>643,545</u>	<u>(443,982)</u>
Total expenditures	<u>1,536,487</u>	<u>1,531,987</u>	<u>888,151</u>	<u>(643,836)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(942,489)</u>	<u>(937,989)</u>	<u>75,395</u>	<u>1,013,384</u>
Change in fund balance	<u>\$ (942,489)</u>	<u>\$ (937,989)</u>	<u>75,395</u>	<u>\$ 1,013,384</u>
Fund Balance - Beginning			<u>890,897</u>	
Fund Balance - Ending			<u>\$ 966,292</u>	

WORTH TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Property taxes	\$ 529,680	\$ 529,680	504,859	\$ (24,821)
Replacement taxes	50,000	50,000	44,709	(5,291)
Donations	13,500	13,500	3,473	(10,027)
Grants	1,600	1,600	42	(1,558)
Intergovernmental agreements	90,855	90,855	12,014	(78,841)
Interest income	550	550	323	(227)
Miscellaneous revenue	1,010	1,010	5,428	4,418
Total revenues	<u>687,195</u>	<u>687,195</u>	<u>570,848</u>	<u>(116,347)</u>
Expenditures				
General government				
Salaries - case workers	123,011	123,011	124,682	1,671
Salaries - supervisor	6,000	6,000	7,178	1,178
Building security	25,000	25,000	20,437	(4,563)
Other personnel	5,000	5,000	-	(5,000)
Equipment maintenance and repairs	1,200	1,200	350	(850)
Public aid hearings	500	500	-	(500)
IMRF	17,500	17,500	14,968	(2,532)
Employee benefits	61,331	61,331	62,922	1,591
Compensatory time	2,000	2,000	-	(2,000)
General insurance	10,000	10,000	6,237	(3,763)
Social security and medicare	14,000	14,000	10,376	(3,624)
Unemployment insurance	1,900	1,900	2,597	697
Worker's compensation insurance	6,500	6,500	2,785	(3,715)
Telephone	11,000	11,000	6,642	(4,358)
Printing	1,200	1,200	-	(1,200)
Audit	7,500	7,500	4,038	(3,462)
Data and payroll processing	13,000	13,000	11,204	(1,796)
Management of information	100	100	-	(100)
Publishing legal notices	300	300	-	(300)
Office supplies	3,500	3,500	1,687	(1,813)
Travel expense	2,500	2,500	989	(1,511)
Legal fees	4,000	4,000	-	(4,000)
Training and conventions	5,000	5,000	365	(4,635)
Non-funded mandates	100	100	-	(100)
Office and building repairs	1,000	1,000	-	(1,000)
Newsletter	12,000	12,000	-	(12,000)
Fund administration	1,500	1,500	90	(1,410)
Records storage	10	10	-	(10)
Computer training	1,200	1,200	-	(1,200)
Investigations	32,200	32,200	26,584	(5,616)
Contingency	3,500	3,500	60	(3,440)
Total general government	<u>373,552</u>	<u>373,552</u>	<u>304,191</u>	<u>(69,361)</u>

WORTH TOWNSHIP, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED FEBRUARY 28, 2019

	Original & Final Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures (continued)				
Health and welfare				
Grant for rent	321,000	250,000	61,317	(188,683)
Funeral and burial assistance	1,000	1,000	-	(1,000)
Senior assistance	100	100	-	(100)
Family assistance	100	100	-	(100)
Home care and other assistance	156,000	187,000	21,730	(165,270)
Emergency financial assistance	100	100	4,200	4,100
Cook County disaster plan	750	750	-	(750)
Food pantry	75,000	75,000	6,141	(68,859)
Home relief contingency	1,340	1,340	-	(1,340)
Other medical	6,313	6,313	-	(6,313)
Total health and welfare	<u>561,703</u>	<u>521,703</u>	<u>93,388</u>	<u>(428,315)</u>
Capital outlay				
Building improvement	100	100	-	(100)
Computers	12,500	12,500	10,250	(2,250)
Equipment	500	500	-	(500)
Total capital outlay	<u>13,100</u>	<u>13,100</u>	<u>10,250</u>	<u>(2,850)</u>
Total expenditures	<u>948,355</u>	<u>908,355</u>	<u>407,829</u>	<u>(500,526)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(261,160)</u>	<u>(221,160)</u>	<u>163,019</u>	<u>384,179</u>
Change in fund balance	<u>\$ (261,160)</u>	<u>\$ (221,160)</u>	<u>163,019</u>	<u>\$ 384,179</u>
Fund Balance - Beginning			<u>738,380</u>	
Fund Balance - Ending			<u>\$ 901,399</u>	

STATISTICAL INFORMATION



WORTH TOWNSHIP, ILLINOIS

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

	2018	2017	2016	2015	2014
Equalized Assessed Valuations- Worth Township	\$ 3,238,899,539	\$ 3,341,119,709	\$ 2,879,852,601	\$ 2,751,589,158	\$ 2,847,308,162
Tax Rates					
Town Fund	0.06910	0.06700	0.07780	0.07800	0.07540
General Assistance Fund	0.01680	0.01630	0.01890	0.01980	0.01910
Road and Bridge Fund	0.01655	0.01605	0.01825	0.01910	0.01850
	0.10245	0.09935	0.11495	0.11690	0.11300
Tax Extensions					
Town Fund	\$ 2,239,340	\$ 2,239,340	\$ 2,239,340	\$ 2,146,993	\$ 2,145,943
General Assistance Fund	545,570	545,570	545,570	544,540	543,510
Road and Bridge Fund	536,514	536,514	525,994	525,994	525,994
	\$ 3,321,424	\$ 3,321,424	\$ 3,310,904	\$ 3,217,527	\$ 3,215,447
Collections	\$ 368,016	\$ 304,490	\$ 389,961	\$ 2,636,415	\$ 20,636
Percentage of Extensions Collected during the fiscal year	11.080%	9.167%	11.778%	81.939%	0.642%

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

Tax Year	Rate	Extension
2018	0.03310	\$ 1,073,028
2017	0.03210	1,073,028
2016	0.03650	1,051,988
2015	0.03820	1,051,988
2014	0.03690	1,051,988
2013	0.03490	1,051,988