

VILLAGE OF GLENWOOD, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2006

VILLAGE OF GLENWOOD, ILLINOIS

April 30, 2006

CONTENTS

Independent Auditors' Report.....	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis.....	3
BASIC FINANCIAL STATEMENTS:	
Village-wide Financial Statements:	
Statement of Net Assets.....	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	13
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	15
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	16
Statement of Net Assets - Enterprise Funds.....	17
Statement of Revenues, Expenses and Changes in Net Assets - Enterprise Funds.....	18
Statement of Cash Flows - Enterprise Funds.....	19
Statement of Fiduciary Net Assets - Pension Trust Funds.....	20
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds.....	21
Notes to the Financial Statements.....	22
REQUIRED SUPPLEMENTARY INFORMATION:	
Analysis of Funding Progress - Illinois Municipal Retirement Fund.....	53
Analysis of Funding Progress - Pension Trust Funds.....	54
Schedule of Employer Contributions - Pension Trust Funds.....	55
Budgetary Comparison Schedule:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual - General Fund, and Major Special Revenue Fund.....	56
Notes to Budgetary Comparison Schedule.....	57

VILLAGE OF GLENWOOD, ILLINOIS

April 30, 2006

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

Major Governmental Funds

General Fund:

Schedule of Revenues and Expenditures - Budget (GAAP Basis)
and Actual..... 59

Nonmajor Governmental Funds

Combining Balance Sheet..... 66
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances 68
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual..... 74

Major Enterprise Fund

Schedule of Operating Expenses - Budget and Actual -
Water and Sewer Fund 76

Fiduciary Funds - Pension Trust Funds

Combining Statement of Fiduciary Net Assets 78
Combining Statement of Changes in Fiduciary Net Assets 79

Schedule of Expenditures for Tort Immunity Purposes 80

OTHER SUPPLEMENTARY INFORMATION:

Supplementary Schedules

Schedule of Assessed Valuations, Tax Rates and Extensions 81
Schedules of Debt Service Requirements..... 82

COMPLIANCE REPORT:

Independent Accountants' Report on Compliance 85



Crowe Chizek and Company LLC
Member Horwath International

INDEPENDENT AUDITORS' REPORT

To the Honorable Village President
and Members of the Board of Trustees
Village of Glenwood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois, (the Village), as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Analysis of Funding Progress, Schedule of Employer Contributions, and Budgetary Comparison Schedule are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Combining and Individual Fund Financial Statements and Schedules and Other Supplementary Information for the year ended April 30, 2006, as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining and Individual Fund Financial Statements and Schedules and Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Oak Brook, Illinois
December 22, 2006

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

As management of the Village of Glenwood ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2006. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis will be provided in future years when prior year information is available.

Financial Highlights

- The assets of the Village exceeded liabilities at April 30, 2006 by \$35,085,654.
- At April 30, 2006, the governmental funds reported combined fund balances of \$3,961,900 of which \$2,914,997 was unreserved and is available for spending at the Village's discretion. This compares to April 30, 2005 figures of \$4,437,919 respectfully.
- Governmental net assets increased \$437,242 as of year end April 30, 2006. This compares to \$618,496 as of April 30, 2005.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village'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 other supplementary information in addition to the basic financial statements.

Village-Wide Financial Statements

The village-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Governmental Activities reflect the Village's basic services, including administration, public safety, highways and streets and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

The Village-wide financial statements can be found on pages 11-12 of this report.

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2006
(Unaudited)

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 Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the outstanding bond holding fund, both of which are considered to be major funds. Information from the Village's seven other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report. The governmental fund financial statements can be found on pages 13-16 of this report.

The Village maintains three types of proprietary fund (enterprise funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sanitary sewer operations and golf course operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water and sewer fund and the golf course fund, both of which are considered to be major funds of the Village. The enterprise fund financial statements can be found on pages 17-19 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds. The fiduciary fund financial statements can be found on pages 20-21 of this report.

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

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.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The following chart reflects the condensed Statement of Net Assets (in millions):

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current & other assets	\$ 6.4	\$ 22.4	\$ 0.8	\$ 0.7	\$ 7.2	\$ 23.1
Capital assets	27.6	11.8	13.9	14.4	41.5	26.2
Total assets	<u>34.0</u>	<u>34.2</u>	<u>14.7</u>	<u>15.1</u>	<u>48.7</u>	<u>49.3</u>
Liabilities:						
Current liabilities	3.5	3.1	0.7	0.8	4.2	3.9
Long-term liabilities	3.7	4.8	5.7	5.9	9.4	10.7
Total liabilities	<u>7.2</u>	<u>7.9</u>	<u>6.4</u>	<u>6.7</u>	<u>13.6</u>	<u>14.6</u>
Net Assets:						
Invested in capital assets, net	23.1	22.3	8.3	8.3	31.4	30.6
Restricted	2.9	3.1	-	-	2.9	3.1
Unrestricted	0.8	0.9	-	0.1	0.8	1.0
	<u>\$ 26.8</u>	<u>\$ 26.3</u>	<u>\$ 8.3</u>	<u>\$ 8.4</u>	<u>\$ 35.1</u>	<u>\$ 34.7</u>

Current and other assets include cash and cash equivalents, investments, account receivables, inventory, prepaid items, internal balances, deferred amount on refunding, net pension assets, and capital assets.

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

Long-term liabilities include compensated absences, capital leases, loan payable, general obligation and alternative revenue bonds, and net pension obligation.

The statement of net assets can be found on page 11 of this report.

The following chart reflects the condensed Statement of Activities (in millions):

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Fees, fines & charges for services	\$ 0.9	\$ 1.0	\$ 2.4	\$ 2.3	\$ 3.3	\$ 3.3
Operating grants & contributions	0.3	0.3	-	-	0.3	0.3
Capital grant & contributions	-	-	-	-	-	-
General revenues:						
Property taxes	3.9	3.5	-	-	3.9	3.5
Income taxes	0.7	0.6	-	-	0.7	0.6
Sales taxes	1.0	0.6	-	-	1.0	0.6
Utility taxes	1.0	0.9	-	-	1.0	0.9
Other taxes	0.4	0.3	-	-	0.4	0.3
Investment earnings	0.1	0.1	-	-	0.1	0.1
Other general revenues	-	-	0.7	0.4	0.7	0.4
Total revenues	<u>8.3</u>	<u>7.3</u>	<u>3.1</u>	<u>2.7</u>	<u>11.4</u>	<u>10.0</u>
Expenses:						
General government	2.8	1.9	-	-	2.8	1.9
Public safety	3.8	3.4	-	-	3.8	3.4
Highway and streets	-	0.3	-	-	-	0.3
Public works	0.7	0.7	-	-	0.7	0.7
Buildings	0.3	0.3	-	-	0.3	0.3
Interest on debt	0.2	0.1	-	-	0.2	0.1
Water operations	-	-	1.5	2.2	1.5	2.2
Sewer operations	-	-	0.2	-	0.2	-
Golf Course Operations	-	-	1.5	1.4	1.5	1.4
Total expenses	<u>7.8</u>	<u>6.7</u>	<u>3.2</u>	<u>3.6</u>	<u>11.0</u>	<u>10.3</u>
Change in net assets	0.5	0.6	(0.1)	(0.9)	0.4	(0.3)
Net assets, beginning of year	<u>26.3</u>	<u>25.7</u>	<u>8.4</u>	<u>9.3</u>	<u>34.7</u>	<u>35.0</u>
Net assets, end of year	<u>\$ 26.8</u>	<u>\$ 26.3</u>	<u>\$ 8.3</u>	<u>\$ 8.4</u>	<u>\$ 35.1</u>	<u>\$ 34.7</u>

The statement of activities can be found on page 12 of this report.

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2006
(Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As noted earlier, the Village of Glenwood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village's governmental funds reported combined ending fund balances of \$3,961,900.

The general fund is the primary operating fund of the Village. During the year, revenue received exceeded expenditures disbursed in the general fund by \$246,966. Revenues from sales tax and local activities such as licenses and permits, and charges for services were more than anticipated. The General Fund expenditures disbursed were lower than anticipated due to decreases in administration, building and parks related expenditures.

The TIF Fund balance decreased by \$357,656, due to the payment of \$700,000 to Bruti and Associates for the Nugent Square-Bruti Redevelopment agreement.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water and sewer fund and the golf course fund at the end of the year amounted to \$8,057,999 and \$414,655. The water and sewer fund had a decrease in net assets of \$216,412 compared to a decrease of \$866,273 in fiscal year 2005. The net assets of the golf course fund increased by \$111,293. The main cause of this is the sale of 8.75 acres of land which resulted in a gain of \$249,103.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule. Explanations of the variances follow:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues Received			
Utility Taxes	\$ 420,000	\$ 470,436	\$ 50,436
Sales Tax	850,000	961,618	111,618
Expenditures Disbursed			
Engineer Services	30,000	108,855	(78,855)
E-Comm Annual Expenditure	100,000	54,277	45,723

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

Utility tax receipts were over budget due to the fact that the Village received more monies than anticipated.

Sales Tax revenue was over budget during the year because the village experienced an increase in sales tax due to the opening of Wal-Mart and Aldi's in the village.

Engineering services were higher than anticipated due to the additional engineering required for the Glenwoodie development.

E-Com annual expense was less than expected due to the delay in the opening of the center from September to November 2005.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Balance at May 1, 2005	Additions	Deletions	Balance at April 30, 2006
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 19,762,043	\$ -	\$ -	\$ 19,762,043
Total Capital Assets not Being Depreciated, Net	<u>19,762,043</u>	<u>-</u>	<u>-</u>	<u>19,762,043</u>
Capital Assets Being Depreciated:				
Improvements	1,254,980	-	-	1,254,980
Building	4,594,767	-	-	4,594,767
Machinery & Equipment	3,290,274	87,917	79,841	3,298,350
Infrastructure	4,997,495	-	32,700	4,964,795
Subtotal	<u>14,137,516</u>	<u>87,917</u>	<u>112,541</u>	<u>14,112,892</u>
Less Accumulated Depreciation	<u>(6,225,094)</u>	<u>(352,794)</u>	<u>(258,656)</u>	<u>(6,319,232)</u>
Total Capital Assets Being Depreciated, Net	<u>7,912,422</u>	<u>(264,877)</u>	<u>(146,115)</u>	<u>7,793,660</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,674,465</u>	<u>\$ (264,877)</u>	<u>\$ (146,115)</u>	<u>\$ 27,555,703</u>

The Village's investment in capital assets for its governmental activities as of April 30, 2006, amounts to \$27,555,703 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and infrastructure. During the fiscal year, the Village purchased one police squad car, two fire utility vehicles, and one all terrain vehicle, totaling \$78,528. In addition, a new tornado siren was installed on the east side of town in the amount of \$9,389.

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

	Balance at May 1, 2005	Additions	Deletions	Balance at April 30, 2006
Business-Type Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 4,502,967	\$ -	\$ 188,397	\$ 4,314,570
Total Capital Assets not Being Depreciated, Net	4,502,967	-	188,397	4,314,570
Capital Assets Being Depreciated:				
Improvements	1,648,024	-	-	1,648,024
Buildings	1,709,005	-	-	1,709,005
Machinery and Equipment	548,185	29,597	-	577,782
Infrastructure	14,023,679	-	-	14,023,679
Subtotal	17,928,893	29,597	-	17,958,490
Less Accumulated Depreciation	(8,015,704)	(342,567)	-	(8,358,271)
Total Capital Assets Being Depreciated, Net	9,913,189	(312,970)	-	9,600,219
Business-Type Activities Capital Assets, Net	\$ 14,416,156	\$ (312,970)	\$ 188,397	\$ 13,914,789

The Village's investment in capital assets for its business-type activities as of April 30, 2006, amounts to \$13,328,066 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, and infrastructure. During the fiscal year, the Village purchased a new tractor mower for the golf course for \$17,797 and a used bucket truck for the sewer and water department in the amount of \$11,800. In addition, 8.75 acres of land was sold during the fiscal year with an original cost of \$188,397. This resulted in a gain on the sale of capital assets of \$249,013.

For more detailed information related to capital assets, see Note 4 of the basic financial statements.

Debt Administration

The Village of Glenwood had total outstanding bonded debt of \$10,691,870 at April 30, 2006. This entire amount is backed by the full faith and credit of the Village. The following is a comparative table of outstanding debt:

	2006	2005
Governmental Activities:		
General Obligation Bonds		
Series 2002 Bonds	\$ 895,000	\$ 1,335,000
Alternative Revenue Bonds		
Series 1998A Motor Fuel Tax Bonds	590,000	770,000
Series 1998B Village Hall Construction Bonds	2,485,000	2,625,000
Total Alternative Revenue Bonds	3,075,000	3,395,000
Leases Payable	466,882	613,641
Compensated Absences	330,350	408,455
Total Governmental Activities	\$ 4,767,232	\$ 5,752,096

VILLAGE OF GLENWOOD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2006
(Unaudited)

	2006	2005
Business-Type Activities:		
Alternative Revenue Bonds		
Golf Course Bonds, Series 2001	\$ 5,675,000	\$ 5,795,000
Installment Contracts	123,575	193,036
Compensated Absences	68,345	102,199
Loan Payable	57,718	85,224
Total Business-Type Activities:	\$ 5,924,638	\$ 6,175,459

The Village did not issue any debt during the fiscal year.

Detailed information on the Village's long term debt activity can be found on Note 5 of the basic financial statements.

ECONOMIC FACTORS

Economic development continues in the Village of Glenwood. We now have residents living in the Glenwoodie Golf Course Development and the Nugent Square condo units.

Walmart opened its' doors in September 2005 along with Aldi and Autozone in February 2006. Chase bank and Silk n Classy Hair Café also opened during the past year. The Imagine Salon and Day Spa is expected to open in the Nugent Square complex in September 2006.

A New development on the corner of Halsted and Holbrook road will bring additional retail to the Village of Glenwood. A Murphy's Discount Auto is scheduled to open in the fall of 2006, in this retail complex.

The Village is planning to create a Tax Increment Finance District, that if successful, will offer incentives to revitalize the Glenwood Plaza on Halsted Street.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, Village of Glenwood, One Asselborn Way, Glenwood, Illinois, 60425.

STATEMENT OF NET ASSETS

April 30, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,991,761	\$ 248,321	\$ 3,240,082
Investments	546,928	320,670	867,598
Receivables:			
Property Tax Receivable	1,704,886	-	1,704,886
Due from Other Governments	638,188	-	638,188
Interest Receivable	-	4,902	4,902
Accounts Receivable	249,035	233,953	482,988
Other Receivables	-	3,591	3,591
Inventories	-	32,914	32,914
Prepaid Items	23,032	498	23,530
Internal Balances	228,204	(228,204)	-
Deferred Amount on Refunding	-	162,506	162,506
Net Pension Asset	3,375	-	3,375
Capital Assets not being Depreciated	19,762,043	4,314,570	24,076,613
Capital Assets being Depreciated, net	7,793,660	9,600,219	17,393,879
Total Assets	<u>33,941,112</u>	<u>14,693,940</u>	<u>48,635,052</u>
LIABILITIES			
Accounts Payable	389,614	244,239	633,853
Cash Overdraft	6,062	-	6,062
Accrued Payroll	51,488	10,485	61,973
Deposits Payable	57,324	107,028	164,352
Deferred Property Tax Revenue	1,704,886	-	1,704,886
Deferred Revenue	77,944	-	77,944
Interest Payable	20,319	121,453	141,772
Long-Term Obligations, Due within One Year:			
Compensated Absences	170,692	40,322	211,014
Capital Leases	151,342	67,194	218,536
Loan Payable	-	28,474	28,474
General Obligation Bonds	445,000	-	445,000
Alternative Revenue Bonds	335,000	120,000	455,000
Long-Term Obligations, Due in more than One Year:			
Compensated Absences	159,658	28,023	187,681
Capital Leases	315,540	56,381	371,921
Loan Payable	-	29,244	29,244
General Obligation Bonds	450,000	-	450,000
Alternative Revenue Bonds	2,740,000	5,555,000	8,295,000
Net Pension Obligation	66,686	-	66,686
Total Liabilities	<u>7,141,555</u>	<u>6,407,843</u>	<u>13,549,398</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	23,118,821	8,342,892	31,461,713
Restricted for:			
Debt Service	1,003,552	-	1,003,552
Community Development	1,630,361	-	1,630,361
Road Projects	231,095	-	231,095
Unrestricted Net Assets	815,728	(56,795)	758,933
Total Net Assets	<u>\$ 26,799,557</u>	<u>\$ 8,286,097</u>	<u>\$ 35,085,654</u>

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF ACTIVITIES

Year ended April 30, 2006

Functions/Programs Governmental Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Fees, Fines & Charges for Services	Operating grants and contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Government	\$ 2,757,573	\$ 531,871	\$ 7,412	\$ 14,058	\$ (2,204,232)	\$ (2,204,232)	
Public Safety	3,808,240	162,383	9,839	20,354	(3,615,664)	(3,615,664)	
Highway and Streets	11,841	-	259,463	-	247,622	247,622	
Public Works	730,610	10,147	-	-	(720,463)	(720,463)	
Buildings	306,733	215,710	-	-	(91,023)	(91,023)	
Interest on Debt	164,159	-	-	-	(164,159)	(164,159)	
Total Governmental Activities	7,779,156	920,111	276,714	34,412	(6,547,919)	(6,547,919)	
Business-type Activities:							
Water Operations	1,452,608	1,067,633	-	-	\$ (384,975)	(384,975)	
Sewer Operations	158,197	264,943	-	-	106,746	106,746	
Golf Course Operations	1,509,820	1,046,373	-	-	(463,447)	(463,447)	
Total Business-type Activities:	3,120,625	2,378,949	-	-	(741,676)	(741,676)	
Total	\$ 10,899,781	\$ 3,299,060	\$ 276,714	\$ 34,412	(6,547,919)	(7,289,595)	
General Revenues:							
Taxes:							
Property Taxes					3,870,608	-	3,870,608
Income Tax					696,163	-	696,163
Sales Tax					1,010,285	-	1,010,285
Utility Tax					959,343	-	959,343
Other Taxes					395,276	-	395,276
Investment Earnings					48,964	8,132	57,096
Gain on sale of a capital asset					-	249,103	249,103
Other General Revenues					4,522	360,091	364,613
Total General Revenues					6,985,161	617,326	7,602,487
Change in Net Assets					437,242	(124,350)	312,892
Net Assets, Beginning of Year					26,362,315	8,410,447	34,772,762
Net Assets, End of Year					\$ 26,799,557	\$ 8,286,097	\$ 35,085,654

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2006

	Major Funds		Nonmajor Governmental Funds	Total
	General Fund	TIF Fund		
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 1,510,006	\$ 1,481,755	\$ 2,991,761
Investments	106,660	-	440,268	546,928
Receivables:				
Property Tax Receivable	1,125,002	-	579,884	1,704,886
Due from Other Governments	595,943	-	42,245	638,188
Accounts Receivable	249,035	-	-	249,035
Prepaid Expenditures	23,032	-	-	23,032
Due from Other Funds	422,048	-	465,958	888,006
TOTAL ASSETS	<u>\$ 2,521,720</u>	<u>\$ 1,510,006</u>	<u>\$ 3,010,110</u>	<u>\$ 7,041,836</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 370,397	\$ -	\$ 19,217	\$ 389,614
Cash Overdraft	6,062	-	-	6,062
Accrued Payroll	51,488	-	-	51,488
Deposits	57,324	-	-	57,324
Due to Other Funds	609,964	-	49,838	659,802
Deferred Property Tax Revenue	1,125,002	-	579,884	1,704,886
Deferred Revenue	132,816	-	77,944	210,760
Total Liabilities	<u>2,353,053</u>	<u>-</u>	<u>726,883</u>	<u>3,079,936</u>
FUND BALANCE				
Reserved for:				
Debt Service	-	-	1,023,871	1,023,871
Prepays	23,032	-	-	23,032
Unreserved, reported in:				
General Fund	145,635	-	-	145,635
Special Revenue Funds	-	1,510,006	875,572	2,385,578
Capital Projects Funds	-	-	383,784	383,784
Total Fund Balance	<u>168,667</u>	<u>1,510,006</u>	<u>2,283,227</u>	<u>3,961,900</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,521,720</u>	<u>\$ 1,510,006</u>	<u>\$ 3,010,110</u>	<u>\$ 7,041,836</u>

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2006

Total fund balances - governmental funds		\$ 3,961,900
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital Assets	33,874,935	
Accumulated Depreciation	<u>(6,319,232)</u>	
Net Capital Assets		27,555,703
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Sales Taxes Receivable		132,816
Net Pension Asset is reported in the statement of net assets but is not a current financial resource and therefore is not reported in governmental funds.		
		3,375
Net Pension Liability is reported in the statement of net assets but is not a current financial resource and therefore is not reported in governmental funds.		
		(66,686)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		
		(20,319)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Compensated Absences	(330,350)	
Capital Leases	(466,882)	
General Obligation Bonds	(895,000)	
Alternative Revenue Bonds	<u>(3,075,000)</u>	
Total Long-term Liabilities		<u>(4,767,232)</u>
Net assets of governmental activities		<u>\$ 26,799,557</u>

VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended April 30, 2006

	Major Funds			Nonmajor Governmental	Total
	General Fund	TIF Fund	Funds		
Revenues					
Property Taxes	\$ 2,238,785	\$ 701,389	\$ 930,434	\$ 3,870,608	
Licenses and Permits	396,436	-	109,454	505,890	
Fines	84,121	-	-	84,121	
Other Taxes	688,322	-	51,178	739,500	
Intergovernmental	2,128,700	-	293,379	2,422,079	
Interest	4,163	18,204	24,420	46,787	
Charges for Services	737,593	-	-	737,593	
Miscellaneous	72,299	-	12,640	84,939	
Total Revenues	<u>6,350,419</u>	<u>719,593</u>	<u>1,421,505</u>	<u>8,491,517</u>	
Expenditures					
Current:					
Administration	1,313,368	330	327,752	1,641,450	
Building	297,877	-	-	297,877	
Public Works	507,008	-	-	507,008	
Parks	60,824	-	-	60,824	
Police	2,773,805	-	15,877	2,789,682	
Fire	1,094,509	-	-	1,094,509	
E.S.D.A.	44,682	-	-	44,682	
Senior Center	11,380	-	-	11,380	
Highways and Streets	-	-	127,467	127,467	
Pension Contributions	-	-	356,428	356,428	
Debt Service:					
Principal Retired	-	-	760,000	760,000	
Interest and Charges	-	-	171,859	171,859	
Capital Outlay	-	376,919	727,451	1,104,370	
Total Expenditures	<u>6,103,453</u>	<u>377,249</u>	<u>2,486,834</u>	<u>8,967,536</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>246,966</u>	<u>342,344</u>	<u>(1,065,329)</u>	<u>(476,019)</u>	
Other Financing Sources (Uses)					
Transfers In	-	-	1,147,363	1,147,363	
Transfers Out	(252,363)	(700,000)	(195,000)	(1,147,363)	
Total Other Financing Sources (Uses)	<u>(252,363)</u>	<u>(700,000)</u>	<u>952,363</u>	<u>-</u>	
Net Change in Fund Balances	(5,397)	(357,656)	(112,966)	(476,019)	
Fund Balances at Beginning of Year	<u>174,064</u>	<u>1,867,662</u>	<u>2,396,193</u>	<u>4,437,919</u>	
Fund Balances at End of Year	<u>\$ 168,667</u>	<u>\$ 1,510,006</u>	<u>\$ 2,283,227</u>	<u>\$ 3,961,900</u>	

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
Year Ended April 30, 2006

Net change in total fund balances		\$ (476,019)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.		
The change from fiscal year 2005 to 2006 consists of Sales Taxes received from the State of Illinois.		81,309
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Decrease in long-term compensated absences	78,105	
Decrease in Net Pension Surplus	(687)	
Increase in Net Pension Obligation	(41,163)	
Decrease in accrued interest on debt	7,700	
Total expenses of non-current resources		43,955
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital Outlay	87,917	
Depreciation	(352,794)	
Change in estimate in depreciation	152,515	
Capital expenditures in excess of depreciation		(112,362)
The original cost of a capital asset disposed was greater than the accumulated depreciated balance, resulting in a loss in disposal of capital assets recorded in the statement of activities:		
		(6,400)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General Obligation Bonds Payable	440,000	
Alternative Revenue Bonds Payable	320,000	
Capital Leases Payable	146,759	
Total payment of principal on long-term debt		906,759
Change in net assets of governmental activities		\$ 437,242

VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
April 30, 2006

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
ASSETS				
Cash and Cash Equivalents	\$ 154,565	\$ 93,756	\$ -	\$ 248,321
Investments	320,670	-	-	320,670
Receivables:				
Interest Receivable	4,902	-	-	4,902
Accounts Receivable	218,236	15,717	-	233,953
Other Receivables	-	3,591	-	3,591
Inventories	-	32,914	-	32,914
Prepaid Items	-	498	-	498
Due from Other Funds	664,964	619,230	-	1,284,194
Deferred Amount on Refunding	-	162,506	-	162,506
Capital Assets not being Depreciated	-	4,314,570	-	4,314,570
Capital Assets being Depreciated, net	6,944,306	2,223,140	432,773	9,600,219
TOTAL ASSETS	8,307,643	7,465,922	432,773	16,206,338
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	128,855	115,384	-	244,239
Accrued Payroll	7,292	3,193	-	10,485
Deposits	75,309	31,719	-	107,028
Due to Other Funds	-	893,168	619,230	1,512,398
Interest Payable	-	121,453	-	121,453
Long-Term Obligations, Due within One Year:				
Compensated Absences	20,261	20,061	-	40,322
Capital Leases	-	67,194	-	67,194
Loan Payable	-	28,474	-	28,474
Alternative Revenue Bonds	-	120,000	-	120,000
Long-Term Obligations, Due in more than One Year:				
Compensated Absences	17,927	10,096	-	28,023
Capital Leases	-	56,381	-	56,381
Loan Payable	-	29,244	-	29,244
Alternative Revenue Bonds	-	5,555,000	-	5,555,000
Total Liabilities	249,644	7,051,367	619,230	7,920,241
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	7,135,257	761,422	446,213	8,342,892
Unrestricted Net Assets	922,742	(346,867)	(632,670)	(56,795)
Total Net Assets	\$ 8,057,999	\$ 414,555	\$ (186,457)	\$ 8,286,097

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 ENTERPRISE FUNDS
 Year Ended April 30, 2006

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
Operating Revenues				
Charges for Services	\$ 1,333,655	\$ 1,352,567	\$ -	\$ 2,686,222
Miscellaneous	52,818	-	-	52,818
Total Operating Revenues	<u>1,386,473</u>	<u>1,352,567</u>	<u>-</u>	<u>2,739,040</u>
Operating Expenses				
Operations	1,408,054	1,053,814	5,791	2,467,659
Depreciation	202,751	126,376	13,440	342,567
Total Operating Expenses	<u>1,610,805</u>	<u>1,180,190</u>	<u>19,231</u>	<u>2,810,226</u>
Operating Income (Loss)	<u>(224,332)</u>	<u>172,377</u>	<u>(19,231)</u>	<u>(71,186)</u>
Nonoperating Revenues and (Expenses)				
Interest Revenue	7,920	212	-	8,132
Interest Expense	-	(310,399)	-	(310,399)
Gain on the sale of a capital asset	-	249,103	-	249,103
Total Nonoperating Revenues and (Expenses)	<u>7,920</u>	<u>(61,084)</u>	<u>-</u>	<u>(53,164)</u>
Change in Net Assets	<u>(216,412)</u>	<u>111,293</u>	<u>(19,231)</u>	<u>(124,350)</u>
Net Assets at Beginning of Year	<u>8,274,411</u>	<u>303,262</u>	<u>(167,226)</u>	<u>8,410,447</u>
Net Assets at End of Year	<u>\$ 8,057,999</u>	<u>\$ 414,555</u>	<u>\$ (186,457)</u>	<u>\$ 8,286,097</u>

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended April 30, 2006

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 1,371,137	\$ 1,344,496	\$ -	\$ 2,715,633
Cash Payments for Goods and Services	(1,097,367)	(612,717)	(56,965)	(1,767,049)
Cash Payments to Employees	(355,991)	(402,291)	-	(758,282)
Net Cash Provided by (Used in) Operating Activities	(82,221)	329,488	(56,965)	190,302
Cash Flows From Noncapital Financing Activities:				
Interfund borrowing	-	(197,370)	56,965	(140,405)
Interfund Lending	50,036	(56,965)	-	(6,929)
Net Cash Provided by (Used in) Noncapital Financing Activities	50,036	(254,335)	56,965	(147,334)
Cash Flows From Capital Financing Activities:				
Interest & fiscal charges	-	(296,048)	-	(296,048)
Repayment of Installment Contracts	-	(69,461)	-	(69,461)
Repayment of Loans Payable	-	(27,506)	-	(27,506)
Repayment of Alternative Revenue Bonds	-	(120,000)	-	(120,000)
Proceeds from the sale of land	-	437,500	-	437,500
Purchases of capital assets	(11,800)	(17,797)	-	(29,597)
Net Cash Provided by (Used in) Capital Financing Activities	(11,800)	(93,312)	-	(105,112)
Cash Flows From Investing Activities:				
Sales of Investments	-	69	-	69
Interest Revenue	7,920	212	-	8,132
Net Cash Provided by (Used in) Investing Activities	7,920	281	-	8,201
Net Increase (Decrease) in Cash	(36,065)	(17,878)	-	(53,943)
Cash and Cash Equivalents, Beginning of Year	190,630	111,634	-	302,264
Cash and Cash Equivalents, End of Year	\$ 154,565	\$ 93,756	\$ -	\$ 248,321
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ (224,332)	\$ 172,377	\$ (19,231)	\$ (71,186)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	202,751	126,376	13,440	342,567
Decrease (Increase) in Accounts Receivable	(10,258)	(8,594)	-	(18,852)
Decrease (Increase) in Inventories	-	(13,869)	-	(13,869)
Increase (Decrease) in Accounts Payable	(7,189)	48,663	(51,174)	(9,700)
Increase (Decrease) in Accrued Payroll	1	(250)	-	(249)
Increase (Decrease) in Deposits Payable	(5,078)	523	-	(4,555)
Increase (Decrease) in Compensated Absences	(38,116)	4,262	-	(33,854)
Total Adjustments	142,111	157,111	(37,734)	261,488
Net Cash Provided by (Used in) Operating Activities	\$ (82,221)	\$ 329,488	\$ (56,965)	\$ 190,302

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
April 30, 2006

	Pension <u>Trust Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 380,120
Investments	<u>6,218,969</u>
TOTAL ASSETS	<u>\$ 6,599,089</u>
 NET ASSETS	
Plan Net Assets Held in Trust for Pension Benefits	<u>\$ 6,599,089</u>

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 Year ended April 30, 2006

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 230,859
Plan Members	<u>149,843</u>
Total Contributions	<u>380,702</u>
Net Investment Income	<u>634,610</u>
Total Additions	<u>1,015,312</u>
DEDUCTIONS	
Benefits & Refunds	376,200
Administrative Expenses	<u>141,896</u>
Total Deductions	<u>518,096</u>
Increase (Decrease) in Net Assets	497,216
Plan Net Assets at Beginning of Year	<u>6,101,873</u>
Plan Net Assets at End of Year	<u>\$ 6,599,089</u>

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The Village of Glenwood (the Village) operates under a Board-Manager form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies and the presentation of the basic financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

Financial Reporting Entity: The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" under which these basic financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden with the Village. The component units included in these financial statements are discussed below.

In conformity with GAAP, the Village's Police and Firefighters' Pension funds have been included as blended component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. Thus, the financial information of these two funds has been blended within the Village's basic financial statements as fiduciary funds. Separately issued financial statements for the pension funds are not available.

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

Village-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Village as a whole. In the Village-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Village-wide statement of activities reflects both the direct

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

expenses and net cost of each function of the Village's governmental activities and business-type 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 is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements - The financial transactions of the Village 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, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Village-Wide Financial Statements - The Village-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds 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 balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. 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.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the Village applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

For purpose of the statement of cash flows, the Village considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. "Cash and cash equivalents" includes cash on hand, savings accounts and checking accounts.

The Village 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 directly 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 Village's general revenues. For identifying the function to which a 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 assets to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

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 Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are 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.

Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. Deferred revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met, or when the government has a legal claim to the resources, the liability is removed and the revenue recognized.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

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

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

The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Increment Financing District Fund - (a special revenue fund) is used to account for revenues derived from the special Tax Increment Financing District to pay development cost and retire debt.

Proprietary Funds - Proprietary funds account for the Village's ongoing activities which are similar to those often found in the private sectors where the determination of net income is necessary or useful to sound financial administration, or where service from such activities can be provided either to outside parties or to other departments within the Village. The Enterprise Funds represent the proprietary fund of the Village.

The Village reports the following major proprietary funds:

Water and Sewer Fund - This fund accounts for the revenues and expenses related to the operation of the Village's water and sewer enterprise. Revenues are generated through charges to users based upon water consumption.

Golf Course Fund - This fund accounts for the revenues and expenses related to the operation of the Glenwoodie Golf Course. Revenues are generated through charges to users based on rounds played and concessions purchased.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the Pension Trust Funds.

In addition to the major funds mentioned above, the Village uses the following fund types:

Governmental Fund Types

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the Village's accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Capital Projects Funds - The Capital Projects Funds are used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

Cash and Cash Equivalents: Cash and cash equivalents include demand deposits and investments with a maturity date of less than three months when acquired by the Village.

Investments: Investments are stated at fair value.

Inventories: Inventory is stated at the lower of cost or market determined on the first in - first out basis.

Capital Assets: Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the Village-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

All reported capital assets except land and construction in progress 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:

Buildings	75-100 Years
Improvements and Equipment	10 Years
Infrastructure - Bridges	80 Years
Infrastructure - Roads	80 Years
Infrastructure - Water and Sewer	75-100 Years
Vehicles and Equipment	15 Years

Compensated Absences: Accumulated unpaid compensated absences are accrued as liabilities in proprietary funds using the accrual basis of accounting. For governmental funds using the modified accrual basis of accounting, such amounts, which are expected to be paid from current available resources, are accrued as liabilities of the funds and those amounts which are not expected to be paid from current available resources, are accounted for in the statement of net assets.

Interfund Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the Village-wide financial statements as "internal balances". All receivables are shown net of an allowance for uncollectibles.

Prepaid Items: Certain payments reflect costs to future periods and are recorded as prepaid items in both the Village-wide and governmental fund financial statements.

Long-Term Debt: In the Village-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 are reported as debt service expenditures.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires Village's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and/or the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates, but the Village believes that the differences would be insignificant.

Deferred Amount on Refunding: Deferred amounts in the proprietary funds result from the refunding of bonds and are amortized over the remaining life of the old bonds using the straight-line method.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Village's investment policy is to establish cash management and investment guidelines for Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet their guidelines.

Cash

The carrying amount of cash, excluding the Pension Trust Funds, was \$3,232,785 at April 30, 2006, while the bank balances were \$3,435,381. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$100,000, or collateralized with securities of the U.S. Government or with letters of credit issued by a government agency held in the Village's name by financial institutions acting as the Village's agent.

The Village had cash on hand of \$1,235 as of April 30, 2006.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

At April 30, 2006, the Police Pension Trust Fund's carrying amount of cash was \$96,339 and the bank balances were \$96,339. The FDIC insures bank balances up to \$100,000. As of April 30, 2006, 100% of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent or by FDIC.

At April 30, 2006, the Firefighters Pension Trust Fund's carrying amount of cash was \$283,781 and the bank balances were \$283,781. The FDIC insures bank balances up to \$100,000. As of April 30, 2006, 100% of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent or by FDIC.

Certificates of Deposit

Certificates of Deposit, excluding the Pension Trust Funds, amounted to \$427,330 at April 30, 2006. 100% of this balance was collateralized with securities of the U.S. government held in the Pension Trust Funds' name by a financial institution acting as the Fund's agent or by FDIC.

At April 30, 2006, the Police Pension Trust Fund's certificate of deposit balance was \$856,989. 100% of this balance was collateralized with securities of the U.S. government held in the Pension Trust Funds' name by a financial institution acting as the Fund's agent or by FDIC.

At April 30, 2006, the Firefighters' Pension Trust Fund's certificate of deposit balance was \$490,477. 100% of this balance was collateralized with securities of the U.S. government held in the Pension Trust Funds' name by a financial institution acting as the Fund's agent or by FDIC.

Investments (excluding Pension Trust Funds)

The investments which the Village may purchase are limited to the following: (1) U.S. Government Obligations, U.S. Government agency obligation, U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value; (2) Certificates of deposit and other evidences of deposit at local financial institutions and (3) all other investments as authorized by the State of Illinois. The investments authorized by Illinois law are 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.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village's investments at April 30, 2006:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less than One Year</u>	<u>One to Five Years</u>
U.S. Treasuries	\$ 440,268	\$ -	\$ 440,268
Total Fixed Income Securities	\$ 440,268	\$ -	\$ 440,268

Interest Rate Risk. The Village's investment policy states that the investments maturity period shall be matched with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps to limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in the securities of the United States Government agencies were all rated Triple A by Standard & Poor's and by Moody's Investor Services. The Village'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.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that only authorized financial institutions that are FDIC insured and/or provide sufficient collateralization to cover the balance of the Village's deposits. As of April 30, 2006, 100% of the balance was collateralized, insured either by the Federal Deposit Insurance Corporation (FDIC) for \$100,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the a government agency held in the Village's name by financial institutions acting as the Village's agent.

Concentration of Credit Risk. There is a risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to the best of its ability based on the types of funds invested and the cash flow needs of those funds. Diversification can be type of investments, number of institutions invested in, and length of maturity. The policy does not limit as to the amount the Village may invest in any one issuer. The City does not have any investments that exceed more than 5% of the Village's total deposits and investments.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Police Pension Trust Fund's Investments

The Police Pension Trust Fund is authorized to invest in the following: (1) bonds, notes, certificates of indebtedness, Treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest, (2) in bonds notes, debentures or other similar obligations of the following agencies of the United States of America: The Federal Housing Administration, Governmental National Mortgage Association, Public Housing Boards, Farmers Home Administration; General Services Administration, Maritime Administration, Small Business Administration and Small Business Administration Loan Pools, Tennessee Valley Authority, Washington Metropolitan Area Transit Authority, Federal Land banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Farm Credit Banks Federal Home Loan Banks, The Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association, (3) interest bearing bonds, (4) common and preferred stocks of issuers created or existing under the laws of the United States and are listed on a national security exchange, board of trade, or are quoted in the National Association of Securities Dealers Automated Quotation System National Market System, (5) mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and Registered under the Illinois Securities law of 1953, (6) real estate investment trusts and (7) money market mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Trust Fund's investments at April 30, 2006:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater than Ten Years</u>
U.S. Treasuries	\$ 262,790	\$ 262,790	\$ -	\$ -	\$ -
GNMA	16,584	235	3,365	-	12,984
Total fixed income securities	279,374	<u>\$ 263,025</u>	<u>\$ 3,365</u>	<u>\$ -</u>	<u>\$ 12,984</u>
Annuities *	1,193,094				
Mutual Funds *	2,437,886				
Insurance Contracts *	270,077				
Total	<u>\$ 4,180,431</u>				

* = not subject to collateralization

Interest Rate Risk. The Police Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investments in the securities of the United States Government agencies were all rated Triple A by Standard & Poor's and Aaa by Moody's Investor Services. The annuities, mutual funds, and insurance contracts are unrated. The Pension Fund's policy states that the manager is expected to prudently diversify the portfolio across industry and economic sectors, which means investments shall be made with judgment and care, under circumstances prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objectives of safety and attainment of market rates of return.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2006, all account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$100,000, or collateralized with securities of the U.S. Government or with letters of credit issued by a government agency held in the Pension Fund's name by financial institutions acting as the Pension Fund's agent.

Concentration of Credit Risk. There is a risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's policy states that the board is to made aware of situations when the investment in any one company (for equities) exceeds 5% of the equity portfolio at time of purchase. As of April 30, 2006, the Police Pension Trust Fund did not have any equities in the portfolio. However, the policy does not state specific restrictions or limits on the amount that the Police Pension Trust Fund may invest in any one issuer. The following are the investments that exceed 5% of total deposits and investments for the Police Pension Trust Fund as of April 30, 2006:

Description	Balance April 30, 2006	%
Certificate of Deposits:		
Charter One Bank	\$ 350,000	6.82%
Mutual Funds		
AmCap Fund Inc.	449,142	8.75%
Fundamental Investors	501,654	9.77%
Growth Fund of America A	488,767	9.52%
Washington Mutual Invest A	445,705	8.68%
Insurance Contracts		
Prosaver Platinum/ Protective Life Insurance Co	270,077	5.26%

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Pension Trust Fund's Investments

The Firefighters' Pension Trust Fund is authorized to invest in (1) interest bearing obligations of the United States of America, (2) interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America, (3) interest bearing notes, bonds, debentures, or other similar obligations of agencies of the United States of America, (4) interest bearing savings accounts or certificates of deposits, (5) investment in credit unions, (6) interest bearing bonds of the State of Illinois, (6) pooled interest accounts managed by the Illinois Public Treasurer's Investment Pool, (7) interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois, and (8) direct obligations of the State of Israel, (9) money market mutual funds managed by investment companies that are registered under the Federal Investment Act of 1940.

The Pension Trust Fund's investment objective is to reduce the need for the funding of retirement benefits from active duty firefighters and taxpayers. The paramount goal of the Fund is to have investment returns carry as much of the financial load as is possible in the boundaries of prudent risk. The policy of the fund is to emphasize total return, that is, the aggregate return of capital appreciation, dividend income, and interest income. The primary objectives are safety, liquidity, and return on investments.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Trust Fund's investments at April 30, 2006:

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
U.S. Treasuries	\$ 93,358	\$ -	\$ 17,310	\$ -	\$ 76,048
GNMA	38,792	24	159	-	38,609
Total fixed income securities	132,150	\$ 24	\$ 17,469	\$ -	\$ 114,657
Annuities *	558,922				
Total	\$ 691,072				

* = not subject to collateralization

Interest Rate Risk. The Firefighters' Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investments in the securities of the United States Government agencies were all rated Triple A by Standard & Poor's and Aaa by Moody's Investor Services. The annuities are unrated. The Pension Fund's policy states that the plan shall be invested the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity with familiar with such matters would use in the investment of a fund of like character and like aims.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2006, all account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$100,000, or collateralized with securities of the U.S. Government or with letters of credit issued by a government agency held in the Pension Fund's name by financial institutions acting as the Pension Fund's agent.

Concentration of Credit Risk. There is a risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's policy states that 0-35% should be invested in equities, 60-90% should be invested in fixed income securities, and 0-40% should be invested in cash equivalents. As of April 30, 2006, 19% was invested in cash and cash equivalents, 34% was invested in certificates of deposits, 9% was invested in fixed income securities, and 38% was invested in annuities. The following are the investments that exceed 5% of total deposits and investments for the Firefighters' Pension Trust Fund as of April 30, 2006:

Description	Balance April 30, 2006	%
<i>Certificate of Deposits:</i>		
First United Bank	\$ 252,767	17.25%
Heritage Community	191,907	13.10%
<i>Fixed Income Securities:</i>		
U.S. Treasuries	76,048	5.19%
<i>Annuities:</i>		
Guardiance Investors	167,014	11.40%
Conseco Life Insurance Annuity	104,438	7.13%
Ing USA Annuity & Life Insurance Co	173,440	11.84%

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of footnote to financial statements:

Per footnote:	
Cash:	
Village	\$ 3,232,785
Village - cash on hand	1,235
Police Pension Trust Fund	96,339
Firefighters' Pension Trust Fund	283,781
Certificates of Deposit:	
Village	427,330
Police Pension Trust Fund	856,989
Firefighters' Pension Trust Fund	490,477
Investments:	
Village	440,268
Police Pension Trust Fund	4,180,431
Firefighters' Pension Trust Fund	691,072
Total	<u>\$ 10,700,707</u>
Per financial statements:	
Statement of Net Assets:	
Cash and cash equivalents	\$ 3,240,082
Investments	867,598
Cash overdrafts	(6,062)
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	380,120
Investments	6,218,969
	<u>\$ 10,700,707</u>

NOTE 3 - PROPERTY TAXES

Property Taxes: The property taxes receivable represents the uncollected portion of the 2005 tax levy which attached as an enforceable lien on January 1, 2005. The tax levy ordinance was approved on December 20, 2005. Tax bills are prepared by the county and issued on or about February 1, 2006 and September 1, 2006 and are payable in two installments, on or about March 1, 2006 and October 1, 2006. The county collects such taxes and periodically remits them to the Village. The property tax revenue in the current year financial statements reflects the collections of half of the 2004 and half of the 2005 levies. A reduction for collection losses, based on historical collections, has been applied to reduce property taxes receivable to the estimated amount to be collected.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 3 - PROPERTY TAXES (Continued)

Property taxes accounted for in the governmental fund types are recognized as revenue as they become both measurable and available (modified accrual). Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter is not to exceed 60 days. Property taxes levied in the current year which are not collected at year end are not used to pay liabilities of the current period. Therefore, this revenue does not meet the "available" criterion and is reported as deferred revenue.

NOTE 4 - CAPITAL ASSETS

A summary of changes in governmental capital assets follows:

	<u>Balance at May 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2006</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 19,762,043	\$ -	\$ -	\$ 19,762,043
Capital assets not Being Depreciated:				
Improvements	1,254,980	-	-	1,254,980
Buildings	4,594,767	-	-	4,594,767
Machinery and equipment	3,290,274	87,917	79,841	3,298,350
Infrastructure	4,997,495	-	32,700	4,964,795
Subtotal	<u>14,137,516</u>	<u>87,917</u>	<u>112,541</u>	<u>14,112,892</u>
Accumulated Depreciation				
Improvements	(836,729)	(61,987)	-	(898,716)
Buildings	(1,125,099)	(80,870)	-	(1,205,969)
Machinery and equipment	(1,462,966)	(139,288)	(73,441)	(1,528,813)
Infrastructure	(2,800,300)	(70,649)	(185,215)	(2,685,734)
Subtotal	<u>(6,225,094)</u>	<u>(352,794)</u>	<u>(258,656)</u>	<u>(6,319,232)</u>
Total Capital Assets Being Depreciated, net	<u>7,912,422</u>	<u>(264,877)</u>	<u>(146,115)</u>	<u>7,793,660</u>
Governmental Activities Capital Assets, net	<u>\$ 27,674,465</u>	<u>\$ (264,877)</u>	<u>\$ (146,115)</u>	<u>\$ 27,555,703</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of \$352,794 was charged to the governmental activities functional expense categories as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>
General Government	\$ 50,303
Public Safety	110,891
Highway and Streets	69,589
Public Works	118,698
Buildings	<u>3,313</u>
Total	<u>\$ 352,794</u>

A summary of changes in business-type activities capital assets follows:

	<u>Balance at May 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2006</u>
Business-Type Activities:				
Capital Assets not being depreciated:				
Land	\$ 4,502,967	\$ -	\$ 188,397	\$ 4,314,570
Total capital assets not being depreciated:	<u>4,502,967</u>	<u>-</u>	<u>188,397</u>	<u>4,314,570</u>
Capital assets being depreciated:				
Improvements	1,648,024	-	-	1,648,024
Buildings	1,709,005	-	-	1,709,005
Machinery and equipment	548,185	29,597	-	577,782
Infrastructure	14,023,679	-	-	14,023,679
Subtotal	<u>17,928,893</u>	<u>29,597</u>	<u>-</u>	<u>17,958,490</u>
Accumulated Depreciation				
Improvements	(521,327)	(82,402)	-	(603,729)
Buildings	(282,175)	(34,433)	-	(316,608)
Machinery and equipment	(252,218)	(36,393)	-	(288,611)
Infrastructure	(6,959,984)	(189,339)	-	(7,149,323)
Subtotal	<u>(8,015,704)</u>	<u>(342,567)</u>	<u>-</u>	<u>(8,358,271)</u>
Total capital assets being depreciated, net	<u>9,913,189</u>	<u>(312,970)</u>	<u>-</u>	<u>9,600,219</u>
Business-Type Activities Capital Assets, net	<u>\$ 14,416,156</u>	<u>\$ (312,970)</u>	<u>\$ 188,397</u>	<u>\$ 13,914,789</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of \$342,567 was charged to the business-type activities functional expense categories as follows:

<u>Business-Type Activities:</u>	<u>Depreciation</u>
Water Operations	\$ 109,137
Sewer Operations	93,614
Golf Course Operations	<u>139,816</u>
Total	<u>\$ 342,567</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of the changes in the long-term debt of the Village for the year ended April 30, 2006.

	<u>Governmental Activities</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds:					
G.O. Refunding Bonds, Series 2002	\$ 1,335,000	\$ -	\$ 440,000	\$ 895,000	\$ 445,000
Alternative Revenue Bonds:					
Series 1998A Motor Fuel Tax Bonds	770,000	-	180,000	590,000	190,000
Series 1998B Village Hall Const. Bonds	2,625,000	-	140,000	2,485,000	145,000
Total Alternative Revenue Bonds	<u>3,395,000</u>	<u>-</u>	<u>320,000</u>	<u>3,075,000</u>	<u>335,000</u>
Capital Leases	613,641	-	146,759	466,882	151,342
Compensated Absences	408,455	122,694	200,799	330,350	170,692
Total Governmental Activities	<u>\$ 5,752,096</u>	<u>\$ 122,694</u>	<u>\$ 1,107,558</u>	<u>\$ 4,767,232</u>	<u>\$ 1,102,034</u>
	<u>Business-Type Activities</u>				
Alternative Revenue Bonds:					
Golf Course Bonds, Series 2001	\$ 5,795,000	\$ -	\$ 120,000	\$ 5,675,000	\$ 120,000
Installment Contracts:					
Lawn Mowers	27,489	-	15,460	12,029	12,029
Golf Carts, 2003	165,547	-	54,001	111,546	55,165
Total Installment Contracts	<u>193,036</u>	<u>-</u>	<u>69,461</u>	<u>123,575</u>	<u>67,194</u>
Compensated Absences	102,199	20,034	53,888	68,345	40,322
Loan Payable	85,224	-	27,506	57,718	28,474
Total Business-type Activities	<u>\$ 6,175,459</u>	<u>\$ 20,034</u>	<u>\$ 270,855</u>	<u>\$ 5,924,638</u>	<u>\$ 255,990</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 5 - LONG-TERM DEBT (Continued)

Details of the governmental activities long-term debt as of April 30, 2006 are as follows:

General Obligation Bonds

General Obligation Refunding Bonds, Series 2002, dated October 1, 2002 due in annual installments of \$405,000 to \$455,000 through December 1, 2008; interest at 3.75% to 4.25%. The debt is paid from the 1992 Debt Service Fund from tax revenues.

Alternative Revenue Bonds

Alternative Revenue Bonds, series 1998A Motor Fuel Tax Bonds due in annual installments of \$165,000 to \$205,000 through December 1, 2009; interest at 3.75% to 4.10%. The debt is paid from the 1998 MFT Bond Fund from motor fuel tax revenues.

Alternative Revenue Bonds, series 1998B Village Hall Construction Bonds due in annual installments of \$125,000 to \$250,000 through December 1, 2019; interest at 3.75% to 4.65%. The debt is paid from the 1998B Bond Fund from utility tax revenues.

Capital lease for photocopier due in annual installments of \$1,265 through fiscal year 2007; interest at 5.00%. The photocopier was recorded at a cost of \$6,195 and accumulated depreciation as of April 30, 2006 is \$1,328. The debt is paid by the General Fund.

Capital lease for fire trucks due in annual installments of \$164,711 through fiscal year 2009; interest at 3.00%. The trucks were recorded at a cost of \$780,000 and accumulated depreciation as of April 30, 2006 is \$248,786. The debt is paid by the General Fund.

Details of the business-type activities long term debt as of April 30, 2006 are as follows:

General obligation bonds, series 2001, dated May 1, 2001 due in annual installments of \$110,000 to \$395,000 through December 1, 2031; interest at 3.00% to 5.38%. The debt is paid from the Golf Course Fund from golf revenues. The debt is paid from the Golf Course Fund.

Installment contract for the purchase of lawn mowers with due in monthly installments through fiscal year 2007; interest at 5.90%. The debt is paid from the Golf Course Fund.

Installment contract for the purchase of golf carts with due in monthly installments through fiscal year 2008; interest 5.0%. The debt is paid from the Golf Course Fund.

Loan for the purchase of golf carts with due in monthly installments through fiscal year 2008; interest 3.47%. The debt is paid from the Golf Course Fund.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2006

NOTE 5 - LONG-TERM DEBT (Continued)

The annual payments to retire interest-bearing debt as of April 30, 2006 are as follows:

Due in Fiscal Year	Governmental Activities												Total Governmental Debt Service								
	Alternative Revenue Bond Series 1998A				Alternative Revenue Bonds Series 1998B				General Obligation Refunding Bonds 2002					Capital Lease 2003				Capital Lease 2004			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest	Principal	Interest		
2007	\$ 190,000	\$ 23,903	\$ 145,000	\$ 109,598	\$ 445,000	\$ 22,065	\$ 1,265	\$ 433	\$ 150,077	\$ 14,664	\$ 1,102,005										
2008	195,000	16,303	155,000	103,798	450,000	11,830	1,054	361	154,805	9,906	1,098,057										
2009	205,000	8,405	160,000	97,520	-	-	-	-	159,681	5,030	635,636										
2010	-	-	165,000	90,960	-	-	-	-	-	-	255,960										
2011	-	-	170,000	84,113	-	-	-	-	-	-	254,113										
2012-2016	-	-	980,000	302,182	-	-	-	-	-	-	1,282,182										
2017-2020	-	-	710,000	67,193	-	-	-	-	-	-	777,193										
Totals	\$ 590,000	\$ 48,611	\$ 2,485,000	\$ 855,364	\$ 895,000	\$ 33,895	\$ 2,319	\$ 794	\$ 464,563	\$ 29,600	\$ 5,405,146										

Due in Fiscal Year	Business-Type Activities												Total Proprietary Debt Service						
	General Obligation Bonds Series 2001				2003 Note Payable				2001 Golf Equipment Lease					2001 Golf Cart Lease					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest				
2007	\$ 120,000	\$ 291,488	\$ 28,474	\$ 1,552	\$ 12,029	\$ 437	\$ 55,165	\$ 3,201	\$ 512,346										
2008	125,000	286,689	29,244	549	-	-	56,381	739	498,602										
2009	130,000	281,563	-	-	-	-	-	-	411,563										
2010	140,000	276,103	-	-	-	-	-	-	416,103										
2011	145,000	270,083	-	-	-	-	-	-	415,083										
2012-2016	820,000	1,246,463	-	-	-	-	-	-	2,066,463										
2017-2020	1,055,000	1,015,435	-	-	-	-	-	-	2,070,435										
2022-2026	1,370,000	698,813	-	-	-	-	-	-	2,068,813										
2027-2031	1,770,000	295,355	-	-	-	-	-	-	2,065,355										
Totals	\$ 5,675,000	\$ 4,661,992	\$ 57,718	\$ 2,101	\$ 12,029	\$ 437	\$ 111,546	\$ 3,940	\$ 10,524,763										

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 5 - LONG-TERM DEBT (Continued)

Defeasance of Debt: In fiscal year 2002, the Village issued \$2,170,000 of general obligation refunding bonds series 2002, to advance refund \$2,125,000 of the Village's Series 1992 Sewer Bonds. The proceeds from the 2002 bonds have been placed in an irrevocable trust with an escrow agent who purchased U.S. Government securities to provide for the future debt service payments. As a result, \$2,125,000 of the bonds listed above is considered to be defeased and the liability for these bonds have been removed from the financial statements. As of April 30, 2006 \$2,125,000 of the Series 1992 bonds was outstanding.

In prior years, the Village defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2006, \$605,000 of bonds outstanding are considered defeased.

Legal Debt Margin: A computation of the legal debt margin of the Village as of April 30, 2006, is as follows:

Assessed valuation - 2004 tax year		\$120,212,865
Legal debt limit - 8.625% of assessed valuation		10,368,360
General obligation bonds	<u>895,000</u>	
Total debt subject to debt limit		<u>895,000</u>
Legal debt Margin		<u><u>\$ 9,473,360</u></u>

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS

Illinois Municipal Retirement Fund: The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF) provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local Governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 7.28 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2005 was 5 years.

For December 31, 2005, the Village's annual pension cost of \$102,151 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study. Trend information follows:

TREND INFORMATION - IMRF

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2005	\$ 102,151	100%	\$ -
12/31/2004	108,780	100%	-
12/31/2003	78,558	100%	-
12/31/2002	48,958	100%	-
12/31/2001	44,980	100%	-
12/31/2000	89,482	100%	-
12/31/1999	78,142	100%	-
12/31/1998	77,425	100%	-
12/31/1997	75,545	100%	-
12/31/1996	66,326	100%	-

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Police Pension

Plan Description: Police sworn personnel are covered by the Police Pension Fund, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Fund does not issue its own stand-alone financial statements. At April 30, 2006, the Police Pension Fund membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	17
Current Employees	
Vested and Nonvested	<u>15</u>
TOTAL	<u><u>32</u></u>

The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

The Police Pension Fund provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as additions in the period in which employee services are performed.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Method Used to Value Investments - Fixed-income securities are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings.

Change in Net Pension Obligation for the past two fiscal years:

	April 30, 2006	April 30, 2003
Annual required contribution	\$ 200,332	\$ 166,140
Interest on net pension obligation	1,787	161
Adjustment to annual required contribution	(1,111)	(92)
Annual pension cost	201,008	166,209
Contributions made	159,845	142,983
Increase (decrease) in net pension obligation	41,163	23,226
Net pension obligation beginning of year	25,523	2,297
Net pension obligation end of year	\$ 66,686	\$ 25,523

The Net Pension Obligation has been recorded in the Statement of Net Assets.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Firefighters' Pension

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighters' Pension Fund does not issue its own stand-alone financial statements. At April 30, 2006, the Firefighters' Pension Fund membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested and nonvested	5
TOTAL	<u>6</u>

The following is a summary of the Firefighters' Pension Fund as provided for in Illinois State Statutes.

The Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement.

The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service and one-twelfth of 1% of such monthly service for each additional month over 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a Firefighter who retired with 30 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as additions in the period in which employee services are performed.

VILLAGE OF GLENWOOD, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Method Used to Value Investments - Fixed-income securities are reported at fair value. Short-term investments are reported at cost which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary.

Current Year Annual Pension Cost and Net Pension Obligation: The net pension obligation at April 30, 2006 was comprised of the following:

	April 30, 2006	April 30, 2003
Annual Required Contribution (ARC)	\$ 71,808	\$ 54,273
Interest on the NPO	(284)	-
Adjustment to the ARC	177	-
Annual Pension Cost	<u>71,701</u>	<u>54,273</u>
Contribution	<u>71,014</u>	<u>58,335</u>
Decrease in net pension obligation	687	(4,062)
Net Pension Obligation at Beginning of the Year	<u>(4,062)</u>	-
Net Pension Obligation at End of the Year	<u><u>\$ (3,375)</u></u>	<u><u>\$ (4,062)</u></u>

The Net Pension Asset has been recorded in the Statement of Net Assets.

VILLAGE OF GLENWOOD, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2005	April 30, 2006	April 30, 2006
Actuarial cost method	Entry-Age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	5 Years, Closed (over funded)	27 Years	27 Years

Significant actuarial assumptions:

a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 - 11.60%	Not Available	Not Available

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 6 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

	Fiscal	Illinois	Fiscal	Police	Fiscal	Firefighters'
	Year	Municipal	Year	Pension	Year	Pension
		Retirement				
Annual pension cost (APC)	2003	\$ 78,558	2002	\$ 136,021	2002	\$ 54,273
	2004	108,780	2003	166,209	2003	54,273
	2005	102,151	2004	N/A	2004	N/A
			2005	N/A	2005	N/A
			2006	201,008	2006	71,014
Actual Contribution	2003	\$ 78,558	2002	\$ 133,294	2002	\$ 54,273
	2004	108,780	2003	142,983	2003	58,335
	2005	102,151	2004	N/A	2004	N/A
			2005	N/A	2005	N/A
			2006	159,845	2006	71,014
Percentage of APC Contributed	2003	100.00%	2002	98.00%	2002	100.00%
	2004	100.00%	2003	86.03%	2003	107.48%
	2005	100.00%	2004	N/A	2004	N/A
			2005	N/A	2005	N/A
			2006	79.52%	2006	100.00%
NPO (Asset)	2003	\$ -	2002	\$ 2,297	2002	\$ -
	2004	-	2003	25,523	2003	(4,062)
	2005	-	2004	N/A	2004	N/A
			2005	N/A	2005	N/A
			2006	66,686	2006	(3,375)

N/A - Information has not been prepared

NOTE 7 - DEFERRED COMPENSATION PLAN

The Village offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to certain Village employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination/retirement, death, or unforeseeable emergency. With the adoption of GASB Statement No. 32, the Village no longer reports this fund in its financial statements.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 8 - COMMITMENTS

The Village is committed to pay several developers within Tax Incremental Finance (TIF) districts after the developers have completed certain project improvements and satisfied other conditions. These conditions vary from developer to developer; however, in all cases these amounts are only due to be paid from future revenues which will arise from the new development within the new TIF districts.

NOTE 9 - WATER PURCHASE RIGHTS

In prior years, the Board of Trustees approved a water purchase contract between the Village and the City of Chicago Heights, Illinois (Chicago Heights). The contract expires in July 2014 and provides that Chicago Heights will deliver lake water to the Village at a point of delivery within the Village limits.

NOTE 10 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village carries commercial insurance for all risks except for workers' compensation and employee health and accident claims. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

The Village pays annual premiums to the Illinois Public Risk Fund (IPRF), which is an organization of public entities, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The Village pays annual premiums to the IPRF for its workers' compensation.

The member agreement provides that IPRF will be self-sustaining through member premiums and provides coverage of \$2,500,000 with an additional \$7,000,000 of insurance provided by an umbrella policy. The Village, along with IPRF's to her members, has a contractual obligation to fund any deficit of IPRF attributable to a membership year during which it was a member. Supplemental Contributions may be required to fund these deficits. There were no supplemental contributions paid in the previous three years.

IPRF is governed by a five-person board of trustees. None of its members have any direct equity interest in IPRF.

VILLAGE OF GLENWOOD, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2006

NOTE 10 - RISK MANAGEMENT (Continued)

The Village is self-insured for employee health and accident claims. A purchased insurance policy limits the aggregate claims the Village may potentially pay to \$25,000 per individual. All administration and claims processing is done by an independent administrator.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are estimated based on historical cost information and include an amount for claims that have been incurred but not reported.

A reconciliation of claims payable for the current year and that of the preceding year is as follows:

	2005	2006
Claims payable, beginning of year	\$ 71,627	\$ 53,188
Claims incurred and changes in estimate	425,567	902,681
Claims paid	(444,006)	(703,685)
Claims payable, end of year	\$ 53,188	\$ 252,184

The claims payable are listed as part of the General Fund's accounts payable balance as of April 30, 2006.

NOTE 11 - OTHER INDIVIDUAL FUND DISCLOSURES

Transfers

The following transfers were made during the fiscal year:

	Transfer In	Transfer Out
Major Governmental Funds:		
General Fund	\$ -	\$ 252,363
TIF Fund	-	700,000
Nonmajor Governmental Funds	1,147,363	195,000
Total Transfers	\$ 1,147,363	\$ 1,147,363

- \$700,000 transferred from TIF Fund to Main Street Tax Increment Financing District Fund Street to cover debt service payment. This transfer will not be repaid.
- \$252,363 transferred from General Fund to Series 1998B Village Hall Construction Bond Fund to cover debt service payment. This transfer will not be repaid.
- \$195,000 transferred from Motor Fuel Tax Fund to Series 1998A MFT Bond Fund to cover debt service payment. This transfer will not be repaid.

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 11 - OTHER INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund Receivables and Payables

The following individual interfund receivable and payable balances as of April 30, 2006 were as follows:

	Due From	Due To
General		
Non-major Governmental	\$ 3,880	\$ 455,000
Water and Sewer	418,168	-
Golf Course	-	154,964
Total General	422,048	609,964
Non-major Governmental		
General	455,000	3,880
Non-major Governmental	10,958	10,958
Water and Sewer	-	35,000
Total Non-major Governmental	465,958	49,838
Water and Sewer		
General	154,964	-
Non-major Governmental	35,000	-
Golf Course	475,000	-
Total Water and Sewer	664,964	-
Golf Course		
General	-	418,168
Water and Sewer	-	475,000
Golf Course Housing Project	619,230	-
Total Golf Course	619,230	893,168
Golf Course Housing Project		
Golf Course	-	619,230
Total Golf Course Housing Project	-	619,230
Total	\$ 2,172,200	\$ 2,172,200

The interfunds as of April 30, 2006 are expected to be repaid within the next fiscal year. The interfund between the General and Water and Sewer fund represents a negative cash balance in the

VILLAGE OF GLENWOOD, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2006

NOTE 11 - OTHER INDIVIDUAL FUND DISCLOSURES (Continued)

General Fund as April 30, 2006. The interfund between the Golf Course Fund and the Golf Course Housing Project Fund represents a negative cash balance in the Golf Course Housing Project Fund as of April 30, 2006.

Deficit Equity Balances

The following funds had deficit equity balances:

	<u>Amount</u>
Community Development Block Grant Fund	\$ 7,665
Golf Course Housing Project Fund	186,457

VILLAGE OF GLENWOOD, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 APRIL 30, 2006

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$ 2,191,225	\$ 1,987,863	\$ (203,362)	110.23%	\$ 1,403,171	-14.49%
12/31/04	2,065,847	2,106,774	40,927	98.06%	1,334,730	3.07%
12/31/03	2,067,548	1,990,695	(76,853)	103.86%	1,279,445	-6.01%
12/31/02	1,861,530	1,722,836	(138,694)	108.05%	1,174,066	-11.81%
12/31/01	1,748,653	1,437,891	(310,762)	121.61%	1,038,798	-29.92%
12/31/00	1,756,899	1,372,898	(384,001)	127.97%	904,770	-42.44%
12/31/99	1,615,161	1,352,496	(262,665)	119.42%	848,456	-30.96%
12/31/98	1,237,186	1,346,318	109,132	91.89%	851,757	12.81%
12/31/97	1,103,349	1,313,270	209,921	84.02%	766,660	27.38%
12/31/96	1,315,840	1,421,844	106,004	92.54%	694,517	15.26%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$2,221,598. On a market basis, the funded ratio would be 111.76%.

* Digest of Changes

2005 Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 experience study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur

VILLAGE OF GLENWOOD, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 PENSION TRUST FUNDS
 APRIL 30, 2006

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
<u>Police Pension Fund</u>						
4/30/2006	\$ 5,133,758	\$ 9,279,320	\$ 4,145,562	55.32%	\$ 873,228	474.74%
4/30/2003	4,471,682	6,105,292	1,633,610	73.24%	734,137	222.52%
4/30/2002	4,710,619	6,559,688	1,849,069	71.81%	690,113	267.94%
4/30/2001	5,002,538	6,112,691	1,110,153	81.84%	790,939	140.36%
4/30/1999	4,847,252	5,246,623	399,371	92.39%	784,201	50.93%
<u>Firefighters' Pension Fund</u>						
4/30/2006	\$ 1,465,330	\$ 2,009,186	\$ 543,856	72.93%	\$ 294,931	184.40%
4/30/2003	1,163,341	1,512,169	348,828	76.93%	230,186	151.54%
4/30/2002	1,098,659	1,340,404	241,745	81.96%	200,970	120.29%
4/30/2001	N/A	N/A	N/A	N/A	N/A	N/A
4/30/1999	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information has not been prepared.

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and the unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the unfunded actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effect of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

VILLAGE OF GLENWOOD, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST FUNDS
YEAR ENDED APRIL 30, 2006

Fiscal Year Ended	POLICE PENSION				FIREFIGHTERS' PENSION			
	Annual Pension Cost	Annual Contributions Made	Percentage Contributed	Net Pension Obligation	Annual Pension Cost	Annual Contributions Made	Percentage Contributed	Net Pension Obligation
4/30/2006	\$ 201,008	\$ 159,845	79.5%	\$ 66,686	\$ 71,701	\$ 71,014	99.0%	\$ (3,375)
4/30/2003	166,209	142,983	86.0%	25,523	54,273	58,335	107.5%	(4,062)
4/30/2002	136,021	133,294	98.0%	2,297	54,273	54,273	100.0%	-
4/30/2001	135,484	118,628	87.6%	(430)	N/A	N/A	N/A	N/A
4/30/1999	104,601	112,459	107.5%	(17,286)	N/A	N/A	N/A	N/A

N/A - Information has not been prepared.

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	<u>Police Pension</u> April 30, 2006	<u>Fire Pension</u> April 30, 2006
Actuarial Valuation Date	April 30, 2006	April 30, 2006
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level % payroll	Level % payroll
Remaining Amortization Period	27	27
Actuarial Valuation Method	Market	Market
Significant Actuarial Assumptions:		
a) Rate of return on investments of present and future assets	7.0% compounded annually	7.0% compounded annually
b) Projected salary increases - attributable to inflation	5.5% compounded annually	5.5% compounded annually
c) Cost-of-living adjustments	3.0%	3.0%

VILLAGE OF GLENWOOD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
 Year Ended April 30, 2006

	General Fund			TIF Fund		
	Original & Final Budget	Actual	Variance from Budget Positive (Negative)	Original & Final Budget	Actual	Variance from Budget Positive (Negative)
Revenues						
Property Taxes	\$ 2,221,402	\$ 2,238,785	\$ 17,383	\$ 600,000	\$ 701,389	\$ 101,389
Licenses and Permits	343,800	396,436	52,636	-	-	-
Fines	131,200	84,121	(47,079)	-	-	-
Other Taxes	588,500	688,322	99,822	-	-	-
Intergovernmental	1,955,000	2,128,700	173,700	-	-	-
Interest	1,350	4,163	2,813	2,500	18,204	15,704
Charges for Services	75,317	737,593	662,276	-	-	-
Miscellaneous	39,700	72,299	32,599	-	-	-
Total Revenues	<u>5,356,269</u>	<u>6,350,419</u>	<u>994,150</u>	<u>602,500</u>	<u>719,593</u>	<u>117,093</u>
Expenditures						
Current:						
Administration	1,372,272	1,313,368	58,904	5,700	330	5,370
Building	352,051	297,877	54,174	-	-	-
Public Works	497,660	507,008	(9,348)	-	-	-
Parks	143,929	60,824	83,105	-	-	-
Police	2,658,056	2,773,805	(115,749)	-	-	-
Fire	1,078,629	1,094,509	(15,880)	-	-	-
E.S.D.A.	50,180	44,682	5,498	-	-	-
Senior Center	14,800	11,380	3,420	-	-	-
Capital Outlay	-	-	-	850,000	376,919	473,081
Total Expenditures	<u>6,167,577</u>	<u>6,103,453</u>	<u>64,124</u>	<u>855,700</u>	<u>377,249</u>	<u>478,451</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(811,308)</u>	<u>246,966</u>	<u>1,058,274</u>	<u>(253,200)</u>	<u>342,344</u>	<u>595,544</u>
Other Financing Sources (Uses)						
Transfers Out	<u>(252,363)</u>	<u>(252,363)</u>	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>
Total Other Financing Sources (Uses)	<u>(252,363)</u>	<u>(252,363)</u>	<u>-</u>	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>
Net Change in Fund Balances	<u>\$ (1,063,671)</u>	<u>(5,397)</u>	<u>\$ 1,058,274</u>	<u>\$ (253,200)</u>	<u>(357,656)</u>	<u>\$ (104,456)</u>
Fund Balances at Beginning of Year		<u>174,064</u>			<u>1,867,662</u>	
Fund Balances at End of Year		<u>\$ 168,667</u>			<u>\$ 1,510,006</u>	

See accompanying notes to schedule.

VILLAGE OF GLENWOOD
NOTES TO BUDGETARY COMPARISON SCHEDULE
April 30, 2006

NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets: Budgets are adopted on a basis consistent with GAAP. The original budget was not modified during the fiscal year. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Village Manager submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is adopted by the Village Board. This is the Village's legal budgetary document. The budget ordinance is enacted through passage of a Village ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- e) Budgets for all governmental funds are adopted on a basis consistent with generally accepted accounting principles.
- f) Appropriations lapse at year-end.
- g) Transfers between line items and departments may be made by administrative action; however, amounts to be transferred between funds would require Village Board approval. The level of legal control is the individual fund budget in total.
- h) Budgeted amounts are as originally adopted, with the exceptions of Board approved transfers which were not material in relation to the budget taken as a whole.
- i) The Village adopts budgets for the General, Special Revenue, Debt Service and Enterprise Fund Types except for the Police Forfeiture Fund, Main Street TIF Fund (Special Revenue fund type) and Golf Course Housing Project Fund (Enterprise Fund). No budgets were adopted for the Capital Projects Funds and the Emergency 911 Fund.

(Continued)

VILLAGE OF GLENWOOD
NOTES TO BUDGETARY COMPARISON SCHEDULE
April 30, 2006

NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess Over Budgets

The following funds had an excess of expenditures/expenses/deductions over budget:

	Amount in Excess of Budget
Series 1992 Bond Fund	\$ 5,208
Series 1998A Bond Fund	750
Series 199B Village Hall Construction Bond Fund	950
Illinois Municipal Retirement Fund	2,428
Main Street Tax Increment Financing District Fund	611,894

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final Budget	Actual
Revenues		
Property Taxes	\$ 2,221,402	\$ 2,238,785 ✓
Other Taxes		
Utility Taxes	420,000	470,436 ✓
Muni Auto Rental Tax	8,500	8,189 ✓
Real Estate Transfer Tax	160,000	209,697 ✓
Total Other Taxes	588,500	688,322
Intergovernmental		
Sales Tax	850,000	961,618 ✓
Income Tax	665,000	696,163 ✓
Personal Property Replacement Tax	25,000	38,266 ✓
Telecommunications Maint Fee	415,000	425,241 ✓
Grants	-	7,412 ✓
Total Intergovernmental	1,955,000	2,128,700
Licenses and Permits		
Zoning Board/Hearing App. Fee	3,000	1,350 ✓
Glenwoodie Land Permits	-	50,000 ✓
Building & Electrical Permit	203,000	209,385
Alarm Permits	3,000	200
Cable TV Revenue	80,000	82,503 ✓
Business Licenses	53,000	52,080 ✓
Animal Licenses	1,800	918 ✓
Total Licenses and Permits	343,800	396,436
Fines		
Police-DUI Related Revenues	4,200	1,435 ✓
Police Fines	115,000	79,086 ✓
Building Code Fines	12,000	3,600 ✓
Total Fines	131,200	84,121
Interest		
	1,350	4,163
Charges for Services		
Project Reimburse - Admin.	1,500	253,394
Project Reimburse-Police	1,500	20,499
Project Reimburse-Fire	300	6,191
Bad Check Charge	100	40
SBA Towers	47,917	31,719 ✓
Park Program Fees	24,000	7,697 ✓
Refuse Fees	-	418,053
Total Charges for Services	75,317	737,593
Miscellaneous		
Grass Cutting Fees	1,000	2,450
Misc Clerical Fees/Building	1,500	-
Towed Vehicle Admin Fee	8,000	4,050 ✓
Foreign Fire Insurance	4,500	4,748 ✓
Fire Protection Fees	12,000	11,150 ✓
Facility Rent	300	1,375

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final Budget	Actual
Police Ins/Misc Reimbursment	\$ 8,000	\$ 37,812
Newsletter Advertising	1,900	150
Cops And Bobbers Program	-	12
Miscellaneous	2,000	4,342
Miscellaneous-Fire	500	6,210
Total Miscellaneous	<u>39,700</u>	<u>72,299</u>
Total Revenues	<u>5,356,269</u>	<u>6,350,419</u>
Expenditures		
Current:		
Administration		
Mayor	13,500	13,327
Treasurer	1,500	1,500
Trustees	12,600	13,154
Village Clerk	2,000	2,000
Village Collector	100	100
Village Administrator	106,000	77,186
Department Supervisor	58,572	58,572
Full Time Employees	97,000	73,424
Part Time Employees	28,000	21,489
Contract Services	35,000	42,675
Salary - Liquor Commissioner	1,500	1,500
Salary - Liquor Commissioner, other years	7,500	7,500
Employer FICA & IMRF	45,500	39,911
Office Supplies	9,000	9,147
Data Processing	18,000	16,572
Copier Supplies And Maint.	3,000	3,098
Postage	6,000	4,905
Employee Appreciation	4,000	2,308
Telephone	13,000	15,284
Hrc Expense & Legal Services	2,000	76
Legal Notices	2,500	1,065
News Letter	8,000	-
Code Of Ordinances Expense	3,200	3,001
Dues Subscript. Memberships	15,000	11,644
Legal Services	110,000	156,293
Auditing	50,000	38,690
E-Comm annual expenditure	100,000	54,277
Group Insurance And Hospital	45,000	31,113
Insurance	40,000	21,269
Expenses-Christofanelli	2,000	628
Board Member Training	1,500	-
Utilities	5,000	4,528
Personnel Training	1,500	712
Travel Lodging Meals - Misc.	6,000	4,507
Awards And Memorials	1,500	5,672

(418,053)
 5932.366

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final Budget	Actual
Police And Fire Commission	\$ 11,000	\$ 10,649
Web Site Expense	2,500	690
Gas And Oil	-	1,336
Repair/Maint-Gen Tools/Equip	-	1,160
Repair/Maint Municipal Bldgs.	-	306
Fireworks	9,000	8,850
Economic Incentive Agreemnts	10,000	4,217
Computer-Programs & Equip	40,000	17,681
Railroad Property Rental	1,800	1,639
Engineer Services	30,000	108,885
Homewood Disposal	410,000	418,446
Miscellaneous	3,000	2,382
Total Administration	<u>1,372,272</u>	<u>1,313,368</u>
Building		
Dept Supervisor/Building	56,251	55,708
Full Time Employees	100,000	73,960
Part Time Employees	35,000	29,265
Over-Time Wages	2,000	665
Contract Services	4,500	4,086
Employer FICA & IMRF	16,500	25,456
Employee Benefits	13,300	13,300
Unemployment Insurance	-	10,381
Building Code Hearings	6,000	600
Planning And Zoning	5,000	1,363
Printing And Advertising	3,000	4,102
Office Supplies	3,500	3,768
Copier Supplies And Maint.	1,000	496
Postage	1,000	852
Telephone	4,000	3,406
Dues Subscript. Memberships	1,500	966
Legal Services	3,500	4,259
Legal Fees Zoning	6,000	2,366
Group Insurance And Hospital Insurance	60,000	35,431
Personnel Training	13,000	13,000
Travel, Lodging And Meals	3,000	2,503
Gas And Oil	1,500	494
Repair & Maintenance-Vehicle	3,500	4,457
Computer-Programs & Equip	5,000	4,482
Miscellaneous	2,000	1,481
Total Building	<u>352,051</u>	<u>297,877</u>
Public Works		
Dept Supervisor/Public Works	16,460	15,873
Full Time Employees	140,000	116,320
Part Time Employees	25,000	15,233
Over-Time Wages	25,000	40,553

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final <u>Budget</u>	<u>Actual</u>
Holiday Pay	\$ 15,000	\$ -
Lawn Care Services	18,000	15,087
Employer FICA & IMRF	27,500	36,729
Employee Benefits	4,000	3,972
Unemployment Insurance	-	7,762
Office Supplies	3,500	4,292
Postage	500	306
Telephone	9,000	9,231
Legal Services	1,000	866
Group Insurance And Hospital Insurance	45,000	44,021
Personnel Training	60,000	60,794
Travel Lodging Meals - Misc.	500	854
Physicals	600	47
Gas And Oil	800	1,700
Repair/Maint Communications	15,000	14,997
Repair & Maintenance-Vehicle	500	53
Repair/Maint-Gen Tools/Equip	9,500	44,469
Repair/Maint Municipal Bldg.	4,200	8,043
Maint - Municipal Grounds	20,000	31,835
Purchase-General Tools/Equip	6,000	8,423
Purchases-Personnel Equip	4,500	2,925
Flags	5,000	9,399
Christmas Decorations	1,000	-
July 4th Expenditures	1,600	1,289
Computer-Programs & Equip	8,000	8,335
Lawn Equipment	2,000	-
Purchase Of Vehicles	2,500	3,163
Miscellaneous	25,000	-
Total Public Works	<u>1,000</u>	<u>437</u>
	497,660	507,008
Parks		
Department Supervisor	15,600	15,059
Employer FICA & IMRF	2,329	1,203
Telephone	1,000	-
Utilities	5,000	4,520
Park Program Expenses	41,000	26,745
Youth Football Program	2,500	1,508
Youth Baseball Program	1,000	184
Girls Softball	500	-
Repair/Maint-Gen Tools/Equip	2,000	703
Repair/Maint Municipal Bldgs.	20,000	5,080
Maint - Municipal Grounds	48,000	4,198
Playgroud Equipment	4,000	719

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final <u>Budget</u>	<u>Actual</u>
Bleachers	\$ 1,000	\$ -
Miscellaneous	-	905
Total Parks	<u>143,929</u>	<u>60,824</u>
Police		
Dept Supervisor/Police	70,000	64,950
Full Time Employees	1,445,000	1,150,856
Part Time Employees	23,995	78,345
Over-Time Wages	80,000	123,658
Holiday Pay	50,000	41,607
Contract Services	3,000	529
Employer FICA & IMRF	118,529	121,596
Pension Contributions	210,332	159,845
Unemployment Insurance	-	586
Office Supplies	12,000	8,920
Postage	3,000	2,362
Telephone	12,000	11,897
Dues Subscript. Memberships	2,500	1,909
Legal Services	6,000	52,474
Municipal Systems	9,000	2,664
Group Insurance And Hospital Insurance	240,000	613,618
Insurance	147,000	153,578
Utilities	2,500	1,395
Personnel Training	25,000	8,936
Travel Lodging Meals - Misc.	2,500	775
Public Education Programs	2,200	1,223
Physicals	1,500	1,121
Uniforms	16,000	23,827
Gas And Oil	45,000	44,680
Repair/Maint Communications	30,000	29,407
Repair & Maint. Copy Machine	2,000	1,871
Repair & Maintenance-Vehicle	36,000	22,178
Repair/Maint-Gen Tools/Equip	10,000	6,647
Repair/Maint-Gen Tools/Bldgs.	-	(42)
Purchase-General Tools/Equip	6,500	5,376
Purchases/Police Bld Equip	3,000	650
Purchases-Personnel Equip	2,500	1,381
Police-Alcohol Prevention	-	-
Canine Progam	6,000	3,900
Computer-Programs & Equip	5,000	2,175
Purchase Of Vehicles	25,000	25,095
Communications Equipment	3,000	-
Miscellaneous	<u>2,000</u>	<u>3,816</u>
Total Police	<u>2,658,056</u>	<u>2,773,805</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final <u>Budget</u>	<u>Actual</u>
Fire		
Dept Supervisor/Fire	\$ 75,407	\$ 75,407
Full Time Employees	205,000	203,707
Part Time Employees	24,000	9,637
Over-Time Wages	1,500	845
Paid On Call Fire Personnel	72,000	89,175
Sleep-In-Pay	77,000	59,520
Duty Shift Assignment	48,000	35,630
Contract Services	38,466	35,575
Employer FICA & IMRF	41,506	42,063
Pension Contributions	75,400	71,014
Office Supplies	4,500	3,183
Postage	500	462
Food Service Inspections	300	659
Telephone	6,000	4,318
Dues Subscript. Memberships	750	1,338
Legal Services	1,000	264
Group Insurance And Hospital	45,000	80,450
Insurance	42,000	42,000
Utilities	2,500	1,786
Personnel Training	7,000	11,860
Travel Lodging Meals - Misc	3,000	2,282
Public Education Programs	1,000	1,536
Physicals	2,500	2,979
Uniforms	5,000	5,122
Gas And Oil	13,000	18,551
Station Supplies	3,000	3,819
Fire Dept. Grant Exp.	3,000	5,000
Repair/Maint Communications	2,500	1,378
Repair & Maintenance-Vehicle	20,000	26,546
Maint Hazrd Material Trailer	3,000	3,859
Repair/Maint-Gen Tools/Equip	4,500	2,567
Repair/Maint Medical Equip	4,500	3,873
Maintenance-Station #1	4,500	5,155
Maintenance-Station #2	3,500	3,172
Purchase-General Tools/Equip	6,000	7,716
Purchase Medical Tools/Equip	2,000	332
Purchases-Personnel Equip	2,500	3,111
Rescue Equipment/Scuba	5,000	4,296
Computer-Programs & Equip	3,000	4,101
Purchase Of Vehicles	216,000	215,609
Communications Equipment	1,800	1,300
Miscellaneous	1,500	3,312
Total Fire	<u>1,078,629</u>	<u>1,094,509</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND
 Year Ended April 30, 2006

	Final <u>Budget</u>	<u>Actual</u>
E.S.D.A.		
Dept Supervisor	\$ 1,000	\$ 1,000
Part Time Employees	28,000	24,703
Employer FICA & IMRF	2,180	1,966
Insurance	2,000	1,842
Uniforms	2,500	1,403
Communications	13,500	13,768
Miscellaneous	1,000	-
Total E.S.D.A.	<u>50,180</u>	<u>44,682</u>
Senior Center		
Part Time Employees	7,000	5,752
Employer FICA & IMRF	600	447
Office Supplies	700	-
Telephone	1,000	1,359
Dues Subscript. Memberships	500	124
Utilities	3,000	3,200
Special Events	1,500	345
Miscellaneous	500	153
Total Senior Center	<u>14,800</u>	<u>11,380</u>
Total Expenditures	<u>\$ 6,167,577</u>	<u>\$ 6,103,453</u>

VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2006

	<u>Special Revenue Funds</u>			
	<u>Road and Bridge Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Emergency 911 Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 73,769	\$ 193,058	\$ 99,714	\$ 11,340
Investments	-	-	-	-
Receivables:				
Property Tax Receivable	-	-	276,966	-
Due from Other Governments	-	42,245	-	-
Due from Other Funds	455,000	-	-	-
TOTAL ASSETS	<u>\$ 528,769</u>	<u>\$ 235,303</u>	<u>\$ 376,680</u>	<u>\$ 11,340</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 10,993	\$ 4,208	\$ -	\$ 4,016
Due to Other Funds	35,000	-	-	-
Deferred Property Tax Revenue	-	-	276,966	-
Deferred Revenue	74,159	-	-	-
Total Liabilities	<u>120,152</u>	<u>4,208</u>	<u>276,966</u>	<u>4,016</u>
FUND BALANCE				
Reserved for Debt Service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	408,617	231,095	99,714	7,324
Capital Projects Funds	-	-	-	-
Total Fund Balance	<u>408,617</u>	<u>231,095</u>	<u>99,714</u>	<u>7,324</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 528,769</u>	<u>\$ 235,303</u>	<u>\$ 376,680</u>	<u>\$ 11,340</u>

(Continued)

Police Department Foreiture Fund	Community Development Block Grant Fund	Main Street Tax Increment Financing District Fund	Glenwood-Dyer Road Tax Tax Increment Financing District Fund	Holbrook Road Tax Tax Increment Financing District Fund	Total Nonmajor Special Revenue Funds
\$ 16,132	\$ -	\$ 114,626	\$ 303	\$ 5,426	\$ 514,368
-	-	-	-	-	-
-	-	-	-	-	276,966
-	-	-	-	-	42,245
10,958	-	-	-	-	465,958
<u>\$ 27,090</u>	<u>\$ -</u>	<u>\$ 114,626</u>	<u>\$ 303</u>	<u>\$ 5,426</u>	<u>\$ 1,299,537</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,217
10,958	3,880	-	-	-	49,838
-	-	-	-	-	276,966
-	3,785	-	-	-	77,944
<u>10,958</u>	<u>7,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,965</u>
-	-	-	-	-	-
16,132	(7,665)	114,626	303	5,426	875,572
-	-	-	-	-	-
<u>16,132</u>	<u>(7,665)</u>	<u>114,626</u>	<u>303</u>	<u>5,426</u>	<u>875,572</u>
<u>\$ 27,090</u>	<u>\$ -</u>	<u>\$ 114,626</u>	<u>\$ 303</u>	<u>\$ 5,426</u>	<u>\$ 1,299,537</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 April 30, 2006

	Debt Service Funds			
	Series 1992 Bond Fund	Series 1998A MFT Bond Fund	Series 1998B Village Hall Construction Bond Fund	Total Nonmajor Debt Service Funds
ASSETS				
Cash and Cash Equivalents	\$ 466,241	\$ 40,233	\$ 77,129	\$ 583,603
Investments	-	179,612	260,656	440,268
Receivables:				
Property Tax Receivable	302,918	-	-	302,918
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 769,159</u>	<u>\$ 219,845</u>	<u>\$ 337,785</u>	<u>\$ 1,326,789</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Deferred Property Tax Revenue	302,918	-	-	302,918
Deferred Revenue	-	-	-	-
Total Liabilities	<u>302,918</u>	<u>-</u>	<u>-</u>	<u>302,918</u>
FUND BALANCE				
Reserved for Debt Service	466,241	219,845	337,785	1,023,871
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total Fund Balance	<u>466,241</u>	<u>219,845</u>	<u>337,785</u>	<u>1,023,871</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 769,159</u>	<u>\$ 219,845</u>	<u>\$ 337,785</u>	<u>\$ 1,326,789</u>

(Continued)

Capital Projects Funds

<u>New Village Hall Fund</u>	<u>Road Improvement Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 383,784	\$ 383,784	\$ 1,481,755
-	-	-	440,268
-	-	-	579,884
-	-	-	42,245
-	-	-	465,958
<u>\$ -</u>	<u>\$ 383,784</u>	<u>\$ 383,784</u>	<u>\$ 3,010,110</u>
\$ -	\$ -	\$ -	\$ 19,217
-	-	-	49,838
-	-	-	579,884
-	-	-	77,944
-	-	-	726,883
-	-	-	1,023,871
-	-	-	875,572
-	383,784	383,784	383,784
-	383,784	383,784	2,283,227
<u>\$ -</u>	<u>\$ 383,784</u>	<u>\$ 383,784</u>	<u>\$ 3,010,110</u>

VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2006

	Special Revenue Funds			
	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency 911 Fund
Revenues				
Property Taxes	\$ 22,395	\$ -	\$ 371,394	\$ -
Other Taxes	-	-	-	51,178
Licenses and Permits	109,454	-	-	-
Intergovernmental	-	259,463	-	19,858
Interest	79	381	213	-
Miscellaneous	140	-	-	-
Total Revenues	<u>132,068</u>	<u>259,844</u>	<u>371,607</u>	<u>71,036</u>
Expenditures				
Current:				
Administration	-	-	-	327,752
Police	-	-	-	-
Highways and Streets	82,928	44,539	-	-
Pension Contributions	-	-	356,428	-
Debt Service:				
Principal Retired	-	-	-	-
Interest and Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>82,928</u>	<u>44,539</u>	<u>356,428</u>	<u>327,752</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>49,140</u>	<u>215,305</u>	<u>15,179</u>	<u>(256,716)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	(195,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(195,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	49,140	20,305	15,179	(256,716)
Fund Balances at Beginning of Year	<u>359,477</u>	<u>210,790</u>	<u>84,535</u>	<u>264,040</u>
Fund Balances at End of Year	<u>\$ 408,617</u>	<u>\$ 231,095</u>	<u>\$ 99,714</u>	<u>\$ 7,324</u>

(Continued)

Police Department Foreiture Fund	Community Development Block Grant Fund	Main Street Tax Increment Financing District Fund	Glenwood-Dyer Road Tax Tax Increment Financing District Fund	Holbrook Road Tax Tax Increment Financing District Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 83,615	\$ 221	\$ 5,426	\$ 483,051
-	-	-	-	-	51,178
-	-	-	-	-	109,454
-	14,058	-	-	-	293,379
53	-	223	82	-	1,031
12,500	-	-	-	-	12,640
<u>12,553</u>	<u>14,058</u>	<u>83,838</u>	<u>303</u>	<u>5,426</u>	<u>950,733</u>
-	-	-	-	-	327,752
15,877	-	-	-	-	15,877
-	-	-	-	-	127,467
-	-	-	-	-	356,428
-	-	-	-	-	-
-	-	-	-	-	-
-	14,057	713,394	-	-	727,451
<u>15,877</u>	<u>14,057</u>	<u>713,394</u>	<u>-</u>	<u>-</u>	<u>1,554,975</u>
<u>(3,324)</u>	<u>1</u>	<u>(629,556)</u>	<u>303</u>	<u>5,426</u>	<u>(604,242)</u>
-	-	700,000	-	-	700,000
-	-	-	-	-	(195,000)
-	-	700,000	-	-	505,000
(3,324)	1	70,444	303	5,426	(99,242)
19,456	(7,666)	44,182	-	-	974,814
<u>\$ 16,132</u>	<u>\$ (7,665)</u>	<u>\$ 114,626</u>	<u>\$ 303</u>	<u>\$ 5,426</u>	<u>\$ 875,572</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Year Ended April 30, 2006

	Debt Service Funds			
	Series 1992 Bond Fund	Series 1998A MFT Bond Fund	Series 1998B Village Hall Construction Bond Fund	Total Nonmajor Debt Service Funds
Revenues				
Property Taxes	\$ 447,383	\$ -	\$ -	\$ 447,383
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest	699	12,263	9,618	22,580
Miscellaneous	-	-	-	-
Total Revenues	<u>448,082</u>	<u>12,263</u>	<u>9,618</u>	<u>469,963</u>
Expenditures				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Highways and Streets	-	-	-	-
Pension Contributions	-	-	-	-
Debt Service:				
Principal Retired	440,000	180,000	140,000	760,000
Interest and Charges	30,538	28,208	113,113	171,859
Capital Outlay	-	-	-	-
Total Expenditures	<u>470,538</u>	<u>208,208</u>	<u>253,113</u>	<u>931,859</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,456)</u>	<u>(195,945)</u>	<u>(243,495)</u>	<u>(461,896)</u>
Other Financing Sources (Uses)				
Transfers In	-	195,000	252,363	447,363
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>195,000</u>	<u>252,363</u>	<u>447,363</u>
Net Change in Fund Balances	(22,456)	(945)	8,868	(14,533)
Fund Balances at Beginning of Year	<u>488,697</u>	<u>220,790</u>	<u>328,917</u>	<u>1,038,404</u>
Fund Balances at End of Year	<u>\$ 466,241</u>	<u>\$ 219,845</u>	<u>\$ 337,785</u>	<u>\$ 1,023,871</u>

 Capital Projects Funds

New Village Hall Fund	Road Improvement Project Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 930,434
-	-	-	51,178
-	-	-	109,454
-	-	-	293,379
83	726	809	24,420
-	-	-	12,640
<u>83</u>	<u>726</u>	<u>809</u>	<u>1,421,505</u>
-	-	-	327,752
-	-	-	15,877
-	-	-	127,467
-	-	-	356,428
-	-	-	760,000
-	-	-	171,859
-	-	-	<u>727,451</u>
-	-	-	<u>2,486,834</u>
<u>83</u>	<u>726</u>	<u>809</u>	<u>(1,065,329)</u>
-	-	-	1,147,363
-	-	-	<u>(195,000)</u>
-	-	-	<u>952,363</u>
83	726	809	(112,966)
<u>(83)</u>	<u>383,058</u>	<u>382,975</u>	<u>2,396,193</u>
<u>\$ -</u>	<u>\$ 383,784</u>	<u>\$ 383,784</u>	<u>\$ 2,283,227</u>

VILLAGE OF GLENWOOD, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2006

<u>Special Revenue Funds</u>						
	Road and Bridge Fund		Motor Fuel Tax Fund		Illinois Municipal Retirement Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Property Taxes	\$ 12,000	\$ 22,395	\$ -	\$ -	\$ 354,000	\$ 371,394
Licenses and Permits	125,000	109,454	-	-	-	-
Intergovernmental	-	-	265,000	259,463	-	-
Interest	500	79	500	381	50	213
Miscellaneous	200	140	-	-	-	-
Total Revenues	<u>137,700</u>	<u>132,068</u>	<u>265,500</u>	<u>259,844</u>	<u>354,050</u>	<u>371,607</u>
Expenditures						
Current:						
Administration	-	-	-	-	-	-
Highways and Streets	140,000	82,928	96,000	44,539	-	-
Pension Contributions	-	-	-	-	354,000	356,428
Debt Service:						
Principal Retired	-	-	-	-	-	-
Interest and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>140,000</u>	<u>82,928</u>	<u>96,000</u>	<u>44,539</u>	<u>354,000</u>	<u>356,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,300)</u>	<u>49,140</u>	<u>169,500</u>	<u>215,305</u>	<u>50</u>	<u>15,179</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(205,458)	(195,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(205,458)</u>	<u>(195,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,300)</u>	<u>49,140</u>	<u>\$ (35,958)</u>	<u>20,305</u>	<u>\$ 50</u>	<u>15,179</u>
Fund Balances at Beginning of Year		<u>359,477</u>		<u>210,790</u>		<u>84,535</u>
Fund Balances at End of Year		<u>\$ 408,617</u>		<u>\$ 231,095</u>		<u>\$ 99,714</u>

(Continued)

Debt Service Funds									
Community Development Block Grant Fund		Main Street Tax Increment Financing District Fund		Series 1992 Bond Fund		Series 1998A MFT Bond Fund		Series 1998B Village Hall Construction Bond Fund	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 150,000	\$ 83,615	\$ 465,330	\$ 447,383	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
44,000	14,058	-	-	-	-	-	-	-	-
-	-	-	223	500	699	-	12,263	-	9,618
-	-	-	-	-	-	-	-	-	-
44,000	14,058	150,000	83,838	465,830	448,082	-	12,263	-	9,618
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	435,000	440,000	180,000	180,000	140,000	140,000
-	-	-	-	30,330	30,538	27,458	28,208	112,163	113,113
44,000	14,057	101,500	713,394	-	-	-	-	-	-
44,000	14,057	101,500	713,394	465,330	470,538	207,458	208,208	252,163	253,113
-	1	48,500	(629,556)	500	(22,456)	(207,458)	(195,945)	(252,163)	(243,495)
-	-	-	700,000	-	-	-	195,000	-	252,363
-	-	-	-	-	-	-	-	-	-
-	-	-	700,000	-	-	-	195,000	-	252,363
\$ -	1	\$ 48,500	70,444	\$ 500	(22,456)	\$ (207,458)	(945)	\$ (252,163)	8,868
	(7,666)		44,182		488,697		220,790		328,917
\$	(7,665)	\$	114,626	\$	466,241	\$	219,845	\$	337,785

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES
 BUDGET AND ACTUAL
 WATER AND SEWER FUND
 For the Year Ended April 30, 2006

	<u>Budget</u>	<u>Actual</u>
Operating Expenses		
Dept Supervisor	\$ 31,000	\$ 15,335
Full Time Employees	300,000	247,238
Part Time Employees	25,000	11,965
Over-Time Wages	30,000	43,329
Holiday Pay	40,000	-
Contract Services	-	2,247
Lawn Care Services	16,000	13,839
Employers FICA & IMRF	52,943	60,598
Employee Benefits	7,376	7,376
Unemployment Insurance	-	866
Printing And Advertising	2,000	2,266
Office Supplies	3,500	1,672
Data Processing	20,000	-
Postage	5,500	6,026
Telephone	13,000	13,162
Water/Sewer System Alarms	5,000	1,646
Dues, Subscriptions, Memberships	1,000	342
Legal Services	7,000	1,677
Group Insurance And Hospital	50,000	71,740
Insurance	123,000	123,000
Utilities	8,000	10,126
Personnel Training	1,000	18,443
Travel Lodging Meals - Misc	1,000	231
Public Education Programs	2,500	-
Physicals	1,500	657
Gas And Oil	20,000	13,132
Energy For Pumping	50,000	36,238
Chemicals	3,000	3,684
Repair/Maint Communications	1,000	-
Repair/Maint - Water System	150,000	88,549
Repair & Maintenance-Vehicle	15,000	6,939

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES
 BUDGET AND ACTUAL
 WATER AND SEWER FUND
 For the Year Ended April 30, 2006

	<u>Budget</u>	<u>Actual</u>
Repair/Maint-Gen Tools/Equip	\$ 7,000	\$ 11,233
Repair/Maint Municipal Blds.	20,000	7,695
Maint - Municipal Grounds	10,000	4,196
Repair/Maint - Sewer System	150,000	64,583
Repair/Maint - Elevated Tank	250,000	-
Purchase-General Tools/Equip	8,000	1,773
Purchase-Personnel Equip	6,000	10,719
Water Purchases/Chicago Heights	250,000	233,007
Water System Improvement	200,000	70,306
Computer-Programs & Equip	20,000	2,997
O & M - Chicago Heights	35,000	27,484
Purchase Of Vehicles	50,000	23,750
Engineering Services	3,000	152
Communications Equipment	1,600	-
Debt Service/Chicago Heights	150,000	143,461
Homewood Disposal	-	4,166
Miscellaneous	1,000	209
Total	<u>2,146,919</u>	<u>1,408,054</u>
Depreciation Expense	<u>-</u>	<u>202,751</u>
Total Operating Expenses	<u>\$ 2,146,919</u>	<u>\$ 1,610,805</u>

VILLAGE OF GLENWOOD, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 April 30, 2006

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 96,339	\$ 283,781	\$ 380,120
Investments	<u>5,037,419</u>	<u>1,181,550</u>	<u>6,218,969</u>
TOTAL ASSETS	<u>\$ 5,133,758</u>	<u>\$ 1,465,331</u>	<u>\$ 6,599,089</u>
NET ASSETS			
Plan Net Assets Held in Trust for Pension Benefits	<u>\$ 5,133,758</u>	<u>\$ 1,465,331</u>	<u>\$ 6,599,089</u>

VILLAGE OF GLENWOOD, ILLINOIS

COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
Year ended April 30, 2006

	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 159,845	\$ 71,014	\$ 230,859
Plan Members	<u>130,027</u>	<u>19,816</u>	<u>149,843</u>
Total Contributions	<u>289,872</u>	<u>90,830</u>	<u>380,702</u>
Net Investment Income	<u>566,599</u>	<u>68,011</u>	<u>634,610</u>
Total Additions	<u>856,471</u>	<u>158,841</u>	<u>1,015,312</u>
DEDUCTIONS			
Benefits & Refunds	341,300	34,900	376,200
Administrative Expenses	<u>137,446</u>	<u>4,450</u>	<u>141,896</u>
Total Deductions	<u>478,746</u>	<u>39,350</u>	<u>518,096</u>
Increase (Decrease) in plan net assets	377,725	119,491	497,216
Plan Net assets at Beginning of Year	<u>4,756,033</u>	<u>1,345,840</u>	<u>6,101,873</u>
Plan Net assets at End of Year	<u>\$ 5,133,758</u>	<u>\$ 1,465,331</u>	<u>\$ 6,599,089</u>

VILLAGE OF GLENWOOD, ILLINOIS
SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
YEAR ENDED APRIL 30, 2006

Workers' Compensation	\$	168,822
Auto/General Liability		266,157
Unemployment		<u>20,655</u>
Total Tort Immunity Purposes Expenditures	\$	<u><u>455,634</u></u>

Since the Village levies the property taxes for tort immunity/liability purposes, as required by Public Act 91-068 passed by the Illinois General Assembly, the City is including the above list of tort immunity purposes expenditures in its annual financial report.

The Village's tax extension for liability insurance purposes for tax year 2005 as levied by Cook County was \$312,090. Any shortfall to cover expenditures in excess of taxes collected is derived from other general fund revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

VILLAGE OF GLENWOOD, ILLINOIS

Schedule of Assessed Valuations, Tax Rates and Extensions
Last Five Tax Years

	2005	2004	2003	2002	2001
Tax Rates (per \$100 of assessed valuation):					
Corporate	0.1570	0.1368	0.2459	0.2201	0.3770
Playgrounds and recreation	0.0000	0.0000	0.0000	0.0000	0.0233
Auditing	0.0428	0.0416	0.0341	0.0354	0.0375
Liability Insurance	0.2596	0.2883	0.2755	0.2850	0.1699
Workers' compensation	0.1405	0.1552	0.1484	0.1535	0.0728
Unemployment compensation	0.0214	0.0139	0.0224	0.0110	0.0057
Police Protection	0.5825	0.5746	0.5664	0.4992	0.5980
Crossing Guards	0.0206	0.0216	0.0218	0.0214	0.0316
Fire Protection	0.2613	0.2353	0.2065	0.1904	0.2285
Civil Defense	0.0154	0.0167	0.0175	0.0175	0.0208
Police Pension	0.1804	0.1854	0.1805	0.1353	0.1547
Fire Pension	0.0646	0.0665	0.0561	0.0552	0.0631
I.M.R.F.	0.3033	0.3748	0.2953	0.2689	0.2595
Debt Service	0.7675	0.4459	0.4650	0.5126	0.5807
Totals	<u>2.8169</u>	<u>2.5566</u>	<u>2.5354</u>	<u>2.4055</u>	<u>2.6231</u>
Tax extensions:					
Corporate	\$ 188,767	\$ 152,287	\$ 260,992	\$ 236,998	\$ 341,443
Playgrounds and recreation	-	-	-	-	21,115
Auditing	51,500	46,350	36,050	38,110	33,990
Liability Insurance	312,090	320,891	291,226	306,832	153,861
Workers' compensation	168,920	172,788	156,814	165,220	65,941
Unemployment compensation	25,750	15,450	23,690	11,845	5,150
Police Protection	700,400	639,587	598,718	537,518	541,638
Crossing Guards	24,715	23,995	23,072	23,072	28,603
Fire Protection	314,150	261,908	218,239	204,988	206,999
Civil Defense	18,540	18,540	18,540	18,849	18,849
Police Pension	216,813	206,342	190,780	145,719	140,115
Fire Pension	77,660	73,962	59,296	59,445	57,159
I.M.R.F.	364,620	417,150	312,090	289,521	235,087
Debt Service	922,583	496,322	491,466	551,883	525,961
Totals	<u>\$ 3,386,508</u>	<u>\$ 2,845,572</u>	<u>\$ 2,680,973</u>	<u>\$ 2,590,000</u>	<u>\$ 2,375,911</u>
Collections	<u>\$ 1,135,831</u>	<u>\$ 2,663,793</u>	<u>\$ 2,541,793</u>	<u>\$ 2,655,108</u>	<u>\$ 2,502,872</u>
Percent Collected	<u>33.54%</u>	<u>93.61%</u>	<u>94.81%</u>	<u>102.51%</u>	<u>105.34%</u>

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
APRIL 30, 2006

	Year Ending April 30,	Principal	Interest	Total
Refunding Bonds Series 2002	2007	\$ 445,000	\$ 22,065	\$ 467,065
Dated: October 1, 2002	2008	450,000	11,830	461,830
Interest payable: June 1 and December 1 of each year		<u>\$ 895,000</u>	<u>\$ 33,895</u>	<u>\$ 928,895</u>
Interest rates: 1.50% to 2.25%				
Series 1998A	2007	\$ 190,000	\$ 23,903	\$ 213,903
Dated: September 15, 1998	2008	195,000	16,303	211,303
Interest payable: April 1 and October 1 of each year	2009	205,000	8,405	213,405
Interest rates: 3.75% to 4.65%		<u>\$ 590,000</u>	<u>\$ 48,611</u>	<u>\$ 638,611</u>
Series 1998B	2007	\$ 145,000	\$ 109,598	\$ 254,598
Dated: September 15, 1998	2008	155,000	103,798	258,798
Interest payable: April 1 and October 1 of each year	2009	160,000	97,520	257,520
Interest rates: 3.75% to 4.65%	2010	165,000	90,960	255,960
	2011	170,000	84,113	254,113
	2012	180,000	76,888	256,888
	2013	185,000	69,148	254,148
	2014	195,000	61,008	256,008
	2015	205,000	52,233	257,233
	2016	215,000	42,905	257,905
	2017	225,000	33,015	258,015
	2018	235,000	22,553	257,553
	2019	250,000	11,625	261,625
		<u>\$ 2,485,000</u>	<u>\$ 855,364</u>	<u>\$ 3,340,364</u>
Dated: March 1, 2003		\$ 1,265	\$ 433	\$ 1,698
Principal and Interest payable		1,054	361	1,415
monthly at an interest rate of 5.00%		<u>\$ 2,319</u>	<u>\$ 794</u>	<u>\$ 3,113</u>
Dated: August 1, 2003	2007	\$ 150,077	\$ 14,634	\$ 164,711
Principal and Interest payable	2008	154,805	9,906	164,711
annually March 1	2009	159,681	5,030	164,711
Interest rate:		<u>\$ 464,563</u>	<u>\$ 29,570</u>	<u>\$ 494,133</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
 APRIL 30, 2006

	Year Ending April 30,	Principal	Interest	Total
Bonds Series 2001	2007	\$ 120,000	\$ 291,488	\$ 411,488
Dated: May 1, 2001	2008	125,000	286,688.00	411,688
Interest payable:	2009	130,000	281,563	411,563
June 1 and December 1	2010	140,000	276,103	416,103
Interest rates: 3.0% to 5.38%	2011	145,000	270,083	415,083
	2012	150,000	263,703	413,703
	2013	155,000	256,953	411,953
	2014	165,000	249,823	414,823
	2015	170,000	242,068	412,068
	2016	180,000	233,908	413,908
	2017	190,000	225,088	415,088
	2018	200,000	214,638	414,638
	2019	210,000	203,638	413,638
	2020	220,000	192,088	412,088
	2021	235,000	179,988	414,988
	2022	245,000	167,063	412,063
	2023	260,000	154,200	414,200
	2024	275,000	140,550	415,550
	2025	290,000	126,113	416,113
	2026	300,000	110,888	410,888
	2027	320,000	95,138	415,138
	2028	335,000	77,938	412,938
	2029	350,000	59,931	409,931
	2030	370,000	41,119	411,119
	2031	395,000	21,231	416,231
		<u>\$ 5,675,000</u>	<u>\$ 4,661,991</u>	<u>\$ 10,336,991</u>

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
APRIL 30, 2006

	Year Ending April 30,	Principal	Interest	Total
Installment Contract				
Dated: June 1, 2001	2007	\$ 12,885	\$ 437	\$ 13,322
Principal and Interest payable monthly at an interest rate of 5.90%		<u>\$ 12,885</u>	<u>\$ 437</u>	<u>\$ 13,322</u>
Installment Contract				
Dated: February 3, 2003	2007	\$ 55,165	\$ 3,201	\$ 58,366
Principal and Interest payable monthly at an interest rate of 5.00%	2008	56,381	739	57,120
		<u>\$ 111,546</u>	<u>\$ 3,940</u>	<u>\$ 115,486</u>
Installment Contract				
Dated: April 7, 2003	2007	\$ 28,474	\$ 1,551	\$ 30,025
Principal and Interest payable monthly at an interest rate of 3.47%	2008	29,244	549	29,793
		<u>\$ 57,718</u>	<u>\$ 2,100</u>	<u>\$ 59,818</u>



Crowe Chizek and Company LLC
Member Horwath International

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Glenwood, Illinois

We have examined the Village of Glenwood, Illinois', (the Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2006. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

Our examination disclosed the following noncompliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2006. The Village did not submit the required annual report in a timely manner for the State of Illinois. As required by the Illinois Tax Increment Redevelopment Allocation Act, the Village is required to submit the annual report for all of its TIF's to the State of Illinois within 180 days of the end of the Village's fiscal year.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2006.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Oak Brook, Illinois
December 22, 2006